The importance of training in contemporary organizations

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Abstract: This paper describes the concepts of training and career development for employees, level of knowledge of workers, the profit that some companies had from continuous training, and the way in which an organizational psychologist, with the support of management, assesses the need of employees for a particular type of training, according to the method, place and way of work performance. According to the researches, there is a positive correlation between the competencies of each individual employee and the long term growth of productivity of organizations. Learning and development of employees can be a powerful recruitment and retention tool, because investment in employees development demonstrates that the organization values its people, improves their career, makes them more successful at work, and also makes the organization more profitable. The legal norms regulate the professional development of employees, as well as the obligations of the employer who deal with this issue. According to article 49 of the Labor Law, the employer is obliged to provide the employee with education and training, if it is required by the needs of the work process and the introduction of a new way of work organization. The methodology is based on desk research and case study.

Keywords: organization, training of employees, education of employees, productivity of organization

JEL classification: I25

Značaj treninga zaposlenih u savremenoj organizaciji

Sažetak: Ovaj rad objašnjava koncept treninga i razvoja karijere zaposlenih, nivo znanja radnika, profit koji su neke kompanije ostvarile od stalnog usavršavanja radnika, kao i način na koji organizacioni psiholog uz podršku menadžmenta procenjuje potrebu zaposlenih za određenom vrstom obuke, u skladu sa metodom, mestom i načinom obavljanja rada. Prema rezultatima istraživanja, postoji jasna povezanost između osposobljenosti svakog zaposlenog i dugoročnog rasta produktivnosti organizacije. Učenje i razvoj radnika može biti moćno sredstvo za pridobijanje i zadržavanje zaposlenih, jer ulaganje u njihovo napredovanje ukazuje na to da organizacija ceni svoje radnike, unapređuje njihovu karijeru, podstiče ih da budu uspešniji na poslu, što istovremeno čini i samu organizaciju profitabilnijom. Pravni propisi regulišu profesionalni razvoj zaposlenih, kao i obaveze poslodavaca u vezi sa ovom tematikom. Prema članu 49. Zakona o radu, poslodavac je dužan da zaposlenom omogući obrazovanje i obuku, ako to zahtevaju potrebe procesa rada i uvodenje novog načina organizacije rada. Metodologija se zasniva na sekundarnom istraživanju i studiji slučaja.

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1. Introduction

“Knowledge has always been one of the main drivers of development. Due to the EU aim to become a knowledge-based economy, knowledge has become even more important. Efficient creation, dissemination and use of knowledge lead to knowledge-based development, economy and competitiveness” (Jednak et al., 2018, p. 4). The environment in which organizations operate today is changing rapidly, imposing on every organization the need for flexibility, the ability to respond to changing environment and to proactively look for potential innovations (Bošnjak et al., 2018, p. 292). Current trends such as the globalization process, internationalization of political, economic and social ties, development of technology, raising environmental awareness, are constantly imposing the need to adapt to a turbulent environment but, on the other hand, it is also necessary to develop and acquire new knowledge, expertise, skills and abilities, which become crucial in all areas. In such conditions, permanent acquisition of new knowledge and skills, with the application and development of the latest technologies, is a necessary basis for the development and survival of society (Marcikić-Horvat & Radovanov, 2017, p. 124).

Training and career development are very important for every organization. Employee training refers to the process of acquiring the essential skills that a particular job requires. The aim is achieving specific goals, e.g. understanding how a particular machine system works. Career development, on the other hand, places emphasis on general skills, which are applicable in a wide range of different situations. It relates to decision making, creative thinking and managing people (Mihailović & Ristić, 2009).

Interested parties in the field of training and development can be divided into several classes. Training and development sponsors are senior managers. Clients of training and development are employees. Direct managers are responsible for coaching, resources and doing business. Participants are those through whom the training itself is conducted. Facilitators are employees in the field of human resources management. Each of these interest groups has its own motives, which may be in conflict with the motives of others (Sultana et al., 2012). Employee training that allows them to match their superiors, as well as people with different views, is one of the best guarantees of long-term success (Čizmić, 2003). Typical types of training are the following: training of new employees, professional skills training, technical knowledge training, training related to customer service, sales and marketing training, health care, etc. (Montana & Charnov, 2000).

