

CORPORATE TRAINING AS A FACTOR OF REPRODUCTION OF THE PROFESSIONAL COMPETENCIES OF EMPLOYEES

Polina ANANCHENKOVA¹
Victoria TONKONOG²

ABSTRACT

The ensuring's tasks of the competitiveness domestic enterprise structures which have been set before the Russian economic system in the 90s of the last century in connection with the transition to a market economy, in recent years have actualized and intensified in connection with Russia's accession to World Trade Organization (WTO) and global economic and political processes. Now many companies use the competencies as the basis of personnel management. The competence approach is very convenient for combining business goals and quality's requirements of the knowledge and skills of the employees. The company can manage people and business processes through the competences in such way that their business goals are become achievable. At the same time the formation of competences can be carried out in different ways: both by the internal forces of organizations, and with the involvement of outside organizations, from which in turn determines the costs of training. The theoretical approaches to definition of concepts "competence" and "corporate training" are considered in article, as well as the results of the study, reflecting the practice of implementation corporate training for employees of Russian companies are presented in this article.

KEYWORDS: *staff, competences, reproduction, corporate training.*

JEL CLASSIFICATION: *M53*

1. INTRODUCTION

The ensuring's tasks the competitiveness of *domestic enterprise structures* which have been set before the Russian economic system in the 90s of the last century in connection with the transition to a market economy, in recent years have actualized and intensified in connection with Russia's accession to the WTO. Soon a lot of Russian business structures operating in the domestic markets, previously which were protected by customs duties from foreign companies' intrusion, will be started to experience the competitive international pressure that forcing it to approach the limits of profitable functioning in the industry.

During the Soviet period of development of Russian's economic system the prerequisites for corporate training were absent, in spite of the fact that in the USSR the practice of functioning of the higher technical educational institutions, training center, courses and institutes of raising qualifications in large industrial enterprises of different branches of the economy was widely developed.

The improving the training of qualified personnel taking into account the requirements of the innovative economy and increasing the contribution of vocational education to the global competitiveness of Russia are the priority tasks of the Russian educational system, to which the

¹ Educational institution of the higher education trade unions "Academy of labour and social relations"), Russia, ananchenkova@yandex.ru

² Admiral Ushakov Maritime State University, Russia, vikatonkonog79@mail.ru

President of Russia Vladimir Putin has repeatedly pointed out. The development of entrepreneurship, increasing intensity of competition in industry markets, the formation of the labor market, as well as new industries and markets, were served as the basis for a sharp increase in the requirements put forward by Russian business structures for the professional competencies. In this regard, the study of professional competences is a necessary measure in the search and justification of the formation of these competencies among qualified personnel taking into account the requirements of the innovative economy.

The aim of this work is to analyze the practice of formation of professional competence in corporate training.

In accordance with the purpose of the work aims to perform:

- the content of the concepts "competence" and "professional competence",
- portfolio competencies for example one of the Russian companies (Rosatom);
- the impact of the corporate training system, the formation and reproduction of professional competence of employees.

The hypothesis of the study – the effectiveness of the formation and reproduction of professional competences of workers is ensured through the functioning of the corporate training system based on continuous updating of the portfolio of corporate competencies and its prediction.

2. THEORETICAL FRAMEWORK

The professional competencies are set of special requirements for the knowledge and skills of an employee that are necessary for the qualitative performance of labor functions of the relevant qualifications and at the same time, it is the complex of individual and personal characteristics called general competencies that providing high efficiency of work.

Different authors describe in different ways the content of the concept of "competence". The British researcher D. Walton identifies three levels of combining knowledge, skills and abilities that form the competence of the employee:

- 1) the integrative, which means the ability to integrate knowledge and skills and their application in today's rapidly changing environment;
- 2) the psychological is the control over the emotional component of the employee and, therefore, it is the control over external and internal behavior;
- 3) the professional level in various fields (Walton, 1999).

V. G. Volvach identified five key competencies of modern specialist:

1. Professional competence is the possession of a stock of professional knowledge, abilities and skills.
2. The competence of self-development is the ability to self-education, creative growth, improvement.
3. Managerial competence is the ability to organization and self-organization, entrepreneurship.
4. Competence corporate culture (corporate competence), involving the possession of common values (work ethic, to the property, for example), skills of organizational behavior and labor motivation.
5. The competence of socialization is the knowledge of computer, knowledge of foreign languages, ability to drive a car, etc. (Volvach, 2006).

In modern scientific literature competence is considered as one of the stages of professional development, as the ability of an employee to solve different types of professional tasks.

Now many companies use competencies as the basis for personnel management. The competence-based approach is very convenient for combining business goals and requirements for the quality of knowledge and skills of employees. The company can be organized the management of both people and business processes through the competencies in such way that the set business goals are

achievable. But the presence or absence of necessary corporate competencies of employees is the criterion for making personnel decisions.

The achievement of high results of the enterprise is possible only if employees have the knowledge, skills, competencies and qualifications that determine the high efficiency of their work. The implementation of investments in human capital is the main condition for increasing labor productivity. The formation of important competencies and, as a result, increasing the competitiveness of the employee in the organization is ensured through the educational process, the purpose of which is to transfer knowledge and skills for development by employees. Many companies have invested a lot of resources in the implementation of training and retraining their own staff, implementing corporate training programs.

