

AN ANALYSIS OF THE IMPLEMENTATION STAGE OF THE PROFESSIONAL TRAINING PROGRAMMES IN SMES IN DOLJ COUNTY

Mădălina Camelia OLTEANU (ADAM), Alina Eliza DABIJA

University of Craiova, Romania

E-mail: cami_olteanu83@yahoo.com

Summary: The European work legislation stipulates that employers are obliged to organise periodical training programmes. In some countries, these regulations are even more clearly defined; in France, for example, the financial and legal systems include some compulsory contributions of the enterprises, used for professional training, depending on the number of employees (as a percentage of the gross salary amount). In practice, however, many SMEs do not fulfil this obligation or do it only formally, so as to stay within the legal framework. In Romania, in practice, if we consider an average of last years' empirical studies, only 60% of the SMEs provide training for their employees, and out of those those which allocate resources to training, even fewer (almost 55%) also evaluate their training programmes' results, by a follow-up monitoring process. This article includes a field research which uses a questionnaire on training, completed by a balanced sample of SMEs in Dolj County. The questionnaire includes several variables – the training as a growth factor, the employers' awareness of the legislation, planning and identification of training programmes based on real needs, practices specific to training implementation in SMEs, training as human resource performance index, use of governmental/European funds for own employee training. The results of the research confirm some of the data found in previous studies. It also brings additional information on the causes of this phenomenon, regarding the obstacles met in the process of training implementation and of accessing external funds for training programmes.

Keywords: work legislation provisions, training programmes, follow-up process, external funds and performance improvement.

1. Introduction

There is an increasing empirical literature on the effects of training on performance improvement worldwide: starting with first contributions (Holzer et al, 1993) on the impact of training on the scrap rate, continuing with relation of training hours per employee and firm productivity in France or Sweden (Ballot, Fakhfakh and Taymaz, 2002) or with the relation between training intensity and establishment productivity in Germany (Zwick, 2006). In Romania there are few empirical studies on this topic and they were edited before 2010 (edited by The Institute of Education Sciences, in 2008 and 2009); those who treat the training in SMEs are even rare or they are disparate chapters of some periodical surveys (e.g, White Charts of SMEs). Through the present research, we want to continue the initiative of some previous studies, applying it to local SMEs acting in a dynamic context that needs constant research and renewed strategy.

2. Methodology

The sample of companies that participated in this study was chosen by two criteria: the number of employees (more than three) and a minimum of one year experience. We give an empirical argument for this choice: we have noticed that in practice a SME initiates a strategy for human resources development only when the owner of the enterprise (who most of the time is self-motivated) is joined by another 2-3 employees who begin to request attention,

motivation, training and constant evaluation. Also, a deeper analysis of training data may be realised only if the enterprise has at least one year of existence (or a balance sheet submitted). For our analysis we have created a questionnaire structured by 33 open and closed items and we have sent it to a number of 60 SMEs from Dolj county, which met simultaneously the two criteria; then, we have received 30 questionnaires completed. Simultaneously, we had interviews with decisions factors of eight of the enterprises in the sample target, in order to validate the investigation's results on the relevance of planning, implementing and evaluating the training programs.

Each of the four sections questionnaires includes an approximate equal number of questions. The first section contains general questions on the frequency of training programs and employers' perception on training relevance. The second part investigates the role of training from compulsory provision to motivational factor for employees – from employers' perspective. The third section probes the link between training and performance improvement and the last one gathers data on the degree to which employers use training. The questionnaire combines qualitative questions using Likert scale with open questions and control key items. The SMEs in this study act in different field activity (from constructions to manufacture of machineries for metalurgy to software), their turnover varies between 210.360 lei and 37.534.395 lei and the number of employees varies between 3 and 179.

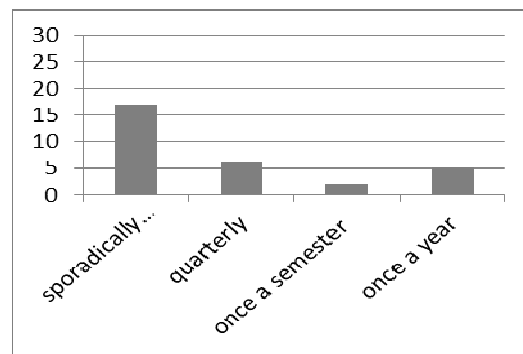
3. Results and discussions

3.1. Results regarding the specific role of training in the core business and frequency of training programs

The total number of hours of training conducted during 2014 per employee varies between 10 and 83 and the medium is 28 training hours/year/employee. Twenty six from the 30 SMEs studied have implemented training programs for their employees in the last year, but the percentage invested in training of the turnover on 2014 is very low, it varies between 0,1% and 5% and the medium percentage is 1,16%. The frequency of training programs implementation in mentioned enterprises (not only for the last year) is represented in the Figure no.1.

