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## CORPORATE TRAINING: FROM PLANNING TO EFFICIENCY

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### *Abstract*

The article is aimed at searching the ways to further develop corporate training, meet its modern requirements of a market economy, working ahead of its competitors, and also change the attitude of specialists to their work on the basis of optimally planned (developed) programs, involving the hidden resources of the company and the individual. The leading approach to the study of this problem is an analytical method that allows analyzing the works of Russian and foreign scientists in the field of management in education, from identifying the essence of this category to the study of the corporate training state in corporations. The study of this problem is impossible without the use of scientific methods such as analysis and synthesis, as well as systematization and typology, since education appears as a system object, the study of which involves not only the analysis of education as a specific socio-economic phenomenon but also as a type of entrepreneurial activity. The use of these approaches makes it possible to integrate the activities of foreign and Russian large manufacturing companies that implement corporate training into a combination of organizational, economic and managerial relationships, that arise in the process of organizing corporate training.

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## 1. Introduction

The formation of commodity-money relations in Russia at the end of the twentieth century was closely connected with the study and adoption (often formal and literal) of management technologies of the US and Western European countries (Egorshin, 2003).

Leading countries already in the 70-80s of the XX century realized that successful competition in the world market, high rates of scientific and technical progress are impossible without constant training of personnel (Ivanova-Shvets et al., 2018; Kyazimov, 2015).

The coming XXI century suggests that a significant investment in the development of personnel is needed for maximum productivity and quality. The work on the development of corporate training in large industrial corporations evolved into a continuous, carefully planned and controlled process. The idea of advanced education largely corresponds to the concept of education throughout the life of a person and promotes the fulfillment of the social role of a specialist in the company life (Filonovich, 2017; Kibanov & Kashtanova, 2015).

It is obvious that in the continuously updated Russian educational system, corporate educational systems, including the "Company Training Center", should provide the company with professional personnel capable of effectively solving the tasks of corporations in market conditions (Furta, 2014).

Like in other leading countries of the world, the transfer of the Russian economy to an innovation type model, based on the "knowledge economy", requires a rethinking of almost all schemes and management methods by corporations in general and especially by corporate educational systems (Milner, 2008; Mintsberg, 2011).

To achieve these goals, in our opinion, it is necessary to solve two major tasks:

1. Identify features of corporate training, directly affecting the state of corporations' competitiveness in a commercial environment.

2. To propose a planning scheme and to consider the assessment of the corporate training effectiveness, aimed at the market and solving problems that ensure the effective operation of the corporation (Bazarov, 2010).

The carried-out analysis reveals the main approaches to planning corporate training and assessing its effectiveness in the conditions of modern Russia. At the stage of the Russian economy transition to an innovative development model, it is objectively beneficial and necessary to develop corporate training that influences the development of the companies' personnel, clearly articulating their role and place in the educational system that is being formed in Russia (Razarenova, 2007; Soltitskaya, 2005).

## 2. Problem Statement

Due to the lack of a proved conception for corporate education planning in the scientific literature, the attention was not paid to the need for training, its planning, evaluation of its effectiveness in terms of strategic management.

Increasing the importance of the category of "human education" through corporate training in the management theory of organizations fully corresponds to the humanistic approach in science, and in practice corresponds most closely to the views of the Japanese school of management (Glinsky, 2009). In

Japan, the organization, including commercial types, is seen, first of all, as a social structure, a cohesive collective of workers, a kind of working family in which the relations of cooperation and mutual assistance prevail.

At the same time, in a number of works (Milner, 2016) the educational service in the corporation is also considered as the process of transferring certain information for mastering, in order to obtain a definite result. From this point of view, the educational service can be understood as a set of knowledge, skills, experience and a certain amount of information that is used to meet the specific needs of the corporate staff for intellectual development and the acquisition of professional knowledge and skills. Therefore, the educational service is a system of knowledge, skills and experience that are used to meet the needs of the individual and the corporation, aimed at increasing human capital (Probst et al., 2006).

### **3. Research Questions**

It is believed that the success of vocational training by 80% depends on the level of preparation (planning) of the program and by 20% on the desire and ability of students.

As can be seen from the above discussion, the researchers examined in detail the issues of corporate knowledge, but the studied aspect, in previous studies on the problems of planning and the effectiveness of corporate training was not considered. From our point of view, it became more relevant in connection with the formation of a corporate educational system in companies, which allows to systematically approach the planning of the entire corporate training system (Adamenko et al., 2017; Gitelman & Isaev, 2010; Shagiev & Dyakonova, 2016).