There is a positive correlation between the competencies of each individual employee and the long-term growth and productivity of organizations. Well-designed and executed learning and development can be a powerful recruitment and retention tool because investment in developing employees demonstrates that the organization values its people (Foster, 2019).

Hereinafter, we will closely consider the concepts of training and career development for employees, the way in which management determines the need of organization for a particular type of training, types of employee training with regard to the method, place and manner of performance and the level of knowledge of employees, and the profits that some companies had from continuous training.

With respect to legal regulations and procedure, professional training of employees can be a good example for the employer of how the efficient organization of jobs can be applied in all activities of the company. According to Article 49 of the Labor Law, the employer is obliged to provide the employee with education and training, if it is required by the needs of the work process and the
introduction of a new way of work organization. The costs of employee training are provided from the funds of the employer and other sources, in accordance with the law and the general act. If the employee terminates education and professional development, they are obliged to refund the cost of training to the employer, unless the termination occurs for justified reasons (Labor Law, 2018).

2. Concept and types of employee training

The employee training can be defined as an effort to improve the performance of employees at their workplace or in a workplace that is related to them. Training includes acquiring specific knowledge, abilities, skills, attitudes or behaviors. Effective training must be in concordance with identified needs and should be planned in advance. The ideal is the situation in which the training meets both the needs of the organization and the individual needs of the employees. The goal is to eliminate any deficiency on the part of the employee in the short term (Guzina, 1999).

The concept of training is usually mixed with the concept of development. Employee development implies creation of learning opportunities in order to help employees succeed in their own personal development. Employee development opportunities are not limited to the workplace where employees work (Sultana et al., 2012). In other words, training is a learning activity for acquiring the knowledge and skills that are necessary for doing a job successfully. Training helps employees to do their current job better, and development involves preparing the employees for the future.

According to Kraiger (2017), training is the systematic process initiated by the organization that facilitates relatively permanent changes in the knowledge, skills, or affect/attitudes of organizational members. Training is most effective when designed so that trainees are active and encouraged to self-regulate during training, and when it is well-structured and requires effort on the part of trainees. Autor also defines additional characteristics of effective training: the purpose, objectives, and intended outcomes of training are clearly communicated to trainees; the training content is meaningful, and training assignments, examples, and exercises are relevant to the job; trainees are provided with instructional aids that can help them organize, learn, and recall training content; opportunities for practice in a safe environment are provided; feedback is provided by trainers, observers, peers, or the task itself. In addition, effective training requires a prior needs assessment to ensure the relevance of training content. After training, care should be taken to provide opportunities for trainees to implement trained skills, and organizational and social support should be in place to optimize transfer (Kraiger, 2017).

Development can be focused on the development of individuals and the development of teams. Successful companies are different from unsuccessful because their organizational culture is characterized by norms and standards that encourage organizational behavior focused on continuous growth and development, rather than on safety and average. Development planning is especially important for those companies that build their strength on the knowledge and skills of employees (Merit plan, 2011).

Firstly, successful organization of training and employee development requires identifying the needs for training and development at three levels: at the level of the organization, at the level of individual work and at the individual level, and often at the level of specific groups in the organization. At the organizational level, it is necessary to identify short-term and long-term goals and business trends that can affect them. At the workplace level, it is necessary to provide information about the activities on that workplace (from job descriptions), specific knowledge and skills (from work specification) and the minimum acceptable standards of performance of a particular job. At the individual level, identifying needs for training and development can be done in two ways: based on the gap between existing performance and standard, or based on the gap
that is present between existing and required skills and knowledge for doing business. Training needs are identified in the first case and development needs in the second. Regardless of the method in identifying individual needs for training and development, different means can be used: assessing individual effects, knowledge tests, self-identification of needs, examination of attitudes, competence analysis, etc. At the group level, it is necessary to identify the needs for training and development of specific demographic groups of employees: minorities, women, since the practical experience of many organizations has indicated that the training needs differ according to the groups mentioned (Garavan et al., 1995).

