

**Katarzyna Gadomska-Lila**  
**Department of Organisation and Management**  
**University of Szczecin**  
**katarzyna.gadomska@uoo.univ.szczecin.pl**

## **STAFF DEVELOPMENT AND EDUCATION AS AN INSTRUMENT TO INCREASE THEIR VALUE TO PRESENT AND FUTURE EMPLOYERS**

### **Abstract**

While developing a knowledge-based economy, staff education and their career development receive a new dimension. Fast changes and their complexity require from employees constant learning and acquiring new skills. As a result, organisations receive an opportunity to operate more efficiently and improve significantly their innovation performance and competitiveness.

Enterprises should, therefore, consciously shape the process of their staff development to benefit from engaging their potential in the achievement of the organisation's objectives. It requires, however, awareness of the relevance and appropriate management of such factors as staff development policy, organisational culture or motivational system, which all contribute to staff education and development.

For an enterprise, the knowledge acquired or extended by its employees in the education and development process, can be a source of improvements, and original ideas and solution, which can significantly contribute to winning competitive advantage. For employees, on the other hand, carefully planned development is an excellent opportunity to acquire new skills thus increasing both their value in the eyes of their employer, and their bargaining power in the potential labour market.

To present the above-mentioned issues in their entirety, it is essential to identify basic determinants of learning and ways to acquire knowledge, and to discuss the results of empirical research into those problems. The research carried out in Western Pomerania shows how the analysed enterprises perceive the issues related to staff education and development and how they use the effects of that process to improve their innovation performance and competitiveness.

**Key words:** staff education and development, knowledge, determinants of learning.

### **Introduction**

Since contemporary enterprises are operating in an environment characterised by fast globalisation, technological progress, access to capital, availability of the Internet and so to information, the sources of competitive advantage need to be sought in "soft", related to human resources, rather than "hard" management factors. And it is knowledge that plays the key role among those factors. This fact is reflected in the Lisbon Strategy, according to which by the year 2010 the European Union should become the most competitive knowledge-based economy in the world, especially as compared to the United States and Japan, and lately also China. This strategy assumes a fast transition to a knowledge-based economy through information society, research and innovation, and development of appropriate qualifications and skills of employees. The last factor becomes extremely important now that it is human

resources that play the key role in creating and using knowledge.

We can distinguish between two major stages in the process of acquiring knowledge by employees, (cf. Szałkowski, 2002, p. 50):

- Education before work experience (schools, studies, courses, internships, etc.)
- Education complementary to work – training courses, career development.

The dynamics of external and internal changes, which contemporary companies have to face, shifts the key relevance to the second dimension, since ongoing staff education and development, and acquiring new skills have become the major concern of human resources management. Knowledge of individual employees will then be transformed into knowledge of the entire organisation thus building competitive advantage for the company and increasing the bargaining power of employees in the labour market.

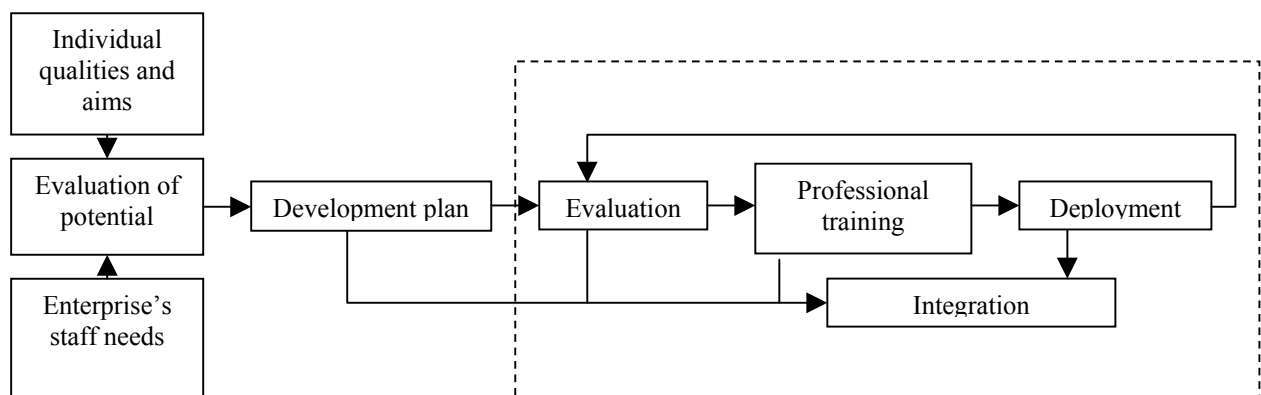
The aim of this paper is to emphasise the significance of staff development to the efficiency of the organisation's operations in the context of improving its innovation performance and competitiveness. An attempt has also been made to point the major determinants of learning and ways of acquiring knowledge by employees and present the results of empirical research into those issues.