### **4. Purpose of the Study**

The urgency of the studied problem is conditioned by the level and pace of the modern business development that have fundamentally changed the attitude to the training system as a service and an integral part of the personnel development process.

The absolute imperative of the modern socio-economic development of society is the continuous growth of the intellectual and creative potential of a man. One of the main factors of this growth is the effective modernization of Russian education in general and corporate education in particular.

The purpose of the study is to assess the effectiveness of corporate training: planning, identifying and structuring the factors of the company's external and internal environment, directly or indirectly related to training the company's employees (identifying the untapped, not fully utilized resources of the corporate training capacity, as well as economic security, risks, explicit and hidden threats to the corporate training effectiveness increase).

### **5. Research Methods**

The methodological basis for planning corporate training is a systematic and integrated approach that takes into account the rapidly changing conditions of the external and internal environment of the company's functioning. The study of corporate training planning was carried out using general scientific methods, structural analysis of the new knowledge content, based on the methodology of "portfolio

analysis", system analysis, methods of integrated analysis of the economic activities, methods of project activities (Armstrong, 2011; Armstrong, 2015; Becker et al., 2007).

A wide range of methods were used in the conditions of uncertainty at various stages of the work and in the solution of individual tasks set in the study, forecasting the need for future knowledge through planning, management, resource provision and improving the quality of the educational process and ensuring the effectiveness of the corporation in general. Including the methods: the analysis method, which makes it possible to decompose the studied object into its constituent parts, and synthesis method, which allows to unite the combination of the parts, obtained in the analysis, into one piece, as well as including system analysis and prognostic method (Whitmore, 2013).

Among the perspective directions and methods of the personnel development (change) in the organization is the factor of personnel education (Saenko, et al., 2016).

Human Resource Management (HRM) is a strategic and operational planning and appropriate management of the organization's human resources to achieve the organization's goals by building and maximizing the potential of its human resources.

Human Resource Development (HRD) is an activity aimed at developing the potential and capabilities of both individual employees and the entire staff of the company in order to achieve the most rapid and effective development of the company and its strategic goals. Training is a systematic and continuous educational process in which employees acquire additional skills or the knowledge, which is necessary to carry out work in order to achieve the strategic and operational goals of the company and its economic security.

In this situation, labor acts as a means of production, which, like any other, needs to be continuously developed and updated (through targeted investments in the personnel of the organization) to increase the effective feedback from it. Therefore, it is necessary to develop the theory and practice of innovation and personnel management, based on careful attitude to company employees as real potential developers of new knowledge, to the holders of previously accumulated and proven knowledge, skills and experience.

