

# Management performance control as a part of the company development strategy

A Master's Thesis submitted for the degree of  
"Master of Business Administration"

supervised by

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## Affidavit

I, **ALBERT LAPKA**, hereby declare

1. that I am the sole author of the present Master's Thesis, "MANAGEMENT PERFORMANCE CONTROL AS A PART OF THE COMPANY DEVELOPMENT STRATEGY", 72 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and
2. that I have not prior to this date submitted this Master's Thesis as an examination paper in any form in Austria or abroad.

Vienna, 26.09.2014

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Signature

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# 1 LISTS

## 1.1 List of abbreviations

HR	Human Resources
MAV	Matador automotive Vráble (serial production)
MH	Matador Holding
MID	Matador Industries Dubnica (customized production)
OEM	Original Equipment Manufacturer
R&D	Research and Development

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## **2 Abstract**

Today, the automotive industry has a need to focus on continuous improvement of performance management through motivation. In my master thesis I will analyze the motivational factors from the perspectives of different management levels that can lead to an increase of management performance. The analytical part consists of a questionnaire survey. I will compare the motivational structure of two different segments of automotive production - serial production and customized machinery production. To achieve the goals it is necessary to detail the common knowledge regarding the Management Performance Control. Research shows that except of money employees are motivated by: Improved qualification (around 56%), Teamwork (around 52%), Self-realization (around 45%), Status and Recognition (around 38%). In serial production, employees are motivated by increased Qualification. Such methodes, also according to several HR theories mentioned in this thesis, help to increase the employees performance without any capital investments.

### **3 Introduction and literature review**

This thesis is divided into 3 main parts. In the first part (chapters 4, 5,6) I will focus on introducing the key terms and definitions and look into relationships between them. In this part I also explain the methodology used and a description of the company surveyed. In the second part (chapters 7,8,9) I will focus on expelling and looking into motivation in more details. In Chapter 7, I will analyze surveyed company as a whole and in chapter 8, I will compare serial vs. custom production. Subsequently, in Chapter 9 I will discuss the results of the master thesis. In the following part (chapters 10,11) I will answer on the hypothesis and summarize the results of the research.

#### **3.1 Background of the problem**

Considering the conditions of an increased competitive environment in the auto industry among the Triad the European suppliers to the automotive industry have the necessity to focus on constant increase of management performance as a trigger of added value in their outputs and customer relations. The European Union is currently still the technological leader among the Triad and it is important to keep this advantage. This need is clearly stated in various frame programs e.g. Horizon 2020 supported particularly in the program CARS 2020. However, it is necessary to improve internal communication between international R&D centers, OEM's and their supplier networks.

The finite raw material resources of the European Union are by far lower in comparison to the other two Triad areas. This fact is even emphasizing the importance of value-adding work content and high management performance. In my master thesis I will analyze the motivational factors from the perspectives of different management levels that can lead to an increase in management performance. I will conduct my evaluation in two different automotive production segments.

### **3.2 Significance of the problem and research motivation**

As the production companies in the automotive industry have to make large capital expenditures and operate with low margins, squeezed by the strong competitive environment, they also have to seek for ways how to keep and develop a highly performing and motivated team without increase of operative expenditures in human resources.

The aim of my research is to find the most effective methods to increase the company performance by maximal deployment of all available human resources without an increase in capital expenditures. As an empirical base I will use the motivational structure of two companies operating in a different automotive production segments. A serial production and a customized machinery production companies will be compared in terms of motivation of employees and their performance.

For the validation of my research I will use the empirical study I have conducted in two separate companies of the Matador group. The Matador group consists of different entities. In my research I will focus on two daughter companies located in Slovakia. The first one is Matador Industries Dubnica (MID) - a machine production company with three different strategic business units and approx. 430 employees. The whole production portfolio of MID is customized. It consists of machinery, tools and automation products - no serial production. The second company is Matador automotive Vrábce (MAV) - a typical serial producer of stamped and welded body parts with approx. 800 employees. These companies cooperate in the field of technical support mainly in automation and tooling. However, the companies are generally two separate entities.

As MID and MAV operate in different business models they subsequently require some different motivational approaches and methods. In this thesis I will evaluate the motivational approaches of both production segments to their employees.

### **3.3 Objectives of the research**

Main objectives:

- Identification of the differences in the motivational factors of employees and managers in serial production versus customized production.
- Analysis of the performance management based on the communication quality, communication clarity, quality of the feedback on the job.
- Comparison of the currently established motivational structures, HR processes and systems in the serial production unit versus the customized engineering production structure.

Sub-objectives:

Verification in the evaluation whether/how the employees and managers:

- Understand the goals/KPI's of their company.
- Understand the link of their individual goals/KPI's to the goals/KPI's of the entire company.
- Have a sufficient feedback on their work/results. If yes, how does the quality and frequency of their feedback support their performance.

And verification

- How do the employees review their managers based on the quality of the received feedback.
- Which aspects motivate employees and managers to higher performance and which of those are most important to them.

### **3.4 Hypotheses statements**

In this Master's Thesis, I will try to answer the following hypotheses:

1. The company performance can be significantly increased by implementation of specific HR methods both in serial and customized industrial production without an increase in capital expenditures.
2. The specific motivational factors influencing the management performance can differ in the serial production in comparison to customized production.

## **4 Definition of Management performance control**

In my research I will analyse the performance and motivation of employees of two production companies active in two different production segments. My goal is to identify whether it is possible to increase the performance of the employees with no additional capital expenditures and to figure out the differences in the motivational factors of employees working in different production segments within one production holding (MH). In the following chapter I will introduce both terms motivation and performance.

### **4.1 Motivation & Performance**

The primary requirements of the job satisfaction may include salary, fair pay system, a real opportunity to promotion, considerate and participatory governance, a sufficient degree of social interaction at work, interesting and varied role and a high degree of control over the pace and methods of work. Satisfaction of individuals, however, depends largely on their own needs and expectations, and the environment in which they work. However, research has not shown any significant positive link between satisfaction and performance. Satisfied worker is not necessary a great workhorse and a great workhorse is not necessary satisfied worker. Some people say that good performance begets satisfaction more than anything else, but their claim was not proved (Amstrong, 1999).

Motivational function of evaluating job performance is at two levels: individual and organizational. If the ratings have an incentive nature, it is necessary to be impersonal, direct, factual, specific and timely. An important requirement is that the employee felt that his performance and other performances are accurately and fairly evaluated. (Bajzikova et al., 2006) Motivational function depends on the individual assessment methods. Participatory methods in which the employee is evaluated during the evaluation interview, have a higher incentive effect because employees have the opportunity to understand their strengths and weaknesses as well as the steps in which the evaluation results. If the performance evaluation system is linked to other functions of human resources management, employees have the opportunity to understand the system under which the organization makes decisions that support their perceptions of procedural and distributive justice in the

organization (Hollenbeck et al., 1997). In any case, we should not forget that they want to be assessed and want to know how they work. Evaluating work performance and management system in the first place allows you to internally create a fair assesment system (Amstrong, 1999). If it is designed to be valid and reliable (applicable to all evenly), and to minimize mistakes, it may allow the managers and the organization to introduce a point of justice. In the next chapter I will explain Performance Managment and then how Performance Managment influences the Motivation.

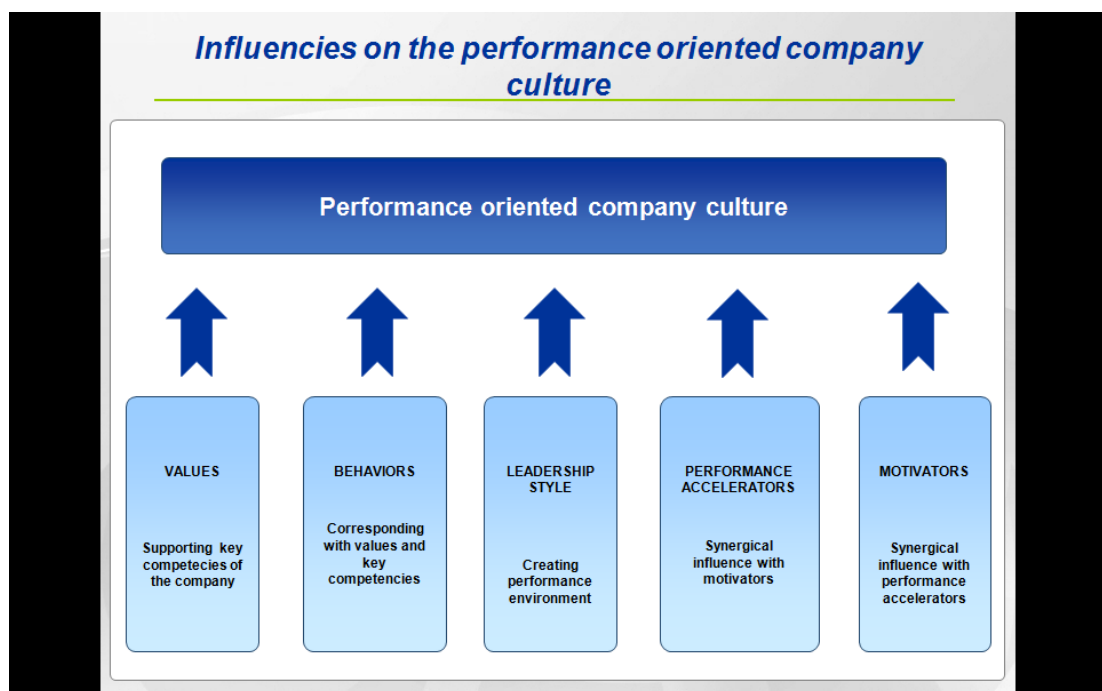
## **4.2 Performance Management**

Management performance is one of the four basic functions of human resource management. It consists of activities which makes certain that objectives of the entities will be consistently met in an effective and efficient way. In addition to management, in job performance there are following functions such as remuneration, training and career development of employees. The effective management of job performance is necessary in order to evaluate job performance linked to these three functions. Management of job performance is focused on two levels: the level of employee and the level of organization. At the level of individual employees, this can mean e.g. analysis of training need and development decisions on changes in employee careers, or implementation of variable remuneration based on performance ensuing from the data obtained by job performance evaluation. At the level of the measurement of the performance of work under the rules of remuneration and education, as well as a basis for re-analysis of the work and design work process (Milkovich, 1997). Management performance as a concept began to emerge in the literature in the late eighties and can be regarded as a form of extended evaluation of job performance. Currently, the evaluation of performance is considered as one of the key elements of performance management together with communication strategy of the organization, the objective setting, links to education, development planning and remuneration. Performance management is the process by which managers can ensure that the actions, practices and performances of employees are in accordance with the objectives of the organization.

Performance management becomes a key activity to human resources to create a competitive advantage for the organization (Hollenbeck et al., 1997). Management

of job performance must be based on the strategy of the organization and reflect both its long and short term goals as well as organizational culture. At the same time, it is necessary to rely on the skills and abilities of evaluated employees. The data obtained from this process are of value for the organisation. In short, it is possible to characterize the evolution of thinking in evaluating job performance as a shift of focus from the individual to work and again recently on the individual. Evaluating job performance is the area of human resources management, which over the past sixty years, systematically developed. „This increased focus on performance at all levels in an organisation arises from the pressures of globalisation and the associated requirement to create competitive advantage in order to survive in an international market place.“ (Lucas et al., 2006).

Picture 1: Influencies on the performance oriented company culture



Source: Own processing

#### **4.2.1 Job performance**

The primary objective of evaluating job performance is to measure performance of employees. It is therefore important to pay attention to what forms part of job performance as perceived performance in the organization and how it relates to the strategic goals of the organization. For existing organizations, communication must take place with all stakeholders. Harris/Cole (2007) states, communication is a two way process, sharing of thoughts, feelings and opinions. Employees can contribute more effectively when they understand their work with a sense of mission and strategy of the organization. If employees know why something needs to be done before they are willing to accept what needs to be done.

Work performance is the degree to which employees meet the requirements of the service. There are two types of performance: a task based and contextual (Milkovich, 1997).

The task performance is directly related to the technical side of the organization, such as manufacture, purchase, sell products, provision of the customer service. These are activities directly related to the organization's mission. Contextual performance includes broader organizational, social and psychological conditions in which there is a technical site performance (Motowildo et al., 1997). Job performance consists of several components: behavioral, episodic, and multidimensional assessment.

- a) Behavioral performance reflects what people do at work, but also the psychological processes in the individual. Conduct of the employees can have a positive or negative impact on himself, on other employees or the entire organization. Therefore, many methods of evaluating work performance, focus not only on the work, but also on acts of employee behavior (Motowildo et al., 1997).
- b) Episodic component assumes that the working behavior of the employee is not continuous, but segmented. Only the performance of individual segments contribute to the achievement of organizational goals, while the employee

does during the working day things that are not directly benefit for the organization (Motowildo et al., 1997).

- c) The evaluation component assumes that the behavior of different segments by employees have different contribution to the organization and its overall objectives (Motowildo et al., 1997).
- d) Multidimensional component means that on an individual level performance affects too many factors, such as personality characteristics and traits of employees, or their attitudes towards the organization (Motowildo et al., 1997).

Individual differences in the task and contextual performance. Individual performance and quality of work also affects individual factors such as abilities, skills and work knowledge. An employee who does not work with that appropriate experience, is a weaker performer than the one who is familiar with the work, carried out for a longer period. Other direct effects on job performance are (Folan et al., 2005):

- Declarative knowledge - knowledge of facts, principles, and practices that can measure and evaluate (eg. Tests knowledge).
- Procedural knowledge and skills - indicate the ability to do exactly what should be done. It's a combination that the employee knows what to do and also its ability to actually do. Includes cognitive skills, psychomotor skills, interpersonal skills, and physical skills.
- Motivation - is to make some effort
- Declarative and procedural knowledge are influenced by differences in the features of personality, cognitive abilities, interests and abilities of individuals with acquired experience and education. Cognitive abilities are more tied to the performance of the task component, while personal characteristics are more tied to contextual performance.

Quality is about people, because they are the people who make up the quality. Kanji (1995) in his study indicates, that in order to motivate people within an organization the leadership must consider job rotation as one of the most important management strategies.

### **4.3 Motivation**

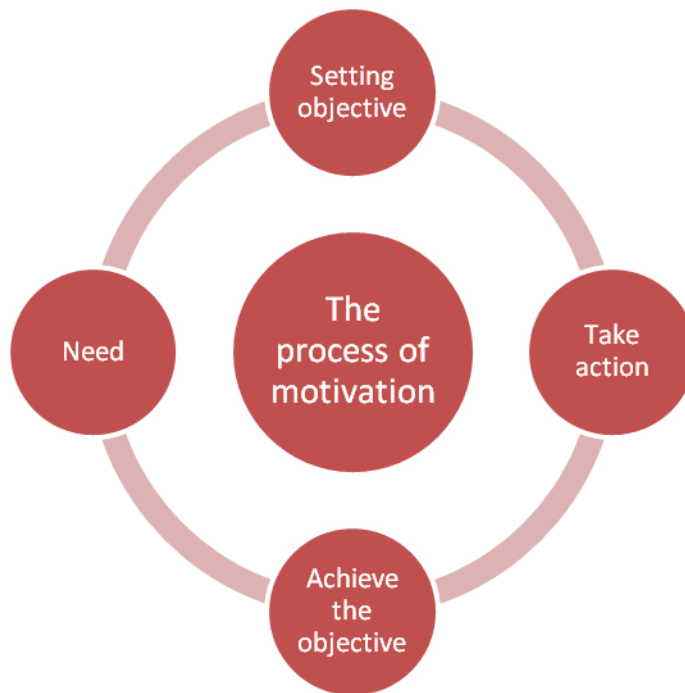
All companies are interested in motivation as they should achieve a high level of performance people. This means paying more attention to the most appropriate way to motivate people using such tools as various incentives, rewards, leadership and create a motivating environment and motivational processes that help to motivate subject to achieve the results corresponding expectations of management (Pinder, 1984).

Motivation theory examines how motivated are the individuals. The theory explains why the people at work behave in a certain way and set efforts in a particular direction.

#### **4.3.1 The process of motivation**

Motivation is derived from goal-oriented behavior. It concerns the strength and direction of behavior. The motivation occurs when people expect a certain action is likely to lead to the achievement of a purpose and valued rewards (suit individual needs). Well-motivated people have clearly defined objectives and take steps from which they expect to lead to this end.