### Relevance of staff education and development

Staff education and development is a process of constant learning and acquiring new skills and competence essential for the tasks they complete, and providing opportunities for extending that knowledge, and improving skills and competence oriented at potential promotion, redeployment or another organisational change (Zarządzanie..., 1997, p. 483). The aim of human resources management is to provide the company with employees whose qualities, skills and competence meet the needs of the organisation and assure accomplishment of its goals. Staff development should be shaped in a desired way, taking into consideration two aspects – the need for more efficient operations (organisation's aims) and the employees' needs related to building their careers (individual expectations). It affects the shape of development policy (especially in the field of professional training and career policy), which should take into consideration development needs of the enterprise on the one hand, and personal as well as career development needs of individual employees on the other (Cf. Armstrong, 2002, p. 425-426, Bateman, Snell, 2004, p. 312).

The elements of staff development are presented in Fig. 1.

Figure 1. Elements of staff development.



Source: Listwan, 1995, p. 74.

The activities which comprise staff development include:

- Development planning
- Evaluation
- Professional training
- Organisational deployment
- Social and organisational integration

Staff development should integrate the needs of the organisation with individual expectations of its employees. Moreover, it should be closely related to other stages of human resources management, e.g. staff evaluation. The results should be a signpost for planning individual career paths, choosing appropriate and tailored forms of professional training, etc.

### **Determinants of staff education and development**

Employees extend their knowledge constantly. Even if it is not a carefully planned process of education and development, it occurs in everyday life while they are completing their tasks and solving problems. To transform this knowledge for organisation's needs and perceive it as a source of competitive advantage, this process should be steered appropriately. At first, its basic determinants need to be identified, and then it should be modelled, shaping accordingly all the factors.

Determinants of learning can be classified into two groups: internal (human) and external (related to work environment).

In the first group we can identify the following factors: employees' skills, personality, and internal motivation for both learning and sharing knowledge. The most desired skills include gathering and synthesising of information, and analytical thinking (Nevis..., 1995, p. 73-85). Personality should be characterised by an active approach, i.e. willingness and ability to solve problems and learn constantly, self-discipline, readiness to take risks, tolerance of uncertainty, perseverance, resistance to criticism, etc. (Cf. Amabile, 1997). Other important qualities include internal motivation to learn, acquire new skills and undertake creative activities, since it is a frequent occurrence that an employee with a great potential simply does not want to use it.

Among external factors we can mention for instance: the enterprise's staff development policy, access to personal information, access to information about the enterprise and its environment, remuneration system, and organisational culture.

The tools used in the staff development process should be diversified and tailored to the organisation's needs. Among a wide variety of forms of on-the-job and off-the-job training (Graham, Bennett, 1995, p.238), the following should be listed: professional training and conferences, fairs, as well as seminars and meetings, which provide employees with opportunities of contacting professionals from other organisations, exchanging experience, acquiring new skills, and verification of their knowledge.

An important element of the learning process is feedback about employees' performance and contribution to the development of their department and entire organisation. They should also be informed about the company's strategy, objectives and targets, and objectives of individual organisational units. As a result, they can see their contribution to the organisation, which enhance their involvement and integration with the organisation.

The role of the remuneration system, on the other hand, is to stimulate and motivate employees to perform their tasks more efficiently, show more initiative, and share their knowledge. Organisations can use a wide array of incentives to stimulate their staff development. One of the most important ones is to provide appropriate work environment, especially freedom in performing tasks, room for initiative, and experimental implementation

of ideas. A high level of freedom encourages people to create new knowledge and increases the probability of unexpected positive performance.

Appropriate organisational culture is an element inherent to staff development. It should concentrate on the following values: inquisitiveness, open mind, trust, orientation at new solutions and constant improvement, which encourages people to take risks, and tolerate mistakes and errors, treating them as lessons to be learnt.

Correct identification and shaping of those factors contributes to long-term staff development. It gives measurable benefits to the organisation – the tasks are completed more efficiently, more innovative and original solutions are presented, and less mistakes and errors are made, which is reflected in the organisation's performance. The employees themselves also benefit from such opportunities. On the one hand, they are more valuable to the organisation, and on the other – they win a better position in the labour market and qualities and skills which are attractive to potential employers. In both cases, their chances for a desired career path are higher.

### **Empirical results**

The issues related to staff education and development have been the subject matter of three research projects carried out in Western Pomerania. The output was empirical material which showed how West-Pomeranian enterprises perceive the relevance of their staff education and development and whether they recognise knowledge as a strategic resource.

