ENTERPRISE’S INVESTMENT IN ITS STAFF – EFFICIENCY AND PROFITABILITY OF INTERNAL TRAINING

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Abstract: The paper is devoted to the problem of the learning organisations and durability of human capital projects funded by the European Union. It reviews the effects staff training brings to trained employees themselves, the organisation and the community and compares the theoretic concepts with results of the empirical study concerning a selected project at a private-owned higher-education institution. The study was based on self-assessment by the trained employees and verification of data at the institution itself. The authors conclude that the increased skills and new knowledge are a gain for the individuals and society, while the organisation gains not only the skills, but indirectly – good practices and experience above all. The study shows also that direct results for the organisation depend strictly on staff fluctuation but even staff fluctuation does not impair the positive effects of being a learning organisation.

Key words: learning organization, lifelong learning, staff training, human capital, EU funding, higher-education staff

Meaning of human capital for an enterprise

Human capital in an enterprise

Human capital is believed to be essential for organisations, institutions and enterprises, as well as societies and states. It may be defined as follows: “human capital describes individuated economic capacities, social capital captures the quality of experience and the ways in which it is shaped by relations between individuals and groups. If human capital assumes linearity, social capital is about interactive and circular relationships” [12]. The value or quality of the human capital in an enterprise or any other organisation depends therefore directly on skills, abilities and commitment of its staff. The individual talents and capabilities sum up in a synergy to form an important asset – the social capital.

It is also argued that this asset has a significant influence on organisational and financial performance of enterprises [11]. Hence an organisation or enterprise may shape its results and affect its environment indirectly by investing in recruitment and selection of the most qualified employees on one hand and in training and education of its staff. This obviously involves costs of training, of delegating employees and of organisation of the lifelong learning programmes, but the cost may then be reflected in the employees’ contribution to the company’s result. Therefore, human resources’ development should be treated as an investment for the organisation.

As in the case of an organisation, a single commercial enterprise or non-profit institution, human capital may be analysed on the level of whole

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communities as well. Better education of members of a regional, national or international society shall be clearly reflected in the country’s or region’s social cohesion and economic competitiveness [9]. This fact was appreciated by leaders of the European Union, as shown both by the Lisbon Strategy [5] and Europe 2020 Strategy [2].

**The concept of a learning organisations**

To a certain extent learning organisations rely on the human capital. They are defined as organizations which permanently learn and transform themselves, using learning processes to support and catalyse growth. Learning organisations tend to act for themselves, as well as for individuals and teams on the lower level and equally for institutions and communities in their environment [13]. This explanation confirms several characteristic features of learning organisations that are mentioned in elsewhere in literature, too:

– internal connections between staff and organisation’s interests
– easy information flow and encouragement of knowledge sharing
– focus on human resources and empowerment of staff
– strong leadership combined with a clear vision [14].

Thus, learning organisations have positive effects on three levels: individual employees (L1), enterprise itself (L2) and the community (L3) it belongs to. By enhancing human capital and corporate social capital, they contribute to higher self-evaluation by individuals, increased economic effectiveness and overall competitiveness at global markets. In the following paper, we want to stress the results of a learning organisation’s activities on those three levels, analysing evaluation of effects of training in a specific case of a human capital project funded by the European Union’s and Polish public resources.

**Meaning of training for the quality of human capital**

Lifelong learning may bring quite many variable positive effects for individuals who participate in training or other adult education programmes. The effects may be seen in their professional skills, professional career or possibility to change profession, but they may also concern increased self-esteem and networking.

As human capital is formed by skills and intellectual capital of individuals, obviously their development due to the lifelong learning processes is reflected in the capacity of the organisation they represent. “People have always been an organization's secret weapon, and no cutting-edge system capability could have ever been built let alone conceived without it” [15]. If an organisation teaches its employees foreign languages, it can then offer services to foreigners. But also, employment in a learning organisation affects the staff’s commitment and internalisation of the company’s goals and strategies [8]. Employees’ commitment and loyalty are another important asset for any organisation.

Training is valued also on the level of societies. It’s noted by the European Union’s states as an important factor that can amend the economic situation and treated as one of strategic elements [1]. This attitude is also evidenced by resources
allocated for lifelong learning programmes [17]. Similar plans are provided for the next financial perspective of 2014-2020, especially in relation to the growing problem of youth unemployment in Europe.