Picture 2: The process of motivation



*Source: Armstrong, M. (1999). Personální management. Grada Publishing.*

The process of motivation can be shown schematically (Picture 1). It is a model related to the needs and suggests that motivation is initiated by conscious or involuntary finding unmet needs. The need to establish desire to achieve something or get something. Then the set objectives, which is believed to satisfy these needs and wants. Subsequently, the chosen path, which is expected to lead to the achievement of the objectives set. If a target has been achieved, the need is satisfied, and it is likely that the behavior that led to the goal, the next time you repeat the event that appears similar need. If the target has not been achieved, it is less likely that the same steps will be repeated in future. This model describes a simplicity, as there is motivation of the individual. It is based on motivational theories regarding the needs, goals and expectations.

#### 4.3.2 Internal and external motivation

The work motivation can occur in two ways. In the first case, people motivate themselves by finding, present and perform even work that meets their needs, or at least leads to meet its (expected) objectives. In the latter case, people may be motivated management through such methods as pay, promotion, praise, etc. (Amstrong, 1999).

The two types of motivation can be characterized as (Bedrnova et al., 1998):

- *Internal motivation* - factors that people themselves create and affect them, pursuing a certain direction. These factors constitute liability. The employees feel that work is important and that the employer has a control over their own options, freedom to act, the opportunity to use and develop skills and abilities, interesting and challenging work and opportunities to functional process. Armstrong (2009) argues that the internal motivators dealing with "quality of working life", are likely to have a deeper and longer-term effect, because they are an integral part of individuals and their work.
- *External motivation* - what is done in humans so that the employer motivates them. It consists of rewards (Increasing salary, praise, promotion, etc.), but also punishments (disciplinary action, denial of salary, criticism, etc.).

External motivators can have an immediate and significant effect, but do not necessarily act in the long term. Internal motivators concerning the quality of working life, will have about a deeper and long-term effect, because they are part of the individual and not forced upon him from outside (Amstrong, 1999).

#### 4.3.3 Theory of motivation

The process of motivation is based on more than one theory of motivation, which attempt to explain in more detail what that motivation is. The theory is multiplied over the years and expanded. Some of them, such as a little primitive theory (Instrumentality). Popular and influential theory of motivation treated Maslow (1954) and Herzberg (1957). Over the years a number of other important and compelling

theories were formed. These theories allow us to be aware of the complexity of the process of motivation and vanity belief that there is not any simple or quick answer to how to motivate someone. The right conditions to motivate management are fair remuneration and conditions, comfortable and safe working environment; opportunities for employees to socialize and make friends. Clearly defined job responsibilities and objectives, opportunities for education and training as well as employment opportunities (Armstrong, 1999).

The following section describes the main theories of motivation:

- *Instrumentality*
- *Content theory*
- *Process theory*

### ***Instrumentality***

According to the Instrumentality theory rewards or punishments serve as a means of ensuring that people behave or act in a desirable way. This theory believes that the person will be motivated to work if rewards and Punishments will be directly linked to its exercise. Especially, if the rewards are dependent on actual performance. Instrumentality theory has its roots in Taylor's scientific management methods (1911). He wrote: "It is impossible for workers to work a long time more powerful (than the average person in their area) if they have not bring significant and permanent increase their cash rewards".

### ***Content theory***

Motivation is concerned with the taking of action in order to meet needs. It identifies the main needs that influence behavior. Also known as the theory of needs. Among the authors of this theory include Maslow (1954) and Herzberg et al. (1957).

Maslow's theory is a theory focused on the content, which is also called the theory of needs. Maslow's hierarchy of needs is divided into five groups (Maslow, 1954):

1. Physiological - the need for oxygen, food, water and sex.
2. Certainty and safety - the need to protect against danger and lack of physiological needs.
3. Social - need love, friendship and acceptance as a member of the group.
4. Recognition - the need to have stable and high evaluation of yourself (self-esteem) and to be respected by others (prestige).

5. Self-fulfillment (self-fulfillment) - need to develop the skills and abilities to be the one in which a person believes that it is capable of becoming.

Maslow's theory of motivation argues that, meet the lower needs leads to the individual attention focused on meet the higher needs. The need for self-realization can not ever be satisfied. Maslow said that "person is an animal with the wishes" only unmet need may motivate behavior and dominant need is a fundamental motivator of behavior. The psychological development occurs in that people move up the hierarchy of needs, but it is not necessary rectilinear development (Armstrong 1999).

ERG theory (Existence needs - E, Relationship - R, and Growth - G) is formulated by Aldefere. His reduced system needs only three needs:

- Existential needs (material and physiological needs) .
- Relationship needs (relations to the people: anger and hatred as well as love and friendship).
- Growth needs (individual creative work on yourself and on your area)

Alderfer (1972) denied hierarchy of needs. Needs not to sectioned the higher and lower.

### ***Process theory***

The psychological processes affect motivation and related expectations, objectives and perceptions of justice (Armstrong 1999). Process theory (cognitive theory) can be undoubtedly useful for managers as theory needs because they provide a more realistic guide to methods of motivating people. Relevant processes are (Guest, 1987):

- Expectation (Expectation theory)
- Achievement of goals (Goals theory)
- Perceptions of justice (Theory of Justice)

### ***Expectation theory:***

According to Vroom's theory (1964), it is possible only when there is a clearly perceptible and usable relationship between the conduct and outcome (reward) and if the result is considered as a tool to meet the needs . This explains why intrinsic motivation may be stronger than extrinsic motivation. Because the results are more in control of individual. According to Armstrong some form of wages or bonuses only work if the link between effort and reward is clear. Intrinsic motivation resulting from the work itself may therefore be stronger than extrinsic motivation (Armstrong 1999).

### ***Goal theory***

The main task of a leader is to influence the group to achieve the objectives of the group (Harris/Cole, 2007). Adair (2004) argues that effective leadership is about understanding and sharing common goal and building teamwork, which we all feel the same awards. The Goal theory argues that motivation and performance are higher when individuals are set specific objectives (Latham/Lock, 1979). And if these objectives are ambitious, but feasible, and if there is a response (feedback) on performance. Individual participation is important to set a target because it is a tool to get approval for setting higher goals. This theory is linked with the concept of management by objectives, derived from the sixties. It often did not work, because it was used bureaucratically, without that would be provided to the workers in the actual support (Armstrong, 1999).

### ***Theory of justice***

Adams' theory (1965) of justice is concerned with the perception of how the people perceive they are treated comparing to other people. Fair treatment means that the person, who has acted in some way, will be treated in the same way as another group of people (reference group) or another person. Theory of justice is in fact claiming that people will be more motivated, if they are treated fairly.

For the current trends in management development is characteristic approach to the management of human resources. It is based on the knowledge that only a satisfied workforce may involve the productive labor. Quality of working life as an indicator of the satisfaction of the workforce thus a very important motivating factor that needs to

pay adequate attention to the side of the management. Management team creates favorable conditions for increasing labor productivity and, moreover, to prevent conflicts. Components of quality of working life (Bajzikova et al., 2006):

- Wage
- Job security (he is not released from employment)
- Working conditions
- Stress in the workplace
- Interpersonal relationships in the workplace
- Employee benefits (discount travel, company car, private office, cell phone, etc.).
- Participation in decision making
- Style of leadership
- Competent (skilled, proficient) leaders
- The length of the working day
- Flexible working time
- Employment services (healthcare, holidays, etc..)
- Fair treatment by the employer;
- Opportunity for further personal growth and advancements

To sum up, the motivational theories vary and basically, they try to identify, how to satisfy an employee within the workplace and, simultaneously, to push him to meet the organizational goals. In this chapter we discussed Maslow's and other theories in order to get broader picture on methodes of motivation, which developed over certain time. These different therios inspired me in composition of the following researchMy empirical research was based on a questionnaire survey consisting of several parts/factors related to employees motivation.

In this work I tried to build the analytical part according to the Components of quality of working environment stated above. For the reasearch I chose the following components of quality work environment: Management, Communication, Relationships in the workplace, Motivation and Personal Development, Work Environment, Quality, Working conditions. I will compare the motivational structure of two different segments of automotive production - serial production (The

manufacture of goods in large quantities, often using standardized designs and assembly-line techniques) and customized machinery production (Custom production refers to the manufacture of a product according to specific customer needs. The goods is designed with a personal touch aimed at suiting the needs and wants of a specified target market).

## **5 Methodology**

For the evaluation I have applied the questionnaire method for collection and analysis of the relevant data. Moreover I have discussed the results and open topics with the relevant managers and HR department in Matador Holding with the aim to assure that the suggested outcomes of the thesis will be implemented within the respective companies (MID/MAV) and improve their performances.

The analytical part consists of a questionnaire survey. The aim of the questionnaire was to determine the most effective methods to increase the performance of the company by maximal deployment of all available human resources without increased capital expenditures. In the empirical research I will compare the motivational structure of two different segments of automotive production - serial production and customized machinery production. To achieve the goals it is necessary to detail the common knowledge regarding the Management Performance Control.

Acquired results were processed into transparent tables and graphs. I have used the quantitative method. I followed the statistical rules of questionnaire surveys. The questionnaire consisted of 9 units: Company, Management, Communication, Relationships in the workplace, Motivation and Personal Development, Work Environment, Quality, Working Environment.

Table 1: Return the survey questionnaire

201 4	Number of employees	Number of questionnaires	Return
MID	1016	811	79,82%
MAV	412	264	64,08%

The survey was conducted on a sample of employees of Matador group, which represented the total composition of the employees of the Matador Holding and the companies Matador automotive Vráble (MAV) and Matador Industries Dubnica (MID). As it is shown in Table 1, the company MID with a population of 1000 needs 28% of the sample on a representative sample (95% confidence level). The company MAV with a population of 400 needs 49 % of the sample. Results will be interpreted on the 95% confidence level. In total, for the reaserch 846 questionnaires were collected which represenent return rate of MAV 64% and of MID 80%. Matador Holding Analysis consisted of companies MAV, MID and the company Aufeer Design (AFD, 18% return).

Table 2: The sample size depending on the size of the population (95% confidence level)

Population	Sample	Share
100	80	80%
200	132	66%
300	169	56%
400	196	49%
500	218	44%
600	235	39%
700	249	36%
800	260	33%
900	270	30%
1000	278	28%

1500	306	20%
2000	323	16%
4000	351	90%
6000	362	60%
8000	367	60%
10000	370	40%

*Šipikal, M., Rehák, Š., Labudová. (2010). V. Metódy a techniky regionálnej analýzy : (praktikum). Bratislava : Vydavateľstvo EKONÓM.*

## 6 Research

### 6.1 The company Matador Holding

In the following chapter I will introduce the Matador Holding and the respective companies in those I have conducted my empirical research.

Matador Holding consists of Strategic Business Units (SBUs). The main focus of these SBUs is the coordination of activities of the group companies active in particular business areas, as well as coordination of the mutual SBUs proceeding in providing turn-key deliveries / complex solutions for the customers. Each SBU has its own long-term strategic plan as well as a one year business plan and the management of Matador Holding coordinates the activities of the individual SBU companies by the way of managing the directors of these companies.

#### 6.1.1 Profile of the company

The company Matador Holding is a privately owned, independent industrial investment group operating in Europe, but also in other non-European countries, focusing on the areas of high rate of added value and innovation in mechanical engineering and in the automotive industry. The company is known as a reliable as well as flexible provider of complex solutions. Matador Holding is a long-term success oriented company. "We started this way more than 100 years ago and we are still working for our future" (Consolidated Annual report of MATADOR Holding,

2013). Matador is currently engaged in production of pressed and welded mass-produced components and assemblies, as well as order engineering production, proposals and solutions in the field of automation and robotization in engineering production. The company is profiled as a reliable and flexible provider of comprehensive solutions.

### ***SBU Automotive***

The companies grouped in Matador's SBU Automotive provide the customers in the Automotive area with products of stamping automatically as well as manually welded and joined metal arrangements. They are able to prepare the product from the design of the stamping mold up to the final product (Consolidated Annual report of MATADOR Holding, 2013).

### ***SBU Engineering***

Matador SBU Engineering is defined in the Annual report of the Matador Holding for the year 2013 as follows: "We offer complex, high quality solutions from three distinctive divisions: General Engineering, Industrial Automation and Tools for automotive as well as non-automotive industrial sectors. General machinery: This division offers solutions from the area of machinery manufacturing: complex welded constructions, machining, assembling, single-purpose equipment and vulcanization presses.

Industry automation: This division provides deliveries of solutions for automotive, system integrations of the KUKA robots, automation and robotization of assembly lines, manufacturing of welding workplaces, PLC programming, designing in CATIA, Invertor. Tools: Transfer pressing tools, progressive dies, transfer-pressing tools" (Consolidated Annual report of MATADOR Holding, 2013).

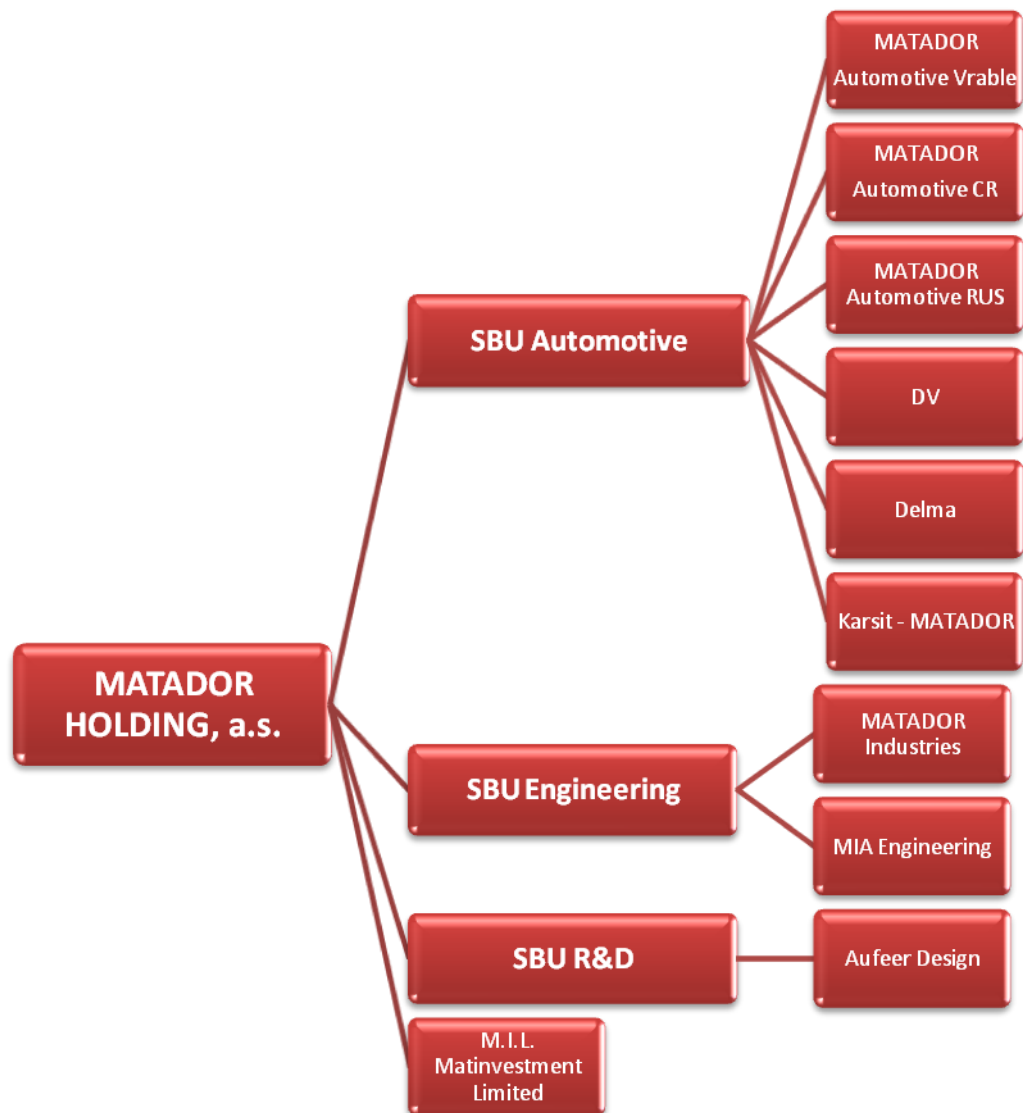
### ***SBU R&D (Aufeer Design)***

This division is focused on providing design, development, constructional and computing products for automotive producers and their suppliers (Consolidated Annual report of MATADOR Holding, 2013).