In what concerns the planning of the training actions, only 7 of 30 responding SMEs answered that their initiatives are based on an annual training plan. The topics of the trainings were generally based on technical aspects of the SMEs main activities and only 26% of them approached soft skills training such as communication. The themes were established – in descending order of importance - by evaluating employee performance (20 respondents), by studying programs accessed by other competitors or partners (4), by assessing business needs (2) or other reasons (2 answers). This question embedded an important key answer that was not suggested through the alternative answers (e.g., the choice of training due to business needs) and the fact that two of respondents gave this answer confirm that the SMEs management is aware of some of the appropriate training identification techniques. In the same time, the question suggested deliberately an incorrect solution through other options and the fact that four of the respondents are establishing training themes only by emulation (market trend) suggests that other part of managers/owners cannot differentiate the scientific tools for identification of training needs by non-scientific one. And this might be the cause of the perception of training results' impact as *important* instead of *very important*, because a mistake done in the IANT phase might have effects of the follow-up phase.

Figure 1: Frequency of training



Source: authors' data analysis

Then, we have tried to find out what type of training is addressed most frequently by the local SMEs studied and we had the following results:

- Training in the workplace (12 respondents out of 30, meaning 40%);
- Individual Training (punctual assignment of each individual for courses, depending on the needs identified – 11 respondents out of 30, meaning 36,66%; some of these respondents have also chosen the above mentioned answer);
- Training outside the workplace, organized by specific departments/ functions (3 respondents out of 30, meaning 10%);
- Non-formal training, e.g teambuilding - organized as a reward rather than as an instrument to improve performance (0 respondents).

These results prove the fact that the local SMEs studied prefer to optimize the investment in training by doing it internally rather than by outsourcing. Also, the fact that SMEs no longer organize teambuilding trainings might be an effect of the global economic crises that influenced the training budgets.

3.2. Results regarding the specific role of training as a motivational factor for employees

3.2.1. Motivation of employees by involving them in training process

This section contains also 7 items that give us an outlook of the training approach seen either as a compulsory legislative provision or as a motivational factor. The first question is trying to investigate the employers' willingness to organize training programs as a result of the initiative or the specific request of their employees. Thus, training programs proposed by the employees are organized: usually by 3 of them (10%), often by 2 of them (6,66%), sometimes by 9 (30%) and never by 5 (16,66%) and 11 provided no answer. In what concerns the legislation represented by the Labor Law in Romania, employers have the following compulsory provision: "If participation to training on the employer's expenses was not provided for employees aged up to 25 years during an entire year, respectively, for employees aged over 25 years during two consecutive, then the employee is entitled to up to 10 working days off for training, paid by the employer." From the SMEs studied 5 of them find this provision restrictive (16,66%) and 18 of them find it simulative (60%); the others 7 gave no answer. Also, we tried to prove George Odiorne's statement applied by Kirkpatrick, according to whom *If you want those affected by a change to accept it, give them a feeling of ownership* (Odiorne, cited by Kirkpatrick, 2008, pp.77). Thus, when the employers were asked if their employees are directly involved in the creation/optimization of training programs, they provided the following answers: 5 of them totally agreed (16,66%), 15 of

them agreed (50%), 2 were indifferent about the topic (6,66%), 4 disagreed on it (13,33%) and other 4 gave no answer (13,33%).

The respondents consider in their majority that employee career promotion was influenced by the continuing vocational training programs they attended: 3 of them totally agreed (10%), 20 of them agreed (66,66%), 2 of them were indifferent about the topic (6,66%), 1 disagreed (3,33%) and 4 gave no answer (13,33%).

In this section we investigated also the employers' perception of the trainees' satisfaction degree with the training programs. This marks the first level of training assessing impact according to Kirkpatrick's four-level revised model (Kirkpatrick, 2008). Twenty nine of the 30 employers think that their employees were satisfied with the training delivered, one gave no answer. The interesting aspect is that none of them stated the employees were very satisfied with the training delivered.

3.2.2. Evaluation and follow-up of the training programs in SMEs

We discovered that 60% of the SMEs representatives established some methods for training evaluating program in their company while 40% state that there are not applying any methods or very few. Five of the respondents (16,66%) state that they don't use any kind of evaluation methods. Those who responded positively that they applied some assessment methods after each course to measure the impact, expressed following options, in descendent order of importance: labor productivity measurement (17 responses, 56,66%); measurement of progress achieved after a period of time (in the field of the course) through scientific models (e.g, ROI, Kirkpatrick) – (5 responses, 16,66%); written evaluations of employees a while after completion of the course (4 responses, 13,33%); monitoring staff turnover rate – 1 response, 3,33%. Going further, in order to find out the causes of this phenomenon, we asked why they think some courses are not followed by an evaluation process. The options of those who answered were the following: the company's management does not require explicitly an assessment – 6 responses (20%); lack of time – 6 responses (20%); the evaluation is a very difficult process – 6 responses (20%); the cost is too high – 6 responses (20%); it is not relevant for the business – 1 response (3,33%); other response – 5 responses (16,66%).

