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Employees' education as an element of the Human Resource Management – Polish experience

Abstract: The importance of professional training cannot be overemphasized. In any organization, it is conducive to a better implementation of the tasks, and through it – increasing efficiency. For those directly involved – employees – lifelong learning is the premise of job retention. The aim of this paper is to present the results of research study – both quantitative and qualitative – describing ways in which employers may support employees' educational activity.

Key-words: Human Resource Management, education, activity, lifelong learning.

Introduction

The importance of employees' vocational education and training (VET) cannot be overestimated. It fosters better fulfilment of tasks in every organization, thus increasing efficiency. For employees, VET is a premise of maintaining certain job due to the possibility of adapting skills and qualifications to the employer's expectations.

VET is a part of human resources policy, that is implemented in the company. It reflects the personnel function, which belongs – next to the marketing, finance, and manufacturing (service) functions – to basic functions of the enterprise [Pocztowski 2007, p. 15]. At the same time, it should be emphasized that the nature of this function is extremely complex, due to the dual character of human resources employed in companies – human resources are both the most important and the most unreliable component of all the resources of an organization [Listwan (ed.) 2006, p. 2].

The aim of the paper is to present the results of a research study - both quantitative and qualitative – focused on the issues of supporting the employ-

ees' educational activity by employers. For the purpose of the analysis was formulated hypothesis testing, allowing both to verify the tendency of employers to participate in the process of training for workers, as well as identify the main determinants of this phenomenon. This research study, commissioned by the Ministry of Labour and Social Policy, was carried out between 2006 and 2007 by the Institute of Labour and Social Studies¹. The research study was exploratory and representative, which allows to draw conclusions that are of a general nature for the whole population².

1. Employees' development

Human development is a process that aims to expand unlimited and constantly changing human capabilities. This process encompasses mainly actions that are to prepare persons to take positions with greater responsibility [Listwan 1995, p. 73], as well as to increase their involvement in the production (service-providing) process, and to match persons' skills and qualifications with requirements of the workplace [Kostera 2001, pp. 109]. However, the direction of this development and its dynamics depend on the individual approach, the needs and aspirations of employees, as well as the goals and strategy of the company. Therefore, understanding human resources as a factor in which company may invest makes them and object of economic analysis. It's not only about the costs associated with the investment done by the organization, but also about multiplication of the investment return in the future [Pocztowski 2007, p. 275].

In the process of development of every person the educational system is of a great importance. The educational system or the educational offer should, first of all, reflect the person's needs, but also ensuring the fulfillment of vacancies reported by employers. Because the education system³ in a given period is a relatively stable, to fulfill the educational needs of both the demand side and the supply side of the labour market, this system contains training activities. Their usefulness in the adjustment process between the employees' stock of skills and employers needs should not be questioned. Therefore, we would like to look in more detail at the issue of supporting employees' training by the Polish employers.

¹ The quantitative survey of employers has been made using the questionnaire interview. Such interviews were conducted with 380 randomly chosen employers that operate throughout the country. The sample was drawn from a set of entities, with the exception of single entities (ie self employed). The study was representative. A qualitative study was exploratory in nature and was conducted using focus group interviews (FGI). In interviews attended by 45 employers.

² The results of the research study were presented extensively in Kryńska (ed.) 2008.

³ This type of training is also an integral part of the education work, which consists of the following components: pre-vocational education, pro-vocational education, vocational education and training, further education and training for adults, which are conducted largely outside the school system [Jeruszka 2002, p. 145].

2. Characteristic of training activities in the Polish companies

The need for education and training in Polish companies is caused mainly by the processes of structural changes that take place within these companies, as well as technical and technological progress, which affects the need for a permanent adaptation of employees' qualifications and skills to the employers' requirements.

In light of these considerations, the way, mode and the type of training organized by the company are substantial.