After identifying the need for training and development, it is necessary to make a selection of appropriate programs. In that sense, it is necessary to determine who the program participants will be and what type of skills are envisaged for the subject of training. The training program and the development of employees can be performed by one or several different contractors, from direct managers and employees in the human resources department, colleagues, to internal and external experts for a particular field (Petković et al., 2003). Different skills can be developed by training programs and employee development programs. We can sort them in the following way:

- basic literacy (writing, reading, calculating),
- basic technical knowledge (maintenance of the technique, technical expertise of employees),
- interpersonal skills (communication, interpersonal relations, assessment of achievement, leadership, negotiation),
- conceptual and integrative abilities (strategic and operational planning, organizational design, creation of business policies).

After defining the participants, the instructor and the type of knowledge that the organization needs, it is important to decide on the best type of training. Forms of training depend on the place where the training of employees is performed, and determines the choice of methods (Petković et al., 2003).

According to the method, different types of training can be classified into two categories (Petković et al., 2003):

1) information methods based on one-way communication, giving participants information from a certain field of knowledge: lectures written on CDs, self-learning from books, materials, etc.,
2) experimental methods based on the permanent interaction of instructors and trainees (workplace training, instruction, computer use, simulator training, case study, role-playing, behavior modeling, etc.).

Based on the information about the type and level of competence that the organization needs, it is necessary to select the best quality training programs. The choice should be based on the experience of organizations that have applied different training programs. The success of the training can be assessed in the following ways (Petković et al., 2003):

- Participant reaction - Do they like the program? Do they consider it worth spending time? Feedback of trainees and managers is used.
- Learning - it is possible to test participants to see if they have learned the principles, skills, and facts that they should have learned, using the tests, observation or by asking them to role-play.
- Change in behavior - it is necessary to check whether the behavior of the participants at the workplace has changed after the training program. For example, whether employees in customer complaints department are more polite towards unsatisfied customers than before.
– Results - estimates the final results considering the goals set before training (for example, whether the percentage of scams is lower, whether there are less customer complaints, whether the productivity and quality of the product are better).

3. The role of training in the development of employees and organization

Adapting of employee to the workplace can be achieved through a system of professional orientation, selection and education, i.e. training of employees. This implies distributing of employees to appropriate jobs, work assignments, taking into account their psycho-physical characteristics, as well as general and professional education. Consequences of the worker's disagreement with job requirements can cause a lot of stress for the employee, and are manifested by the decline in labor productivity, sickness, injuries at work, fluctuation, job dissatisfaction.

Professional adaptation is the process of acquiring and developing professional knowledge and skills of workers. These are the skills that are necessary for successful performance of work tasks, and the workers acquire them during schooling and work experience, in a significant part by employee training. Most commonly used objective indicators of work adaptation are labor productivity and employee fluctuation. By using productivity as the indicator, we have an insight into the level of employee training, experience and overall attitude toward work. Fluctuation is a consequence of insufficient adaptation of the worker to the job he or she performs, and it implies the tendency to change the job and find another. Professional adaptation refers to the harmony between the man and his work and is focused on the content of the work (Mihailović, 2005).

In the following text, we will try to explain the external and internal indicators of the difficulties in employees’ adaptation to the requirements of the workplace, the reasons why this phenomenon happens, as well as the ways in which a psychologist in an organization, applying his or her professional knowledge, can help the employee in better accomplishing work tasks by directing them to appropriate professional training in order to acquire the necessary knowledge and skills, and feel well at the workplace. At the same time, the company gets a good and quality worker, which contributes to the development of the organization (Pajević, 2006).

4. Factors that cause poor working adaptation

According to American psychologists, adapting to the workplace is one of the main causes of stress in the modern world. Companies are established and shut down every day, the need for specific staff is variable, and the global economic crisis is making the situation more difficult for everyone. The workers are aware that they can be replaced by other workers very easy and that the employment record and an excellent salary are not a guarantee of success. Situation in the labor market can change in no time. They are forced to look for new jobs, better conditions of work and their place in a harsh business world is continuously stuck in the phase of business adaptation. They are again “newcomers”, which causes stress and insecurity.

