

## SHAPING ORGANIZATIONAL TRAINING NEEDS FOR A CHALLENGING ENVIRONMENT

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### ABSTRACT

*In the actual changing environment characterized by changeability and low predictability, the success is determined by how quickly and efficiency the organizations address the new challenges coming from the business environment and new information relating to technological change, demand fluctuations, internationalization, etc. for using new opportunities of development. For this, it is essential for organization to have a well-trained, open-minded human resource, issuing the stock of knowledge that will meet organizational needs for adaptability, innovation and progress. So, human resources management quality should be concerned not only by the leadership but the quality training of workforce, giving them appropriate professional knowledge and skills, in close connection with organizational needs for flexibility and adaptability but also stimulate creativity and innovation that would allow capitalization of any opportunities for development. The aim of present paper is to see if there is enough preoccupation of romanian managers for identifying the need for training to ensure knowledge workers and fostering appropriate competences, skills and needs by providing them with quality training courses in line with the business evolution. The results and conclusions will help us to take a step furthermore for optimization of human resources development in a changing environment.*

**KEYWORDS:** *change, training needs, human resource development*

**JEL CLASSIFICATION:** *J24, O15*

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### 1. INTRODUCTION

In the Europe 2020 strategy context, the objectives of smart, sustainable and inclusive growth cannot be achieved without the involvement and capitalization of all sources of knowledge, skills and competences of human capital as a sustainable way to add value. So, we need to stimulate human resource adaptability to a changing environment to be able to deal with technological, informational, communicational findings that ensure them a successful professional life.

At microeconomic level, competitiveness is dynamic, and is determined by the organization capacity of adjust its own offer according to fluctuant market demand and to better achieve and predict the emerging opportunities. The success depends on the sensitivity to market, adaptability and appropriate response build through effective, flexible and efficient taking advantage of existing resources and processes. In organization, flexibility in production and efficiency in allocation of human resources is a key requirement for a competitive advantage (Đurković, 2009). More, developing knowledge, adequate capacities and adaptable behavior to employees to perform at top capacity ensure the success of organization. Thus, particularly the human resource management and the processes of knowledge, innovation, research, strategic reorganization can provide new solutions and new information's necessary to adaptation to global changes. Nicolescu O. at all said „At microeconomic level, adaptability and flexibility are key factors characterizing the new management system of modern organizations in a changing environment. Under actual conditions,

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managerial concerns were around the concept of change, also strategies and actions leading increasingly as response to developments and opportunities of the environment. Flexible management is to change structural and functional parameters of the management organization, offering dynamism to activities and its results.”

More than ever, under the current crisis, we need workforce strategies designed to enhance valences and opportunities of the changing environment concerns stimulating flexionary forms of work and human resources development designed to increase productivity and to keep workers active on the labour market (Haeckel, 2010). The 5th European Working Conditions Survey found that, in 2010, the training paid by employers is to the highest level since 1995 (for EU15), and 34% of workers have received training in these 12 months preceding the survey. This is a break in the trend of 15 years of training offered by employers, in fact, figure was actually falling between 2000 and 2005. In addition, training in the workplace has gained ground, involving 24% of employees in 2005 and 30% in 2010.

The European companies’ responses to the negative effects of the global crisis are varied, in conjunction with the existing legislative framework and the opportunities offered by labor market instruments. Examining the managerial response of organizations from the states we choose, we distinguish two cases (Glassner V, Galgóczi B., 2009):

a) In highly developed states (Germany, France, Belgium, Netherlands) where there are different legal rules on flexible forms of employment and reduction of working time, for periods of inactivity, organizations use them as a priority with institutional working market tools in order to minimize the negative impact of economic constraints on workers and businesses. Moreover, in these states, although regulations on flexible forms of employment are provided for certain groups of workers, they were quickly expanded and adapted to meet current global crisis (duration, compensations, of groups of workers, etc.).

b) In countries where labour market flexibility is reduced and/or not regulated (United Kingdom) and new Member States (Hungary, Czech Republic, Poland, Romania and Bulgaria) where missing tools designed to handle difficult situations, the economic crisis economic shock has been felt more acutely, particularly for workers employed in precarious employment situations. Limited flexibility and nonexistent rules to regulate it made the enterprises to use limited resources only for "rescue" organization with no responsibilities for the employees’ safety. Many companies have made dismissals, focusing mainly on employees with fixed-term contracts concluded by temporary employment agencies, migrant workers (vulnerable groups in the labour market).

