

# PROGRESSIVE METHODS OF MANAGERIAL EDUCATION IN COMPANIES AT PRESENT

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The objective of the thesis is to analyse the system of education in the selected company and to propose new education programmes. It is divided into several parts. The introduction deals with the analysis of theoretical approaches in solving the problem of education; also discussing in detail the resulting tasks. The next part describes some new trends in education suitable in particular for employees on managing positions. The last two parts are focused on the selected company, where the system of education applied in the company at present and the education methods utilised by the company are mapped in the first step. On the basis of the research carried out in the form of questionnaire, a proposal was worked out subsequently for the inclusion of suitable education programmes that have not been utilised so far.

**Key words:** Education, education methods, training, manager, practice, analysis

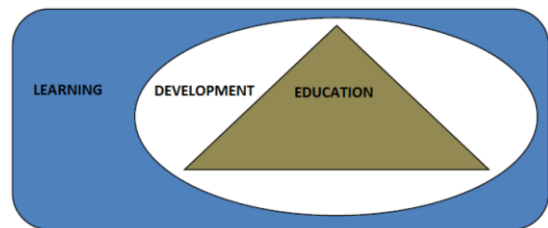
## 1 INTRODUCTION

Contemporary companies are characterised by a fast progress and the demands for competences and abilities of employees require continuous education. Enterprises need employees with a high level of competence. They obtain them from the external resources or provide for the professional preparation to their own employees. If enterprises invest in human resources, the benefit consists in an increase in the level of the services provided. A great share of the effectiveness of enterprises is ensured by managers and their professional development is inevitable. If a manager makes progress, his/her market price rises and he/she is an example for the others. The methods used for the manager's development are also related to the development of manager's qualifications, competences and skills.

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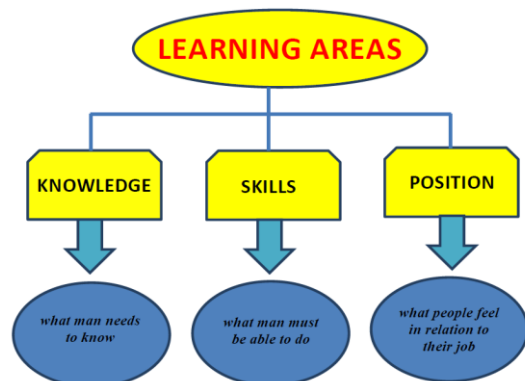
## 2 ESSENCE OF THE "EMPLOYEE EDUCATION" TERM

Education is a well-known term; however, can we determine the difference among the terms "learning", "development", "education", and "training"? At present, there is a lot of professional literature stating various definitions of these terms. As we will meet them in this thesis, at first we will explain their meaning.



**Fig. 1** The relation among the terms "learning", "development" and "education" – modified by the author [1]

- *LEARNING* is a superior term and represents a precondition for the development and education. In the process of learning, there are three areas, in which people learn and educate themselves [1]



**Fig. 2** Learning areas – created by the author

- **DEVELOPMENT** represents the achieving of the requested changes, for which various activities are used. Education represents a significant part of them. According to ARMSTRONG, the development of workers includes education, the development itself and professional training [2]

- **EDUCATION** includes various trainings, practice and other educational procedures.

MIHALČOVÁ defines education as “*an emotional, cognitive, volitive and information – communicative process focused on the acquisition and development of person’s properties, knowledge and skills, which influence his/her activities, doing, behaviour and living at work and in personal life*”.[3]

FOOT and HOOK have agreed upon the definition that “*education is an activity, which is not intended only for young people, however it concerns their preparation of basic knowledge, experience and moral values, which is important for their lives*”[1] In educating employees in organisations, a systematic approach must be chosen. It is an organised system of learning with both the beginning and end. FITZGERALD states that the main sense is to support workers in managing the tasks assigned to them. It is extremely important to realise that education should be a tool, not a goal. The goal is to change the behaviour, where knowledge already obtained in the working process is utilised. Behaviour is linked with the employee’s performance, which increases his/her performance therefore finally the goal is to increase employees’ performance. [4]

In the actual literature, the concepts of education overlap, they are ambiguous; therefore in this thesis education will be understood as a term covering various *trainings, courses and other activities*. The terms will be understood as synonyms.