Harmonizing an employee to a new environment means, in fact, temporary or permanent change of their existing habits, and hence the formation of new habits, qualities, knowledge and skills necessary for successful performance of a particular job. At the same time, adapting to the working environment takes place (Čukić, 2004). Work adaptation begins with the first employment and lasts whole life. Adapting to a new workplace is the source of much stress that employees can have and greatly affects business success.
The biggest obstacles in the adjustment process are commonly while adapting to the first job. An individual faces a lot of stress because the school knowledge can be applied in the original form only after they adapt to the job, while some school knowledge is practically inapplicable. The beginner cannot expect to work as someone who has many years of experience. They need to go through the adjustment process and training conducted within the organization, to acquire certain business skills. Disappointments are common, but if there are many mistakes, the employee starts feeling insecure, which is not a good prerequisite for a successful career (Mihailović, 2005).

Another important factor in working adaptation are interpersonal relations. Employees spend a large part of their lives at work and therefore need normal social contact. Motives are different, from hanging out with colleagues and feeling that they belong to the group, to the desire for recognition, affirmation and reputation in the collective. If the social climate in the collective is unfavorable, the process of work adaptation is difficult. Good and coherent social relations, as well as attachment to the group, facilitate the process of adjustment, and can even compensate dissatisfaction with other, stressful aspects of the employee's environment. Trainings of communication skills can improve interpersonal relationships. Employee training that allows you to confront with the superiors, as well as people with different views, is one of the best guarantees of long-term success. Talent, knowledge and skills cannot replace the ability to communicate adequately with the authority, colleague or client (Montana & Charnov, 2000).

The third important factor in work adaptation is the conditions of work that can have positive or negative impact on work adaptation process (they can be either a stressor or a facilitator). Conditions of work consist of working environment, rhythm of work (for example working in shifts, weight of work, work under time pressure, overtime work). Insufficient or harmful operating conditions do not automatically lead to poor adaptation. There are employees with high tolerance to stressful work conditions (Mihailović, 2005). Proper employee training can also help workers to deal with stress in an adequate way and choose adequate mechanisms for overcoming stress.

5. Indicators and consequences of poor adaptation to work

Poor adaptation to work is a trigger of stress, because it destroys the self-esteem of workers, makes them feel unsuccessful, useless, less valuable. It can lead to a series of psychic and physical consequences and finally to the desire to flee from that environment. It manifests itself in frequent absences from work and sickness, constant change of workplace within the company and, as a final consequence, escape from that environment and from jobs that do not please the individual. Poorly-adapted employees easily become victims of mobbing, which is one of the most serious stressors in the workplace. On the other hand, the problem are also the employers who expect beginners to be skilled and capable workers, and they put a pressure on them. As a result of the dissatisfaction of the superiors, frequent and rapid changes in the staff occur, which results not only in losses for the company, but also in destroying employee's confidence (Čukić, 2004). For these reasons, adequate professional and communication skills training are of great importance and a way of overcoming stress in the workplace. It is wrongly assumed that a successful adaptation to work implies acceptance of existing situation on work. It is not acceptance of status quo, but a new quality inflow that will contribute to the development of the existing one. New employees should be exactly the missing link. This program promotes intercultural dialogue through contacts between different social, economic and cultural groups and implies a new concept of business, appropriate to existing conditions. (Vitić-Četković et al., 2012).
6. The role of an organizational psychologist in employee development

According to Héder et al. (2018), there are two distinct tasks within the area of human resource management. One of these tasks is the fulfilment of organisational objectives, for which adequate human capital needs to be assured and the conditions for the operation and efficient use of human resources must be established. The other task is to meet the needs and expectations of individuals operating the organization, and to develop the motivation and satisfaction of employees. Namely, to create an atmosphere in the workplace that will ensure that employees are able to use their skills and knowledge as effectively as possible for the sake of the organization (Héder et al., 2018, pp. 128-129).