So, the global crisis has forced organizations worldwide to assess their current situation and available resources to formulate a coherent strategic response, within the meaning of proper management of existing and potential exploitation of underused resources: people, values, strategies (Dilts, 2009).

## **2. THE PROBLEM**

The recent global crisis has tested "on live" the organizations ability to adapt to changing economical and financial indicators and fluctuating demand for goods and services. In the same time, it tested the ability of managers to analyze, evaluate and imagining succesfull solutions for sustainable development. Are people, resources, strategies inside Romanian organizations ready to provide appropriate responses and innovative solutions needed to solve new organizational problems and to ensure competitiveness in conditions of crisis and post-crisis?

Finding the answer is linked to achieving following objectives:

- Approaching the identification and analysis of training need in Romanian companies surveyed;
- Investigation the managers concern to make connection between need for organizational changes and need for training of workforce for involve them in changing process;
- Seeing how it is carry out the training programs in a turbulent period.

Meeting these objectives will enable us to formulate conclusions and recommendations for optimizing human resource development for supporting Romanian companies efforts to improve economic performance and competitiveness.

### 3. RESEARCH METHODOLOGY

To identify features of human resource development process, we investigated the behaviour of Romanian companies, in economic downturn condition. For this, I accompanied a case study based on interviews applied to managers and management responsible persons, in 125 medium and large, active, Romanian companies, regarding aspects of their development in 2008-2010. The study was part of the research project in 2009-2011. Following results and conclusions are just an adapted part of the project work.

Investigated companies operate in urban (88.8%) and rural (11.2%) in one of the following sectors: industry (27.2%), construction (20.8%), and service (52.0%). Most of the units (74.4%) was hiring between 10 and 49 employees. A percentage of 17.6% of the total have between 50 and 249 employees, and 8.0% are units with over 250 employees. Just 7.2% of the total of companies was organized in a group or association at national level, 10.4% are part of a multinational group, and 77.8% are not associated at neither national nor multinational level. Half of investigated units (50.4%) are using a certified management system.

### 4. RESULTS

Main results and conclusions confirm that investigated companies have experienced variations in performance and profitability indicators due to negative effects of global crisis. Many companies have done organizational changes and resources resizing to respond to demand turbulences.

#### 4.1. Identifying the need for training

People must know what they need to learn in order to achieve organisational goals. Identification of training needs is important from both the organisational point of view as well as from an individual's point of view, because an organisation has objectives that it wants to achieve for the benefit of all stakeholders or members.

Half of Romanian companies surveyed are concerned by identifying training needs, systematically (Figure 1). In 21.8% of the units, the evaluation process is carried out every six months, in 24.4% of units the process is carried out yearly, and in a small number of units, the evaluation is done every two years or more. As a negative aspect, in 47% of units is no concern about training need.

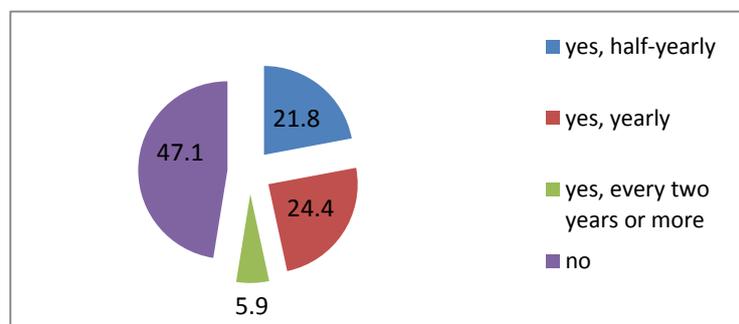


Figure 1: The activity of identifying training needs (%)

In 33.3% of units with more than 20 years of activity, the need for training is investigated half-yearly, in 20.2% units of 6-20 years category, and in 16.7% of units with less than six years. Investigation is carried out yearly in 44.4% of enterprises with more than 20 years, in 22.1% of units of 6-20 years category, and in 16.7% of units with less than six years. Most enterprises with

less than six years (66.7%) there is no investigating concern for the training need. On the other hand, the incidence identifying training needs is higher in units employing over 250 employees (30.0% of category in larger units) and then in small ones (20.4%) and medium ones (18.2%). Companies that do not investigate the training need (44.8%) are mostly small enterprises (10-49 employees) with less than 6 years (66.7%), and activating mostly construction sector (53.8%) or services (52.3%).