In the first project, "Diagnosis of organisational culture in enterprises"<sup>1</sup> an attempt was made to identify whether the analysed enterprises have adapted an organisational culture which supports learning and sharing of knowledge. The issues related to the significance of employees' knowledge and its extending through education and development were analysed. The evidence led to a conclusion that the approach to those problems in the analysed entities varied considerably. For most of them (ca. 78%), qualifications and educational background were the key criteria during recruitment, whereas the process of education and development itself was not so dynamic as might be expected. Most companies (72%) do not develop career paths, and employees are sent for training courses only if additional qualifications are required currently for their posts (66%). Without career paths, it is impossible to create consciously knowledge and skills of employees in compliance with the organisation's needs. A motivation system rarely takes into account the opportunity to achieve professional goals or assignment of more responsible tasks. Nevertheless, it is knowledge and skills that were declared to be the source of authority. Basing on the data gather in the project, it was found that organisational culture in the analysed enterprises did not stimulate staff education and development.

These unfavourable statistics were confirmed by another research study "Diagnosis of Szczecin enterprises"<sup>2</sup>. Only 9% of the analysed entities declared they planned career paths for their employees and 33% offered development opportunities as an incentive.

The results indicate that the analysed enterprises do not perceive their employees' knowledge as a strategic resource and do not plan any activities to supporting learning to benefit from that knowledge for the needs of the organisation. Short-term thinking is very characteristic of those enterprises. Even though they seem to appreciate and value knowledge,

---

<sup>1</sup> The project was carried out in 2001. The aim was to analyse cultural patterns in 75 enterprises with and 75 enterprises without participation of foreign capital and located in Western Pomerania. For the purpose of this paper the sample was not diversified, and so all the results refer to all the 150 entities.

<sup>2</sup> The project was carried out in 2000-2001 by the „Integration” Research Team and its aim was to identify basic problems within organisation and management. The sample comprised 116 manufacturing enterprises from Szczecin and its area.

educational background and qualifications of their employees, through recruiting candidates according to those criteria, it is usually the only moment when competence arouses interest. Staff development is not the key element of human resources management in those companies.

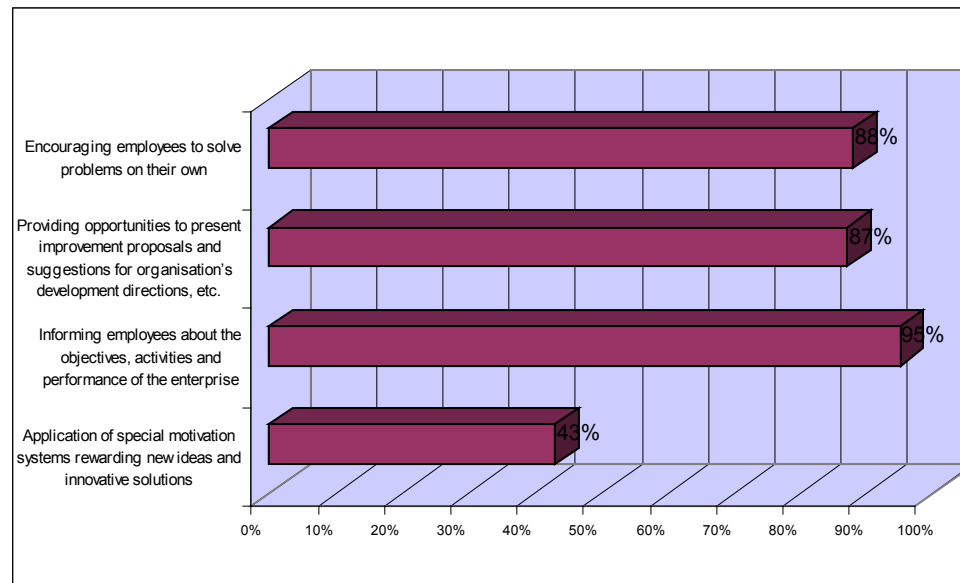
The aim of the third project<sup>3</sup> was to identify the factors which affect organisational learning, focusing on education of individuals, teams and organisation as a system, and particularly on the determinants of learning by individual employees. Fig. 1 presents the performance of 92 entities (34% of the sample).

The results show that the most popular methods of motivating staff to learn and show initiative in activities include: encouraging employees to independent problem solving (88% of respondents), providing opportunities to present suggestions concerning organisation's development, methods of work, etc. (87% of entities), informing employees about the objectives, activities and performance of the enterprise (95%). The evidence shows that in those enterprises employees have more autonomy in their activities, which encourages initiative and creativity. In 43% of the analysed enterprises, special motivation systems have been adopted which award bonuses for new ideas. Few companies declare that they forge close relationships with their key employees, which is reflected in their professional development plans. In many companies such individuals are not rewarded in any way. The most frequent problem is lack of staff development policy. As a result, even if the management is aware that an employee is its valuable asset, it cannot make an offer attractive enough to keep this person in the organisation. Employees are encouraged to solve problems individually and present their own suggestions concerning the enterprise's future. To a less extent they are encouraged to test their own ideas, to experiment. Without opportunities to test suggested solutions, and acquire new experience or participate in its implementation as a result, employees can feel their contribution to the company's operations is insignificant and suggestions useless, which as a consequence can reduce their willingness to show initiative in the future. Apart from encouraging an active participation in the implementation of new activities, it is also important to inform employees what happens to their proposals. It forms important feedback and a basis for future learning and activities. Another form of orientation at staff development is the motivation system used in the company, which favours innovative thinking. In this field the companies showed most diversification – 45% of respondents declared using financial or non-financial incentives rewarding new ideas, whereas 40% do not use such tools at all.