In our opinion, the essence of corporate training consists in the following: the corporate training is the company's activity aimed at improving the quality of employees, which includes the development and improvement of competencies, knowledge and professional skills of its employees. As a result, the corporate training leads to ensuring a stable position of the entire enterprise in a competitive environment in the relevant market of goods and services.

As noted by Makarova, E. L., "in connection with the emergence of multinational companies operating in accordance with the principles and standards of the European Union, as a rule, different from the Russian ones, the requirements of employers for the competence of a modern specialist are increasing. The actual needs in the sphere of qualifications and competence of the company's employees, as well as the need for purposeful development of the competencies of the company's employees entailed the development of the system of continuous corporate training" (Makarova, 2013).

The corporate training can be aimed at obtaining employees' knowledge and skills that are applicable only in this company, and the employees to receive the knowledge and skills that they apply in their future professional activities from another employer. In our opinion, in the first case, the ratio of the costs of training employees and the company is higher than in the second case, since employees' received special knowledge and skills not able to increase their position in the labour market to any extent, as these knowledge and skills will not be in demand from other employers, whose employment may also require training. And the benefits of special training will be appropriated almost completely by the company that conducting the training.

3. DEVELOPMENT OF COMPETENCY MODELS AND THEIR REPRODUCTION IN THE SYSTEM OF CORPORATE TRAINING IN RUSSIAN COMPANIES

Competence models are developed at different levels. This means that there are at least two levels of competency models: a corporate model and an individual competency model. The corporate model of competences is developed as a company standard, consisting of several clusters of competencies. The individual competency model is, in fact, the competency profile of the employee, which consists of a set of key competencies that an effective employee must have.

So, for example, seven competencies, its definitions, as well as positive and negative indicators (descriptions of behavior) are included in the corporate model of competencies of the state Corporation "Rosatom".

A set of corporate competencies of employees is formed in the process of educational programs, mentoring system, etc., while transforming depending on the classification of the employee as "Manager" or "Specialist".

The variability of the content units of the same competence among managers and specialists can be seen in table 1.

Table 1. State Corporation "Rosatom" corporate competence

TEAM WORK				
	MANAGERS		SPECIALISTS	
Definition	They guide on team purposes. They perceive as their team not only their colleagues in the organization, but also their colleagues in the division/directorate and throughout the nuclear industry. They build honest and open relationships with colleagues. They contribute to the resolution of conflicts.		They guide on the team purposes. They build honest and open relationships and exchange open information with colleagues for their work. They adhere to established rules, maintains an atmosphere of cooperation.	
Indicators	POSITIVE	NEGATIVE	POSITIVE	NEGATIVE
	They form and retain an effective team, select qualified employees for the unit's tasks.	They select employees from among friends or people like them, focusing on the qualification in the second turn.	They make decisions, they guide by the interests and purposes of the unit team.	They make decisions based on personal benefit or benefit only of their unit, they don't take into account the interests of colleagues or related units.
	They makes decisions guided by common interests, goals of the team, the enterprise.	They make decisions based on the personal benefit or benefit of their unit, they don't take into account the interests of adjacent units.	They effectively coordinate their work with the work of colleagues, including from other departments, they actively participate in joint projects with other units, even if this is beyond their immediate responsibilities.	They don't discuss working questions with colleagues to solve joint problems, they don't exchange views. They try to do only their part of the work, they avoid participation in joint with other units.
	They provide timely and complete information to colleagues at their request.	They don't share with colleagues the information they need.	They provide support and assistance to other team members.	They don't support other team members, even if they have such an opportunity.
	They encourage others to share open information and in common to solve the general problems.	They don't encourage others to share information, form an unfavorable for discussion atmosphere.	They provide to colleagues necessary information.	They don't provide to colleagues with the information that they need in full.
	They form and maintains friendly and respectful relations in the team with colleagues from their own and related units.	When interacting with colleagues they demonstrate disrespect (neglect), create and maintain a negative attitude towards colleagues from adjacent units.	They form and maintain friendly and respectful relations with colleagues from their own and related units.	When interacting with colleagues they demonstrate disrespect (neglect), create and maintain a negative attitude towards colleagues from adjacent units.
	If there are disagreements with colleagues they find acceptable solution, they go for a reasonable compromise.	In the event of disagreements with colleagues, they rigidly insist on their decision, they don't compromise.	If there are disagreements with colleagues they find mutually acceptable solutions, they go for a reasonable compromise.	In the event of disagreements with colleagues, they rigidly insist on their decision, they don't compromise.
	In cooperation with colleagues and subordinates they provide the rules of teamwork, algorithms for working out a solution that equally take into account all interests.	They form rules for joint work, development of decisions, based on their own interests or the interests of their departments.	They follow established rules of interaction, decisions taken, even if it is contradict to their interests.	They refuse from compliance with rules and decisions, based on their own interests.