#### 4.2. Organizing training programs

In past three years, 46.4% of the surveyed companies have organized training programs paid by the employer, and 53.6% of the units have not organized training programs. The fact that more than half of the companies surveyed were not conducted training programs has many reasons. The replies like: "employees do not need training because they learn from practice of working tasks" concern us (38.8% of respondents considers first complaint and 27% is considered the second reason) (table 1). The following reason is the cost of programs because many people feel that training costs are too high and unjustified (32.8% of respondents consider it first reason while 20.9% consider it the second reason). A relatively low percentage of responses make connection with financial constraints and the need to cut expenditure (9.0% of respondents consider it first reason and 7.5% is considered the second reason).

**Table 1: Reasons for the lack of training activity (%)**

Reasons :	first reason	second reason
employees do not need training because they learn from practice of working tasks	38,8	26,9
training costs are too high and unjustified	32,8	20,9
other priorities for allocating funds	10,4	14,9
limited expenditure because of the crisis	9,0	7,5

Mainly companies with more than 20 years of activity were carried out training actions (66.7%). On the other hand, companies with less than six years have not provided training courses (66.7%). In units with 6-20 years, the situation is relatively balanced in the sample. We can see that in the construction sector, mainly investigated several units (61.5%) offer training. Firm sizing provides interesting information. Thus, all units with over 250 employees were offered training, while 59.1% of units with 50-249 employees organized training. Only 37.6% of small units were concerned with this issue.

#### 4.3. The link between identifying training need and organizing training programs

In companies that half-yearly identify training need it were also organized training programs for employees (80.8%) significantly more than the units that have not concerned by identification. Also, the units performed yearly the training investigation have organized training courses (69.0%) (Table 2).

**Table 2: Table of association between identifying training need and organizing training programs (%)**

identifying training need:	organize training programs	do not organize training programs
half-yearly	80,8	19,2
yearly	69,0	31,0
2 years or more	28,6	71,4
do not identifying training need	21,4	78,6

Applying the Chi Square test of association ( $\chi^2 = 33.2$  is significant,  $p = 0.000$ ), it confirmed the statistically significant interdependence between identifying training need and organizing training with strong effect (Cramer's V coefficient is 0.516). We conclude that systematic identification of the need for training has a strong influence on the activity of running training program for employees.

We also assumed that the units usually organizing training programs have a constant concern for this activity, so they organize training programmes during crises period caused reduction of business activity. Unfortunately, statistical analysis not validates this hypothesis.

#### 4.4. Organizing training programs is in relation with organizational changes?

We suppose that initiate changes shows how management respond to crises period and it would be desirable that they make connection between organizational changes and workforce training. It is difficult to identify a strong dependent relationship between these two variables. Association analysis variables show a growing concern for organizing training in units where internal measures related to: wages fluctuation (70.7% offered training), changes in work organization (51.7% assured training) unlike units implemented labour flexibility measures, or change working hours of employees (15.5% offered training) and changing working contract (12.1% of units have developed training programs) (table 3).

**Table 3: Table of association between internal measures and identifying training need (%)**

Measures :	organize training	do not organize training
wages fluctuation	70,7	24,1
work organization changes	51,7	46,6
modificări organizatorice	32,0	26,0
labor flexibility measures	24,0	69,0
change working hours of	15,5	84,5
changing working contract	12,1	86,2

## 5. Conclusions

Thus, to support organization in a challenging environment, managers and workers need to be concerned with creating a professional attractive identity of workforce who succeed to integrate the company's increased requirements. Addressing the human resource as one of the most valuable form of capital is very important, especially in periods of economic turbulence, when we have to find new ways to maintain competitive advantage and maximize organizational performance, and so these investments are retrieved in earnings in long terms of the organization. So, we sustain an integrated approach to human development and make connection between processes, activities, goals, and organizational needs of organizational objectives and training needs, as follows:

- designing organizational change and human resource development activities so as to respect the correlation between the main organization components like: the objectives of the organization - the organizational structure formal - informal structure - human resources, as a congruence chain;
- develop a strategic framework for human resource development, taking into account business development, external and internal requirements and organization and workers needs;
- continuous assessment of training results and their contribution to achieving organizational needs for quality and competitiveness.

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