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## ***Professional Training - Effective Element of Management in Achieving of the Personnel Policy***

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***Abstract:*** People are the main strategic resource of any organization. The human resources' ability to make the most of the financial and material resources available to the organization is very important in the current management applications. At the same time, the qualification levels of staff should be flexible depending on the organizations' needs. On this line, in order to achieve the organizational objectives, implementation of human resources policy will involve provision of the organization with human resources required according to the levels of qualification, specialization, skills, performance etc.

*Training of human resources implies many concerns about employees' education and professional development according to the new requirements, determined by the increased rate of the contextual and organizational technological changes and scientific performances. Actually, there is a necessity to develop a system of personnel advancement based on promotional opportunities to encourage the professional development and to improve personal motivation.*

*In this article the authors highlight the specific of personnel management within administration of the organizations, its role in improvement of managerial operations of organizations from Republic of Moldova and foundation staff development strategic directions. A modular training system will improve the management of professional experiences and diverse qualifications of staff.*

***Key words:*** human resources management, staff costs, training, personnel development, performance.

### **Introduction**

Every organization is unique, and development of a personnel policy, primarily involves the identification and analysis of the corporate culture particularities (norms and values which are accepted by members of the collective), management style, emotional atmosphere in the team, level of staff motivation and other parameters.

Human resources are a key resource for operation of any organization. In the competitive frame, in recent years, several authors in the field approach the human resources as a strategic resource for enterprises. A staff with an adequate professional training, able to satisfy the requirements of the employment in the real labor market and expectations of the economic agents, is the key to a qualitative development of any economic activity [10].

In this context, it is worth to note that the defining characteristic of human resources management consists of the integrated nature where human resources policies are in general vertically integrated with the organization's economic strategy and horizontally with each other. Human resources policies developed through an approach of the human resources management are essential components of the organization's economic strategy [7].

Human Resources Management aims to generate strategic capability by providing the organization with qualified, committed and well-motivated employees, of which it needs to acquire a sustained competitive advantage. In this manner the personnel policies refer only to certain activities within the organization, namely those belonging to the human resources function.

As a result of systematization of the approaches reflected in the specialized literature we note few problems [6] which may have a significant impact on personnel policies, regardless of the field within they are elaborated:

- growth, integration and diversification intentions as well as a market development / production;
- the necessity to develop a much more positive culture oriented towards performance;
- some cultural imperatives of management associated with changes in the philosophy of the organization in such areas as: training and involvement, communication, teamwork and so on;
- other external environmental factors which can influence upon the organization, such as: governmental influences, economic pressure, competition, etc.

In the perspective of the elaboration and implementing of human resources policies we believe it has to be taken into account the future needs of qualifications and professional competences. It also requires taking into consideration the professional performance levels, necessary for increasing the profitability of the organization in the future. In addition, it is imperative to assess the amount of investments in human resources for providing the needful qualifications for organization in order to achieve the organizational objectives.

Actually, implementation of human resources policy at micro level (economic agent / company / firm / organization) involves provision of the organization with human resources required according to the levels of qualification, specializations, professional competences, performances and so on, in order to achieve the organizational objectives. Human resources policies represent an extremely important and always up-to-date key element for ensuring the competitiveness and the success of any enterprise / organization. The lack of personnel policies with clear, concrete objectives with a real and legal basis or promoting of a “false”, inappropriate policy and without coverage results can not be premises for ensuring of the objectives mentioned above.

At the same time, training of human resources implies many concerns about employees' education and professional development according to the new requirements, determined by the increased rate of the contextual and organizational technological changes and scientific performances. These impose the necessity to change the attention to the qualitative aspect of human resources (professional-quality structure, competences), such as the enterprise to become prosperous and to survive in the competitive environment.

### **1. Regulation of Employees' Professional Formation Process**

In Republic of Moldova connection of professional training system to the labor market requirements and ensuring the young people's access to quality professional studies till November 2014 were enacted by Law no. 547-XIII on education of July 21, 1995. Currently, this is reflected in Education Code no.152 of July 7, 2014 and came into force on November 23, 2014, which provides that the Government shall approve the plan (state order) of specialists' training funded by the state budget, by professions, specialties and general areas of study, within secondary professional and higher educational institutions (Education Code of RM, Article 139 (g)).