Matador group consists of different entities. In my research I will focus on two daughter companies. The first one Matador Industries Dubnica (MID) located in Slovakia with approx. 430 employees is a machine production company with three different strategic business units. The whole production portfolio of MID is a customized. It consists of machinery, tool and automation products - no serial production. The second company is Matador automotive Vrábce (MAV) - a typical serial producer of stamped and welded body parts with approx 800 employees. These companies cooperate in the field of technical support mainly in automation and tooling. However the companies are generally two separate entities.

MID and MAV have different business models they need subsequently some different approaches in the management motivation methods. In my thesis I will evaluate the motivational factors of both companies.

Picture 3: Structure of Matador Holding



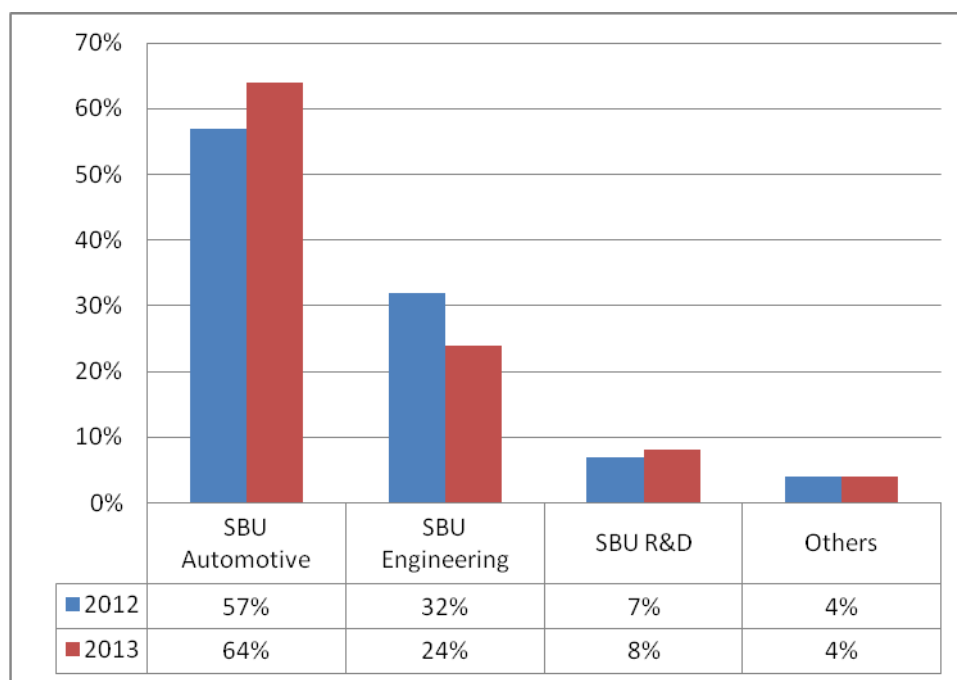
Source: Own processing

## 6.2 Performance numbers

### *Matador Holding*

On Figure 1 we can see a share of individual SBUs in 2012 and 2013. Matador Holding recorded no significant changes in the SBU R&D and Others. In contrast, in the two largest SBU occurred to changes. The SBU Automotive increase proportion from 57% to 64%. And Engineering SBU decreased proportion of 32% to 24%.

Figure 1: Share of individual SBUs on total sales (MH)

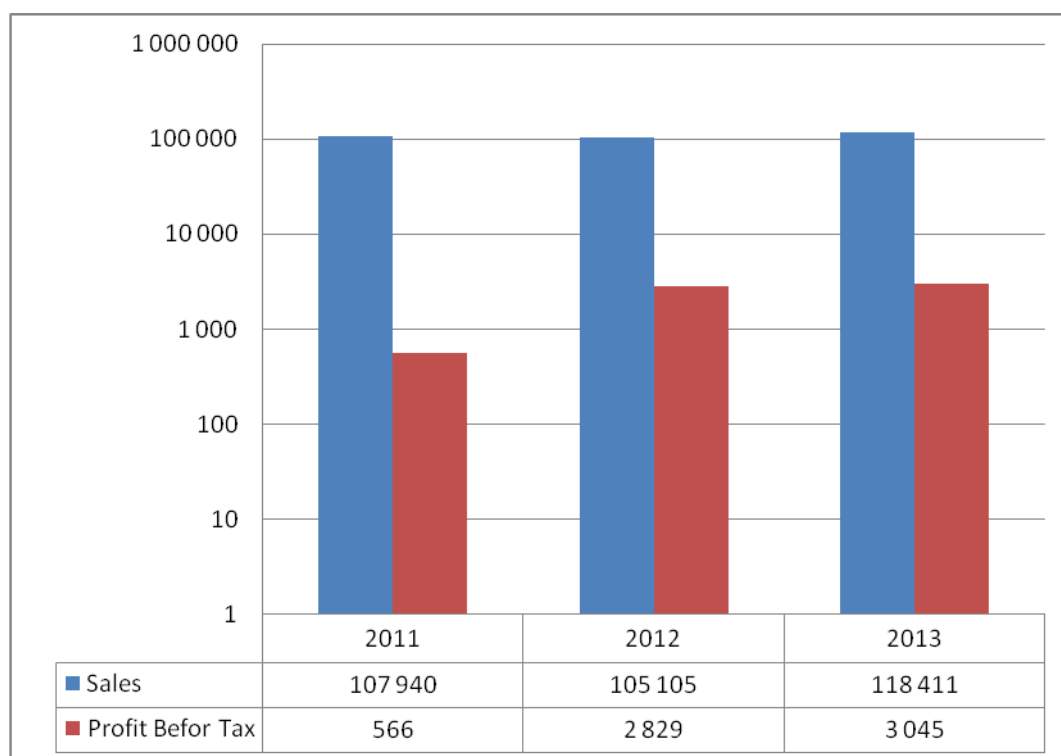


Source: Own processing according to Consolidated Annual report of Matador Holding for the year 2013

### **Matador automotive Vráble (MAV)**

According to the Annual Report of MAV increase in pre-tax profit was obtained using cleaning projects accounts, savings on material input prices and production optimisation. Increased to EUR 216 thousand. In 2013 MAV maintained the upward trend of sales which represents increase revenues of EUR 13,306 thousand compared to the 2012. In 2013, the above mentioned tools projects as Skoda Rapid and VW UP were resolved with income, which represents an increase of EUR10,009 thousand compared to 2012.

Figure 2: Strategic indicators  
(MAV)

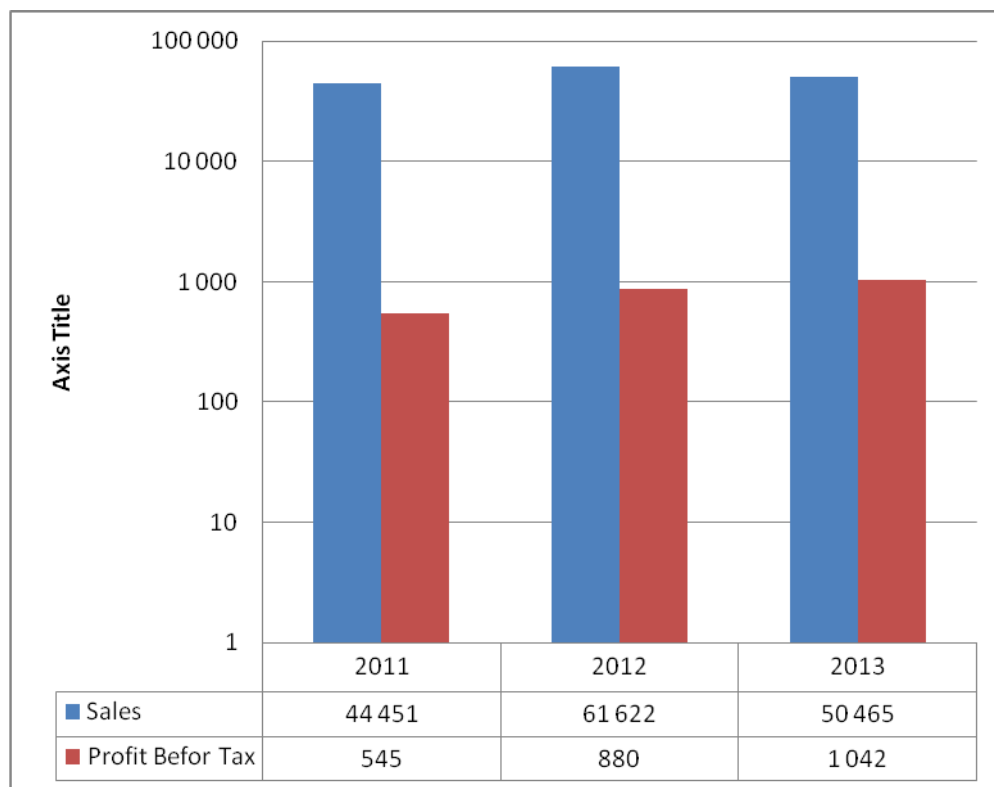


Source: Own processing according to Consolidated Annual report of Matador automotive Vráble for the year 2013

### **Matador Industries Dubnica (MID)**

According to the annual report (2013) to the Sales of products, merchandise and services dropped by 18.1% in comparison to the previous year. Decrease from the 14.6% was affected by decline in production due to the tire industry. In the area of industrial automation the company recorded drop in sales by 16,6%, influenced by lower work in progress at year end. In the Tools segment company recorded a 37,5% turnover decrease in comparison to 2012 influenced mainly by the decrease of work in progress on ŠKODA AUTO projects, where the projects from the previous years were completed and fewer new projects with completion in following years were started.

Figure 3: Strategic indicators (MID)



*Source: Own processing according to Consolidated Annual report of Matador Industries Dubnica for the year 2013*

## 7 Research Analysis

In this chapter we will analyze the Matador group as a whole and summarize results from companies, daughters of Matador Holding. Matador Holding consists of three parts: Automotive SBU, the SBU Engineering, R&D SBU. For each part, following companies participated in the survey:

- SBU Automotive - Matador Automotive Vráble (MAV)
- SBU Engineering - Matador Industries Dubnica (MID)
- SBU R&D - Aufeer Design.

Analysis consisted of 8 parts:

- A. The Company
- B. Management (leadership of the direct superior)
- C. Communication
- D. Relationships in the workplace
- E. Motivation and Personal Development
- F. Work environment
- G. Quality
- H. Working conditions

We examined what impact of components of quality of working life have on the employees and how to motivated them. In all fields of observation, respondents answered on a scale from -2 to 2.

### **A. The Company**

In the first group of responses, we examined the employee relations with the Matador group. In Table 1, we can see the arguments that employees evaluated by the 2 to -2 (+2 – Yes, +1 - Rather yes, -1 - Rather not, -2- Not). In response A1, we determined whether employees are proud to work for the company. Next, we researched the faith in direction of the company (A2), whether the employee has recommended a company to his friends and family (A3), relationship to public (A4),

safety and health at work (A5), relationship to the environment (A6) and quality (A7).

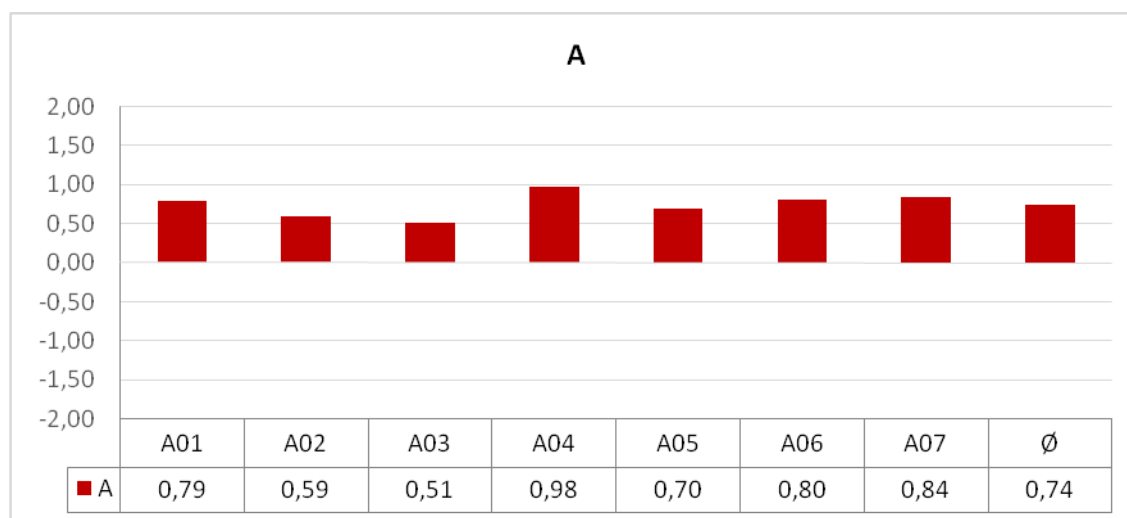
Table 3: The Company

		MH
A01	I am proud that I am an employee of our company.	0,79
A02	I believe that management makes decisions that will ensure the company's success.	0,59
A03	I would recommend our company as an employer to my friends and family.	0,51
A04	We are perceived by the public as a successful company.	0,98
A05	Company pays sufficient attention to safety and health at work.	0,70
A06	The environment is important to our company.	0,80
A07	The company places great emphasis on quality.	0,84
Ø	Average A01-A07	0,74

*Source: Own processing*

All responses were evaluated positively. The highest percentage received option A04 (We are perceived by the public as a successful company). The employees answered rather with yes. Close to 100% are following responses: I am proud that I am an employee of our company (A1), The environment is important to our company (A6), The company places great emphasis on quality (A7). Options rated with the lowest percentage are as follows: I believe that management makes decisions that will ensure the company's success (A02), I would recommend our company as an employer to my friends and family (A03). The average percentage of the satisfaction with the Matador group was around 0.74, which reflects a positive relationship.

Figure 4: The Company



#### **B. Management (leadership of the direct superior)**

In part B, we investigated the relationship between the employee and their direct superior. In the group were 10 claims (shown in Table No. 4). Employees evaluated their direct superior and his/her management skills.

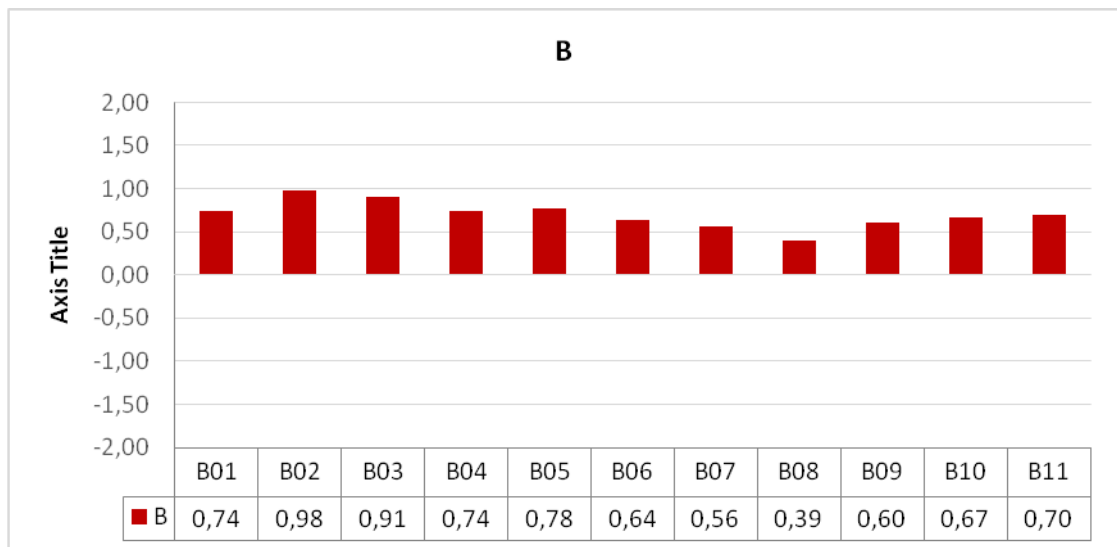
Table 4: Management (leadership of direct superior)

		MH
B01	My immediate superior is an example for me.	0,74
B02	My direct supervisor awards tasks understandable and clearly.	0,98
B03	My direct supervisor encourages teamwork.	0,91
B04	My direct supervisor uses the management discussion and encourages new ideas.	0,74
B05	My direct supervisor accesses to us fairly and objectively	0,78
B06	My direct supervisor allows me to develop my skills and knowledge.	0,64
B07	My direct supervisor is linking my individual goals with company goals.	0,56
B08	In the evaluation of my performance from supervisor, also provides space for self-assessment	0,39

B09	My direct supervisor is preparing for the interview with me.	0,60
B10	Supervisor setting goals that I know what I do for excellent evaluation and what for the standard evaluation	0,67
Ø	Average B01-B10	0,7

Employees rated the managers in almost all options positively. The following responses received the highest percentage: My direct supervisor awards tasks understandably and clearly (B02) and My direct supervisor encourages teamwork (B03). We can say that the managers of the companies try to assign tasks to employees in an understandable way, clearly and promote teamwork. Lowest percentage received an option: In the evaluation of performance from my supervisor, also provides space for self-assessment (B08). Place for improvement can be seen in this response.