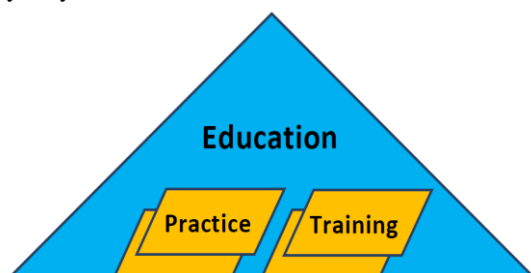


Fig. 3 Education forms - created by the author

## EDUCATION OF MANAGERS

“*Corporate education is a systematic adaptation and change of behaviour by learning through educational programmes, briefings, development programmes and planned acquisition of experience.*” [2]

Every enterprise must organise corporate education, which leads to the development of employees’ skills, thus increasing their contribution to the company. The following is necessary in order to achieve good education:

1. Motivation – we distinguish the basic motives:  
positive (existential, prestigious and interest ones) and negative (a lack of time, ambitions, bad human relations)
2. Correctly chosen education methods and approaches, which are divided according to the efficiency and application. [3]

The following is distinguished in the area of development of managers:

- *Education of managers* – it looks for the ways of increasing the quality of managers’ learning for achieving necessary knowledge. However, they must learn continuously, not only from various courses but in particular from practice, from the experience in performing the work.
- *Training of managers* represents only a short-term and specific part of learning. During the training, managers can absorb their knowledge for better work performance.
- *Development of managers* represents a summary and wider term, in which the already mentioned education and training represent a subset. It is a continuous process providing wide opportunities and sources for increasing the performance of managers. [5]

It is important for enterprises to invest in the education of their workers in order to achieve better performance in utilising their natural capabilities.

## 3 ANALYSIS OF EDUCATION NEEDS IN AN ORGANISATION

In analysing the needs of education, the objective of an organisation is to find out, what is important and what creates the need of education.

It is a cooperation of employees within the organisation among the employee (trainee), his/her superior (sending the employee to training and supporting him/her in applying the obtained skills) and the employee of the human resources department (providing for the duties in the area of training, the contents, form, costs). The first reason for the need of an educational programme is an influence from the external environment, meaning the increased requirements for the quality of work, various changes of regulations and acts or when other organizations enter the market and the competitiveness needs increasing. Another reason for the need of an educational programme includes the results of work performance analyses, ie increased performance criteria or the creation and redefining of job positions. [6]

The strategy of workers' development is governed by the staffing and economic needs of the enterprise. It uses the approaches applied in creating the educational and development opportunities. They should be based on the understanding, how people learn, on the theory of education. The following approaches are known from the history: [2]

- *The approach of Carl Rogers – non-directive education*
- *The approach of Malcolm Knowles*
- *The approach of Reginald Revans*
- *Kolb's cycle of learning*
- *The approach of Chrys Argyris* [5]

At present, we distinguish three educational approaches developed historically and utilised:

1. *Didactic approach*
2. *Socratic approach*
3. *Facilitative - brainstorming approach* [3]

*Approaches to the development of managers:*

1. *Formal approach*
2. *Informal approach*
3. *Non-formal approach* [3]

#### 4 NEW TRENDS OF EDUCATION OF MANAGERS IN THE COMPANIES AT PRESENT

At present, there is a great competition among individual enterprises. The enterprises use similar or even identical technologies. The

processes determine the company's success and a man is behind each of them, whether we speak about customers, production efficiency, sales efficiency or various innovations in the company. That is the main reason why every company should endeavour to invest in the development of its employees. If a business is willing to invest in human resources, it will increase both the performance of the employees and the level of services provided as well as the company's competitiveness. Education and development of work skills must be considered a life-long process and part of personnel management. [7]

#### 4.1 Methods of Education

Many authors deal with the methods of education at present. The effectiveness of education depends on the selection of a suitable method representing the means and ways to be used in the transfer and subsequent absorbing of the knowledge and skills obtained. [8]

We distinguish two basic methods of education:

- *On the job education methods – On-the-job Training, Coaching, Mentoring, Consulting, Assisting, Tasking, Job Rotation, Work Meeting.*
- *Off the job education methods – Lecture, Lecture-Discussion, Demonstration Method, Case Studies, Workshop, Brainstorming, Simulation, Management Games, Diagnostic-Training Programme, Computer-Aided Education, Outdoor Training, Outward Bound, Focusing, MBA.* [8]

On-the-job method is considered the most suitable one for education of blue-collar workers and the off-the-job method is more suitable for education of specialists and managers. In practice, both groups of education methods are utilised for both categories of workers. However, there are various modifications with regard to the job duties of the workers. [8]

#### 5 EDUCATION IN THE VSE COMPANY

Education in the VSE company is among the continuous processes, in which the employees improve their knowledge, abilities and skills necessary to handle their work perfectly and safely.

### 5.1 Characterisation of the Company VSE

The joint stock-company Východoslovenská energetika (hereinafter “VSE”) was established on 17 December 2001. It operates mainly in the territory of Eastern Slovakia, in the Košice, Prešov and Banská Bystrica regions. VSE provides almost 600 thousand customers with electric energy supplies. The core business of the energy company VSE includes complete services connected with electric energy consumption, electricity purchase from the manufacturers and sale to the customers in households, firms, organisations and key customers. [9]



Fig. 4 Logo VSE

Education of VSE employees belongs to the continuous process, in which the employees develop their knowledge, skills and abilities necessary to handle their work perfectly and safely.

The educational needs are fulfilled through the so-called training programmes. In choosing, creating and implementing the training programme, we have to provide for the conditions suitable for education, we have to select correctly the trainings' contents and to decide, who will execute the trainings and in which way. [10]

The Human Resources Section divided into departments provides care for employees. Education falls under the competence of the Personnel Development department.

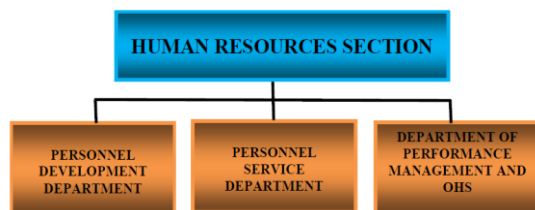


Fig. 5 Organizational structure-created by the author

The basic directive, by means of which the Personnel Development department covers employee education, is the VSE Directive: Employee Education and Development (EDIC\_S\_QMS\_2012007). The objective of the directive is to specify a uniform procedure in the process of employee education and development in

order to increase its quality. The emphasis is on spending the financial resources efficiently. The Directive is in force and is binding on all the organizational units of VSE as well as on the subsidiaries.

Within the framework of performance of the work agreed upon in the employment contract, employees are obliged to improve their qualification. The company is to support its employees in improving the qualification in compliance with their needs.

Education is executed:

- internally – the activities are organised by the employer, various forms of education are utilised: trainings, practice, lectures. They are focused on in-plant topics.
- externally – the company utilises “outsourcing“, the activities are organised through educational agencies from the external environment. Professional courses, trainings, lectures, seminars, and conferences are utilised. Their topic is based on the actual needs. VSE has entered into contracts with various firms providing education, e.g. FBE s.r.o. Bratislava, KNO Slovensko – they provide services in the area of soft competencies  
EDUCO – CONSULT s.r.o. Žilina, Technická inšpekcia a.s. Košice, BWH Prievidza – they provide services in the area of statutory trainings and professional trainings.

As regards time distribution, the education takes place on the basis of preliminary requests from managers during the year. The external educational agencies are responsible for the course of the actions; they also provide the possible dates of educational activities. In case of an educational action for a larger group of employees with a particular topic, the date will be agreed as necessary with the manager of the department that requests the activity. [11]

### 5.2 Management Structure in the VSE Company

Manager is an employee with the power to make decisions and manager the company. VSE includes them into several groups:

- General Director
- B1 – top management – Division Director

- B2 – middle management - Section and Unit Manager
- B3 – middle management- Department Manager
- B4 – operative management – Unit Manager
- Managing positions – foreman, work leader, area technician, site manager, group leader

