

RESEARCH REGARDING THE ROLE OF CONTINUOUS FORMATION OF THE EMPLOYEES IN ORDER TO INCREASE THE COMPETITIVENESS OF ORGANISATIONS IN SUCEAVA COUNTY

Manolescu Aurel

Academy of Economic Studies, Faculty of Management

Morosan-Danila Lucia

University „Stefan cel Mare” Suceava, Faculty of Economics and Public Administration

Boghean Florin

University „Stefan cel Mare” Suceava, Faculty of Economics and Public Administration

Boghean Carmen

University „Stefan cel Mare” Suceava, Faculty of Economics and Public Administration

Defence mechanism, competitiveness is seen as a means of ensuring the survival of organizations. Are companies and even countries that speak of competitiveness in order to survive to the onslaught of globalization, new entrants and low profit margins. The studies are showing that all organisation are recognising the role and importance of human resources in ensuring its competitiveness. The present paper will try to analyse the role of employees' formation and to establish their importance in increasing the competitiveness, based on information offered by the companies from Suceava County.

Keywords: human resources, continuous formation, training programs, competitiveness

JEL Classification: M12

1. General framework of research implementation

In order to establish the context of the research we will make a small analysis of the North-East Region with accent on Suceava County.

Regional economy. The North-East Region is the less developed region of Romania and EU in general (in 2009, GDP per capita represented 26% of EU average). Especially the west part of the region, which was the subject of a forced industrialization in the period 1960-1970 (furniture, chemicals, construction materials, machine building, textiles), in the last 10 years it entered into a process of deindustrialization, which worsened the economic situation.

The attractiveness index is the lowest in this region - 19.7.²⁸¹ Low attractiveness manifests itself in the small volume of foreign direct investment: 672 million Euros in 2007, representing 1.6% of total foreign direct investments made in Romania.

Also, the North-East Region has the lowest number of SMEs per 1,000 inhabitants, only 15.08%, the total number of SMEs being of 56.199, representing 87.26% of total micro SMEs.

Education. Considering the eight development regions, NE Region has the largest share of population and of students (17.2% and 17.7%), the number of units for the educational process is small and represents only 10.19 % of schools

²⁸¹ *Strategia de dezvoltare economică și socială a județului Suceava 2008 – 2013*, <http://www.cjsuceava.ro>

throughout the country. Three counties Bacau (23.6%), Iasi (16.3%) and Suceava (14.4%) have about 60% of the total number of existing schools at the regional level, having the largest school population, compared with other three counties in the region. They are at the same time university centres.

In Suceava County operates a total of 237 educational institutions, according to data provided by the National Statistics Institute (INS).

Following the creation of the legal and institutional framework for continuous formation, in January 2004 began the process of approving the providers for adults training. The legal framework for approval of training programs in Romania is regulated by O.G. no. 129/2000 on adult training, as amended. The methodology is implemented by the National Council for Adult Professional Formation (CNFPA) coordinated by the Ministry of Labour, Family and Social Protection and Ministry of Education.

According to data provided by the CNFPA (www.cnfpa.ro), in Suceava County in 2004-2009 were authorized to organize training programs more than 75 training providers (Table 1).

Table 1. Programs authorised by CNFPA in Suceava County, 2004-2009

Type of the program	2004	2005	2006	2007	2008	2009	Expired authorisations	Retired authorisations	Total, from which:
Total, which:	25	25	17	21	15	21	25	0	124
Qualification	19	16	13	12	12	10	19	0	82
Qualification – requalification	0	0	0	0	0	0	0	0	0
Initiation	2	0	2	4	0	4	2	0	12
Improvement	0	0	0	2	0	2	0	0	4
Requalification	0	0	0	0	0	0	0	0	0
Specialisation	4	9	2	3	3	5	4	0	26

Source: According to data offered by CNFPA, www.cnfpa.ro

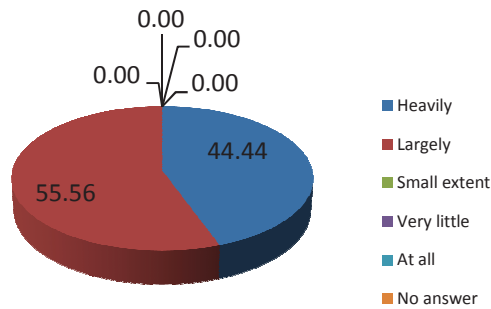
2. Results of the research “Role of continuous formation of the employees in order to increase the competitiveness of organisations in Suceava County”

The purpose of the research is to create scientific premises for improvement of the relation between the organisation and its employees in order to increase their competitiveness through formation. In this respect has been applied a questionnaire on all types of organisations operating in Suceava County, from public institutions to private companies. Have been collected a number of 294 valid questionnaires. Following will be presented the questions and the responses of the research.