The psychologist in a company faces various tasks which aim is to improve the quality of work, to increase the volume of work and production, to improve the quality of the service, and to achieve this, it is necessary for the employees to adapt to the requirements of the workplace. Another, equally important task for a psychologist is to make workers feel better at work and be more satisfied with the work. These two phenomena are closely related. In order to achieve better quality of work, it is necessary for workers to be as satisfied as possible with work and to feel good at the workplace.

The psychologist's task is to examine the reasons why workers are not satisfied with the job, what makes it difficult to adapt to job requirements, and what they think can be done to improve the situation. The most frequent cause of job dissatisfaction is permanent exposure to stress, or excessive pressure in the work environment, which exhaust the employee both psychologically and physically. As a result of stress, workers can express dissatisfaction with the work in many indirect ways, often combined, through a variety of behaviors that negatively affect the company and labor productivity, most often in the form of reduced productivity, poor interpersonal relationships, emphasized competitiveness, absenteeism and fluctuation. The indicators of constant exposure to work-related stress and dissatisfaction with work are most often linked, and in the form of passive resistance, employees show dissatisfaction in many ways. The task of organizational psychologist is to discover the reasons for worker's dissatisfaction, the sources of stress, (whether related to the human factor or to other elements of the work environment), to undertake certain interventions in order to improve the work environment, to make the quality of work assessment clearer and more explicit, and the system of rewarding more equitable.

The psychologist in the work organization should recognize who of the employees needs what kind of training and how the training can be implemented. This can be the training for new employees, professional or technical skills training, customer service training, sales and marketing training, health care, etc. (Montana & Charnov, 2000). The psychologist can also participate in the training program, if it involves improving interpersonal relationships, overcoming stress, protection against negative factors in the workplace, etc. The task of organizational psychologist (at each request of an employee to be transferred to another position in the organization) is to identify the reasons for employee dissatisfaction with their workplace, what stressors they complain about, what they highlight as the most difficult aspects of the job, what they think would make their job easier, what kind of vocational training would help them, why he favors other jobs. The psychologist does this identification by assigning tests and assessment scales.

The employee should get professional training in order to advance in the business and to achieve better results. Work tools should be up-to-date, ergonomically designed and generally human-friendly to make the worker feel well and achieve better results. Also, the psychologist should know as much as possible the qualities, advantages and disadvantages of each employee and encourage them to move within the same company to a position that is
more appropriate to their abilities, experience, plans and ambitions, in order to increase their job satisfaction, and therefore team and work performance. What is great stress for one employee, what exhausts them mentally and physically, may not necessarily be the stress for another worker, but a challenge to which they will gladly respond. For this reason, the psychologist should help in reconciling the demands of the workplace and the psychophysical capabilities of the worker. At the same time, the trainings needed by one employee may not be helpful to another.

We will emphasize once again the importance of a healthy work environment for workplace adaptation. If colleagues accept a new member of the collective, support them in the accomplishment of work tasks, have an understanding for mistakes, behave honestly and cooperatively, (without intrigue, gossip, mobbing), mutually help each other and build correct collegial relations, there is a big chance that new employees will adapt well to the work environment, and that the harsh physical conditions of work will be less stressful. We emphasize the importance of social factors in work adaptation, because they have a compensatory effect against other workplace stressors. For these reasons, trainings that teach the employees to build harmonious interpersonal relationships, identify mobbing and respond to it, respect the rights of others, but also clearly identify the need for them to be respected is of great importance. Educational work of psychologists is also very helpful to employees, in terms of teaching employees how to deal with stress, how to choose adequate coping mechanisms, the negative impact of fatigue or harmful substances on work performance and health in general, etc.

7. Case study, factory “Elica”

The company that we selected as an example of successful implementation of employee training for the purpose of organization development is the Italian factory “Elica”, which adopted the innovation strategy through the participation of workers. This company produces heating devices since 1970. Today, “Elica” is a world leader, producing 17 million products a year, approximately 17% of the global market. In 2010, the total annual revenue of this company was EUR 368.3 million, indicating an increase of 9.9% over the previous year. The company's main aim is to invest in human resources, i.e. employee training and business organization. The primary mechanism for HR promotion is the participation of employees (Elica Corporation, 2019). “Elica” in the period from 2008 to 2013, adopted many innovations. In this paper, we will present two extensive innovations in this company. Those are:

1) “Elica Life” – a program that applies innovations initiated by the employees, in order to achieve a balance between work and life as a whole.