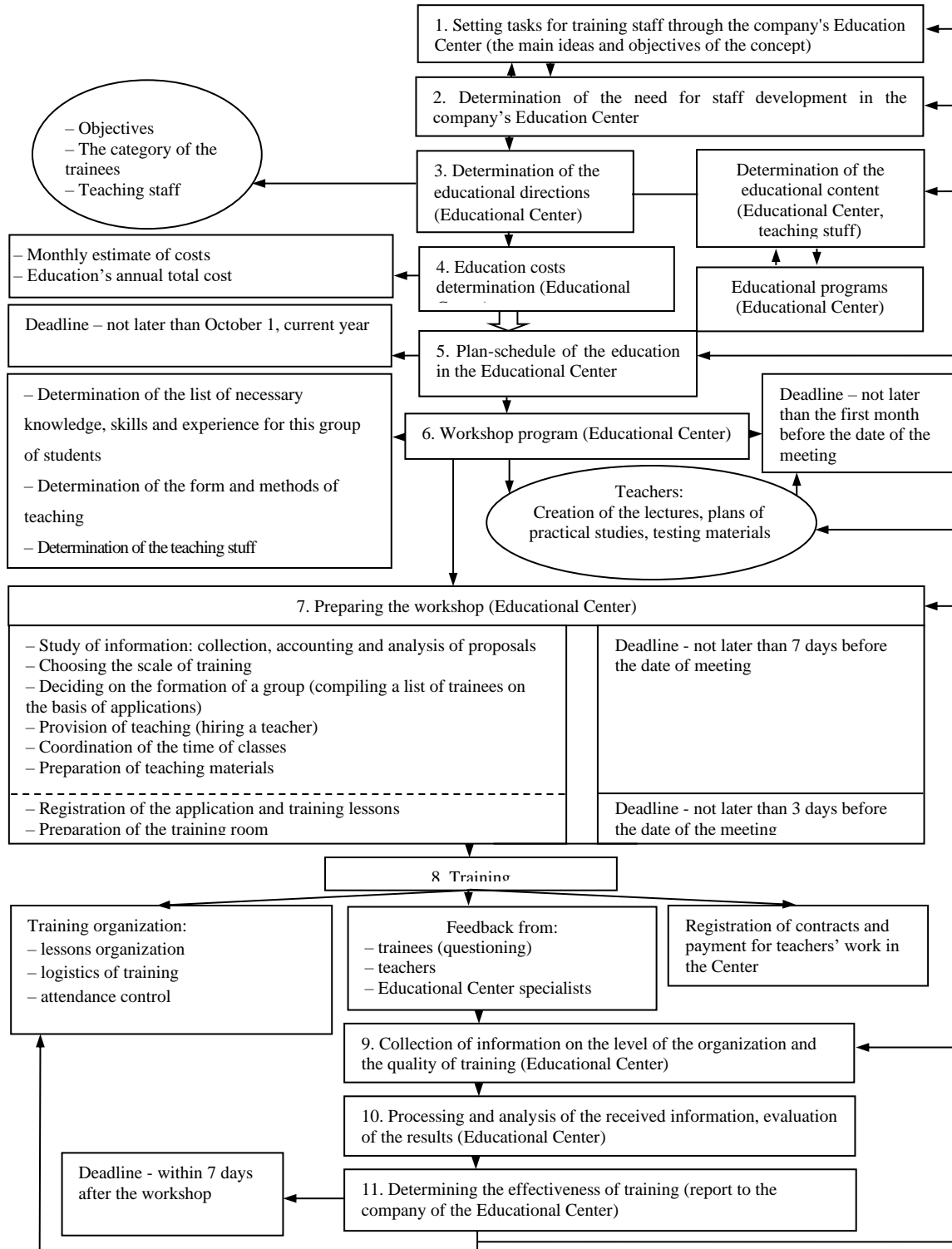
Obviously, corporate training through the "Companies Training Centers" (CTC) has the opportunity to take a serious place in the new corporate educational system. Corporate training involves the annual development of the training schedule for staff, based on the analysis results of training needs for employees. The annual corporate training plan for the company's specialists is adjusted in accordance with the real need, suggestions for improving the work, and changes in the company's operations and its economic security. The system of corporate training services' organization, as an educational business environment within the company, focused on the market, is presented in Figure 1.

Corporate training is organized according to three models (in the long term other models are possible):

1) the management team undergoes joint training on topical issues, including internships, in the form of brainstorming and other activities, and finds agreed inter-professional solutions for key areas of the company's development (for example, when economists, accountants and lawyers study together);

2) the company's specialists are trained in the relevant functional areas, both with the involvement of highly professional teachers and the management team (for example, experts in new technologies);

3) a school of young professionals for young employees of the company, where problems are discussed, new documents are considered, possible solutions are evaluated. This is how the reserve of future leading personnel is prepared.



**Figure 01.** Development and implementation of the annual training plan for personnel

Corporate training on the "1" model is conducted during periodic (1-2 times a year) long (5-10 days) practical workshops (courses) that enable managers (management staff):

- understand the company's global goals, their impact on business goals, services' and personal goals;
- identify appropriate operational measures;
- determine the skills and qualifications necessary to strengthen the effective management system in the company;
- set new goals and determine appropriate skills for the implementation of each type of work;
- perform an effective analysis of the company's activities and its key problems, answer topical issues, participate in discussions, and consider the "feedback" of the team.

Preparation and implementation of corporate training programs consists of three main parts: assessment of training needs, development of the program and evaluation of the program results. Beginning the development of the program with an assessment of the company employees' needs in certain knowledge and skills, then the company conduct interviews with managers and specialists, discussing previous programs with them, studying the materials of requests (applications, needs) for participation in them. At the same time, the most important task is the dissemination of new information about scientific and technical achievements, advanced production experience, innovations in the economy, management and organization of work for their application in various professional activities of personnel.