P1. How important are the employees in your organization?

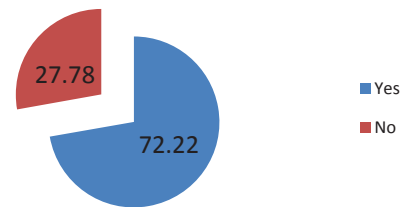
Regarding the importance of employees within the organization, all responses were positive, more exactly 55.56% of respondents said “largely” and 44.44% “heavily”. We found those answers in the sense that human resources are

considered significant resources to achieve the objectives of the organization and to increase the profitability.



Graph 1. How important are the employees in your organization?

Graph 2. There is a strategy for employees training in your organization?



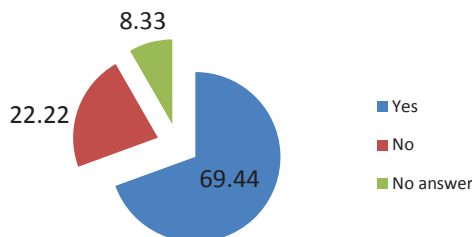
P2. There is a strategy for employees training in your organization?

Although most respondent organizations were companies with a small number of employees, however 72.22% of them said they have a strategy for training of the employees within the organization. This response could be given because of obligation imposed by the labour code of human resources formation.

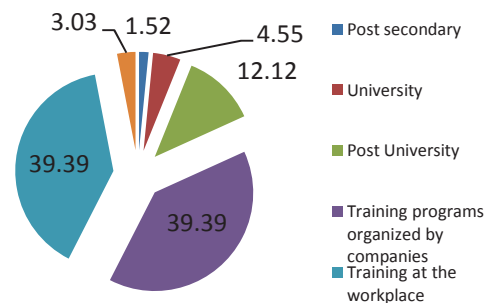
P3. Your organization has internal procedures regarding continuous formation?

This question is related to the previous one, although responses differ, meaning that 69.44% of respondent organizations have internal procedures regarding continuous formation. Percentage of 8.33% for option “No answer” makes us think that organizations have such procedures, but does not apply them, either because of lack of interest or lack of funds.

Graph 3. Your organization has internal procedures regarding continuous formation?



Graph 4. At what type of courses / formation programs participate the employees of your organization?

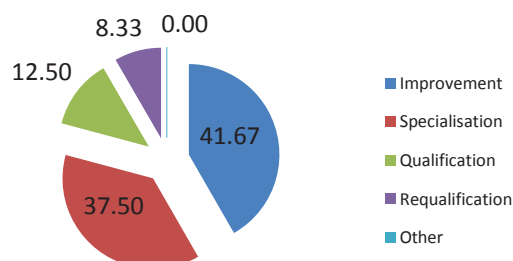


P4. At what type of courses / formation programs participate the employees of your organization?

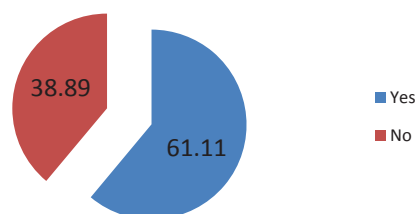
Only a percentage of 3.03% responded that their employees do not participate at formation programs, percentage that we consider is low in the current economic situation. Extremely high percentage of “training at the workplace” (39.39%), although equal with “training programs organized by companies”, probably is due

to managers distrust in the current training system and prefer to deal themselves with the formation of the employees, fact which also involves much lower costs. University and post university training degrees have very small percentage (4.55% and 12.12%). Usually these types of programs are followed by managerial staff and those wishing to climb the ladder.

Graph 5. What types of courses / formation programs prefer the employees from your organization?



Graph 6. Do you use the services of external providers?



P5. What types of courses / formation programs prefer the employees from your organization?

In the top of preferences for formation programs are those of improvement with 41.67% and those of specialisation with 37.50%. We can say that is focused on updating the knowledge and skills to current market requirements. Qualification and requalification programs have lower rates (qualifications - 12.5% and requalification - 8.33%), which shows that few organizations are interested in hiring unqualified people hired costs for their training.

