

Comprehensive model of corporate training development system

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Abstract. The actualisation of the individual's role in the development of the organisation and the society enhances the importance of corporate training in the company's system. Ensuring the efficiency of the corporate training system is one of the major tasks of organisational management. The purpose of the present research is the development of a model for managing the corporate training development system with a view to ensure its efficiency with regard for the ongoing changes. The efficiency of the corporate training system depends on the extent of integration of all its elements. The analysis of the corporate training system in terms of the systemic approach made it possible to reveal the discrepancy between the purpose of the system elements at different levels of the organisational hierarchy: between the goals of the corporate training system and the actual goals of the organisation; between the participants of the educational process (the employee, the customer and the organiser). A comprehensive model of corporate training management system has been proposed, that reflects the integration of its elements and is based on the human capital growth cycle. The growth cycle represents a continuous logical sequence of processes which, if realised, ensure the efficiency of the educational process. The management of a corporate training development system based on the comprehensive model makes it possible to ensure integration of system elements' objectives and allows a targeted approach to the problem of corporate training system efficiency.

1 Introduction

Human capital gains increasing importance at the post-industrial stage of the society. The position and role of man in a modern organisation is changing considerably. In the today's situation, competitiveness is conditioned primarily by productivity, quality and flexibility of human resources. This is confirmed by the experience of most successful national and foreign companies: investments in personnel, creation of due conditions for employees' growth and improvement of professional potential yields a 2-3 times higher return than the funds allocated for the solution of purely production targets [1].

The specifics of the current situation are reflected in the formulation of the national goal "Worthful, efficient work and successful entrepreneurship" [2]. The notion of labour

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efficiency is connected with the individual and reflects his/her contribution to the company's activity. However, the current situation in Russia is characterised by the declining share of able-bodied population and low labour productivity. According to the Russian Federal State Statistics Service, the labour productivity rate in Russia in 2020 was 99.6%, the lowest over the 5 preceding years.

The main reasons for inefficient work include the insufficient level of employees' professional competence needed to handle modern technologies and their low motivation toward performing organisational tasks, which is primarily caused by professional incompetence. According to [3], the labour productivity of a motivated employee increases by 12% on the average. Moreover, following the rapid development of scientific and technological progress, reduction in life cycle knowledge is observed, so this knowledge requires more frequent updating.

In the current circumstances, organisations are significantly increasing their spending on employee training. The total annual amount spent by Sber, Gazprom Neft and Alfa-Bank on training and development of employees exceeds 5 billion roubles [4]; many organisations create own corporate training systems (Rostelecom, Raiffeisenbank, Megafon, Beeline, Avito and others). Corporate training is becoming an important element in the development system of an organisation and the society as a whole, a tool to minimise the main causes of low productivity,

However, despite the growing importance of the corporate training system its efficiency is a problem. According to [5], 67% of employees assess their experience of corporate training as inefficient or unproductive. Organisations on their part are dissatisfied with employee engagement in innovations. According to [4], companies' satisfaction with corporate training lies within the score 6 to 10 on the average.

Thus, corporate training is becoming an important element in the developmental system of the organisation and the society as a whole, an instrument minimising the main causes of low productivity. Meanwhile, increasing staff training efficiency is one of the most important tasks of modern company's executive manager. The corporate training efficiency problem concerns not so much individual programmes as the efficiency of the entire corporate training system.

Gerald Cole believes that corporate training can only be efficient if based on a systemic approach: "The systemic approach to learning and development involves logically aligning the commencement of activity with assessing the policy and resources to maintain it, followed by evaluation of the need for training. This entails self-learning followed by evaluation of results" [6].

In this context, the elaboration of a model for managing corporate training development seems expedient, with a view to ensure its efficiency in the current situation.

2 Materials and Methods

The analysis of the corporate training system should be undertaken in terms of systemic perspective.

2.1 Corporate education system as an element of organisational system

In today's environment, organisations that invest in training have a 24% higher rate of return [7]. In the process of training, the employees, mastering new competencies, are empowered to tackle new and more complex tasks. This raises the importance of corporate training as a structural element of the organisation.