2) “World Class Manufacturing” – refers to the production process in which employee suggestions are applied, in order to reduce the loss, improve safety and quality of the product.

“Elica Life” is a program developed by the workers themselves. The goal of the program is to create the employees' initiative, through a series of direct contacts between employees and the company, which goes beyond the usual relationships of both sides. About 5-12 projects are implemented annually, all of which are based on workers' proposals. The “Elica Life” program was originally created by the HR Director, and it always included the bottom-up process of initiative, rather than handling it from above. There are several mechanisms for collecting proposals from employees. The main mechanism is called the “call for new ideas”. The received ideas are selected by the Human Resource Team, and depending on the project, they are implemented by management and employees. HR department also edits annual magazines on “Elica Life” projects, in order to ensure the continuous development of both
the company and the employees. The mechanism of this program is best illustrated by the following example:

“E-Extraordinary” – The human resources manager has designed employee training with the aim of promoting innovative and different thinking, risk taking and incorporating artistic ideas into daily work. These ideas were implemented through a series of meetings and workshops with famous international artists who trained employees from various departments related to industrial production. This employee training leads to the strengthening of group identity, thanks to the sharing of common goals, social and cultural values. It also seeks to eliminate the hierarchical organizational culture or the isolated work of certain segments of the organization. The type of activities limits the number of participants to 40 employees who have participation in this program each year. One year, when the chosen art was music, all employees were engaged. The structure of the course is as follows: employees attend classes with an artist. After that, they train the employees in their work units in order to contribute to the collective development of the project, such as the Christmas tree. A month after the completion of the project, management and employees have to do evaluation of the project. A significant part of the process is a feedback analysis given by the employees, in order to possibly correct the course for the next year.

“World class manufacturing” – In February 2010, “Elica” adopted the World Class Manufacturing (WCM) program developed by the Fiat Group. Many countries have adopted WCM, but, “Elica” has set the participation of employees at the core of the WCM system. The main purpose of employees training provided by this professional development program is to achieve high standards in the production process by increasing efficiency, improving quality, reducing losses and continuously developing the production process. In this new business environment, all members of the collective are encouraged to give direct suggestions or to suggest projects that can improve the business of the company. These suggestions are then considered and implemented by an autonomous flexible team, and the person who made the proposal can help in realizing it, with support of managers. In order to help employees to take part in the program, they get the opportunity to become more familiar with the product line and work done by other workers (Sidiqui et al., 2013).

8. Conclusion

Training and development of employees can be considered a key instrument of the performance of a modern organization towards immediate environment and one of the essential elements for the creation of a general strategy for the development of each company. School knowledge is not enough for employees to successfully respond to job requirements, and to adapt to the constantly new and changing demands of the modern market. In order to fully meet the needs of the economy, besides the formal education system, the education and training are more and more represented in companies. Now each serious company aims to have its own training center, where employees and managers are trained in their own business policy and practice or in using available, new, expert knowledge. At the same time, the education market is developing at a high-speed, and this trend gradually entails our environment.

Successful organization of training and employee development requires identification of needs for training and development of employees. A psychologist in a working organization plays a significant role in this field. Organizational psychologist, together with the management, assesses what type of professional training would be of the greatest help to the employee in their professional development. This training of employees certainly contributes to the development of the organization as a whole. Trainings can refer to basic technical
knowledge, communication abilities, conceptual-integration skills, professional skills, customer service, sales and marketing, health care, etc.

The success of the training can be assessed on the basis of employee satisfaction, changes in the behavior of workers in the workplace, as well as on the basis of objective indicators of training goals achievement (work mistakes, possible customer complaints, increase in productivity, product quality improvement, etc.)

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