Concurrently, according to the Law on the approval of the Register of specialties on training of specialists in secondary professional and higher educational institutions no.1070-XIV of June 22, 2000 and the Law on the approval of the Register of fields of professional training and qualifications in higher education institutions, the cycle I (bachelor degree) no. 142-XVI of July 7, 2005, the Government is qualified to establish the procedure for plan coordination of specialists training quota in the state and private secondary professional and higher educational institutions on a contract-based with paying the tuition fee.

The general legal framework on continuous professional formation includes:

- ❖ **Labour Code of the Republic of Moldova, Title III**, which regulates the employees' professional and continuous professional training process, the employer being obliged to create the necessary conditions and to encourage the professional and technical training of his employees. Within every economic unit, the employer, together with employees' representatives, elaborate the draft and approve annually the professional training plans. Conditions, procedures and duration of professional training, the rights and the obligations of the parties as well as the

amount of allocated funds for this purpose (in the amount of at least 2% of the unit salary fund) shall be determined in the collective labour contract or collective convention. The employee has the right to professional training, inclusively getting a profession or a new specialty. This right can be achieved by the conclusion, in written form of some professional training contracts, additional to individual labour contract.

- ❖ **Parliament Decision No. 253-XV of 19 June 2003 „on the approval of the concept on the orientation, education and professional training of human resources”,** elaborated in accordance with the International Labor Organization Convention No. 142 concerning vocational orientation and training in the field of human resources development (Geneva, June 23, 1975), ratified by Moldova on September 28, 2001 and serves as a basis for elaboration of the strategies and programs in professional orientation field and for psychological support of the population on issues related to the career, education, re-training and professional development of young people and adults, including the unemployed, according to the key issues on the labor market.
- ❖ **Government Decision no. 1224 of 09.11.2004 on the organisation of continuing training,** approved the **Regulations on structuring of continuing vocational education and training,** which regulates the procedures of organisation and functioning of the adults' continuing vocational education training system and denotes at the same time, on the all activities carried out within the national educational system and outside it, aiming to facilitate the formation of a society capable to adjust to the dynamic changes in the contemporary world.
- ❖ **Law no. 166 of 11.07.2012** whereby was approved the **National Development Strategy "Moldova 2020"**. According to the Strategy, one of the 7 priorities for long-term sustainable economic development is *aligning the education system to labor market needs in order to enhance labor productivity and increase employment in the economy*. In accordance with the strategic vision of the department *"Education: relevant for a career"*, the correlation between labor market demand and education supply will have a significant impact on economic development and modernization of the vocational education system and improvement of continuous labor force training will allow citizens to adapt to new labor market conditions. The process of enhancing education quality will allow creating a good investment climate due to skilled, responsible, flexible labor, thus contributing to greater labor productivity and competitiveness. Training of qualified labor force will be ensured through promoting career guidance, starting with general education, and offering lifetime continuous training possibilities.
- ❖ **Education Code,** which regulates the organization of the education process in general, including the adults' continuous training. Article 126 of the checked Code stipulates that the *adult education* provides general adult development in cultural, socioeconomic, technological and ecological aspects. Adult education is achieved through various forms of training and self-training: full time, part time and distance education. It is also stipulated that pedagogical, scientific-pedagogical, scientific and management staff of the education system should follow professional formation trainings throughout their professional activities (Education Code, Article 133).

## **2. Competences Development and Training - One of the Quality Employment Dimensions**

The jobs requiring high qualification usually offer more opportunities for professional development, higher income and better work conditions.

One of the indicators regarding the evaluation of the employment quality is the share of employed people in the highly qualified occupations [6], which according to the classifier ISCO-88 (INTERNATIONAL STANDARD CLASSIFICATION OF OCCUPATION ISCO - 88), are represented by the first three groups as follows:

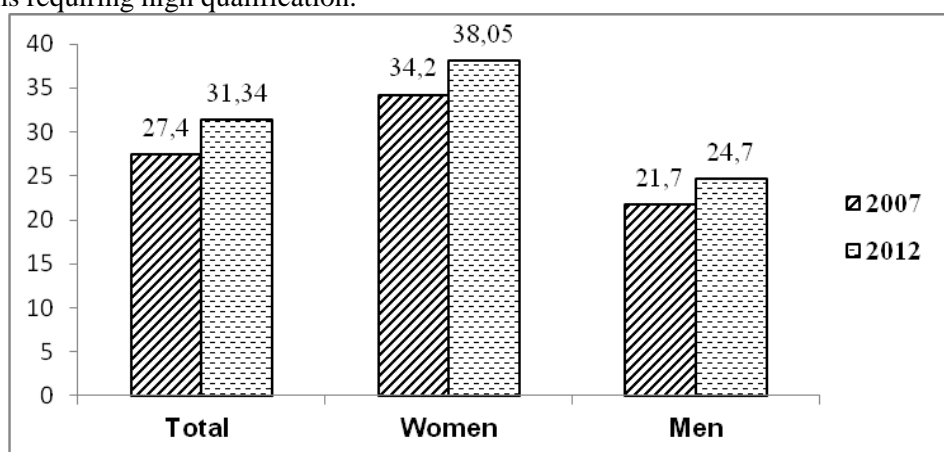
Major group 1: legislators, senior officials and managers;

Major group 2: professionals;

Major group 3: technicians and associate professionals.

In 2012, the share of persons between 15 and 64 years of age, employed in occupations requiring high qualification constituted 31.34% compared to 30.3% and 27.4% in 2011 and in 2007, respectively. This continuous increase actually reflects an improvement of the employment quality from the perspective of the qualification level reached by the employed people and their work conditions.

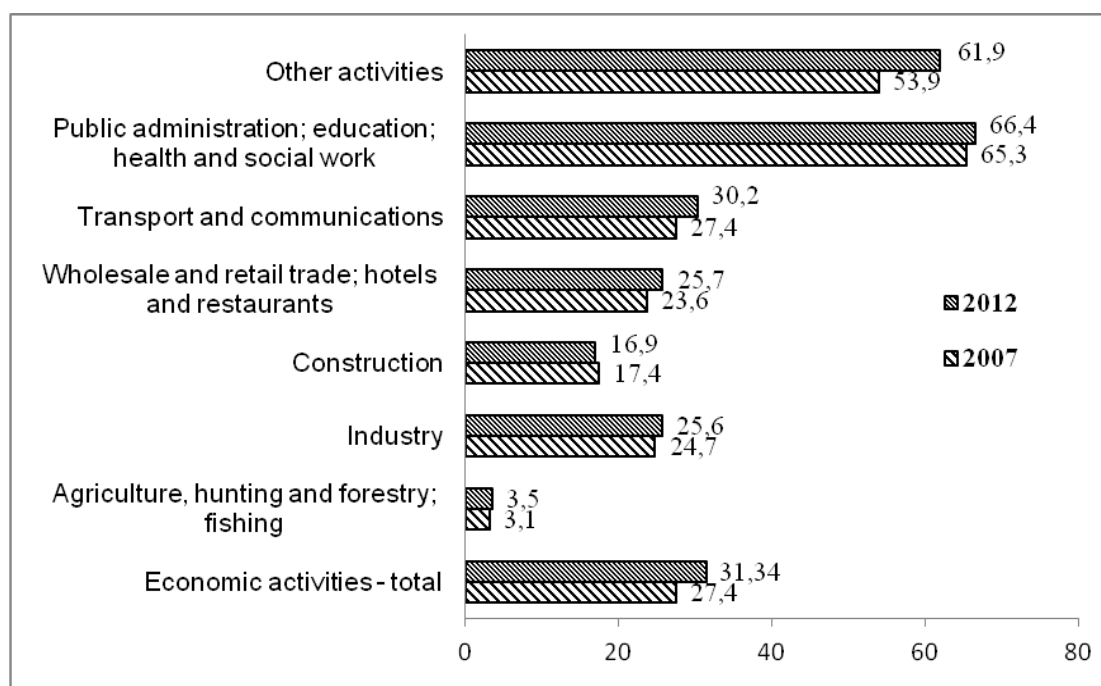
Women work in occupations requiring high qualification in a higher proportion than men (Figure no.1). Thus, the data show that in 2012, 38.05% of women and 24.7% of men were engaged in occupations requiring high qualification.