The supposed main causes of corporate training inefficiency involve the absence of due interrelation between the company's strategic goals and the departmental objectives, which

concerns the corporate training system, in the first place, and the consequent inability to identify real training needs. According to [8], 47% of organisations have to resort to training in fact due to the deficiency of skilled staff. A total of 22% of organisations referred to identified gaps in employee competencies as a reason for holding corporate training. Thus, the corporate training system in most organisations is in charge of achieving strategic goals to insignificant extent only. In addition, strategic goals in the organisation are often just fixed on paper and are not incorporated in the goals of functional units.



Fig. 1. Corporate education system as an element of the organisational system.

Despite the increase in annual expenses on employee training and development, head executives of organisations do not have an unambiguous approach to measuring corporate training outcomes. Head managers do not count the benefits of investing in employee training and do not use specific metrics since the latter do not reflect the impact of training on achievement of the company's strategic goals. Less than 5% of Russian companies use professional evaluation methods [9].

It is important to note that many organisations use, as a criterion of corporate training system efficiency, the indicators that do not reflect the impact of training on achievement of strategic goals: the number of training hours per employee, the number of employees covered by training, training costs, the number of implemented training programmes, etc.

The corporate training system, as a structural element of the organisation, should plan its activities so as to meet the general organisational strategy.

2.2 Corporate training system as a set of educational processes

The corporate training system represents a set of interrelated processes aimed at the development of personnel with the purpose to achieve the company's strategic goals. In turn, the educational process is a set of multiple interconnected processes realised by many participants comprehensively.

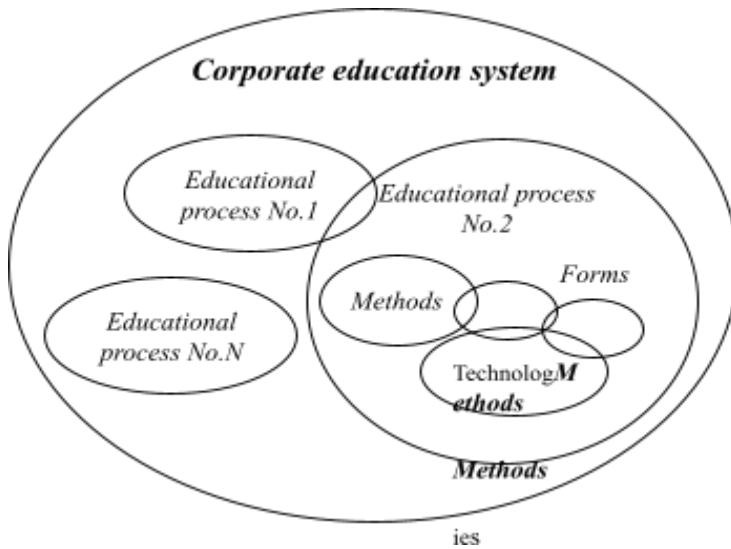


Fig. 2. Corporate training system as a set of educational processes.

The corporate training system encompasses a lot of differing educational processes as part of its functionality. The educational process is a combination of content, learning technologies, assessment methods, etc.

Educational processes can be implemented with a view to address different organisational tasks at different hierarchical levels. Each educational process has a specific set of characteristics: learning format, duration of learning, learning technology, place of training, etc.