At the end of this section we wanted to see what is the most important level of a course evaluation for employers, using the well-known Kirkpatrick model: 1) Reactions of participants – 2 responses; 2) Learning itself - meaning the knowledge and skills acquired by the participants – 12 responses; 3) Behaviour at work - after completing the program – 3 responses; 4) Results generated from behaviour change and their impact on the organization core business – 13 responses.

Their answers prove that employers have a good knowledge or intuition of the most relevant aspect of evaluation, meaning level 4 of the Kirkpatrick model, which is represented by tangible and intangible results of training on the organization. The next section of the research investigates further that if the awareness of the most relevant level of training assessment is really applied by employers, meaning if they really measure the outcomes or if they conduct observing/monitoring initiatives in the enterprise.

3.3. Results regarding impact of training on performance improvement

Twenty five of thirty respondents (83,33%) think that there is a direct link between increased overall enterprise performance and implementation of these training programs. Only 16,66% of them believe that there is an insignificant relation or a weak dependence relation between training and performance. In continuation of this idea 26 of them (86,66%) assess the impact of training programs conducted in 2014 on employee performance (in terms of innovative

initiatives, improving a product/process) as being high or very high. Also, through a control question we had the confirmation that 90% of the respondents who organized training programs think that labor productivity has improved after employees have attended training programs. We discovered the aspects that have been improved/ have decreased after completing training programs in 2014, namely: increase in turnover– 12 responses; increased satisfaction at work– 9 responses; decreased costumers complaints– 5 responses; increasing sales volume – 5 responses; less products with defects – 4 responses; decrease staff turnover rate – 2 responses; less waste / raw material consumed – 2 responses.

All those who organized training in 2014 (26 of 30 respondents) consider that participants were able to implement what they have learned, back to their workplace. Only 3 of the respondents (10%) consider not appropriate the investment in training, based on the balance of the results (measurable and non-measurable) and the total costs of training.

3.4. Sources for financing employees training

In the final section of our empirical research we tried to find out in what measure the local employers access external funds for employees training. The obstacles discovered could explain why only 3 of them accessed specific funds until the moment. Twenty respondents of thirty have acknowledged from a list of options only the financing program POSDRU 2007-2013 (more specific, the State aid scheme for training). Only 5 of the respondents (16,66%) have recognized other grant schemes for this topic, from a list of options. The obstacles to accessing external funding programs for employees training were in descending order (*discovered through a question with multiple choices): difficult implementation process of projects (17 responses); lack of information to the general public (8 responses); transparency of the Management Authorities of the financing programs (7 responses); the way projects are being evaluated (7 responses); the idea is not within the guidelines priorities that he/she knows about (2 responses); there was any suitable grant scheme opened in 2014 (1 response). We wanted to keep alternative thinking in case we would discover the local employers do not organize training programs by their expense. Thus, we have asked who should pay for employee training programs and they concluded that both the employee and the employer (a co-payment system)– 10 responses (33,33%).

The last question wanted to investigate the strategic thinking of employers by putting them to envisage the measures should be taken and by whom, for SMEs to access government or European funds for developing their human resources. First two of them were: better correlation between Management Authorities / Ministry of European Funds and banks offering loans for co-financing programs (11 responses) and more advertising on funding programs (8 responses).

4. Conclusions and further developing

This study emphasize the direct relation between training and performance improvement in local SMEs in Dolj county; SMEs organize periodical training especially on technical topics, most of them not using a previous training plan. Still, the good impact and the increase of productivity might be explained by both good intuition of identification needs techniques and direct supervision of training courses (given that 40% of them choose to organize it at the workplace). The low degree of fund accessing for training (10%) might be corrected through a set of proactive measures (some of them suggested by the respondents), taking into consideration that 90% of SMEs would like to organize further training programs for employees.

5. Acknowledgements

This work was co-financed from the European Social Fund through Sectoral Operational Programme Human Resources Development 2007-2013, project number POSDRU/159/1.5/S/140863, Competitive Researchers in Europe in the Field of Humanities and Socio-Economic Sciences. A Multi-regional Research Network.

References

1. Ballot G, Fakhfakh F, Taymaz E (2002): Who benefits from training and R&D: The firm or the workers?, “*ERC Working Papers in Economics*”, 02/01.
2. Institute of Education Sciences (2009), Continuous training in Romania, Ed.AFIR, Bucharest
3. Kirkpatrick D.L, Kirkpatrick J.D (2008): Evaluating training programs. The four levels, third edition, Berrett-Koehler Publishers, San Francisco
4. Zwick, T. (2006): The impact of training intensity on establishment productivity, “*Industrial relations*”, vol. 45 (1), p.26-46