About the project

One of the sources of funding of training and lifelong learning programmes is the European Social Fund [17]. Its contribution is allocated by member states and in Poland in the 2007-2013 perspective it was organised within the “Human Capital” Operational Programme [18]. Its 4th priority axis concerned science and higher education with measure 4.1 focused on development of teaching potential of the Polish universities.

Wyższa Szkoła Handlowa we Wrocławiu (WSH) is a private-owned medium-sized higher education institution. Its development project entitled “Educating for Work” [4] concerned several areas: introduction of foreign-language major curriculum, introduction of lifelong learning programmes and introduction of eLearning at the university. But a significant part of the project was dedicated to various forms and subjects of training for employees. In all, 62 academic teachers participated in the training, including 34 ladies and 28 gentlemen. It was also possible to take part in more than one course. The programmes were free for the participants, as entire costs were covered by the ESF and Polish budget contribution.

About the study

The present paper describes results of a study conducted 1.5 years after completion of all training within the project. Former employees of the project emailed all participants asking them to fill in an online questionnaire about evaluation of the training itself and its medium-term effects. The questions concerned self-assessment of the participants (concerning development of their abilities and skills after the training), but there were also questions concerning their actual situation (e.g. application of the gained knowledge in their professional work and their current professional status).

Persons who attended more than one course were asked to fill in a respective number of questionnaires and therefore 86 questionnaires in all were emailed to respondents. There were 43 (≈50%) answers submitted.

In general self-assessment results were better than the answers to practical questions which can be explained by the respondents’ will to pretend having achieved more than they actually did, but it seems more plausible that they did gain the knowledge and skills, but they could not apply them in practice, even though the training was designed specifically for academic teachers and was highly specialised. This result allows for an important conclusion that training within the lifelong learning framework should provide practical skills and that basic courses should be supplemented by application training.
Learning staff

English language training

The foreign language training for academic staff lasted for almost two years and provided for 380-hour courses for three groups. The aims of teaching English language to academic staff are triple, somehow in relation to the idea of tripe purposes of a modern university [16]:

- teaching: to enhance the teachers’ mobility opportunities and make it easier for them to teach courses in English for either Polish or exchange students at the university itself;
- research: to make it easier for the faculty to make research and publish in foreign languages, which is also related to enhancing their potential of cooperation with foreign researchers;
- commercialisation: WSH is an education-focused institution, but it's in its strategy to combine teaching and research with practical cooperation with business both in Poland and abroad [19].

Results seen by employees

Out of the 13 respondents who submitted the questionnaire, almost everybody (12 persons) indicated that their knowledge of English increased with the training and only 1 persons replied the opposite. Most of them stressed the development of their English vocabulary and specialist vocabulary, as well as fluency of speech (Fig. 1). Because of the character of the course, grammar skills were not in the focus.

It is also worth mentioning that more than a half of the respondents (7 persons) continue learning English, indicating that they find this type of training important. However, it is possible that the persons who continue lifelong learning activities were actually more willing to answer the questionnaire.

![Figure 1. Self-assessed development of participants of the English language course](image)

Results for the enterprise

The study verified also practical implications of the training as compared to the situation before the course. A slight increase was noted in the case of using...
English-language sources (either for didactic or research purposes). Even though none of the respondents mentioned developing their skills in writing in English, markedly more respondents wrote scientific articles or papers in English after the training than before. Paradoxically, the number of respondents who teach in English at WSH did not change, although this is the main field of activity of the institution. However, the course could have affected the quality of English-language lectures at WSH, if not their quantity.

![Figure 2. Foreign-language activities before and after the training](image)

**Multimedia techniques in teaching training**

The multimedia techniques training was provided to 52 academic teachers, some of them employed at WSH and some regulator co-operators. Each participant had an opportunity to select 24 hours of the course (3-6 courses out of the offered 9). Therefore it was assumed that the participants should select subjects they found more important or valuable.

The main objective of this training was, on one hand, helping the teachers make their lectures more attractive and appealing to students and, on the other hand, to prepare them for application of the online eLearning platform purchased for WSH within the project. Significantly, the training focused on the technical aspect of blended learning rather than on teaching methods.