Source: authors

Despite the fact that the corporate competence of employees is a factor of the company's stability and competitiveness in the market, the development of corporate training of employees of Russian companies is affected by the economic crisis. The highest rates of participation in implementation of programs of intra-company reproduction of employees' competencies were observed in Russian corporate management in 2012. In 2013 there was a decline and large-scale curtailment of corporate educational programs and a reduction in budgets for their implementation. For example, in 2014, only 49% of employers in trade and 63% of telecom operators conducted corporate training of employees, in 2012 there were more - 53% and 74% respectively.

We will consider results of survey conducted in 2015 by the National Research University "Higher School of Economics" in conjunction with the Analytical Center of Yury Levada within the Monitoring of Economy of Education (MEE) (1019 respondents – heads of the companies in industry, communication, construction, transport, trade and the sphere of business services).

According to the results, on average, 63% of companies in 2014 trained for their employees, while in 2015 most (61%) of companies did not plan to review their plans in this regard. Not more than 15% of respondents reported that they will have to reduce planned training.

In 2014 in large, medium and small businesses the number of the companies which were engaged in training its employees has increased. But if in a large business the scale of training has been practically restored, then on medium and small lag from results of survey of 2013 is noted. Among the companies with the number up to 25 people in Russia almost every fifth enterprise organized training of its employees.

The scale of pre-crisis 2013 training has not been restored in any of the sectors under consideration, but at the same time the situation in industry and transport is seemed the most prosperous. Organizations providing business services, and trading companies are demonstrated a marked decrease in activity for training staff: 70 per cent and 60 per cent are in 2007, respectively, 52 per cent and 49 per cent are in 2014.

More often than not, the companies are organized in-house training using their own resources and structures. Almost 34 per cent of organizations financed similar events that conducted any training of employees. At the same time, about 30% of the surveyed enterprises have their own training infrastructure, in particular, 12% of the companies have their own training center, and 17% of companies have training courses. However, a significant group of companies turn to the partners for organizing of external training.

Most often Russian companies, applying to educational institutions, have paid for training in additional professional programs (37% of companies that funded training) and vocational training programs (34%). Training in higher (25% of companies that allocated funds for training their employees) and secondary vocational (21%) education was less likely to be financed.

Let us consider the actual distribution of the funds of companies spent for training, according to some of its types (table 2). The largest share of the corresponding expenses is on payment of training in organizations that are not educational, on average it is almost 30% of total expenditures. The costs of in-house training (17%), training in educational organizations of additional professional programs (19%) and vocational training programs (17%) were approximately the same. Companies were spent 11% of funds for training employees in higher educational programs. The minimum share of funds was allocated by companies for training in programs of secondary vocational education (8%).

In large, medium and small companies the approaches are different when allocating the actual budget for training. In this case, if in large business the costs of in-house training and training in non-educational organizations make up half of the total budget, while in small enterprises the cost of the services of educational organizations is prevalent in the total budget for training.

Table 2. The structure of the training costs (as a percentage of total financing) (interview 2015)

	The directions of spending	%
1.	Inside the enterprise / organization	17
2.	In organizations that are not educational (partner companies, recruitment agencies, contracting, training companies, etc.)	28
3.	In educational organizations for additional educational programs	17
4.	In educational organizations for vocational training programs	19
5.	In the educational organizations for programs of the higher education	11
6.	In the educational organizations for programs of secondary professional education is the preparation of experts of an average link	3
7.	In the educational organizations for programs of secondary professional education is the preparation of workers, employees	5

Source: compiled by the authors based on Scales and mechanisms of training of workers by the companies, (2016, p. 1-7)

However, the qualification improvement is not yet a guarantee of salary growth and promotion on the career ladder. Despite the fact that two thirds of companies after training have conducted personnel certification and issued a diploma, only a third of firms have increased their salaries to these employees. And only one of fifth organization has decided to offer them higher positions (table 3).

Table 3. The possibility to increase wages, promotion after passing the final attestation, examination and obtaining documents on qualifications, training and/or education (as percentage of respondents companies that have trained employees).

	Possible answer	Career Ladder Promotion	Salary Increase
1.	Always happens	3	10
2.	Most often occurs	18	22
3.	Sometimes occurs	41	37
4.	Seldom / never occurs	33	27
5.	Have found it difficult to answer	4	4

Source: compiled by the authors based on Scales and mechanisms of training of workers by the companies, (2016, p. 1-7)

4. CONCLUSIONS

Thus, it can be concluded that companies that implement corporate training programs regardless of training methods used, ensure the competent development of employees and their competitiveness in the domestic labour market. It should be noted that the current trends in innovative development of industrial sector and the service sector impose strict requirements on the level and quality of staff training which is directly related to the development of internal training systems for employees

aimed at improving their skills, taking into account the needs of specific company. The traditional practice of American corporations from 1 to 5% of the profit to invest in programs of professional training of its staff has long been. As studies show, in the industrial sector "upgrade" their skills for mastering new technological processes and equipment have fallen on average to 6-8 times, changing profession at the same time 3-4 times. In other words, every employee must update his professional knowledge, skills once every 4-7 years, and the process of increasing the professional competence of the personnel has become an integral part of the human resource management system, including internal training programs.

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