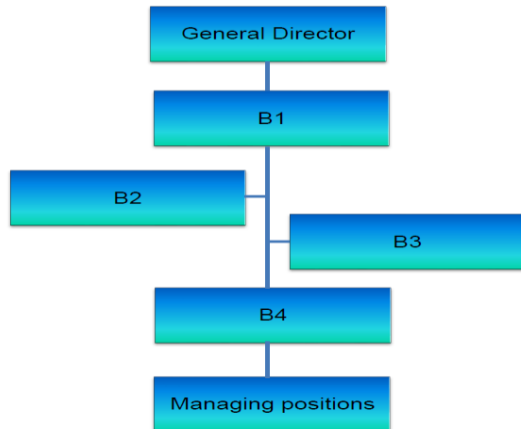


Fig. 6 Management structure-created by the author

### 5.3 Characterisation of Education and Development of VSE Employees

Employee education and development at VSE is focused on the following basic areas:

- statutory trainings (OHS, first aid, electrical competence, drivers, power saw operation, work at heights, welding courses, trainings for load binders..)
- professional education – (work on live electric parts, certification for cable set assembly, certification of internal employees – improvement of professional qualification by obtaining certificates)
- teaching of foreign languages (individual, group, external)
- IT trainings (courses) – (group or individual form)
- Soft skills education (social competences) – the criterion determining the employees, who will take part in the action focused on the development of soft competences, is the required profile of competences for the job position. The manager is responsible for assigning the employee to a target group. The manager of the

Personnel Development department is responsible for the overall structure of the development plan; he/she approves the plan for the next year.

- Education through e-learning – an educational process utilising information and communication technologies for the creation of courses and study plan distribution. It is executed as a supplementary, alternative form of education of employees of VSE and its subsidiaries. [11]

### 5.4 Trainings

Trainings are intended for employees and whole teams if they need:

- to obtain basic skills and knowledge in the specified topics
- to develop the basic skills and knowledge to an excellent level

They serve to develop particular skills and knowledge and help improve the quality and increase the effectiveness at work with external and internal clients. The trainings are interactive with maximum active participation of the trainees. They are carried out in an experiential way, by learning from experience. [11]

The training includes:

- theoretical blocks
- practising the model situations connected with feedback
- controlled exchange of experience
- group and individual work on solving case tasks
- hand-out available to the trainees
- video training and video analysis

VSE utilises the educational methods based on the current modern methods and adapted to the requirements necessary for the respective function with the assignment of respective names.

*The coaching method includes the following trainings:*

- Grounding in coaching
- Negotiation
- Feedback

*VSE uses the following trainings from the mentoring area:*

- Assertivity
- Delegating
- Creativity and problem-solving
- Time management

- Time management and delegating

*Outdoor training – the company has created the following trainings from this method:*

- Change management
- Project management
- Teamwork

*The following trainings are based on the Outward Bound method:*

- Communication
- Conflict management
- Stress management

*The Focusing method covers the following trainings:*

- Emotional intelligence
- Business protocol

## 6 DRAFT EDUCATION IN THE COMPANY VSE

After obtaining the answers and analysing the questionnaires I took part in the meeting agreed in advance with the manager of the Personnel Development department, and I familiarized him with the questionnaire results. Based on them, I proposed to VSE to adopt and start applying some of the new educational programmes, which had not been utilised so far but in my opinion they could be beneficial and useful to the company. After a mutual discussion and taking into account in particular the financial, lecturing and time possibilities, they admitted the possibility of adoption of new educational methods.

To improve the level of education in the company, I propose the following programmes.

### 6.1 Succession Programme for Key Management Positions

The programme, which is not utilised by the company and which I propose to include in the education, is the succession programme for key management positions. The company has several key management positions, such as the Network Operation Division Director, who is the key management position for ensuring the core business of VSE. Human Resources in cooperation with the management will execute the succession programme, which means that for each key management position a selected successor will be

prepared, and his/her professional and human growth of the potential for the job position under preparation will be supported. Such a manager trained is ready for the future position and is able to fulfil his/her duties with better knowledge of facts. The succession programme should assist in solving the job positions of top management and its adoption will help problem free business operation during the planned (eg generational) but in particular unpredictable (long-term sickness leaves) exchanges on the key posts.