**Figure no. 1 The share of people employed in occupations requiring highly qualification**

Source: developed by authors based on *LABOUR FORCE IN THE REPUBLIC OF MOLDOVA EMPLOYMENT AND UNEMPLOYMENT, 2008 and 2013*, National Bureau of Statistics of the Republic of Moldova

At the same time, analysis of employment rate by economic activities of national economy (Figure no. 2) reveals out that the fields of *Public administration, Education, Health and social work* trained most of the highly qualified employees (rising to 66.4% in 2012 as compared to 65.3% in 2007).



**Figure no. 2 The share of people employed in occupations requiring highly qualification by economic activities**

Source: developed by authors based on *LABOUR FORCE IN THE REPUBLIC OF MOLDOVA EMPLOYMENT AND UNEMPLOYMENT, 2008 and 2013*, National Bureau of Statistics of the Republic of Moldova

Every third employee (or 30.2% in 2012) engaged in the *Transport and Communications* field has a highly qualification and every fourth employee engaged in *Trade, Hotels and restaurants, Industry* has an occupation requiring high qualification.

*Agriculture, hunting and forestry, fishing* are the areas whereby only about 3% work in activities requiring high qualification.

Within the group of managers and senior officials from public administration and socio-economic units (Major group 1: legislators, senior officials and managers) the number of males in 2012 was 1.3 times that of the number of women and smaller than in 2007 (1.5 times). Nevertheless in the group of specialists with higher level qualification (Major group 2: professionals) women held the share of about 65.2% in 2012 as compared with men [8,9], being higher than in the previous year (64.4%).

According to the statistical data about every fourth person employed (22.8%) stated they would like to change the current situation at the workplace, from which every sixth person look for another job. The main reason was the unsatisfactory level of income: three persons out of five (65.5% as compared to 60.7% in 2007) would want a higher recompense per hour and about 14% would like to work more hours in order to gain a higher income. For other about 8% of all persons who wanted to change the present workplace the main reason was the desire to use the more appropriate their abilities or qualifications.

### 3. Continuous Labor Force Training and the Expenditures for This Purpose

Professional background relates to persons enrolled in a course of professional development, advanced training or retraining. According to the data provided by the National Bureau of Statistics, during 2012, in 5720 economic units were prepared and professionally trained 70892 people (Table no.1), whose share was 12 % of the staff. These findings reveal that in the recent years the percentage of professional trained persons within economic units registered an increasing trend from 10 % in 2010 and 11.6 % recorded in 2011.

**Table no. 1 Labour force's vocational background by type of training**

	2011	2012	2012 compared to 2011, %
Number of enterprises	5771	5720	-0.9
Staff number	586666	589818	+0.5
Total trained persons	67774	70892	+4.6
including:			
- initial training	7628	5989	-21.5
- retraining	5771	4433	-23.2
- advanced training	54375	60470	+11.2

Source: National Bureau of Statistics of the Republic of Moldova (NBS)

In recent years the professional training costs have been accompanied by an upward trend, which 2012 amounted to 108 237.6 thousand lei, by 11.5 percentage points higher than in 2011 (Table no.2). Most of the expenses of the total costs for the employees' training were incurred by enterprises, about 90009.6 thousand lei, or 83.1%; 8405.1 thousand lei (7.8%) – on the account of republican budget; 7576.0 thousand lei (7%) – on the account of local budget; 1484.5 thousand lei (1.4%) – on the account of funds received from international organizations, and 762 400 lei (0.7%) - from other sources (takings from various funds, sponsorships, etc.).

**Table no. 2 Expenditures due to vocational background**

	2011		2012		2012/2011, %
	Thousand lei	%	Thousand lei	%	
Total	97115.8	100	108237.6	100	+11.5
including on the account of:					
- the enterprise	83143.1	85.61	90009.6	83.16	+8.3
- republican budget	6319.3	6.51	8405.1	7.77	+33.0
- local budget	6278.7	6.47	7576	7.0	+20.7
- funds received from the international organizations	654.7	0.67	1484.5	1.37	de 2.3
- other sources (various funds, sponsorships, etc.)	720	0.74	762.4	0.7	+5.9

Source: developed by authors on data of the National Bureau of Statistics of the Republic of Moldova (NBS)

So, in 2012 the average expenditures of a company for staff training have increased significantly and registered an amount of 18920 lei or 1215.69 euro (Table no.3), more than in 2011 with 2090 lei (185.51 euro).