Available results of research studies, there are different ways in which companies provide education and training. More than half of surveyed employers declared that in their companies employees participate in organized forms of training. Generally, these are external trainings (provided by specialized training providers) or, rarely, internal trainings. The suitability of the training activities for the companies may be related to the fact, that in the majority of the surveyed companies more than half or all employees participated in trainings. The employers were mainly interested in such training activities, which significantly improve the quality and organization of their business. In small companies training plans are prepared sporadically – more often these companies prepare elements of training plans, mainly in the form of annual technical-economic development plans. The situation is completely different in large companies, where most of them have training plan in a form of a document (this is particularly characteristic for the public institutions). Thus, employers in small businesses are in an inconvenient situation, because they have to determine the type of course, its duration, and the way of financing it by their own. This can affect their discouragement and passive approach to lifelong learning. The way in which employers from the small companies make decisions about providing trainings to their employees, may affect their mood at work and perception of job stability.

Lack of education policies in companies hinders employees from participation in lifelong learning. This statement is true even if we take into account that employers report relatively high propensity to organize the educational process and the fact that, according to employers, all categories of employees participate in the training provided, so it is difficult to point a group that would participate in training more often than others. It should also be emphasized that, generally, employees from public-owned entities and those working in large companies participated in training more often than employees from, respectively, private and small companies.

Employers' opinions about the educational activities undertaken by their companies were not reflected in the views of employees. According to employees, training courses were usually held in companies and provided by external training providers. There were also examples of on-the-job trainings with

experienced employees in the role of trainers. The training was attended by more than two thirds of surveyed employees in the past 12 months. The most common training courses organized by companies were those enforced by law (mandatory training, eg. health and safety procedures) or those connected with certain situation and company needs. In other words - employers initiate various forms of training only when they are forced to do so or when the interests of the company demand it.

3. The main determinants of employers' propensity to train employees

One of the activities, which should strengthen the employees' employability is improving skills in various areas related to the company profile. As a result of these actions, employment security, understood as the possibility of obtaining and maintenance of the job, should be increased. For businesses, the benefit of increasing employees' knowledge and skills is supporting the use of new technologies and innovative solutions in order to increase efficiency and improve companies' competitiveness on the market.

It stems from the research results that the idea of employees' lifelong learning is fully accepted by employers. The vast majority of employers are aware of the benefits of employees' training and believes that it is worthwhile to train employees primarily due to: an increase of company effectiveness, employees' creativity, matching employees' skills to the requirements of the workplace, which lead to the satisfaction of employers and employees. The arguments associated with the possibility of introduction of the technical and technological progress in companies as well as stabilization of the personnel were of a great importance. At the same time it was emphasized, that there is a need to adapt the content of training for the type of work, ensure high quality of training, as well as to link training activities to the motivation systems for employees.

As in the case of employers, one of the issue taken into account during the interviews with employees was to explore and identify factors that affect their propensity to active participation in lifelong learning.

Generally, the majority of employees would like to increase their present stock of professional skills as a result of training activities. Slightly less employees were interested in participating in training in order to acquire new skills and then change job for a better one. In individual cases, the motive for taking part in training was to look for a job abroad. Some employees were going to take up the educational efforts to pursue their interests and dreams come true. Other motives were related to development of individual interests.

So we can see that there are many individual preferences which have a significant impact on the employees' propensity to initiate training in order to raise or supplement their qualifications and skills. However, the employees' behaviour is, to a large extent, determined by the attitudes and views of employers

– one of the most important elements, which is quite prosaic, but certainly very important for the growth of the interest in improving qualifications and skills or acquiring new ones - both among employers and employees – is to have the financial resources for this purpose. But we have to remember that financial issues are not the only problem. An equally important factors determining the propensity of both parties, employers and employees, to participate in lifelong learning are: their intentions and attitudes toward the learning process and improvement of the human resources' quality; the current situation in the labor market; increasing demand for highly qualified employees; plans of market expansion and the need to comply with the legal requirements related to business operation. Additionally, the level of propensity of employees to participate in various forms of lifelong learning is linked with a reward (salary increase, an additional money bonus, promotion, etc.). According to the employees, there is no better incentive than linking their educational activities with higher pay. In the employees' opinion, the organization of work and the possibility to balance the educational activities and the work performance as well as leisure is also an important factor. The other factor enhancing the interest in taking part in educational activities is a prospect of the launching an own business by the employee. Element that encourages employees to upgrade their qualifications and skills or acquiring new ones is the quality and scope of the training courses and competencies of trainers. Training courses that are boring and conducted by incompetent people who are not prepared for the course can discourage even those employees who really want to take up a variety of educational activities. It is this reason that may be one of the barriers to employees' lifelong learning. Let us look closer at how this problem was evaluated by all the respondents.