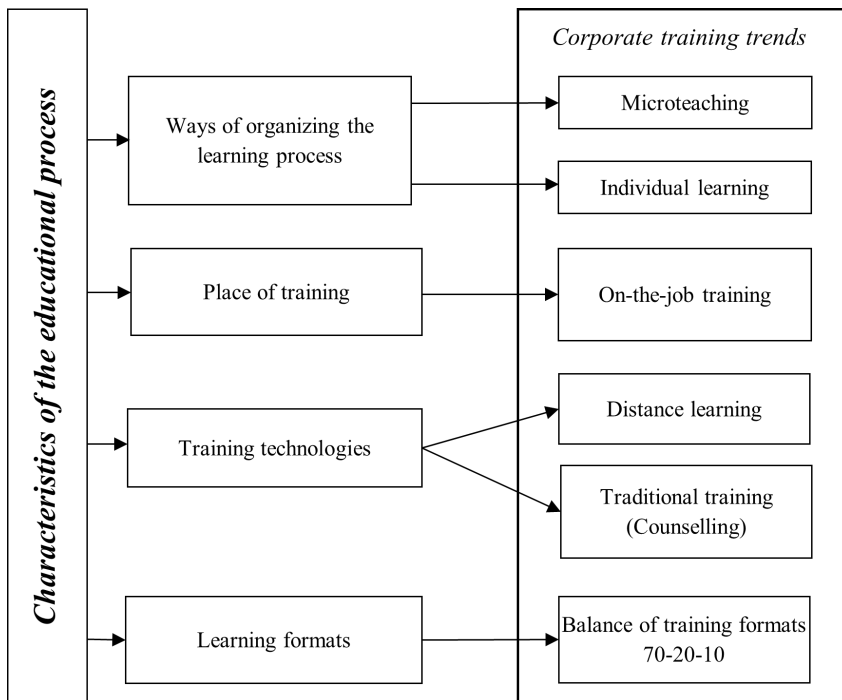


Fig. 3. Characteristics of the educational process.

The current situation calls for innovative solutions in the organisation of educational process. For instance, lately organisations have been increasingly experiencing problems with on-the-job training. According to research observations, the employee workload does not allow companies to allocate more than 24 minutes a week for their training [10]. Employees are as well reluctant to devote much time to training. Another cited reasons for inefficient organisation of training programmes (processes) are: irrelevance of training programmes, unbalanced content and format of training.

One of the modern training formats is the principle of “learning by doing”. It is based on the use of the microteaching format. The 70-20-10 model of learning and development seems to be interesting in terms of learning formats balance [11].

The development of the Internet has facilitated the development of e-learning. Web-based training allows organisations to reduce their costs and extend the audience. Rapid distance learning tools, professional development tools, etc. are emerging on the basis of Internet technologies. Currently more than 60% of the total scope of training is based of computer technologies.

According to [11], most companies in Russia (92%) use the blended learning format (online + offline). The remaining 8% train their employees only remotely. The most common ratio of face-to-face and distance learning is 30% to 70% respectively (in 25% of companies) and 50% to 50% (in 18% of companies).

However, online learning retains the basic problems existing in traditional education – lack of students’ willingness to learn, lack of time, relevance problems, etc.

Innovative technologies have a significant impact on the development of corporate training, creating an opportunity to develop educational programmes that take into account the employee’s unique personalised experience.

2.3 Corporate training system as a set of educational process participants

In terms of efficiency, it is important to note that the corporate training system represents an aggregate of educational process participants united by a common goal. The following are the main participants of the educational process: the commissioner (head of organisation or its department), the organiser of educational process (corporate training system or another department in charge of training) and the employee (learner) as such. Each of the participants has its own objectives and performs certain tasks to achieve them. The quality of learning process participants’ interaction ensures due efficiency of the corporate training system[12].

The purpose of the head manager as a commissioner of the educational process is to improve the employee competence in line with the strategic goals of the organisation.

The head manager forms the requirements for educational process outcomes (a set of concrete competences) and the organisation (format, venue, technology, duration).

The education organiser arranges the training process according to the commissioner’s requirements. The organiser’s aim is selection of most effective types and forms of training and formation of the right content for each specific educational process.

The learner is a company employee commissioned for training within the framework of a specific educational programme. The trainee’s objectives involve professional improvement and personal development.

One of the main reasons of poor efficiency of the educational process is the lack of employee’s motivation to learn. Knowledge is of no value if the employee is unwilling or unable to apply it in any process. Conversely, an employee who practices new knowledge is satisfied with his/her work and becomes more motivated. Personal growth allows the employee to perform new, more challenging and interesting tasks.

At the same time, experts point out that there is a trend for recently trained workers to look for more lucrative job offers. The results of a joint study by the True Education team and K-AMPUS based on the experience of 72 companies with a total of 800,000 employees show that 7 out of 10 Russians plan to change job. According to [3], the correlation between investment in personnel and staff turnover is 43%: the higher the employee engagement, the lower the turnover; however, an employee who has been trained becomes more competitive and is more likely to leave for another organisation to take a better job.