**Results seen by employees**

In general, the respondents found the training very satisfying with 21 out of the 26 of them (80.77%) indicating that the training had developed their IT skills and 23 (88.46%) stating that they gained broader knowledge with the course (Fig. 3).
The respondents were also asked to assess knowledge and skills gained in particular areas (the issue of eLearning application was discussed in another question). The respondents provided 76 positive answers, showing that they had actually noticed the effect of the training. The specific number of answers (shown in figure 4) proves that the effect was more visible in the domains related to teaching rather than science, not to mention potential commercialisation of knowledge.
Results for the enterprise

The respondents were also asked to assess their ability of application of the skills gained. They found the skills and knowledge quite useful, since 65.78% of them declared they applied the skills in their professional life as researchers. It’s also noteworthy that as many as 57.69% of respondents found the new skills useful outside their professional life. This corresponds with goals defined by the Polish government’s “Human Capital” Operational Programme, an effect on the society level (L3). Almost two thirds of the respondents (17 persons) declared they wanted to take part in another similar training.

From the institution’s point of view the most important aspect of the training’s effects related to practical application of the newly implemented eLearning technology, which was designed as the university’s new competitive advantage. The lecturers’ attitude to this form of teaching was positive in general (Fig. 5), although most of the teachers believed they needed more knowledge and skills about the tool.

![Figure 5. The lecturers’ opinions on eLearning as a teaching method](source: originally developed based on research results)

The same attitude was shown by the answers to a direct question on application of eLearning platforms (Fig. 6). Over 60% of the lecturers were persuaded they needed to learn more.
Training in the USA

Finally, the project provided for a ten-week training abroad, in the United States. The training consisted in courses in English, multimedia technology and intercultural teaching and it was meant for six researchers from WSH. The main objective concerned gaining new skills, sharing good practices and enhancement of international cooperation. Out of the 6 participants, 4 submitted the evaluation questionnaire within the study.

Results seen by employees

The participants were very satisfied with the course and outcome of the training. All the respondents declared that the training fulfilled their expectations; enabled them to develop their language skills (everybody declared development of vocabulary, 3 persons – pronunciation and fluency and further 2 – knowledge of specialist language) and taught them new multimedia technology. They described progress in all discussed areas, especially in the field of intercultural relations (Fig. 7).
I'm more open-minded with the training
the training developed my knowledge
it's easier for me to communicate with foreigners after the training because I can understand their culture
it's easier for me to communicate with foreigners after the training because I know the language better

Figure 7. Would you agree with the following statements? (the respondents could provide more than 1 answer)

Source: originally developed based on research results

In direct interviews, the respondents explained that the very high level of their satisfaction was enhanced by the uniqueness of the training and their belief that – contrary to a language or multimedia course in Poland – such a learning opportunity could hardly be repeated.

Results for the enterprise

Despite the high level of satisfaction, the practical implications of the training are not so easily noticeable. Although all the respondents declared that they applied the gained knowledge in research and teaching and that they cooperated with foreigners professionally, only two of them confirmed that they took part in international research cooperation. Further, this number has not changed with the training, as both these persons indicated that they had cooperated with foreigners scientifically before the training as well.

Thus, surprisingly, the training which was the most valued by participants brought the least direct effect on the university’s operations.

Staff fluctuation

Out of the six participants of the EU-funded training in the USA in 2010, five were still employed at WSH in 2013, only one person quit. This means that 83% of the trainees applied the knowledge gained directly for the institution which was the beneficiary of the EU-funded project. The bigger the trained group, the lower was the indicator with 78% of 27 participants of the language course and
57% of 52 participants of the multimedia teaching techniques course still cooperating with the university. This shows that the EU-funded training affects personal skills, thus shaping the human capital, while the direct benefits for the institution which organises the project depend on the level and scale of staff fluctuation and commitment of employees. However, direct advantages for the institution in the form of know-how shaped have to be considered too.

**Learning organisation**

**English-language major curricula**

Apart from enhancement of the staff’s skills, the project was supposed to strengthen the organisational potential and know-how of WSH itself. The first gain by the learning organisation is broadening of foreign-language offer of the university. Currently it includes not only English, German and Polish courses and courses for exchange-programme foreign students, but also three major curricula in English and one M.A. programme in management entirely in English. The administration and teaching staff of those programmes are not necessarily the same persons who learned at the EU-funded training – frequently these are other persons or newly-employed staff, but the good practice and know-how is derived from the project.

**Introduction of eLearning**

While foreign-language curricula are an offer which is interesting only for some of potential students, the other organisational innovation of introduction of an eLearning system concerns directly almost all students and lecturers of WSH. Upon completion of the project, the eLearning was incorporated in all B.A. and M.A. curricula. This tool is quite new in Polish higher education and – as shown by the results of the current study, too – it still requires further research and training, which is why it is still applied as a supplementary teaching method, covering no more than 60% of the curriculum material – as required by the Polish legal regulations [7].