Figure 5: Management (leadership of direct superior)



### C. Communication

In this part, we focused on communication. This group includes 8 options. These responses shall examine the communication and feedback with superiors. In this section we also inquired which communication channels employees prefer.

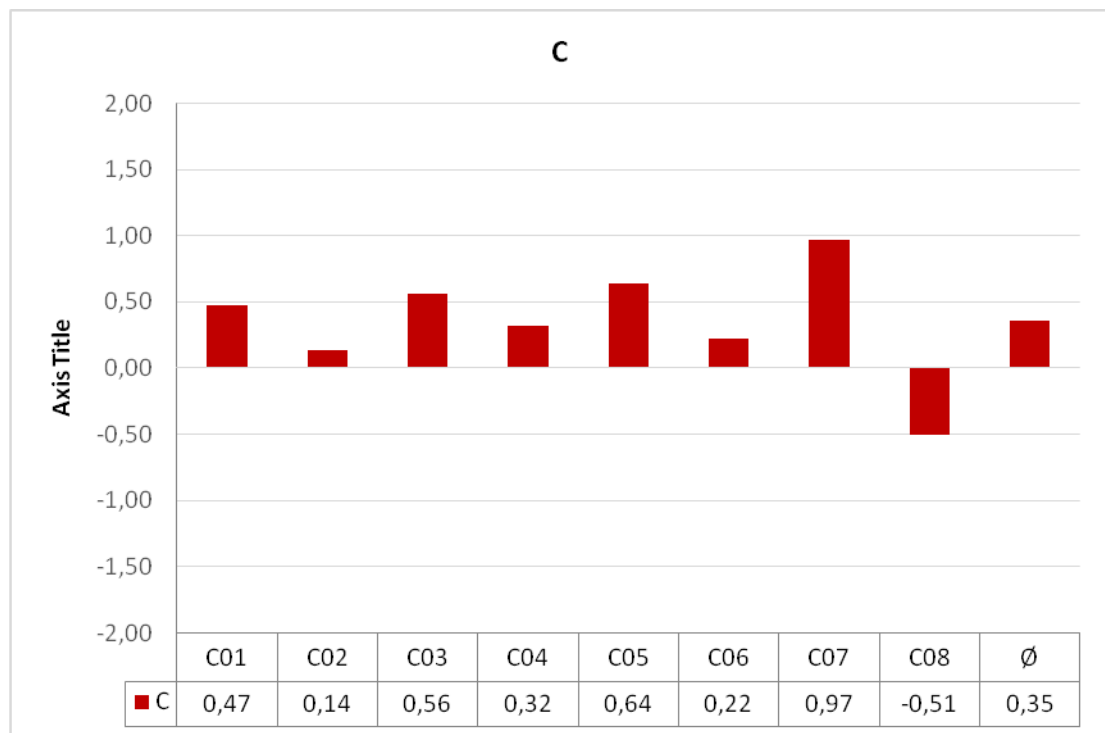
Table 5: Communication

		MH
C01	I am satisfied with the content and quality of information received through consultation.	0,47
C02	I have enough information about fundamental changes in company.	0,14
C03	I receive answers on my questions	0,56
C04	I can openly express my opinions.	0,32
C05	My supervisor says clearly what I have to improve and how.	0,64
C06	I regularly receive an opportunity to express satisfaction / dissatisfaction with the work environment.	0,22
C07	I can communicate openly with my direct supervisor.	0,97
C08	The effectiveness of communication with my supervisor would be improved in my opinion, if we would communicate more via e-mail.	-0,51
Ø	Average C01-C08	0,35

Responses from Part C were less satisfactory comparing to other parts and one response is negative. Employees rated highly the option I can communicate openly with my direct supervisor (C07). Negative response is reviewed by C08. Employees do not prefer communication via e-mail. Also, with lower percentage are responses C02 and C06, in which employees indicate, that they do not have enough information about fundamental changes in company and have a lack of space to express satisfaction / dissatisfaction with the work environment.

Total average is only 0.35. According to these results the employees information on the fundamental changes in the company should be dramatically increased.

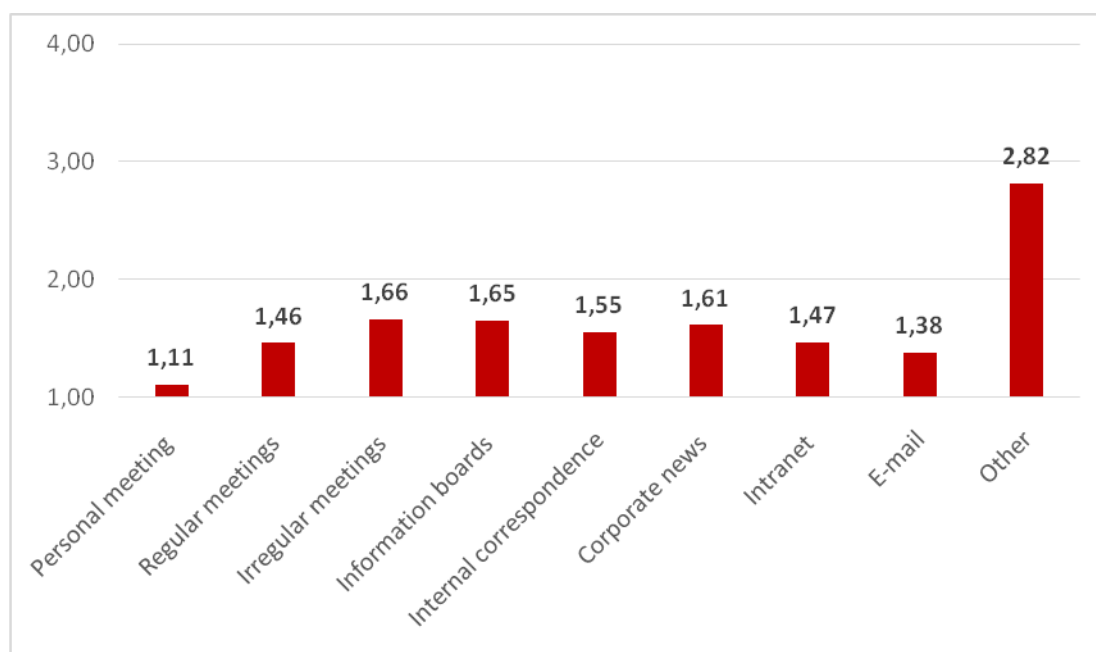
Figure 6: Communication



Employees could choose among the communication channels which one is the best. They assign them grades 1 - is best, 4 - the worst. Employees rated the worst communication channel: Other option. The Other option included channels such as communication via phone, email communication restriction and open discussions bottom - up. From the Other option rated the best selection of communication via phone (53%). The best communication channel is the personal meetings of employees. Further communication channels hold roughly the same marks.

A communication instrument enabling the employees to communicate their satisfaction / dissatisfaction with the work environment should be introduced.

Figure 7: Communication channels (1 - is the best; 4 - worst)



#### D. Relationships in the workplace

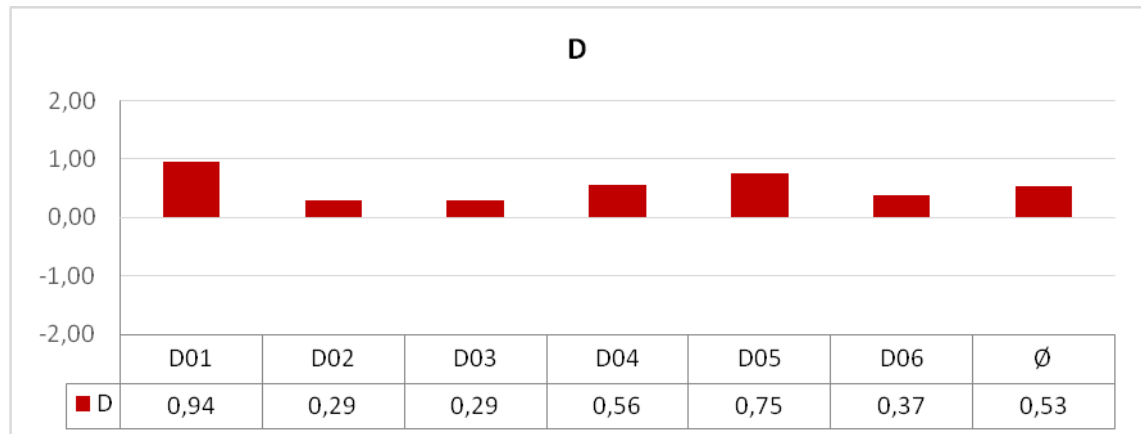
In this section we will examine Relationships in the workplace. Part D contains 6 responses.

Table 6: Relationships in the workplace

		MH
D01	In our work team are good relations between people.	0,94
D02	Managers and staff work well together.	0,29
D03	Employees between departments help each other.	0,29
D04	Conflicts are resolved between employees themselves.	0,56
D05	I like the fact that at work are personal or casual relationships.	0,75
D06	I think that the workplace has consistently separate working and friendly relations.	0,37
Ø	Average D01-D06	0,53

Only responses D01 and D05 are rated close to 100 %. The employees have good relationships in the team, and they like the fact that at work are personal or casual relationships. Conversely, the employees and managers had deficiencies in cooperation and help each other between departments. Average is equal to 0.53.

Figure 8: Relationships in the workplace



## E. Motivation and Personal Development

On the Motivation and Personal Development focuses Part E. We examined how to motivate employee, what it means for his career in the company and also which social benefits are most important to the employees.

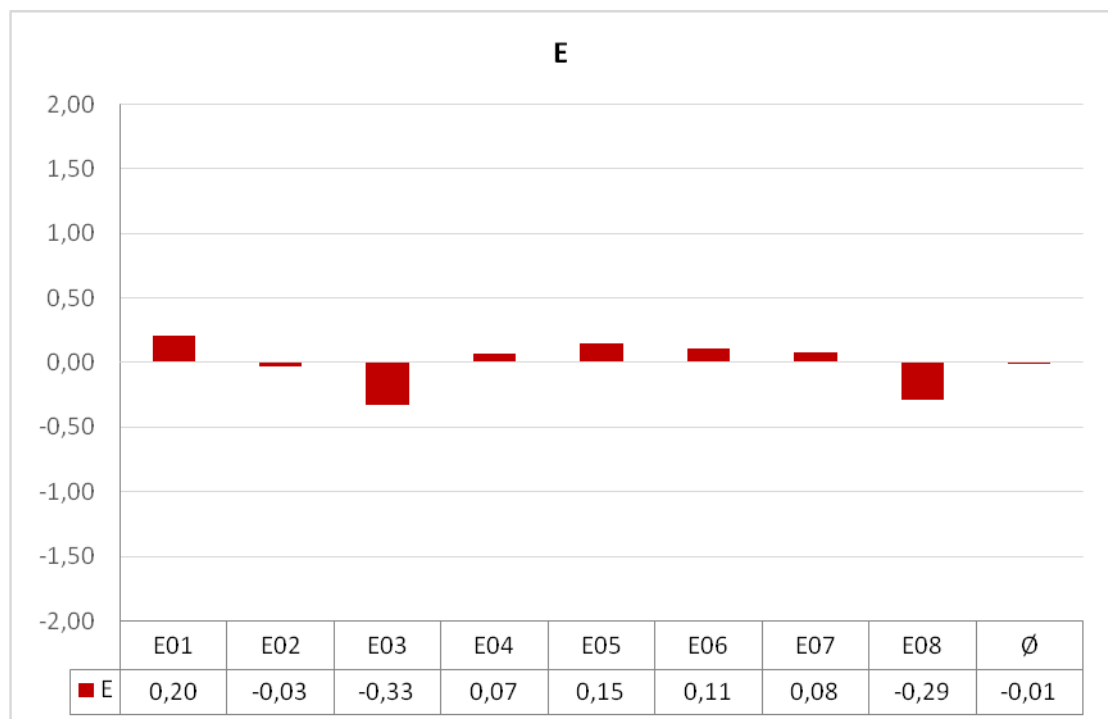
Table 7: Motivation and Personal Development

		MH
E01	I know, how do you evaluate the results of my work.	0,2
E02	I praised for a job well done.	-0,13
E03	I believe reward system in the company is objective.	-0,28
E04	The company gives me plenty of opportunities for further education.	0,08
E05	The company supports the career development of employees.	0,21
E06	I know social programs and benefits that my company provides.	0,08
E07	Superior exactly identify my development needs.	0,11
E08	I have enough time for further development in my work.	-0,27

Ø	Average E01-E08	0
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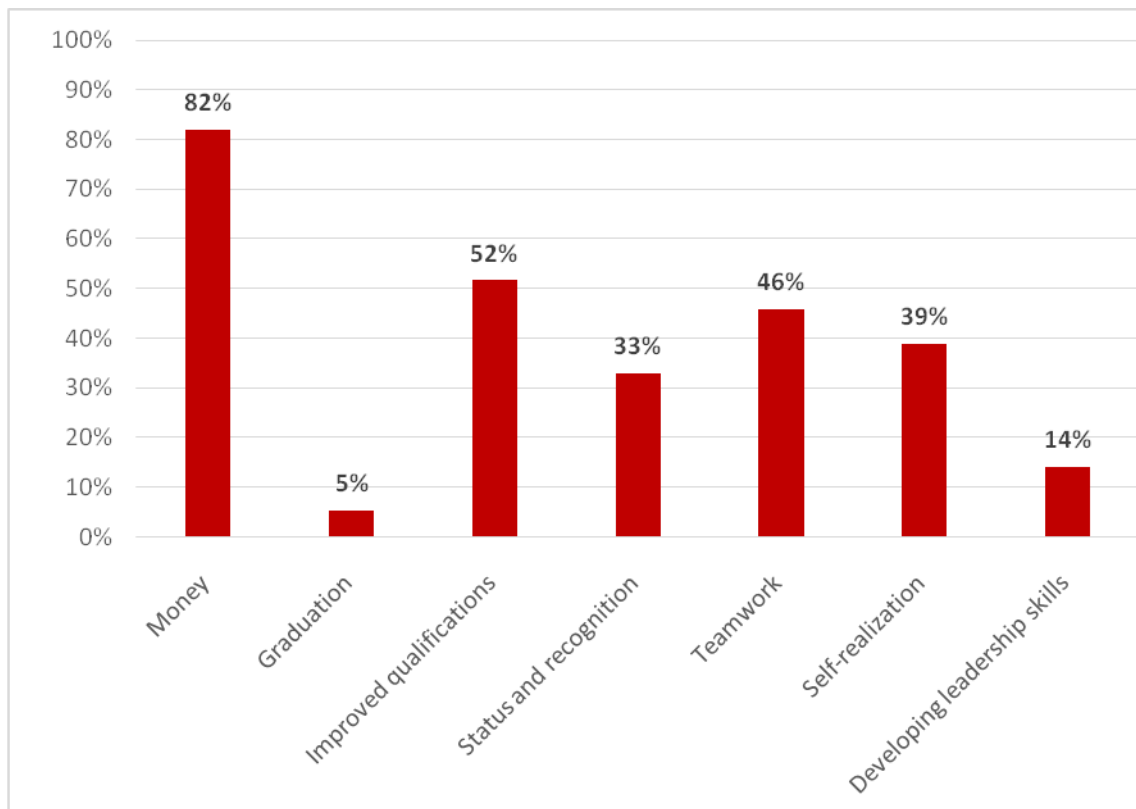
This section had the lowest rating. Large minus values have the responses E03 and E08. According to these options the remuneration of employees in the company is not objective and the employees indicate that they have lack of time for their further development. Other answers are close to 0. Average is just below zero (-0.01).