The advanced trends in employee training should be aimed at enhancing the employees' potential through skills analysis in order to secure personal career development [13]. Modern research has shown that employees are willing to learn if this contributes to their career growth. The employer's goal is to provide relevant learning opportunities helping people to grow professionally.

The relationship between the objectives of the corporate training system and its elements can be represented as the following hierarchy (Fig. 4):

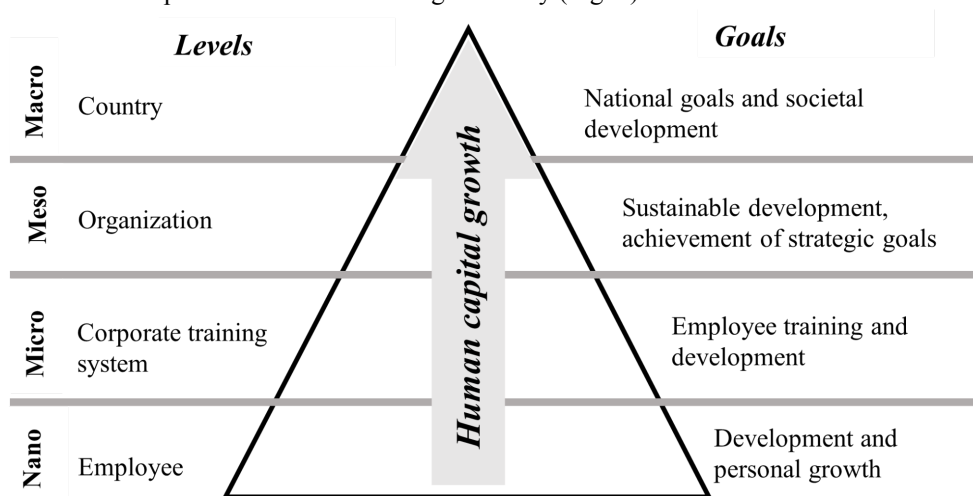


Fig. 4. Hierarchy of objectives of economic system elements.

The state formulates the national development goals of the society. Organisations, in turn, strive to achieve their own strategic goals and sustainable development, thereby ensuring attainment of the national goals.

In the modern environment, success of any organisation is secured by employees who can efficiently create new values. Head executives today are increasingly focusing on corporate training issues [14].

The corporate training system, as a subsystem of the organisation, is concerned with training and development of employees, ensuring their professional development and personal growth.

The analysis of relationship between the objectives at different hierarchical levels of the economic system helps to reveal major inconsistencies:

- no integration between the goals of the organisation (head manager) and those of the trainee;
- no integration between the objectives of the corporate training system and those of the organisation (head manager);
- no integration between the objectives of a trainee and those of the corporate training system.

In order to secure due efficiency of the corporate training system, the company should ensure integration of objectives at all levels of the system.

3 Results

In order to ensure the employee’s professional and personal growth, it is proposed to manage the corporate training system development on the basis of the growth cycle. The growth cycle is a continuous logical sequence of the processes “training” – “skills development” – “creating opportunities” – “growth” which ensures the employee’s growth upon its realisation.



Fig. 5. Employee growth cycle.

The sequence of stages an employee goes through during his/her growth can be represented as a cycle. During the first stage, the employee acquires knowledge. For the learning process to be effective, the organisation should analyse what kind of knowledge it needs, select the most efficient training format, organise and implement the training and finally evaluate the delivered knowledge and make analysis of the learning outcomes. As a result of the training process, the employee gains up-to-date knowledge. In order to be able to use this knowledge productively, the employee needs to learn to apply it properly in his/her work. Due skills are acquired through on-the-job training, realisation of practical tasks under the guidance of supervisors and sharing experience with the colleagues. If the employee fails to apply the acquired knowledge it becomes obsolete and oozes away, and the training process becomes useless. Therefore, it is necessary to create due opportunities for applying new skills in practice. This can take place through internship, rotation within the company, organisation of training opportunities for new employees.

The article proposes a comprehensive model for managing the corporate training system that reflects the integration of its elements and is based on the human capital increment cycle.