The results of other evaluation studies conducted at WSH show that students – similarly to lecturers still find it difficult to use this method [unpublished]. This shows an important direction for further scientific and practical actions.

**International cooperation**

The training for employees in the United States also brought about important know-how and good practice for WSH. Firstly, it was just a first of a series of training with the next one in 2012 for 4 lecturers (this training was funded by another ESF-funded project [6]). Secondly, it was an opportunity to start research cooperation which resulted in American scientists’ participation in a conference and publication organised by one of the trainees [10]. And finally, it also enhanced teaching cooperation between the universities (including participation of an American guest lecturer in a programme at WSH).
Summary

Investment in the human capital seems obviously profitable on all levels: for the trained individuals, for their employer/organisation and for the entire community. This is why the Polish “Human Capital” Operational Programme 2007-2013 referred to education in two out of its six strategic objectives (enhanced adaptability of enterprises and employees; propagation of education in the society on each education level) [3], which reflects clearly the importance attached to education by the European level strategic documents.

The described study compared the immediate effect of EU-funded training and medium-term results evaluated after more than 1 year. The focus was on the results for the individuals, academic teachers of a private university in Wrocław and the university itself. The results show that the training brought positive effect on skills and capabilities which is reported by the trainees. Directly, this data proves important increase in self-assessment and self-confidence, but it also indicates growth of practical language and ICT competencies. Both these areas (skills and self-assessment) are essential at the labour market, building up the potential of individual employees and the community as a whole. It is also worth noting that by improving foreign communication capabilities such training contributes to increased knowledge of other cultures and thus promotes tolerance and openness. All respondents who were trained abroad stressed the meaning of getting to know foreigners and foreign culture as even more important than practical skills gained.

It is more difficult to assess influence of the training for the institution which was the beneficiary and organiser of the project. Obviously, high fluctuation of staff reduces the positive effect, taking the new skills away from the original employer. However, the case of Wyższa Szkoła Handlowa in Wrocław shows that even if the trained employees quit working at the institution, its status as a learning organisation is a benefit by itself. The organisation develops good practices and is able to apply them in its operations and in further training.

The practical, empirical study shows that EU-funded training projects may bring long-term positive effects exceeding their immediate and direct results. In view of the upcoming new financial perspective this is an important conclusion, although further research on other cases and other target groups would be enriching for the analysis.

References
Streszczenie: Niniejszy artykuł poświęcony jest problemowi organizacji uczących się i trwałości projektów kapitału ludzkiego finansowanych przez Unię Europejską. Ocenia efekty, jakie szkolenie personelu daje przeszkolonym pracownikom, organizacji i społeczności i porównuje koncepcje teoretyczne z wynikami badań empirycznych dotyczących wybranego projektu w prywatnej instytucji szkolniczej wyższego. Badanie zostało oparte na samoocenie przez przeszkolonych pracowników i weryfikacji danych w instytucji. Autorzy wnioskują, że zwiększone umiejętności i nowa wiedza są zyskiem dla jednostek i społeczeństwa, a organizacja zyskuje nie tylko umiejętności, ale pośrednio -

INWESTYCJE PRZEDSIĘBIORSTWA W PERSONEL – EFEKTYWNOŚĆ I RENTOWNOŚĆ SZKOLEŃ WEWNĘTRZNYCH
dobre praktyki i doświadczenie przede wszystkim. Badanie pokazuje również, że bezpośrednie rezultaty dla organizacji zależą ściśle od fluktuacji kadr, ale nawet fluktuacja pracowników nie osłabia pozytywnych efektów bycia organizacją uczącą się.

Słowa kluczowe: organizacja ucząca się, kształcenie ustawiczne, szkolenie personelu, kapitał ludzki, finansowanie z UE, pracownicy szkolnictwa wyższego.

其工作人员 — — 企业的投资效率和盈利能力的内部培训

摘要：本文致力于人力资本项目由欧洲联盟资助的耐久性和学习组织的问题。它审查工作人员的培训为受过训练的雇员本身、组织和社会带来的理论概念与关于选定的项目在民办高等教育机构的实证研究结果的影响。自我评估由经过培训的员工和在该机构本身的数据验证基于研究。作者的结论提高了技能和新知识是受益于个人和社会，而组织收益不只的技能，但间接——的良好做法和经验高于一切。研究还表明为组织的直接结果严格取决于工作人员波动但甚至工作人员波动并不损害正在学习型组织的积极影响。

关键词：学习型组织，终身学习，工作人员的培训、人力资本、欧盟的资金，更高教育的工作人员。