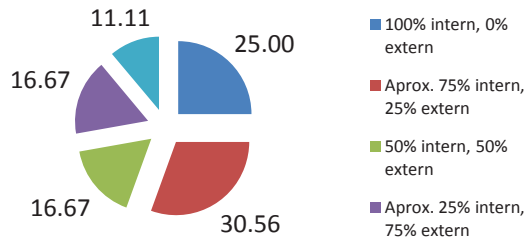
P6. Do you use the services of external providers (eg. Universities, NGOs, private entities, independent trainers, research institutes etc.)?

61.11% of respondent organizations turn to outside service providers, probably due to the lack of trainers within the organization and timeliness of knowledge and information provided by outside suppliers specializing in the field.

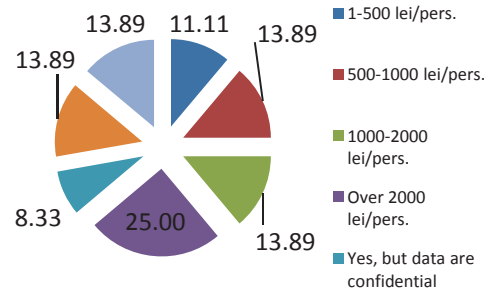
P7. What is the ratio of formation programs completed internal and those by contracting external suppliers?

Although at the question before the majority answered that they use external trainers, still only 25% realise 100% training programs by contracting external suppliers. However, the answers are not discouraging; they show that organisations combine internal with external formation. In some organizations are applied the procedure by which employees who have participated in various training programs organized by specialist companies, form and transfer their knowledge to other employees of the organization.

Graph 7. What is the ratio of formation programs completed internal and those by contracting external suppliers?



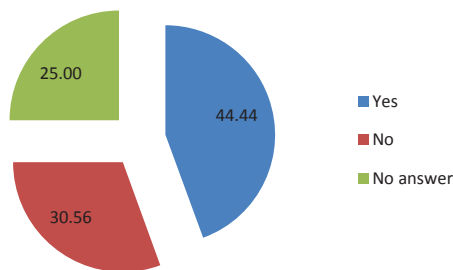
Graph 8. What is the effort made by your organization for training?



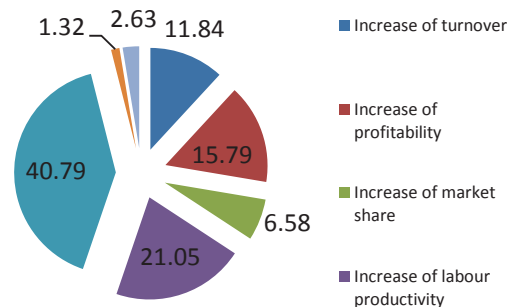
P8. What is the effort made by your organization (expressed in average number of persons and lei per person) for training?

13.89% of respondents did not know how to answer to this question, because the position within the organization and lack of access to information. 13.89% answered that they were not conducted training costs over the past two years and current year. 8.33% of the organizations participating in the research record costs related to training for employees, but details are confidential, and are not possible to communicate them. The remaining 63.89% of respondents give us the costs of training, namely: 11.11% recorded cost under 500 lei / pers., 13.89% between 500 and 1000 lei / pers., 13.89% from 1000 to 2000 lei / pers. and 25% over 2000 lei / pers.

Graph 9. Exist within your organization a budget for training?



Graph 10. What is the impact / outcome of employee training on your organization?



P9. Exist within your organization a budget for training?

44.44% of the organizations participating in the research have a budget for employee training, 25% answered that they do not know this information; this answer depends on what position had the person who has completed the questionnaire.

P10. What is the impact / outcome of employee training on your organization?

Should be noted that most respondents completed the question favourable (only 2.63% of respondents believe that training does not cause any change in the organization), considering that training has positive effects on the organization, the highest percentage being for “Increase of quality of the organization services, products”- 40.79%, followed by “Increase of labour productivity” with 21.05%.

P11. In your opinion, is there a need for training the employees within the organization?

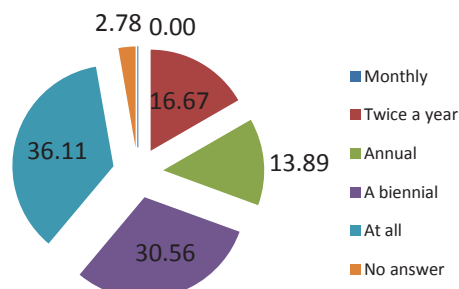
Although up to this question most aspects of employee training were positive, now it appears that the respondents see no need for staff training. We believe that these responses are because

employees who had participated in research organizations are already trained and have the necessary knowledge and skills to the position they hold within the organization.

