

## **Abstract**

In its theoretical part, this bachelor thesis is concerned with the possible definitions and types of labour market flexibility with a subsequent aim at numerical flexibility. The first part deals with OECD and World bank indices, which measure numerical flexibility at national level. Since these are established on the measure of strictness of Employment protection legislation, a part of this study is dedicated to the development of labour law in the Czech republic. This is followed by a look at flexible forms of employment and organisation of working time, the development of which is related to the strategies that countries employ in their bid to achieve higher employment. The main target of this work is to create indices which will measure internal and external numerical flexibility in all regions of the Czech republic. Their structuring is established on the methodology of Vassilis Monastiriotis who created such index for regions of Great Britain. The resulting index values are used in panel data. The hypothesis that a low value of flexibility results in a high rate of unemployment was tested and was confirmed only with the index of external numerical flexibility. Despite this result, it was found that the indices are useful and may help us in understanding and explaining the situation on the labor market.