Figure 9: Motivation and Personal Development



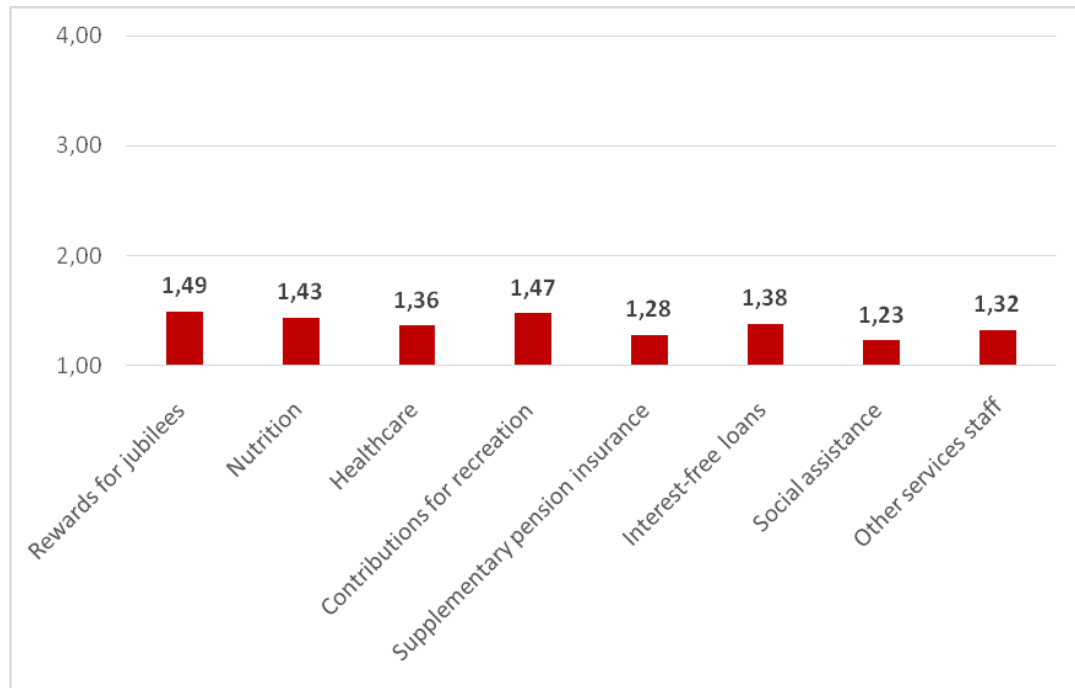
Subsequently, employees selected variants (Figure 10), which motivates them to continue with the career in the company. Each option represents 100%. Up to 82% of all respondents are motivated by money. Half of all respondents are motivated by increase of their qualification. Up to 46% of the employees acknowledge the team as the motivational factor. The lowest percentage received the possibility of completing school and the development of leadership skills.

Figure 10: Variants which motivate employees in the company (%)



The Figure 11 shows which social benefits have the greatest Importance to the employees. The employees rated the mark from 1 - most important to 4 - least important. All social benefits are for respondents important. But the best social benefits are social assistance and supplementary pension insurance. The least interesting are the rewards for informants anniversaries and contributions to domestic and foreign recreation.

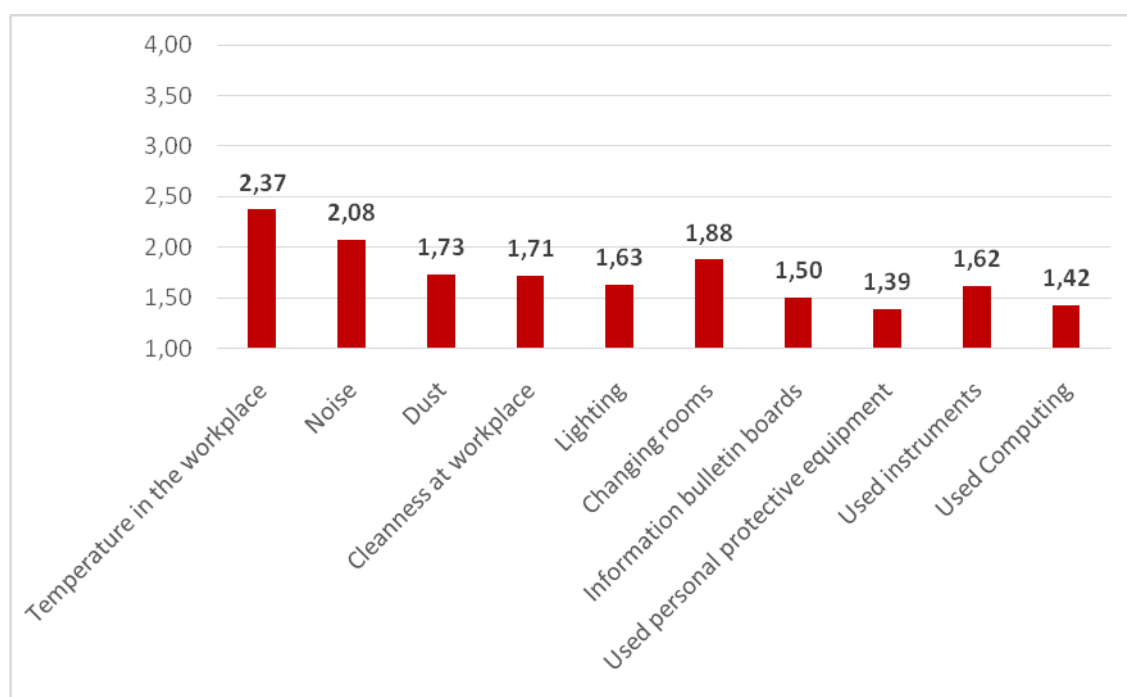
Figure 11: Social benefits (1 - most important to 4 - least important)



## F. Work environment

The figure 12 shows which working environment factors are most important to the employees. The Employees rated from 1 mark - is satisfactory, 4 - is unsatisfactory. The most satisfactory factors are: Used Personal Protective Equipment and Used computing. The most unsatisfactory factors are: Temperature in the workplace, Noise and Changing Rooms.

Figure 12: Work environment (1 - most important to 4 - least important)



## G. Quality

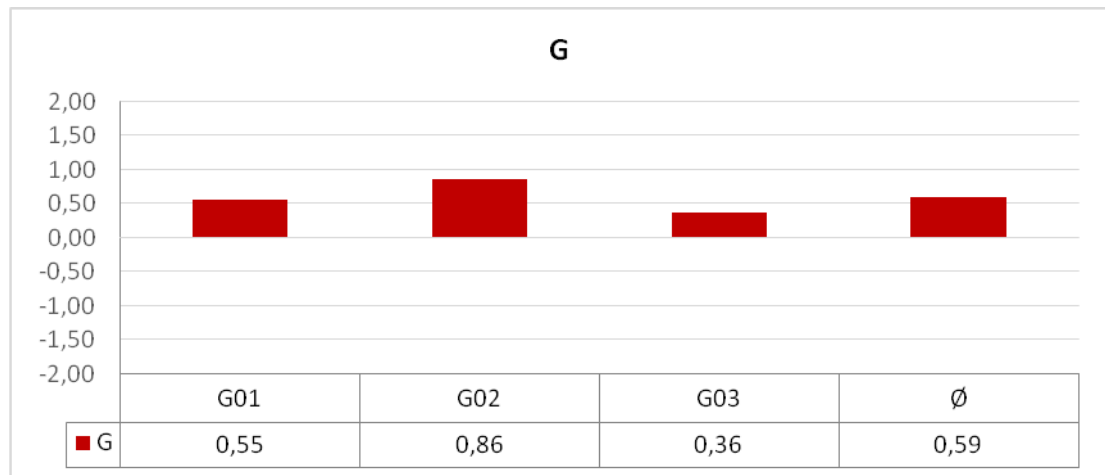
In section G, we examined how employees perceive the quality of the company's products. Respondents rated three arguments.

Table 8: Quality

		MH
G01	Audits customers can affect the quality of production effectively.	0,55
G02	I understand my personal impact on the quality of the final product.	0,86
G03	I understand the criteria for quality of our customers	0,36
Ø	Average G01-G03	0,59

The Figure 13 shows that employees judged best answer G02. Employees know the personal impact on the quality of the final product. On the other hand, employees do not know the criteria for quality of customers. The average represents 0.59.

Figure 13: Quality



## H. Working conditions

Section H analyzes the working conditions in the companies. Respondents tagged factors, which at work most hampered and could rate the options with any number.

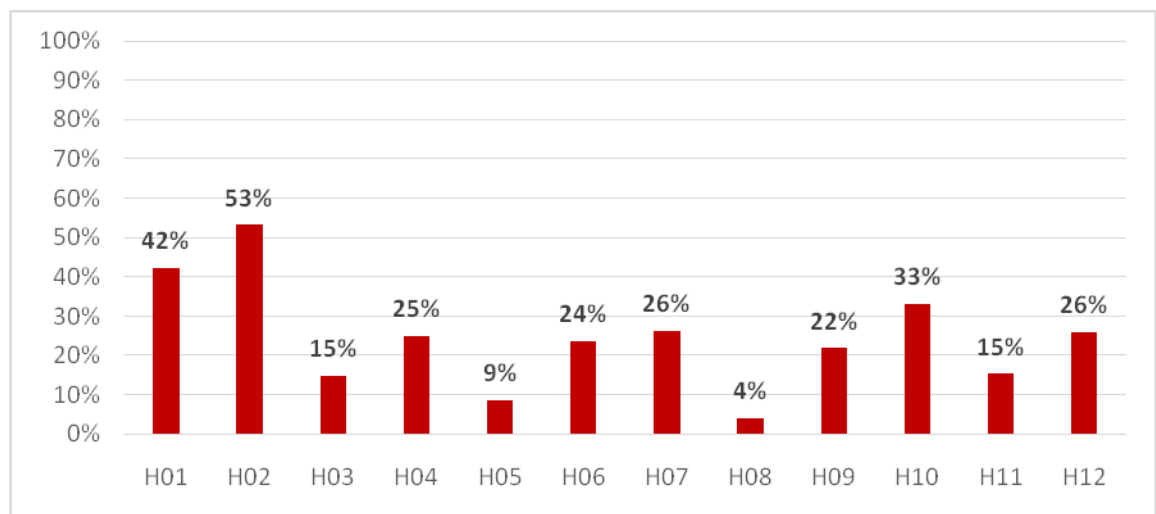
Table 9 : Working conditions

H01	Tempo of my work is too fast.	42%
H02	During ends deadlines are considerable pressure.	53%
H03	I have a lot of overtime.	15%
H04	I am getting too little feedback.	25%
H05	My tasks are too difficult or too complicated.	9%
H06	I am not sufficiently informed.	24%
H07	I have too much work.	26%
H08	I do not have enough work.	4%

H09	Work processes are too cumbersome.	22%
H10	During work I often disturbed	33%
H11	My responsibilities are not fully defined.	15%
H12	Inputs necessary for the performance of my work I receive insufficient quality or with a delay.	26%

Half of the respondents hindered a lot of pressure with deadlines. The pace of my work is too high tagged 42% of employees. Conversely, refuted the allegations of the My tasks are too difficult or too complicated and I do not have enough work (below 10%).

Figure 14: Working conditions (%)



#### A. – G.The satisfaction of employees in general

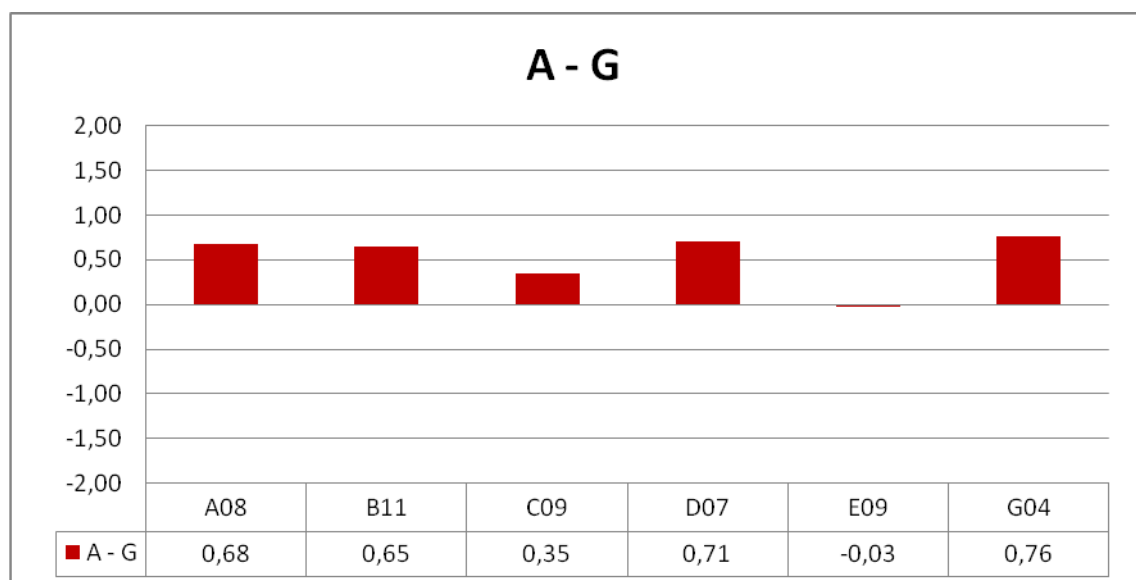
In each section, we also asked for an overall assessment. As you can see on the the Figure 15 , overall evaluation was in part:

- A. The Company
- B. Management

- C. Communication
- D. Relationships in the workplace
- E. Motivation and Personal Development
- F. Work environment
- G. Quality

The figure 15 shows that the part Motivation was evaluated as the worst of all parts. Motivation of the employees of the Matador group is just below zero (- 0.03). A lower percentage has also Communication within the group (0.35). On the other hand, Quality and Relationships in the workplace is close to 100 %.

Figure 15: The satisfaction of employees in general



To sum up this chapter, the most positive evaluation received part related to the relationship of the employees to Matador Holding (Part A., 0,74). Such results might be influenced by the fact that employees assess relationship to the group as well as the group's production positively in combination with good relationship with the direct superior (Part B, 0,7) and products quality (Part G., 0,59), which were evaluated as second and third positive motivational factors. On the 4th position is the relationship on workplace with the rate 0,53. The worst assessment received the part related to the Motivation and Personal Development of the employees within

Matador Holding (Part E., 0,01), which might be caused by the the fact that employees consider the evaluation system as not objective and, secondly, they lack time for further development.

To be more specific, following table shows, which 3 arguments received the best evaluation and 3 arguments with the worst evaluation in the questinnnaire:

		MH
A04	We are perceived by the public as a successful company.	0,98
B02	My direct supervisor awards tasks understandable and clearly.	0,98
B03	My direct supervisor encourages teamwork.	0,91
C08	The effectiveness of communication with my supervisor would be improved in my opinion, if we would communicate more via e-mail.	-0,51
E03	I believe reward system in the company is objective.	-0,28
E08	I have enough time for further development in my work.	-0,27

In connection with the motivation theories explained in chapter 4, we can see that there is a space witin Matador Holding for implementation of the Maslow's Theory associated with the satisfaction of the employees needs.

## 8 The comparison of serial vs. customized production

This chapter goes more into the detail of the research described in the previous chapter and focuses solely on the results of the questionnaire survey carried out in the serial production (MAV) and the customized machinery production (MID). Questionnaire consisted of 8 parts:

- A. The Company
- B. Management
- C. Communication
- D. Relationships in the workplace
- E. Motivation and Personal Development
- F. Work environment
- G. Quality
- H. Working conditions

Subject of the examination was the impact on the employees of the respective type of production and what is their motivation to work. In all fields of observation, respondents answered on a scale from -2 to 2 (except Work Environment, Working conditions).

### A. The Company

First part represents and assess the relationship of the employees to MAV and MID.

