



## Leaders to Follow

### CZECH BUSINESSES MAKE SIGNIFICANT GAINS

#### NEW FOCUS IS ON LEADERSHIP SKILL DEVELOPMENT

The most recent issue of the *Prague Post* ran an intriguing article about management training. According to staff writer Petra Pasternak, the initial concern in post-communist Czech businesses was increasing productivity, to make Czech companies competitive in world markets. The past ten years have seen very promising gains in productivity levels “to near-Western levels” and many Czech companies are beginning to focus on leadership skill development. Pasternak cites a June 2004 PricewaterhouseCoopers survey which concludes that productivity as a concern for Czech management has moved down to fifth in line, while management development has climbed to first place (“Companies Focus on the People Factor”, *Prague Post*, July 1, 2004).

For the Institute, this is good news, but not surprising. Our Executive Education programs have always stressed that business is not simply a matter of creating a product or service and selling it, then pocketing the profit—business that lasts and is successful over time is built on human relationships. The manufacturing of a product or the delivery of a service is the *core* of a business, but no one can overlook that manufacturing and delivery are intensely human activities. A product starts with an idea—a service starts with a need—from there, people use their intelligence and experience to develop the product or service as well as they possibly can.

But then what? How is the product sold? Distributed? How is the service made available? Delivered? The *core* cannot make itself, or market itself, or improve itself. People are needed to give life to the product or service.

This may seem obvious, but recognizing the fundamental role of committed human effort in a successful business is only the first step in finding ways to develop and nurture human potential. After recognition comes action: action that will bring out the best in people, so the business can thrive and grow as new ideas and insights flow into it from the employees.

Yet all people are not the same, and ways of nurturing “Mr. A” may not motivate “Miss Z” at all. You can read a manual to learn how to operate a computer properly, but no manual exists for operating a human being. Human resource professionals develop manuals, full of necessary and helpful rules and principles, but in daily practice wise business managers know they must occasionally “throw away” the manual and deal with the employee face-to-face. His or her emotional equilibrium (or lack of it), state of health, family matters, even the weather or the commute to work can have a major effect on an employee. A computer is always the same, every time you turn it on—but people are far more mysterious and unpredictable.



The Institute’s experience in human relations has taught us that the only way to succeed in business is by developing five essential human resource skills:

**Interpersonal and cross-cultural communication skills** (a growing need, as Czech society becomes more diverse in national and ethnic composition);

**Team-building skills** (crucial to business success in a complex working environ-

ment—no one person is as creative and resourceful as the entire team);

**Coaching and mentoring skills** (a vital necessity for smooth transitioning of new workers in the company culture);

**Career-path development skills** (especially important in the Czech Republic, where companies prefer to promote from within whenever possible);

**Reward and incentive skills** (keeping employees motivated in spite of sometimes-challenging working and business conditions).



## The International Leadership Institute

- WAS FOUNDED IN 1985 IN PRINCETON, NJ
- REMAINS DEDICATED TO LEADERSHIP DEVELOPMENT
- HAS RUN MORE THAN 40 EXECUTIVE EDUCATION AND LEADERSHIP DEVELOPMENT PROGRAMS IN THE US, FOR EUROPEAN CLIENTS
- HAS PARTNERED WITH THE US DEPARTMENT OF STATE, THE UNIVERSITY OF NORTH FLORIDA, THE JACKSONVILLE CHAMBER OF COMMERCE AND MORE THAN 700 OTHER BUSINESSES, UNIVERSITIES, RELIGIOUS ORGANIZATIONS, PRIVATE CITIZENS AND GOVERNMENT AGENCIES



In Old St. Augustine: the Class of '58 celebrates! Jana, Bozena and Jirina join Jarda in front of the oldest store in the US during their March 2004 "Travel-and-Learn" program.

Providing Leadership Development Services and Programs in the US and Europe since 1985

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## Leadership skill development

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Since 1991 Institute Executive Education programs have offered Czech managers significant opportunities to develop these essential leadership skills. In 2004 we are very happy to find that our clients need our programs more than ever, as Czech business matures and moves beyond a narrow focus on the technical aspects of creating products and services that will compete in world markets, and welcomes new concepts about leading and inspiring the people in the company in such a way that they can contribute their best at work. This is where the Human Resource Development manager can make an impressive impact, leading the Institute to create new custom-tailored programs for HRD managers. We are working with the Prague-based company *Inventa* on the pilot Institute Executive Education Program for Czech HRD Managers, with a target date of Fall 2004.

In a recent Institute publication *The HRD Practitioner of the Future—Czech Republic*, we outline a program tailored to meet the new needs of Czech Human Resource Development managers. In addition to the five essential skills noted above, we included several other key areas of human relationship skill development in our new HRD managers' program:

"Stress Management, Conflict Resolution, Handling of Disputes and Team-building." This area covers everyday conflicts between employees and personal stress, offering preventive plans to minimize such conflicts.

"Cultural Diversity: Working with Foreign Nationals, Handicapped People and Interns." HRD policies dealing with these special relationships will be observed and discussed.

"Employee Mobility and Personal Growth." Participants will learn successful career development paths and how they are tied to personal growth issues for employees.

"Improving the Competencies and Skills of Current Employees." Here the focus is on learning about performance appraisals, action plans and productivity enhancement methods for current employees.

The Institute's new HRD manager's program will provide practical training in acquisition of these vital people skills." It's a well-documented fact that employees are more productive, creative and loyal to their companies when the employees feel appreciated and respected. HRD managers are at the front lines in implementing policies and principles that foster a company culture based on mutual respect, desire to contribute positively and enthusiasm on the job.

At the Institute we have always believed that people want and need to work, for their own personal satisfaction and fulfillment. Work is an arena in which the individual can have a direct impact on his or her society, and can see the fruits of his or her talents and gifts being put to use.

We look forward to continuing to help Czech managers, especially HRD managers, through our new Executive Education programs. Our renewed Institute focus is to help managers to develop and put into practice essential human resource skills, in order to improve the human "climate" in Czech business.