Graph 11. In your opinion, is there a need for training the employees within the organization?



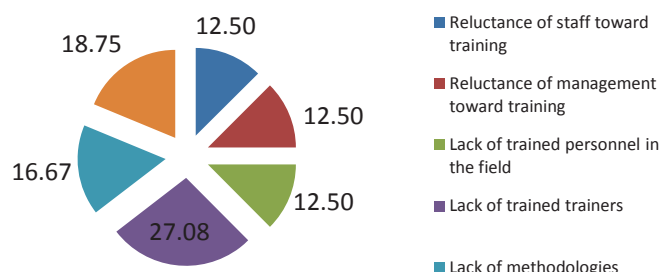
Graph 12. How often do you think that employees should receive training?



P12. How often do you think that employees should receive training?

This question is linked to the previous one, which is why over 35% of respondents believe that employees should not attend training, but still a percent of more than 60% believe that employees should update their knowledge (16.67% - twice per year, 13.89% - annual, 30.56% - once every two years).

Graph 13. What are the main problems encountered related to the completion of training in your organization?



P13. What are the main problems encountered related to the completion of training in your organization?

Here we meet the heterogeneous responses; the distribution between them is somewhat equal, namely: "reluctance to staff toward training", "reluctance of management toward training" and "lack of trained personnel in the field" have equally 12.5% of responses; "lack of trained trainers" has a rate of 27.08% and "lack of methodologies" 16.67%. All these answers makes us think of apprehension and mistrust of management of the organization and employees to the whole process of training and trainers, and related to the entire education system as a whole. All those who chose "other" stated costs of training, specifically their lack. According to the results from the conducted research can be said that organizations recognize the importance of employees for their development.

Is considered that the offer of the existing formation programs reflect only partly the training needs of employment. Thus, the most effective way to link training content to labour market needs is achieved when training takes place at the request of traders, and the practice activity is conducted under real working conditions or when training providers cooperate closely with

operators from some sectors of activity. Training at workplace is the most common way of training, being on the one hand, affordable, and, secondly, unavoidable, required by the development of the activity itself.

Approximately 90% from all formation programs from industrial field conducted at workplace. Formation at workplace is conducted within the establishment and in the context of the job. Often, is informal when an employee with experience shows to a trainee how to perform the job requirements. The trainer can monitor the trainee in order to provide guidance during practice or teaching.

We noticed within the research that employers prefer to recruit staff that is already trained. Therefore, people who invested in their training are in a better position than school graduates, inexperienced workers and those who returns in the labour market after a period of unemployment. Training is seen as a cost that needs to be minimized, and not as an investment. Investments of employers in human resources development are small and costs related to training are covered in particular by individuals.

Conclusions

Most firms in the EU offer to their employees training programs, which, as statistics suggest, are crucial for economic performance. There is evidence that employer who provides training, improves the product and process innovation, and stimulates economic growth and productivity. Based on available evidence, we might consider that, at company level, increasing the proportion of trained employees by one percentage point increases the productivity by about 0.8%. However, 40% of EU firms - mainly SMSs - still not offer training to their staff. Modernization of enterprises by providing VET is therefore crucial for the economic performance of EU enterprises. Development of policies means ensuring that both, employees and companies, will share the benefits of training, in order to avoid this they should bypass suboptimal use of acquired knowledge. The importance of education and training could also suggest strengthening the public funds for education and training to complete the investments of forming firms, when they are insufficient. Similarly, given the challenge to keep pace with larger firms, public order should provide to small business consulting, implementation and management support for the provision of training. Greater transparency of the benefits of further training for businesses and information on the moment when these effects occur could also be an incentive for small firms to invest more in continuing training.

Bibliography

- [1] Bernardin, J., Human Resources Management: An Experiential Approach, Third Edition, The McGraw-Hill Companies, Columbus, 2003
- [2] Vance, D, Corporate restructuring. From Cause Analysis to Execution, Springer Heidelberg Dordrecht, London, New York, 2009
- [3] Cedefop, Jobs in Europe to become more knowledge- and skills-intensive, February 2010
- [4] Strategia de dezvoltare economică și socială a județului Suceava 2008 – 2013
- [5] *** Consiliul Național de Formare Profesională a Adulților, <http://www.cnfpa.ro>
- [6] *** Ministerul Educației, Cercetării, Tineretului și Sportului, <http://www.edu.ro>
- [7] *** OECD, <http://www.oecd.org>
- [8] *** Uniunea Europeană, <http://www.europa.eu>