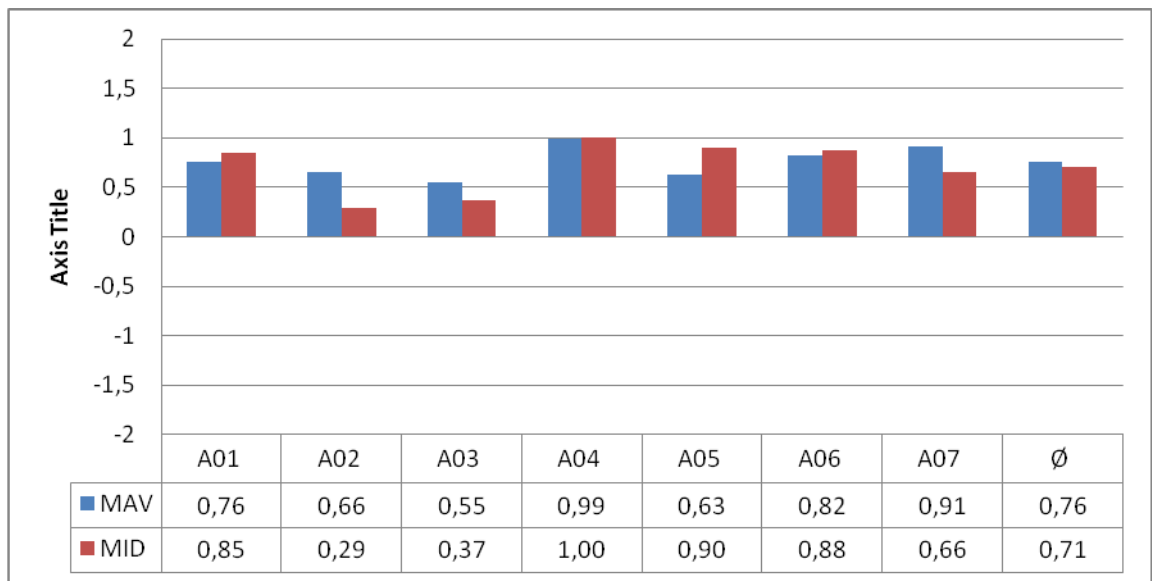
Table 10: The Company, Serial (MAV) vs. Custom production (MID)

		MAV	MID
A01	I am proud that I am an employee of our company.	0,76	0,85
A02	I believe that management makes decisions that will ensure the company's success.	0,66	0,29
A03	I would recommend our company as an employer to my friends and colleagues.	0,55	0,37
A04	We are perceived by the public as a successful company.	0,99	1
A05	Company pays sufficient attention to safety and health at	0,63	0,9

	work.		
A06	The environment is important to our society.	0,82	0,88
A07	The company places great emphasis on quality.	0,91	0,66
Ø	Average A01-A07	0,76	0,71

In average, all responses are evaluated positively. Largest difference is in response A02 (I believe that management makes decisions that will ensure the company's success). The difference between the MAV and MID represents 0.37 in favor of MAV. In favor of MID is a significant difference in response A05 (Company pays Sufficient attention to safety and health at work) with 0.27. The employees believe that greater emphasis on quality is in MAV (difference 0.25). However, the average percentage have both companies approximately the same with positive relationship to their companies.

Figure 16: The relationship of employees to the company, Serial (MAV) vs. Custom production (MID)



## B. Management (leadership of the direct superior)

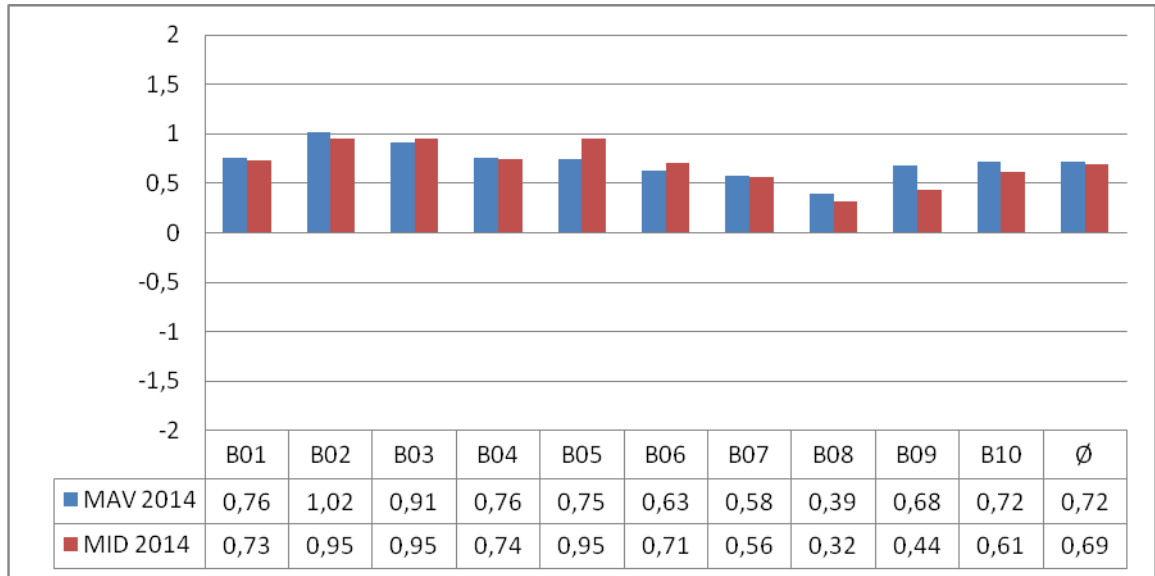
This part focuses on relationship between employees and their respective direct superior.

Table 11: Management (leadership of direct superior), Serial (MAV) vs. Custom production (MID)

		MAV	MID
B01	My direct superior is an example for me.	0,76	0,73
B02	My direct supervisor awards tasks understandable and clearly.	1,02	0,95
B03	My direct supervisor encourages teamwork.	0,91	0,95
B04	My direct supervisor uses the management discussion and encourages new ideas.	0,76	0,74
B05	My direct supervisor accesses to us fairly and objectively	0,75	0,95
B06	My direct supervisor allows me to develop my skills and knowledge.	0,63	0,71
B07	My direct supervisor linking my individual goals with company goals.	0,58	0,56
B08	In the evaluation of my performance from supervisor, also provides space for self-assessment	0,39	0,32
B09	My direct supervisor is preparing for the interview with me.	0,68	0,44
B10	Supervisor setting goals that I know what I do for excellent evaluation and what for the standard evaluation	0,72	0,61
Ø	Average B01-B10	0,72	0,69

Average responses for the leadership of the direct superior is almost the same for both companies. Largest difference is in response B05 (My direct supervisor accesses to us fairly and objectively) in favor of MID and B09 (My direct supervisor is preparing for the interview with me.) in favor of MAV. This means that the direct supervisor accesses to employees fairly objectively more in MID (about 0.2) and is more carefully prepared in MAV. Others responses are about the same for the company MAV and MID.

Figure 17: Management (leadership of direct superior), Serial (MAV) vs. Custom production (MID)



Specific examples of what pass / fail in the management of direct supervisor:

- incompetence of some superiors in the allocation of tasks
- satisfies me that my boss is fair and I fully trust him, always helpful and polite
- I like the straightforwardness, troubleshooting assistance
- good personal approach and quality management
- fair and professional approach, the opportunity to realize my own ideas
- positive communication and responsiveness
- directness, fairness
- does not shift our views and problems to the senior management
- alibism, inability
- decent communication, helpfulness.

### C. Communication

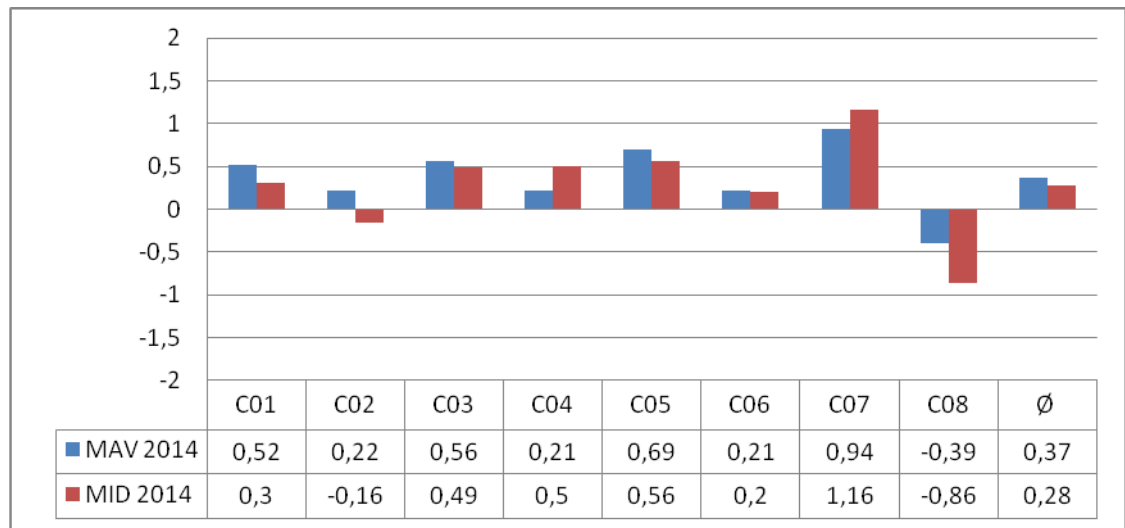
The part Communication shows the satisfaction of the employees of MAV and MID with the communication of the respective representatives of the company as well as the most popular communication channels.

Table 12: Communication, Serial (MAV) vs. Custom production (MID)

		MAV	MID
C01	I am satisfied with the content and quality of information received through consultation.	0,52	0,3
C02	I have enough information about fundamental changes in company.	0,22	-0,16
C03	I receive answers on my questions	0,56	0,49
C04	I can openly express my opinions.	0,21	0,5
C05	My supervisor says clearly what I have to improve and how.	0,69	0,56
C06	I regularly receive an opportunity to express satisfaction / dissatisfaction with the work environment.	0,21	0,2
C07	I can communicate openly with my direct supervisor.	0,94	1,16
C08	The effectiveness of communication with my supervisor would be improved in my opinion, if we communicate more by e-mail.	-0,39	-0,86
Ø	Average C01-C08	0,37	0,28

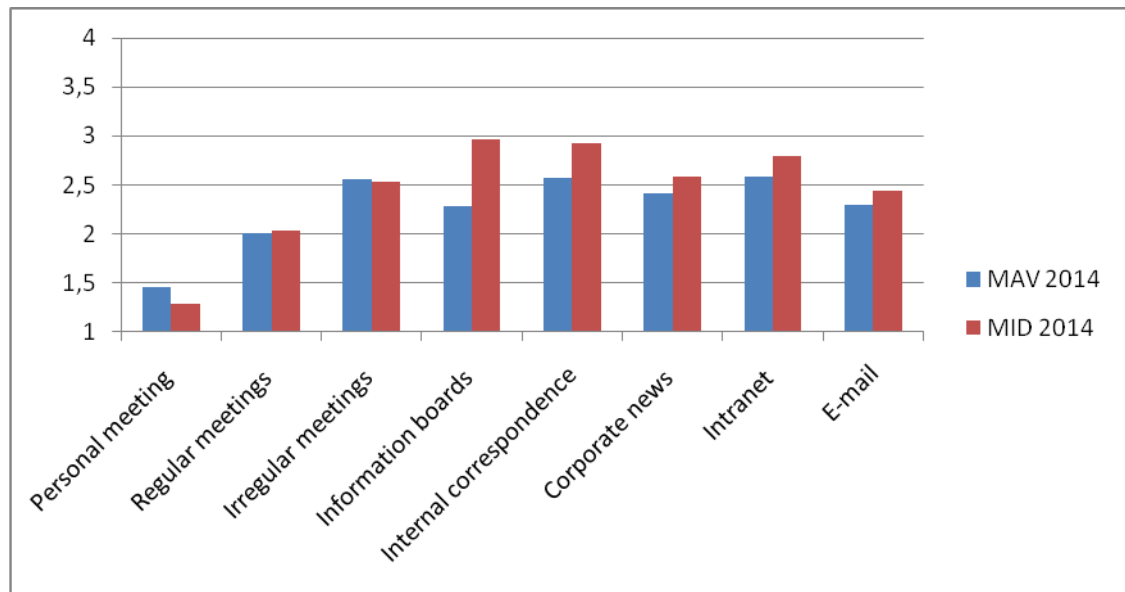
As we can see according to table 12, negatively is evaluated response C08 (The effectiveness of communication with my superiors would be improved in my opinion, if we communicate more by e-mail), represented with -0.39 (MAV) and -0.86 (MID) ratio. Just below zero is located a response in C02 (I have enough information about Fundamental changes in company) in company MID. Conversely, the best response is evaluated in C07, according to which the employees can communicate with their direct superior openly, with about 100 %. However, the average is approximately the same, low, around 0.3. In conclusion, the communication of the companies or its directors in terms of future changes/headings is on very low level and gives a space for development.

Figure 18: Communication, Serial (MAV) vs. Custom production (MID)



The research examined also the communication channels, which best suited the employees (1 - the best communication channel; 4 - the worst communication channel). The company MAV had just above the 2.5 channels of communication: Irregular meetings, Internal correspondence, Intranet. The best was rated the communication channel: Personal meeting (below 1.5). The company MID had just below 3 communication channels: Information Boards, Internal correspondence. Above 2.5 were channels of communication: Irregular meetings, corporate news, Intranet. The worst is rated communication channel: Personal meeting. The largest differences we can see between companies in the communication channel: Information Boards, Internal correspondence.

Figure 19: Communication channels (1 - is the best; 4 - worst), Serial (MAV) vs. Custom production (MID)



#### D. Relationships in the workplace

Following part evaluates the relationship between the employees of MAV and MID.

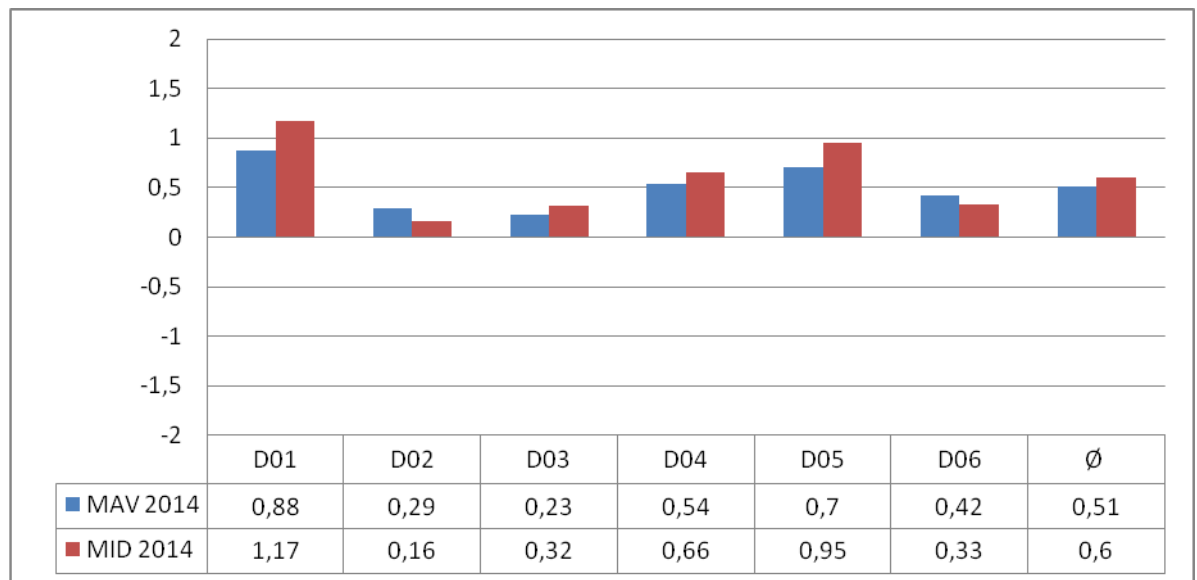
Table 13: Relationships in the workplace, Serial (MAV) vs. Custom production (MID)

		MAV	MID
D01	In our work team are good relations between people.	0,88	1,17
D02	Managers and staff work well together.	0,29	0,16
D03	Employees between departments help each other.	0,23	0,32
D04	Conflicts are resolved between employees themselves.	0,54	0,66
D05	I like the fact that at work is personal or casual relationships.	0,7	0,95
D06	I think that the workplace has consistently separate working and friendly relations.	0,42	0,33
Ø	Average D01-D06	0,51	0,6

All responses are evaluated positively. The worst response is evaluated in D02 (Managers and workers work well together) and D03 (Employees between departments help each other) in both companies. Best response is evaluated in D01

(In our work team are good relations between people), and also the largest difference between companies, 0.29. Total average was around 0.55 for both companies.