4. Barriers to employees' lifelong learning

Only few respondents did not see any benefit from employees' training. The views of this group may indicate lifelong learning barriers associated with organizational factors, the current process within the company and the quality of learning processes. The main reasons why employees' educational activities were not beneficial for the company were following: high turnover of employees, appropriate employees' skills, inadequate training content.

It seems that the first reason is very important, because – like in other research studies – employers often pointed out that many employees leave companies after completing training. The other reasons are rather of a subjective nature and may change along with changes in the quality of learning processes. However, it would be good to pay attention to quality of offered training and the institutions that provide it. It seems, that the diagnosis in this area should be done mainly by the employers who may, on the basis of observation of the education market, determine ranking of training providers and identify those

that are best to conduct training for their employees. It is probably not a complex issue, because only few employers were dissatisfied with training in which their employees participated in the previous year, emphasizing the poor quality of the training.

Employers also assessed employees' attitudes towards training. These attitudes may be regarded as primary lifelong learning barriers, because only about every fourth surveyed employer declared that employees have a very positive attitude to training and are keen on taking part in trainings. Those employers pointed to age as a determinant of employees' propensity to undertake lifelong learning. However, one out of five employers thought that employees tend to have a negative and indifferent attitude toward organized training – this situation applies also to the obligatory trainings.

The rest of surveyed employers (that is more than half) agreed that the employees' attitudes towards lifelong learning are dependent on various factors such as: the age of the employee, skills and work experience in a company, the form of financing training, the individual attitudes, the topic of training, forms of knowledge transfer during the training, whether the training is combined with an attractive travel and whether or not participation in training is associated with specific benefits for the employee (raise of salary, promotion, issuing a certificate or license, etc.)

Therefore, it can be concluded that the factors causing reduced employees' propensity to participate in educational activities are their individual preferences connected with the choice of learning content and methods of education. These are a major barriers from the point of view of employers who have fairly high expectations connected with employees' training, mainly due to the improvement of the company operation and competitiveness.

However, shaping employees' educational activity meets also other barriers – mainly the lack of financial resources allocated to training, lack of time to search for suitable training courses, lack of the appropriate institutions that could help to verify the quality of training course, as well as bureaucratic barriers and complicated procedures. Thus, these factors should be considered as general barriers to employees' education, taking place in small enterprises in Poland.

The main barriers significantly hindering or even precluding employees' participation in various forms of lifelong learning is the lack of financial resources and willingness. A particularly dangerous, from the point of view of employees, is the employers' reluctance to provide training for employees, resulting from their focus on profit maximization. The barrier may also be the attitude of the employees, who do not want to participate in training – in this case each training proposal is treated as a punishment without recognizing the benefits of taking this kind of action. Another element limiting the employ-

ees' propensity to participate in training is their unwillingness to cover the related costs. When there is a need to invest in own professional development, employees do not want to finance this from their own resources. In addition, employees may be discouraged by employers' shortsightedness and their limited willingness to introduce all kinds of novelties and technical innovations. Discriminatory criteria used by the employers also discourage employees from participating in training. The forms of discrimination may differ - most often they are associated with the socio-demographic characteristics of persons such as age. Employers in the recruitment process select mainly young people. The level and type of education, as well as type of workplace which are used by the employers as main criteria in the selection of employees for training courses also discourage other employees. The education barrier for employees is also the use of informal criteria by employers in selecting employees for training. As a result - in employees' opinion - not always those who need to improve their qualifications and skills are sent to training courses. One of the factors that significantly reduce the employees' and employers' willingness to lifelong learning activities is bad organization of work and work overload. This reason is particularly important in the case of small businesses, where there is no possibility of replacing one employee by the other, and usually sending an employee to training means problems in maintaining normal company operation.