---

<sup>3</sup> The research carried out within the project No. 1 H02D 020 27 part-financed by the State Committee of Research. The sample included 92 medium-sized and big manufacturing enterprises from Western Pomerania (NACE 15-36). The aim of the research was to analyse the practices and activities in various aspects of management, including determinants of staff development and learning.

Figure 2. Determinants of staff development, learning and showing initiative.



Source: own study based on research results.

The above-discussed results refer mainly to external factors, i.e. those that a company can shape actively to develop the competence of its staff. The data indicates that West-Pomeranian enterprises subject to analysis do not undertake any planned activities in this field. In the process of human resources management, they lack a consistent long-term staff development policy, with career paths tailored to the needs of the organisation and taking into consideration the aspirations and potential of its employees. Organisational cultures of those companies are diversified. A small group of them can boast a dynamic, open, innovation-oriented culture which favours changes and an innovative approach to problems. In the vast majority, however, organisational culture is conservative, restraining from new challenges, cherishing old solutions and protecting the old order. Organisational culture is therefore, like staff development policy, a factor which is rarely used consciously in knowledge management. Most frequently, the companies use remuneration and feedback systems, i.e. broadly understood motivation tools, to encourage their employees to learn, put the knowledge they already have to use in everyday life, and share that knowledge with others.

## Conclusion

The search for competitive advantage is not only possible but simply essential within human resources management, especially in relation to staff professional development, extending their knowledge and acquiring new skills. This process requires stimulation on a constant basis since “marginal competence” does not exist.

Knowledge of individual employees, which is transformed into the knowledge of the entire organisation, becomes the source of competitive advantage for the company. Its extent needs to correspond to the present level of technological, social and economic development. An analysis of this development and efficient adoption of new solutions is an essential condition to maintain the organisation's position in the market, and in many situations it provides an opportunity to win competitive advantage.

The results of research discussed above indicate that the relevance of staff development to the efficiency of organisation's operations, in the context of improving its innovation performance and competitiveness, is not fully recognised by management of those organisations. Even though this finding is far from being optimistic, it allows positive

evaluation of the potential of the analysed organisations in terms of improving their competitiveness through stimulation of appropriately oriented staff development. In order to make the most of this opportunity, management needs to recognise the interrelations between extending the knowledge of individual employees and the level of knowledge in the organisation as a whole, and this process needs to be programmed with the tools presented in this paper.

#### REFERENCES:

1. Amabile T.M., (1997), *Motivating Creativity In Organizations: On Doing What You Love and Loving What You Do*, "California Management Review", vol. 40, no 1.
2. Armstrong M., (2002), *Zarządzanie zasobami ludzkimi*, Oficyna Ekonomiczna, Kraków.
3. Bateman T.S., Snell S.A., (2004), *Management*, McGraw-Hill/Irwin.
4. Gadomska K., (2001), *Kultura organizacyjna przedsiębiorstw z udziałem kapitału zagranicznego*, Praca doktorska, Kraków.
5. Graham H.T., Bennett R., (1995), *Human Resources Management*, Pitman Publishing, London.
6. Listwan T., (1995), *Kształtowanie kadry menedżerskiej firmy*, Kadry, Wrocław.
7. Nevis E.C., DiBella A.J., Gould J.M., (1995), *Understanding Organizations as Learning Systems*, "Sloan Management Review", vol. 36, Winter.
8. *Ogólna diagnoza szczecińskich przedsiębiorstw*, praca zbiorowa pod red. A. Lozano, S. Sysko-Romańczuk, (2001), maszynopis powielany, Szczecin.
9. *Rozwój pracowników. Przesłanki, cele, instrumenty*. (2002), Red. A. Szalkowski, Poltext, Warszawa.
10. Rudawska A., (2007), *Kształtowanie zdolności przedsiębiorstw do organizacyjnego uczenia się*, Praca doktorska, Szczecin.
11. *Zarządzanie. Teoria i praktyka*. Praca zbiorowa pod red. A. K. Koźmiński, W. Piotrowski, (1997), Wydawnictwo Naukowe PWN, Warszawa.