Figure 20: Relationships in the workplace, Serial (MAV) vs. Custom production (MID)



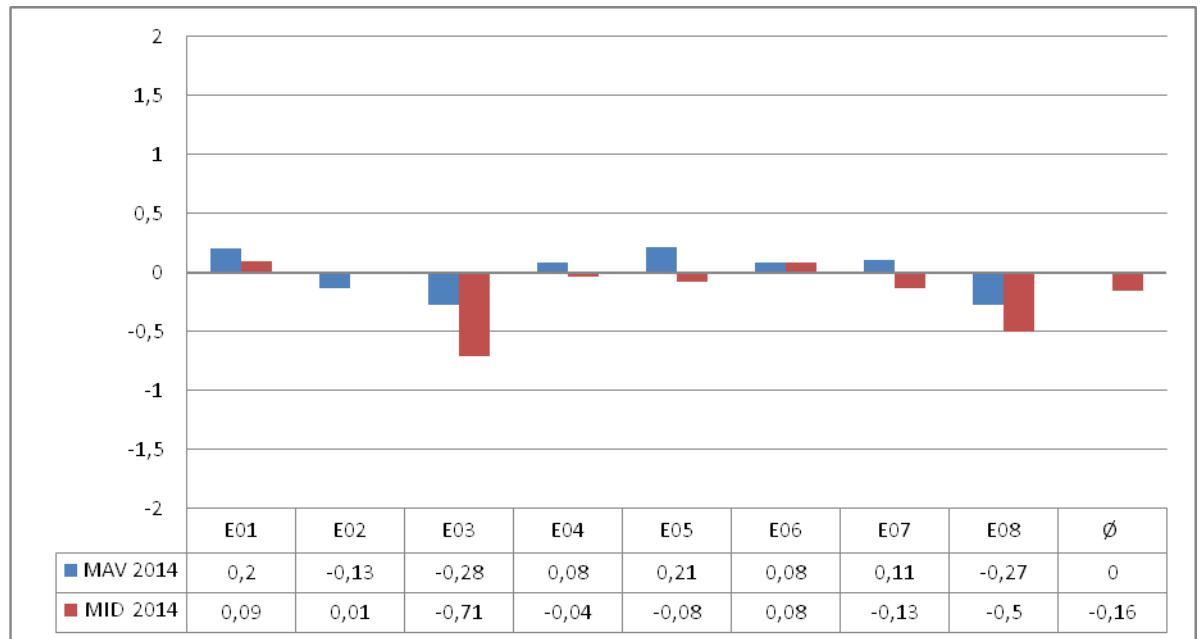
## E. Motivation and Personal Development

Part E focuses on preferences of the employees, which motivate them to participate on running of the respective company.

Table 14: Motivation and Personal Development, Serial (MAV) vs. Custom production (MID)

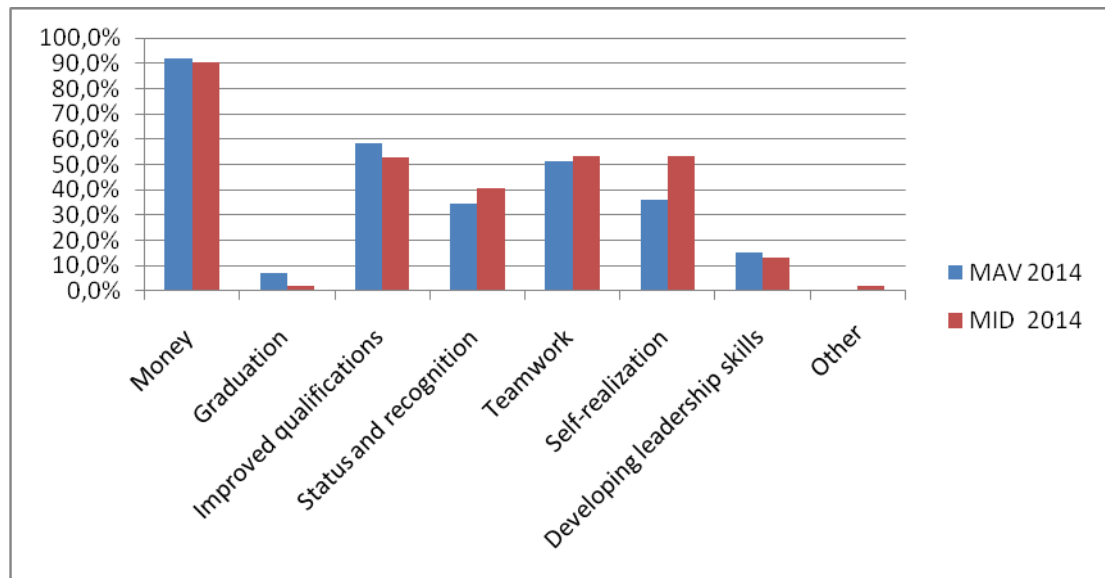
		MAV	MID
E01	I know, how do you evaluate the results of my work.	0,2	0,09
E02	I praised for a job well done.	-0,13	0,01
E03	I believe reward system in the company is objective.	-0,28	-0,71
E04	The company gives me plenty of opportunities for further education.	0,08	-0,04
E05	The company supports the career development of employees.	0,21	-0,08
E06	I know social programs and benefits that my company provides.	0,08	0,08
E07	Superior exactly identify my development needs.	0,11	-0,13
E08	I have enough time for further development in my work.	-0,27	-0,5
Ø	Average E01-E08	0	-0,16

Figure 21: Motivation and Personal Development, Serial (MAV) vs. Custom production (MID)



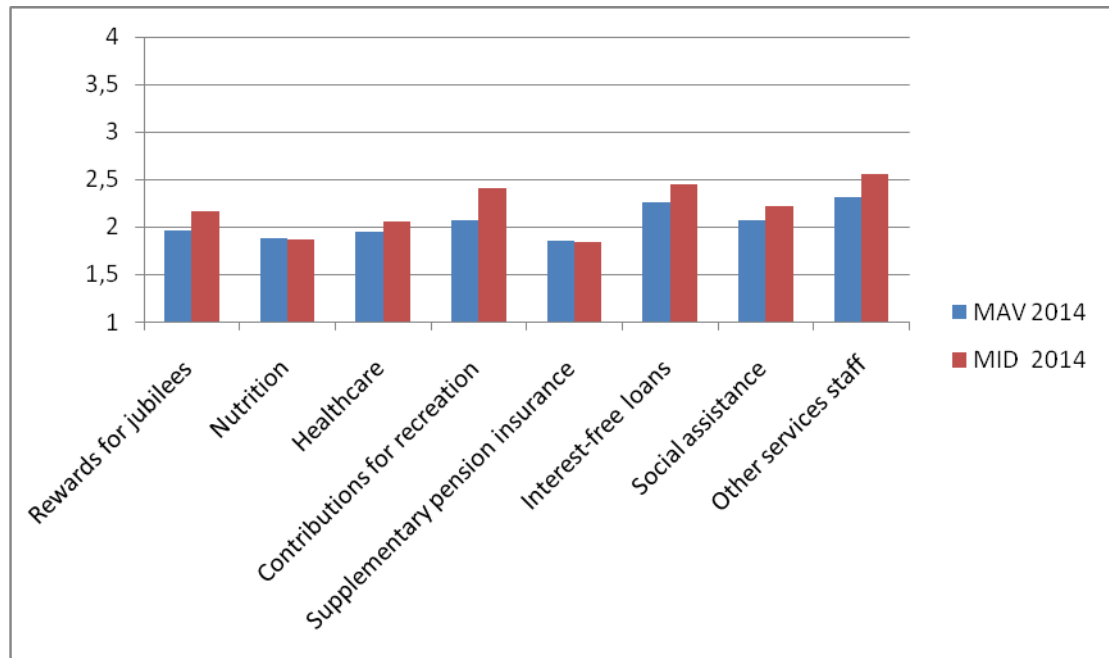
The figure 19 demonstrates that the employees' motivation is around zero in both companies. Responses are more negatively evaluated in E03 (The company has a objective system of remuneration) and E08 (I have enough time for further development in the work), in both cases significantly in MID.

Figure 22: Variants which motivate employees in the company (%), Serial (MAV) vs. Custom production (MID)



The figure 22 determines factor which influenced employees to keep working for MAV/MID. Each variant is presented separately. For up to 90% of employees of both companies Money is important factor. Significant variations are even Improved qualifications, status and recognition, Teamwork, Self-realization. The biggest difference represents variant Self-realization among companies (16%). Other features (defined by employees themselves): language courses, increasing responsibilities and powers, honest and fair dealing with employees.

Figure 23: Social benefits (1 - most important to 4 - least important), Serial (MAV) vs. Custom production (MID)



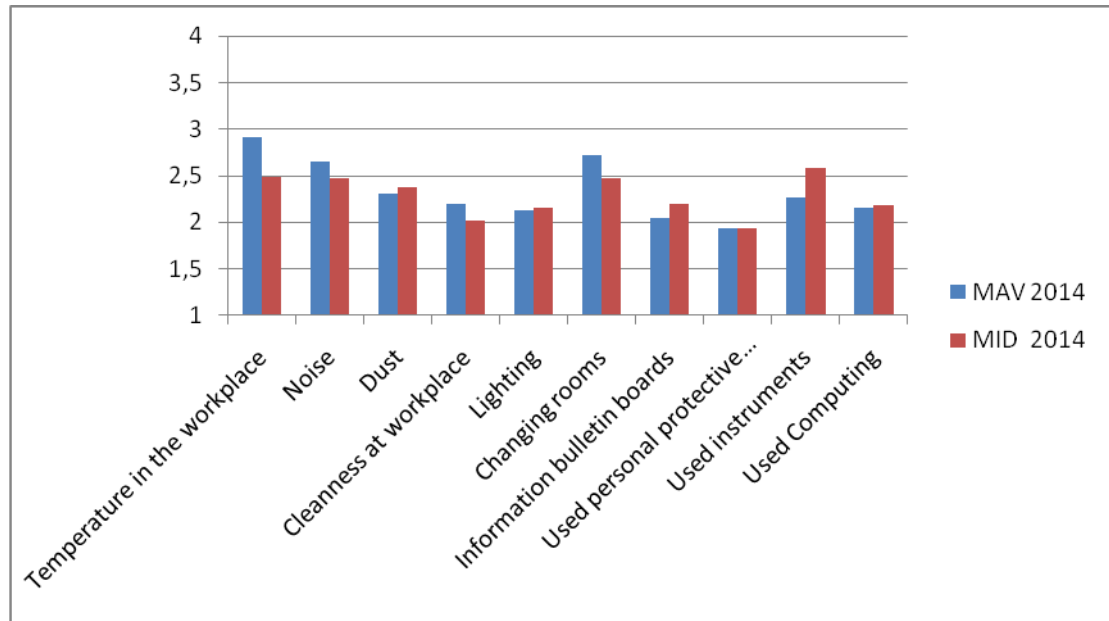
On the next figure, I examined the impact of social benefits on the employees (1 - most important, 4 - least important). For the company MAV and MID are the most important social benefits: Supplementary pension insurance, Nutrition (Catering). The biggest difference is between companies in Contributions for recreation (0.34) preferred by the employees of MID. Other services in the category of employees include: basic information on labor law and social policy, the sale of surplus materials, products, preferential price to commute to work, etc.

## **F. Work environment**

Table 15: Work environment, Serial (MAV) vs. Custom production (MID)

	MAV 2014	MID 2014
Temperature in the workplace	2,92	2,48
Noise	2,65	2,47
Dust	2,31	2,38
Cleanness at workplace	2,2	2,02
Lighting	2,13	2,15
Changing rooms	2,72	2,47
Information bulletin boards	2,04	2,2
Used personal protective equipment	1,93	1,93
Used instruments	2,26	2,58
Used Computing	2,15	2,18

Figure 24: Work environment (1 - most important to 4 - least important), Serial (MAV) vs. Custom production (MID)



The employees of both companies rated work environment factors (1 - is satisfactory, 4 - unsatisfactory). In the company MAV is most unsatisfactory: Temperature in the workplace, Noise and Changing Rooms. In the company MID is most unsatisfactory: Temperature in the workplace, Noise, Changing rooms and Used Instruments. The biggest difference is in the Temperature in the workplace between companies. The difference represents 0.44. Top rated in both companies is Used Personal Protective Equipment.

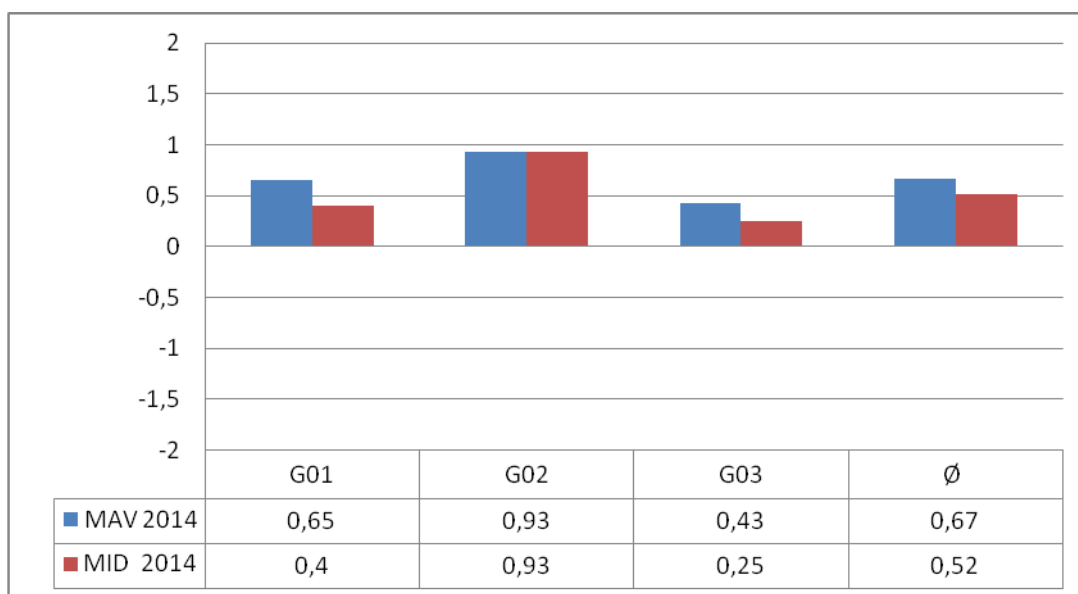
## G. Quality

The quality of both companies is evaluated positively. The best rated answer is G02 (I understand my personal impact on the quality of the final product). Employees in the company MAV evaluated responses G01 (Audits customers can Affect the quality of production Effectively) and G03 (I know the criteria for quality of our customers) with a better mark.