Another argument discouraging employers - in the employees' opinion - from investing in the education of their employees, is recent increase in emigration of Poles to other EU member states. Employers are afraid that money spent on employee training will not pay off, because the employee after completing training would change company or go to work abroad. It is true, that employers are trying to minimize this risk by signing training contracts in which an employee agrees to work for the current company for a specified period of time. However, such action discourages employees from participation in lifelong learning.

The study shows that the main factor discouraging employees from participating in various forms and types of lifelong learning is the lack of linkage between the training and the level of wages or the possibility of career advancement.

The development of lifelong learning in Poland is also limited by high taxes and the type of business carried out by the company. For sure, discouraging element is low quality of provided training.

5. The role of the company training fund in supporting employees' lifelong learning

The study showed that 55.8% of surveyed people did not have any knowledge about the rules of the establishment and use of the Company's Training Fund

(CTF). Only 22.1% of respondents declared their knowledge about the rules governing the operation of CTF and the same number stated that “something heard about it”. The lack of knowledge on the CTF was declared more often by companies operating in rural areas, from the private sector, “young” companies and small enterprises. Among respondents who had knowledge about CTF, the vast majority acknowledged that there are no difficulties in creating CTF (38.7%), difficulties are of a temporary nature (19.6%) or that with the right amount of effort these difficulties can be eliminated (19.0%). Only 3.6% of respondents felt that the difficulties are practically insuperable.

The most serious difficulties in the process of creating CTF, according to the employers, are following:

- lack of sufficient funds for the establishment of CTF,
- unclear legal regulations and procedures for creating CTF,
- difficulty in identifying and anticipating training needs, lack of experience in this field,,
- lack of a department within the company that would be responsible for the establishment and operation of CTF.

Additionally, the difficulties in creating CTF are related to the lack of full and transparent information about regulations of its creation. The representatives of employers’ organizations and trade unions stressed, on the one hand, that they do not know where to look for such information, on the other hand, if they find it, they still have many problems connected with its interpretation. As a result, the employers are afraid to create such an instrument in their company. The lack of transparency in legal regulations applies – according to the respondents – to the formula of the training. A controversial issue for employers are also rules and funding opportunities for training that takes place at the workplace, under the guidance of the other, more experienced employee. Such trainings are often used, and – according to the respondents – the quality and effectiveness of this kind of actions may be much higher than in case of other forms of training.

Employers had also difficulties with preparation of training plans that are obligatory in companies with CTF. These plans must take into account many determinants, including macroeconomic factors – these, as surveyed persons stated, often change, due to for instance the lack of political stability affecting economic stability.

Finally, a barrier that may discourage from CTF creation are potential monitoring activities undertaken by institutions controlling funded training courses, especially those that are to be reimbursed from labour offices funds. Employers do not want to be exposed to constant checks. In addition, many of them fear the additional actions that are needed to administer the CTF and, consequently, will raise bureaucracy burden put on businesses.

Difficulties associated with the use of CTF were reported by significantly fewer respondents. Almost half of the respondents who had knowledge about the CTF (48.8%) did not see any problems, and one in ten employers saw only problems easy to overcome as for the use of CTF. The same number of respondents felt that the difficulties with the use of CTF are significant and require a lot of work to cope with them. Only 2.4% of companies saw insuperable difficulties. The main barriers to the use of CTF were:

- inability to reconcile work and training,
- the problem of accurate planning of training,
- lack of educational offer that would be in line with company's needs,
- inability to motivate employees to participate in lifelong learning.