The next stage is the development of goals, the contents of the program, the choice of methods for conducting training. The content of corporate training programs is determined by the company's tasks, generally leading to the ultimate goal, strengthening the present and future positions of the company in the market and its economic security.

Defining the objectives and content of corporate training allows to outline the criteria for the subsequent evaluation of the program (in the form of testing, examination, etc.), which determine its effectiveness in accordance with the content of the course, timeliness and economic security. The evaluation of the effectiveness of corporate programs also includes the collection of information about the skills, knowledge, and the satisfaction degree of the employees. All these measures help to establish the objective correspondence of the program to the intended goals. The most important indicator of the effectiveness of educational programs is the return of investment in training, as evidenced by an increase in productivity and quality of work, as well as the reliability of personnel.

For the development of corporate training, an annual analysis of the effectiveness of training programs is required, which results in a review of the content of training courses and programs with a focus on practice. In the definition of new areas of knowledge necessary for training specialists (except for the subjects of basic education), the emphasis should shift to:

- obtaining practical and adapted knowledge of the functional management peculiarities, meaning: financial management, material, human and temporary resources;
- education of a broader professional culture that goes beyond a narrowly specialized competence;
- personal in-depth knowledge of the communication system;
- increase competence in a particular field of activity;

- the ability to use all the resources of computerization and modern information technology.

This is connected to the need of creating a unified system for control and management of production, economic security, automation of all technological processes in the company, as well as the need to create and transfer objective information, which, ultimately, should lead to lower costs and higher profits.

It can be argued that corporate training is particularly effective in short term courses of a narrow practical focus, where managers, taking part in the round tables, explain:

- key problems of the company;
- prospects and tasks facing the company;
- the differentiation of the global goal into corporate goals and strategic objectives;
- relevant goals at the company level;
- goals and objectives for individual managers and their teams;
- the importance of conducting in the company the analysis of work and the achieved results.

In addition, leaders (top managers of the company):

- answer questions, facilitate the discussion;
- control the course of the round table, maintaining mutual interest;
- study the feedback received from trainees on the studied issues.

As it was noted, corporate knowledge, skills and experience are the most important condition for the company's development, strengthening its authority in the market and increasing competitiveness. The training activities of the administration, the employees' own work in this direction, a powerful information retrieval system and the development of innovations, everything works on the idea of constantly improving the corporate knowledge.

Corporate training of personnel in accordance with the modern requirements is a strategic factor in the development of the corporation.

Practice confirms a number of corporate training advantages, which are supported by qualitative social and economic benefits:

- economic: training within the company is cheaper (due to the short-term separation of trainees from their jobs);
- organizational and methodological: business contacts are established during the training, creative cooperation arises;
- pedagogical: real problems are solved in the process of studying, there is a discussion of specific situations, the professional level is raised, etc.;
- scientific and organizational: the creative potential of the trainees is activated, their orientation is growing to solve urgent problems, increase their independence in solving problems.

The main tasks of corporate training are strategically solved:

- creation of conditions for realization of the company's specialists' needs in professional development;
- new thinking formation of trainees in the conditions of company reforming;
- advanced training for managers at all levels of management and specialists in various areas of the management system;
- dissemination of technical, economic, legal and environmental knowledge among managers of all levels of management and company specialists;
- organization and holding of permanent scientific and technical exhibitions, demonstrating new technical achievements obtained with the help of additional knowledge;
- methodical development and promotion of new teaching technologies.

This allows:

- develop a flexible and wide-profile nature of corporate training at the expense of its organization on the principle of "progressive specialization" (with an accrual outcome);
- involve the company's specialists in the process of organizing corporate training on a large scale;
- ensure the quality of educational services through licensing and questioning of trainees;
- evaluate the activities of teachers, the quality of training and teaching aids, the use of modern educational technology.

Based on these concepts, corporate training becomes a lever for implementing the company's strategy, an effective way of positive changes in personnel, seeking professional development (Transformation of education in the modern world, 2015).

A complex criterion for the effectiveness of corporate training is not only the desire to maximize the result of investments in the modernization of the company's human capital, but also the need for the most complete satisfaction of the interests of the company's management subjects in accordance with the goals and objectives of training. At the same time, the tasks are to maximize the result, per unit of investment costs, to increase the intellectual level of employees:

- reduce financial losses due to errors in making management decisions;
- increase the effectiveness of employees through advanced training;
- reduce the costs of searching, formalizing and adapting specialists accepted from outside;
- ensure the growth of the company's profit as a result of improving the quality of structural services' work).