**Table no. 3 Average expenditures due to vocational background**

	Expenditures due to vocational background, thousand lei	Number of enterprises	Number of professionally trained employees	Average expenditures per company		Average expenditures per employee	
				lei	euro*	lei	euro*
<b>2011</b>	97115,8	5771	67774	16830	1030.18	1430	87.53
<b>2012</b>	108237,6	5720	70892	18920	1215.69	1530	98.31

\* the official nominal exchange rate of the national currency against the EUR was in 2011 - 16.3369 lei/euro, in 2012 - 15.5632 lei/euro

*Source: developed by authors on data of the National Bureau of Statistics of the Republic of Moldova (NBS)*

In 2011 were spent 1430 lei (87.53 euros) per employee as professional training expenditures, while in 2012 - 1530 lei (98.31 euros).

The problem of qualified specialists for every field, it is equally important for the labor market, university, student, thus all actors manifest a great interest to have experienced specialists [10]. For the economic agents, the better the graduate is prepared, the better he will perform at the workplace, increasing therefore the firm's profit.

#### **4. Professional Training: Requirement and Benefits**

At present human resources management covers all areas of economic, social and political life. Both the number and quality of human resources have acquired new dimensions and the efficient personnel policy is at the crossroads of challenges as well as achievements of the organization.

In the competitive economy, education and personnel training is determined by the necessity to have qualified personnel. In the process of innovation development new requirements arise concerning training of competent personnel, capable of generating new knowledge to make the right decisions about involvement in economic activity. This is particularly important for small and medium enterprises, where often one person carries out several tasks simultaneously.

It is professional training of employees in accordance with the new requirements determined by the technological contextual and organizational changes, will facilitate the company / firm / organization to become prosperous and to survive in the competitive environment. In a sense, personnel development improves work efficiency no less than technological and financial management performances.

In order to obtain the competitive advantage according to its mission, the organization's policy on training should involve the major objectives of the organization in the long term, the main tools for achieving them and the assigned resources. Elaboration of the training plan and the evaluation of the training's efficiency are indispensable for achieving an efficient management in the human resources field.

In our opinion, human resources training should be a major goal and an essential component of the personnel policy. In order to improve the professional skills, the actions must be oriented in the following directions:

- increasing the employees' awareness regarding professional training;
- establishing of certain ways to motivate enterprises to train their employees;
- trainings' organization for managers and staff of SMEs etc.

For every competitive company / firm / organization human resources are the key resources and subject of interest, and problems regarding the training, retraining and qualification will always be lines of research and development. In vocational training the main objective may be to provide everyone the opportunity to make an effort to training oriented towards the objectives of the company / firm / organization and the employees' competences and wishes.

## Conclusions

Obviously one of the most actual problems in the modern management is the issue of qualified personnel. Actually, if the firm aims to achieve its objectives and purposes, it is not enough to create technologies for the production of goods and services, to recruit qualified personnel and develop an effective structure of their interaction. It is necessary to organize the work in such a way that each employee strive to fulfil the tasks, to work efficiently, with interest and to fall completely into work activity.

In order to form a collective of professional and qualified specialists within the enterprise, the management team can organize training courses by special educational programs at the enterprise or at some specialized institutions providing professional education: universities, private learning and training companies, professional societies, and others.

Even the best specialist needs continuous improvement of his abilities and competences and to acquire the new knowledge and skills. Improving the professional qualification and successfully accession within the chain of command, express the capacities recognition of a concrete collective member and advancement of this member serve as an enormously powerful social factor for the formation of work motivation. Training programs are designed for: preserving the professional skills, methods of execution, inclusively in critical situations, discovering of the business art, learning the working procedures at the computer and the work methods with personnel, and developing personal qualities and interests.

At the same time, taking into account the current conditions of economic development in general, as well as the issues of human resources management, in particular, the promotion of human resources strategy oriented towards investment in human capital is welcome to every enterprise. Through this orientation, the company will ensure the raising of the staff competence, and respectively, the enterprises efficiency in the current conditions of market economy development.

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