Moreover, the employers are often not convinced about the need to initiate and support employees' training. This may be due to the lack of need for employees' training, resulting from not recognizing direct benefits related to these actions or a misunderstanding of lifelong learning idea. The latter can be applied to both the employers and the employees. Employers, who would contribute to the costs of employees' training, would prefer to limit this activity to those employees who after completing the course would have specific qualifications required in particular profession. Employers are not interested in forms of education that are focused on development of employees' general human capital. According to employers the employees are not always convinced of the need to undertake training. Employees quite often think that if they have a learned profession, and, in particular, higher education, their education process has ended. Sometimes, attempts taken by employers to send an employee for training are perceived as danger of losing position in the company.

Another aspect of supporting lifelong learning by employers is related to a situation in which a trained employee (with the use of CTF) leaves the company. Employer investing in employees' training is never sure if the rate of return would be positive. The employers are not prepared to prevent this risk.

Although the knowledge about CTF is quite poor, and employers notice some difficulties in its creation and use, the majority of them (57.4% of surveyed population) clearly recognizes the need for its existence. Only 13.4% of respondents declared that there is no need or necessity to introduce such instrument. Employers who were in favour of the CTF existence presented the following arguments:

- readiness, qualifications and professional skills of employees are not always suitable to perform the specific tasks (66%); CTF supports employees' lifelong learning and may help the company to have a better qualified human resources,
- existence of CTF can cause that employees' lifelong learning will be planned in accordance with the development of the company (13%),

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- lifelong learning brings benefits for employers and employees (14%),
 - training courses can motivate employees to increase work quality and productivity (14%).

More varied arguments appeared in the statements of the group of respondents who were against the existence of CTF. In their view, there is no need to invoke such a fund for the following reasons:

- if people want to be employed or earn more money they should invest in their own education. This should not have an impact on company finances and working time (82.6 %),
- employers hire only people prepared to work (81.6%),
- training courses do not always bring the expected result in a higher efficiency, and thus do not result in higher company's revenues (80.8%),
- training courses are of a temporary nature, they are run if employees' skills are insufficient – so there is no need to freeze financial resources (81.1 %),
- such a fund may be required in large companies, but not in small ones (83.4 %),
- financial and economic factors make it impossible to create such a fund, besides labor costs are already too high, so why we should increase them (78.7 %).

Among all surveyed employers only 12.9% declared that they had a training fund, including 4.2% of those who had the Company Training Fund. The vast majority of companies (85%) did not have any training fund. This means that the number of companies using this instrument in Poland is marginal.

Conclusions

Results of this research study indicate that employers recognize significant benefits associated with employees' lifelong learning, but are aware of the difficulties which may occur while organizing training. This may be a prerequisite for structuring factors of a micro-and macroeconomic nature, which would make lifelong learning be promoted by employers.

Firstly – a factor that seems to be of major importance is the company's competitive position on the market, that is reflected by the demand for its products. This is undoubtedly related to the economic situation. However, a significant role is also played by employees' skills, and the process of education – which was emphasized by the respondents – has a positive effect on their productivity, creativity and job satisfaction.

Secondly – a factor positively influencing employers' propensity to make decisions about investing in employees' training is the technical and technological progress that force companies to adapt employees' skills to new require-

ments. Therefore, it seems that access of the Polish companies to new technologies and solutions, and their willingness to introduce these technologies in small enterprises, is a fundamental problem⁴.

Thirdly – a positive factor for the propensity of employers to shape the employees' educational activity is the situation on the labor market. If employers cannot find candidates with suitable skills, they are forced to undertake training activities within companies. Simultaneously, stabilization of the personnel should be an additional stimulus for increasing the educational activity focused in employees' skills.

Fourthly – most employers do not know the rules for the creation and use of the Company's Training Fund, while more than 70% do not want to create such a fund. Despite this, most employers recognized a need for its existence.

Fifthly – employers did not and are, only to a limited extent, planning to cooperate with labor offices in activities related to the use of CTF.

Therefore, it would be important to cope with fundamental barriers to employees' lifelong learning and creation and use of Company's Training Fund, which was indicated by the employers, as well as with the uncertainty of keeping employees in the parent company after completing training.

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⁴ More on this topic see Janiak-Rejno [Janiak-Rejno 2001, p. 35].