For the company, the criterion of innovation, which determines its success and the possibility of implementing the development strategy, structural adjustment, expansion of production, product quality growth and labor productivity of the company's employees, acquires special significance.

In the course of innovative training, the formation of effective thinking of employees is building to solve the problems of the company's activities, the development of skills and experience, at the same time producing innovative and effective (efficient) work.



In general, the indicators used to assess the effectiveness of corporate training must meet certain requirements:

- characterize the relevance of learning outcomes to the purpose and objectives of its formation;
- determine the significance and reliability of scientific and practical learning outcomes;
- provide an opportunity to monitor and evaluate the effectiveness of training in the further professional activities of employees.

To evaluate the effectiveness of investments in the modernization of human capital through corporate training, the following indicator is proposed:

$$P = \frac{\frac{F}{F_0} \times \frac{K_{II}}{K_{HB}} \times \frac{3_{II}}{3_B} \times \frac{R_{TPII}}{R_{TPB}}}{I}, \quad (1)$$

where  $P$  is the productivity of investments in the modernization of human capital through corporate training, units/thousand rub.;

$F$  – number of operations performed by employees after training, units;

$F_0$  – basic number of operations performed by employees before the training, units;

$K_{II}$  – number of employees (managers and specialists) who received training this year, people;

$K_{HB}$  – the total number of employees (managers and specialists) of the company, people;

$3_{II}$  – the average salary of employees who received training, thousand rubles;

$3_B$  – average salary of employees who did not receive training, thousand rubles;

$R_{TPII}$  – the profitability of labor resources after investment in the modernization of human capital through training (the ratio of profit before taxes, received after training of employees, to the fund for remuneration of employees), %;

$R_{TPB}$  – the basic profitability of labor resources (the ratio of profit before tax, received before training of employees, to the fund for remuneration of employees), %;

$I$  – investments in the modernization of human capital through training per employee, thousand rubles.

The amount of investment in the modernization of human capital through training per employee is determined by the formula:

$$I = \frac{C \times K_{II}}{K_{HB}}, \quad (2)$$

where  $C$  is the average cost of training an employee in a year in current prices, rubles.

It is worth mentioning that corporate training in any case gives the company a socio-economic and information-psychological effect (Figure 3).

Based on the above, it can be noted that corporate training enables corporations to plan a corporate educational system focused on increasing their competitiveness, providing the best option for quality and highly effective training of personnel.

## 6. Findings

Based on the analysis of identified problems, the need for a systematic approach to planning corporate learning, based on a long-term plan for the development of the corporation and the concept of continuing education, is proved, which will allow to implement educational services in the context of the strategic goals of the corporation. It is shown that the main emphasis in corporate training of the company's personnel should be made on innovative continuous (continuous updating of knowledge and development of employees) and advanced (the development of prospective knowledge and skills in accordance with the company's development strategy) education of trainees at various levels. Corporate training, based on research on the practical needs of business, allows us to understand how to make the business even more successful, how to realize the ideas of management, and then to see how new knowledge is introduced into practice (Clutterbuck, 2008).

Therefore, it is possible to single out the main directions of the corporate training influence on the company's economy, assuming that training is focused on customer satisfaction (performance) due to activity optimization (efficiency):

- achieving of a higher effectiveness level of managerial decisions;
- accelerating of the new ideas formation;
- increasing the creative potential of the staff;
- increasing the skills of specialists and, as a result, the economic returns for each ruble of invested capital;
- improving the use of production capacity, due to improving the quality of production preparation and ensuring its rhythmicity;
- improving labor protection, industrial and environmental safety;
- improving the quality of technological production preparation.

Thus, detailed planning of corporate training is a prerequisite for prompt response by the company's management to changes and requests of the market.

## 7. Conclusion

The generalization of the existing features of corporate education (training) shows that the materials presented in this article will be actual and useful to both the heads of corporations (companies, enterprises) and the teaching staff of universities, personnel managers, middle managers, and trainees of the advanced training system.

The article describes the results of the conducted research aimed at finding and developing theoretical and methodological approaches for planning corporate training and determining its effectiveness.

The practical importance of the research results is determined by the ability of any corporations to use the developed methodological approaches for planning corporate training and determine its effectiveness in accordance with the requirements of an innovative economy.

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