

Human Resources Management: A Case of the Czech Republic

Zuzana Dvorakova¹

Human resources management (HRM) in the Czech Republic is substantially influenced by global corporations operating in the territory of Central and Eastern Europe. Managing local employees covers human resource (HR) policies and practices that are preferable by parent headquarters and is usually defined as best practices. The Czech companies have either accommodated and copied such practices over time or independently developed analogous HR approaches and practices.

The purpose of this paper is firstly to describe organizational architecture of HR departments in local subsidiaries of multinational enterprises, secondly to identify their HR policies and practices, and thirdly to discuss consequences of current trends in the area of training and development in the context of Czech environment. It is evident that T & D budgets play an important role in increasing a position of HR departments in organizational architecture as well as in developing competencies of high potential employees because training and development is considered crucial in strengthening business competitiveness.

Methodology of the paper includes analyses of HR policies and practices used in local subsidiaries and their illustration on a case study dealing with training and development.

HR departments belong to organizational units that traditionally seek ways to minimize indirect costs. Since 2008 cutting the number of employees and wage freezing are seen as effective measures to reduce personnel expenditures. Another way to decrease costs is restructuring personnel/HR departments: an enterprise either decentralizes or decides to outsource and offshore its personnel/HR services. A specific part of restructuring used to be a transformation of HR departments into front and back offices: the former ones comprise HR managers who perform the fundamental functions of the office in favour of all staff, the latter consist of HR specialists who provide highly specialized services and consultancy to senior line managers. Line managers gradually become more responsible for performance of operational personnel/HR activities, like e.g. staffing, orientation, training and development.

The title of the department is an external manifestation of importance of managing human resources. The name "Human Resources" is preserved in those local subsidiaries where HR processes are performed in compliance with best practices. A group of HR specialists and HR managers is not usually numerous and some of them strive to become effective HR business partners. However, organizational changes of HR departments are considered to be weak points and threats in the way to develop HR managers into the role of effective HR business partners. The novel responsibilities of HR managers are concentrated mainly on performing operational services. Besides, line managers at various levels of organizational hierarchy do not convey much enthusiasm about refining their professional tasks and the use of soft practices of work motivation (regardless of recommendations provided by HR specialists) since the long-term atmosphere of pressure, focuses on performance and growing uncertainty about job security.

¹ Zuzana Dvorakova - Department of HRM, Faculty of Business Administration, University of Economics, Prague, Czech Republic