Table 16: Quality, Serial (MAV) vs. Custom production (MID)

		MAV 2014	MID 2014
G01	Audits customers can affect the quality of production effectively.	0,65	0,4
G02	I know my personal impact on the quality of the final product.	0,93	0,93
G03	I know the criteria for quality of our customers	0,43	0,25
Ø	Average G01-G03	0,67	0,52

Figure 25: Quality, Serial (MAV) vs. Custom production (MID)



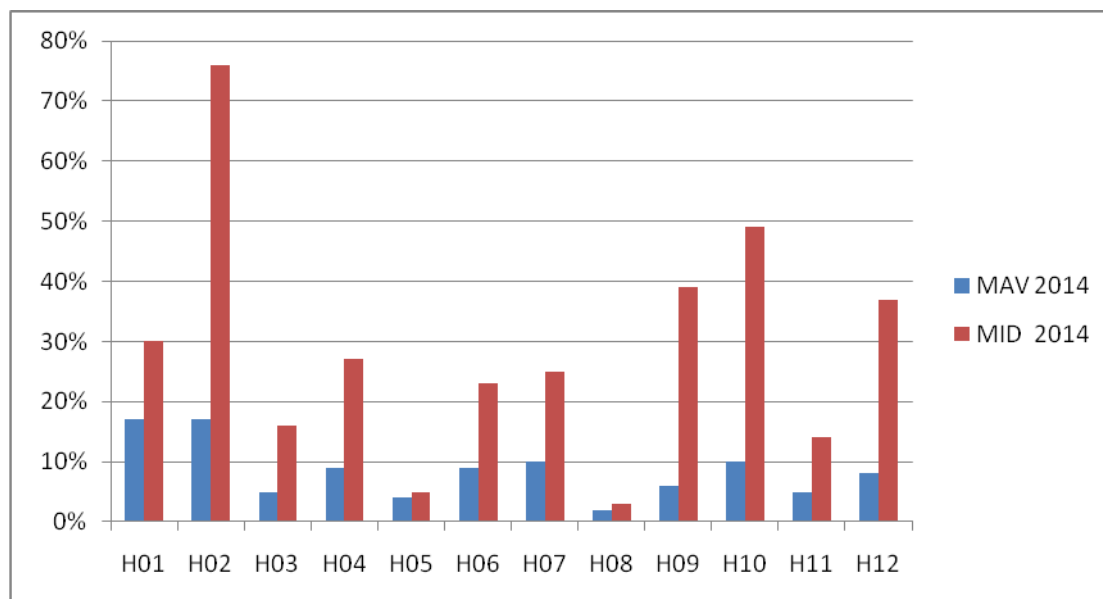
## H. Working conditions

Table 17: Working conditions, Serial (MAV) vs. Custom production (MID)

		MAV 2014	MID 2014
H01	Tempo of my work is too fast.	17%	30%
H02	During ends deadlines are considerable pressure.	17%	76%
H03	I have a lot of overtime.	5%	16%
H04	I am getting too little feedback.	9%	27%
H05	My tasks are too difficult or too complicated.	4%	5%
H06	I am not sufficiently informed.	9%	23%
H07	I have too much work.	10%	25%
H08	I do not have enough work.	2%	3%
H09	Work processes are too cumbersome.	6%	39%
H10	During work I often disturbed	10%	49%
H11	My responsibilities are not fully defined.	5%	14%
H12	Inputs necessary for the performance of my work I receive insufficient quality or with a delay.	8%	37%

In this chapter we see the biggest differences between companies MAV and MID. The company MAV has only a small percentage of employees to complain for interfering factors (up to 17%). In contrast, in the company MID is 79% of workers complain to much pressure when the end of deadlines (H02) and 49% complain of frequent disturbance during operation (H10). Around 38% of workers complain of too cumbersome work processes (H09) and inputs necessary for performance (H12).

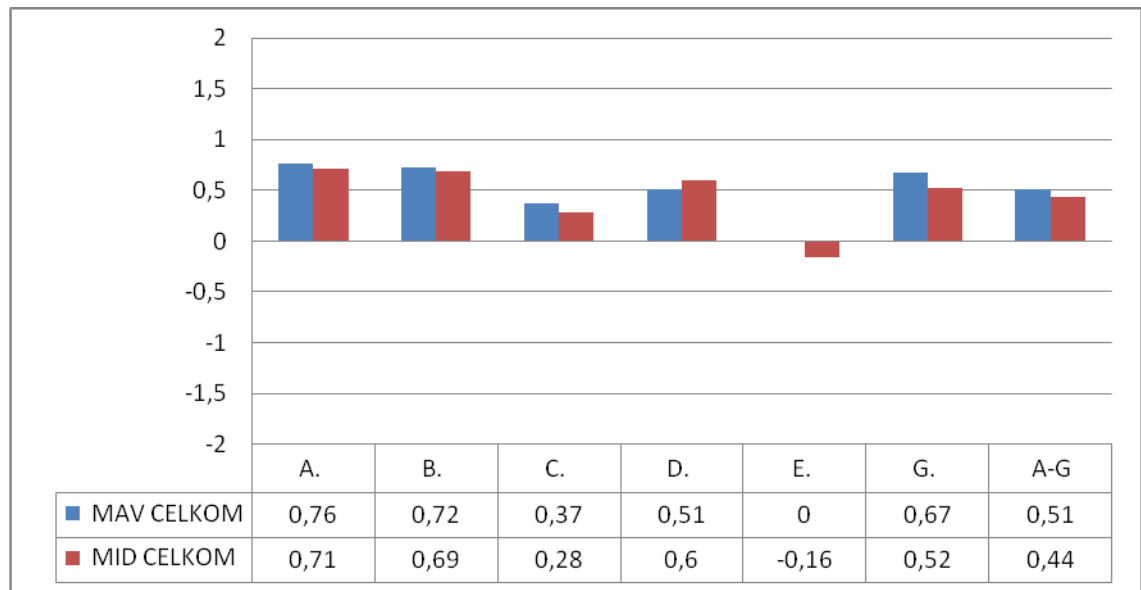
Figure 26: Working conditions, Serial (MAV) vs. Custom production (MID)



#### A – G The satisfaction of MID/MAV employees in general

Almost all study areas were evaluated positively, except the area of motivation and communication. In the company MAV represent the motivation 0 and in the company MID -0.16. Top rated areas of the companies have been field control / guidance immediate superior. The companies differ in the perception of quality, in the company MAV 0.67 and in the company MID 0.52.

Figure 27: The satisfaction of employees in general, Serial (MAV) vs. Custom production (MID)



To sum up this chapter, the total results of both companies are basically the same as the results of the Matador group in the previous chapter. The most positive evaluation received the part related to the relationship of the employees to Matador Holding (Part A., MAV - 0,76/ MID – 0,71). Second position holds in both companies good relationship with the direct superior (Part B., MAV – 0,72/ MID -0,69). The only difference is in the third position, where MAV’s employees evaluated the quality factor more positively (Part G. – 0,67) in comparison to MID’s employees (Part G. – 0,52), who evaluated the relationship in the workplace (Part D. – 0,6) as the third positive factor (MAV, Part D. – 0,51).

## **9 Discussion of results**

In general, the employees evaluated the Matador group positively as an employer, which is able to motivate them to keep the job. Average was around 0.74. (1 - Staff argue that rather yes). When it comes to the detailed research, between MAV and MID is the largest difference in response A02 (I believe that management makes decisions that will ensure the company's success.). The difference between the MAV and MID represents 0.37 preferred by employees of MAV. In favor of MID is a significant difference in response A05 (Company pays sufficient attention to safety and health at work) with 0.27. The greater emphasis on quality is in MAV (difference 0.25). However, the total average have MAV and MID approximately the same. MAV has reserves in the safety and health at work compared with MID. Conversely, MID has reserves of faith in management decisions compared with MAV.

### **9.1 Management / leadership of the direct superior**

Employees rated the managers of the Matador group in overall positively. The highest number received responses: My direct supervisor awards tasks understandable and clearly (B02) and My direct supervisor encourages teamwork (B03). We can say that the managers of the companies trying to assign tasks to understand, clearly and promote teamwork. Lowest number received a reply In the evaluation of performance from my supervisor, also provides space for self-assessment (B08). Place for improvement can be seen in this response. MAV has reserves in direct and objective approach to employees. MID has reserves of preparing for the interview with employee . Others responses are about the same for the company MAV and MID.

## **9.2 Communication**

Employees of the most praised with your supervisor may communicate directly and openly. Negative response is reviewed by C08. Employees do not prefer communication via e-mail. Also, lower values can be found in responses where employees indicate they do not have enough information about fundamental changes in company and lack of space to express satisfaction / dissatisfaction with the work environment. Total average is only 0.35. The best communication channel is the personal meetings of employees. Further communication channels holds roughly the same marks. Only one response is evaluated satisfactorily (with your direct superior you can communicate openly). Total average is approximately the same, around 0.3. In MID, one response is just below zero: I have enough information about Fundamental changes in company. Communication in both of companies is evaluated on low level at total.

## **9.3 Relationships in the workplace**

The procedure applies to all managers at all organizational levels, to the compliance with productivity, which means efficiency and effectiveness. All responses are evaluated positively. Only responses in whose employees have good relationships in the team, and they like the fact that at work are personal or casual relationships. Conversely, employees and managers had deficiencies in cooperation and help each other between departments. Average is equal to 0.53. Outcomes between companies MAV and MID are common.

## **9.4 Motivation**

Development of motivational techniques is beneficial to the organization and its employees, it offers a favorable environment, which brings high performance. Employees who are working with energy and enthusiasm, are much more efficient and productive. Managers serve as a model for their teams and organizations and must lead and motivate staff. Employees will be able to identify other factors that

motivate them when they will satisfy their financial needs. This will increase their morale, performance and job satisfaction.

Motivation and Personal Development had the lowest rating. Large minus values the responses E03 and E08. Statement in E03 suggests the remuneration of employees in the company is not objective (-0.33). In E08, employees complained about the lack of time for their further development. Other answers are close to 0. Average is just below zero (-0.01). Motivation is around zero in both companies (MAV, MID). Up to 90% of the employees are motivated by. In both companies (MAV, MID) money is in the first place (around 90% of employees). Teamwork is rated same in the MAV and MID (about 50% of employees). Differences between companies are:

- MAV employees significantly motivates: Improved qualifications (around 60% of employees).
- MID employees significantly motivates: Self-realization (around 53% of employees) and Status and recognition (around 40% of employees).

All social benefits are for respondents important. But the best social benefits are Social assistance and Supplementary pension insurance. The least interesting are the Rewards for informants anniversaries and contributions to domestic and foreign recreation. For the company MAV and MID are the most important social benefits: Supplementary pension insurance, Nutrition (Catering). The biggest difference is between companies in Contributions for recreation (0.34).

Employees will be able to identify other factors that motivate them when they satisfy their financial needs. This will increase their morale, performance and job satisfaction. Study of motivation suggests that employees are not motivated by increase of wages, but about receiving a positive feedback on their work. Employees are motivated by their own intrinsic need to succeed in challenging tasks.

## **9.5 Work environment**

The most unsatisfactory factors are: Temperature in the workplace, Noise and Changing Rooms. Top rated in both companies is Used Personal Protective Equipment.

- In the company MAV is most unsatisfactory: Temperature in the workplace (2,9), Noise (2,7) and Changing Rooms (2,7).
- In the company MID is most unsatisfactory: Used Instruments (2,6), Temperature in the workplace (2,5), Noise (2,5), and Changing rooms (2,5).

Between 2012 and 2013 there was a change in the largest SBUs in the share of revenues. Automotive SBU grew by 7% and SBU Engineering decreased by 8%. In MAV, pre-tax profit increased to EUR 216 thousand. But also in MID (increased to EUR 162 thousand). In MID sales of products, merchandise and services dropped by 18.1% in comparison to the previous year. According to the Annual Report of MID increase in pre-tax profit was obtained using cleaning projects accounts, savings on material input prices and production optimisation. This can result in the cause of dissatisfaction among employees with Used Instruments and thus affect the work performance of employees.

## **9.6 Quality**

Employees know their personal impact on the quality of the final product (1 - rather yes). On the other hand, employees are not aware about the quality criteria of the customers. The average represents 0.59. The quality of both companies is evaluated positively. Employees in the company MAV evaluated responses G01 (Audits customers can affect the quality of production effectively) and G03 (I know the criteria for quality of our customers) a better mark.

## **9.7 Working conditions**

Employees hindered a lot of pressure when deadlines end (53%). The pace of my work is too high, tagged 42% of employees. Conversely, refuted the allegations of the My tasks are too difficult or too complicated and I do not have enough work (below 10%). In this chapter we see the biggest differences between companies MAV and MID. The company MAV has only a small percentage of employees to complain for interfering factors (around 17%). In contrast, in the company MID is 79% of workers complain to much pressure when the end of deadlines and 49%

complain of frequent disturbance during operation. Around 38% of workers complain of too cumbersome work processes and inputs necessary for performance.

### **9.8 The satisfaction of employees in general**

The motivation was rated at the worst of all parts. Motivation in the company is just below zero (- 0.03). A low number (0.35) has also Communication in company. On the other hand, Quality and Relationships in the workplace is close to one (rather yes). Almost all study categories were evaluated positively, except the category of motivation. In the company MAV represent to motivation 0 and in the company MID -0.16.

In conclusion, after assessing and summarizing the results of the survey, having in mind certain preferences (chosen arguments) of the employees of Matador group, I would recommend to Matador Holding to improve following factors in order to motivate the employees to better job performance:

- Clarifying the reward system in MAV, but especially in MID (argument (E03);
- giving opportunities to qualification development and supporting of the career development of the employees in MID (arguments E05, E08);
- improvement of the communication, mainly supporting direct communication with employees in personal meetings on a regular basis and informing employees on fundamental changes in MID (argument C02).
- Also, above mentioned suggestions would be necessary mainly in MID, therefore another possibility to improve shortcomings in MID, would be the circulation of managers/certain direct superiors from MAV to MID and vice versa.
- The employee satisfaction can be improved by having the appropriate temperature in the workplace, decreasing noise or providing earplugs to the employees, improving the changing rooms equipment.

## 10 Hypothesis statements

Based on the research in previous chapters the hypothesis statements can be evaluated as follows:

1. *The company performance can be significantly increased by implementation of specific HR methods both in serial and customized industrial production without an increase in capital investments.*

The research has shown that on one hand the employees are motivated by monetary motivation, but on the other hand there is a variety of other non-financial motivational factors that can lead to a higher performance when activated and satisfied.

As non-financial motivation can lead to higher performance, than performance can be increased without capital investments. From our research it is clear that money is not the only motivating factor to work. The research showed that except of money the employees are motivated by: Improved qualification (around 56%), Teamwork (around 52%), Self-realization (around 45%), Status and Recognition (around 38%). Motivation is divided into two categories. Extrinsic, e.g. salary, vacation, material things and working conditions and intrinsic motivation such as friendly environment, the meaning of life and success, the feeling that you know what is happening and that you are competent in the work. Armstrong (2009) maintain that intrinsic motivators are likely to have a deeper and longer-term effect, because they are an integral part of employees. Ngima/Kyongo (2013) claims that the most important task of a manager is his relationship with each employee. The second most important task is to create a work environment and organizational culture that encourages employee motivation and commitment. Employees who work with energy and enthusiasm, are much more efficient and productive. Theory of justice claims that people will be more motivated if they are treated fairly.

The research prooved with the interview answers that the employees can be motivated by implementation of specific HR methods. Thus it can be expected that their performance can be long-actingly increased due to increased intrinsic motivational factors. In case the intrinsic factors are activated the motivation and

performance of the employees can be increased without a direct increase in capital expenditures.

2. *The specific motivational factors influencing the management performance can differ in the serial production in comparison to customized production.*

The research points to differences in motivational factors between serial (MAV) and customized (MID) production. For employees working in the serial production the first three motivational factors are: 1st Money, 2nd Improved Qualification, 3rd Teamwork. For employees working in the customized production the first three motivational factors are: 1st Money 2nd Improved qualification, Teamwork, Self-realization (same percentage) 3rd Status and Recognition. The Motivation factors Money and Teamwork had the same proportion in both surveyed companies. The biggest difference represents a Self-realization (Customized production 17% more). For serial production workers the chance to increase their qualification is more important. For the customized production employees the self-realization, status and recognition are of higher importance compared to serial production workers. If employees increase their Qualification it can be expected that they subsequently achieve an increase in salary.

## 11 Conclusion

The primary requirements of the job satisfaction may include salary, a fair pay system, real promotion opportunity, considerate and participatory governance, and sufficient degree of social interaction at work, interesting and varied role and a high degree of control over the pace and methods of work. Satisfied individuals, however, largely depend on their own needs and expectations, and the environment in which they work. Motivation is divided into two categories: external, such as salary, vacation, material things and working conditions. Intrinsic motivation factors include a friendly environment, the meaning of life and success, the feeling that you know what is happening and that you are competent in the work.

The research has shown that employees are motivated especially by money (about 90% of all employees) in both companies (Serial -MAV vs. Custom production - MID). However except of money the employees are motivated by: Improved qualification (around 56%), Teamwork (around 52%), Self-realization (around 45% ), Status and Recognition (around 38%).

We can see the difference in motivation in serial and custom production. In serial production, employees are motivated if they become a chance to increase their qualification. This could be caused by the fact, that if employees increase their qualification then they achieve an increase in salary. Contrary to customized production employees it is relatively more important to increase the possibilities for self-realization, increase the status and recognition.

The performance of serial production workers can be increased mainly through enabling qualification. Whereas in the customized production the range of motivational factors has a higher spread. The performance can be increased besides qualification opportunities through teamwork, self-realization and status increase.

Thus in both serial and customized production the motivation and performance of employees can be increased without a direct increase in capital expenditures. However according to the results from the empirical study for the particular production segments we should apply different motivational methods.

Further research on this topic could examine particular HR methods and show tangible performance motivators specifically for the particular production types and for the specific areas of demand such as qualification, teamwork, self-realization, status and recognition etc. And also analyze a larger sample of the companies surveyed (serial and customed production) and explain regression and correlation analysis (examining dependencies between quantitative traits).

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