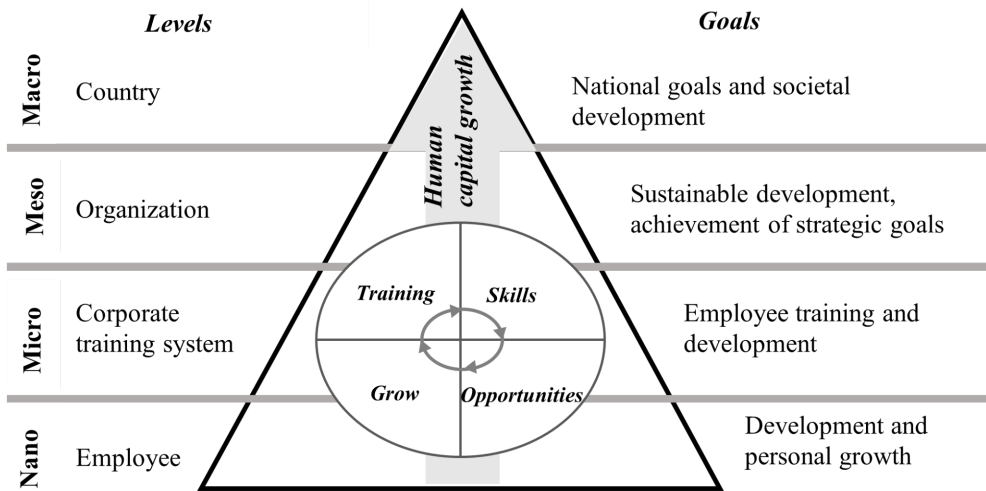


Fig. 6. Comprehensive model of corporate training management system.

The efficiency of the corporate training system is secured by integrating the system elements' goals at each hierarchical level and through achievement of employee's professional and personal growth.

4 Discussion

The key problem underlying inefficiency of educational process is no coupling between the training and the employee's personal growth. That actual fact of learning process does not add any value to the employee. But if the new knowledge allows the employee to master new skills, then he/she obtains new opportunities. The possibility of personal and professional development is one of the most important motivational incentives for employees nowadays.

Employee training should not be a company's end in itself; it should serve as a means to ensure employees' growth. The employee's growth begins with the development of his/her skills [15].

The research shows that poor professional development is a demotivating factor for many employees. A total of 92% feel more engaged in their work when they learn on the job. New opportunities help employees to grow and develop, allow them to take on higher positions and engage in more interesting tasks, which in turn contributes to their moral and material satisfaction. A total of 74% of employees refer to the absence of development programmes as to the reason why they fail to unlock their full potential. To keep employees motivated and eager to grow, the organisation can use formal rotation, flexible pay system, transparent environment for career advancement, etc. A new McKinsey study shows that the growth in employee earnings is connected with one's experience – not skills – in the long run. In turn, experience is gained in the course of professional growth: through new functions, jobs and projects [16].

Employees enriched by new knowledge and experience that secures their advancement provide the company's stability, growth and development.

According to [16], the following are the main drivers of organisational development:

- learning culture
- leadership development
- innovations in learning and development

- career development programmes

5 Conclusion

In today's environment, corporate training is becoming an important element in the developmental system of the organisation and the society as a whole, a tool to minimise the main causes of low productivity; therefore, increasing staff training efficiency is one of the most important tasks of modern company's executive manager.

The analysis of the corporate training system in terms of systemic approach makes it possible to suggest that the corporate training system represents a set of multiple interrelated processes; the core element of the corporate training system is the employee (the individual).

The problems of efficiency of corporate training are caused by lack of coherence in the objectives of main elements of the organisational system, as well as the goals of main participants of the educational process. Each participant of the system has distinctive purposes (expected benefits).

In the present environment, the purpose of the corporate training system can be formulated as securing staff development through elimination of competence deficiency and acquisition of new professional competences with regard for unique personalised experience of employees and specific nature of the organisation, in order to ensure the company's sustainable development.

Managing the development of the corporate training system on the basis of a comprehensive model makes it possible to ensure the integration of system elements' objectives at each hierarchical level and hence – the employees' professional and personal growth providing a targeted approach to the problem of corporate training system efficiency.

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