The coordinator of the programme will be the Human Resources Section, the Personnel Development Department. The responsibility for the fulfilment of this programme is delegated to the current managing employees, who will propose suitable candidates to the succession programme. On an annual basis, they will submit to the Human Resources Section a brief report on the preparedness of the selected candidate with an unambiguous conclusion: to continue in the succession programme or to finish the programme and look for another suitable candidate.

### 6.2 Development Programme for Talents

To execute the development programme for talented and potentially strong young workers, in whom their superiors have identified a potential ability to manage and lead collectives. The list of potential candidates will be prepared based on the opinions of the current managers. The proposed candidates will be invited by the Assessment Centres, where the most suitable candidates will be selected and they will take part in group trainings for development in the next two years.

I considered the programme suitable for the company because the evaluation of the questionnaire has shown that the management in this company is made up of young people and this programme is for young people.

The group trainings will be focused on:

#### a.) *Individual competencies:*

Draft training contents:

- communication skills
- presentation skills
- presentation skills in English
- assertivity
- conflict management
- negotiation,

**b.) Relation competencies**

Draft training contents:

- teamwork
- leadership
- coaching
- development of subordinates

**c.) Business competencies**

Draft training contents:

- managerial simulation
- project management

**d.) Strategic competencies**

Draft training contents:

- change management
- strategic planning, organisational development
- self-reflection and self-development

Into the programme, I propose to include preferably the candidates from the succession programme and other suitable candidates based on the decision of managers.

**6.3 Foreign Internships**

I based the proposal of this method on the results of the questionnaire, where the respondents were interested in improving their foreign language skills and in learning about new technologies. I think that a foreign internship could help them improve in these areas.

**Programme's intention:** Extension of professional and organisational knowledge from similar companies out of Slovakia.

Internship objective:

- a.) to obtain knowledge of management of a similar company abroad
- b.) to get familiarised with the organisational structure
- c.) to obtain new managerial skills in managing the similar business
- d.) to get familiarised with new trends in the similar area
- e.) to obtain new stimuli and suggestions for increasing the effectiveness

All the partial objectives of the foreign internship need to be specified so that the participant will utilise to a maximum extent his/her actual knowledge and is able to perceive new trends from abroad.

I propose the programme scope individually according to the type of the internship. Into the programme, I propose to include preferably the candidates from the succession programme and other suitable candidates based on the decision of managers and based on the needs of the company, e.g. when introducing new technologies, technological procedures etc.

**6.4 Rotation of Managers**

The management positions in core business need to be rotated after a certain time of about three to five years. This concerns the management positions mutually related in terms of the process, technology or when the managers are forced to cooperate. Rotation would take place only within the scope of individual divisions and include managing positions up to the level of units.

The exchange results in the extension of abilities and the personal development of the manager, prevents stagnation and stereotype and contributes to better understanding of both internal and external processes, assists in the career growth of the involved employees.

**6.5 Finance Training for Non-Financiers**

The programme is suitable in particular for the operative management consisting of experts in their specialisation, who, however, have little knowledge of economy. However, at their activity they are also responsible for economic activities.

The objective of the training is to understand the processes of financial planning and analyses of economic planning in the company, to be able to make decisions on the basis of financial and accounting background documents, to learn the difference between the financial and management accounting.

Training contents:

- introduction to financial statements, analyses and interpretation thereof
- financial and management accounting
- cost accounting
- selected from the Act on Accounting (assets, costs, revenues, stock and pricing, stock-taking, accounting documents)
- budget techniques
- financial analysis of the company

- decision-making on the basis of financial information
- financial planning
- interconnection of financial planning and company operation
- effective economic activity
- controlling

## 6.6 Language Courses and Statutory Trainings

Language courses and statutory trainings have been already included in the educational programme of VSE, but taking into account the questionnaire analysis showing the managers' interest in more intensive language education, it is probably correct to deal with it and increase the intensity of language courses by extending the circle of participants.

For statutory trainings it has to be pointed out that not all employees in the company participate in the statutory trainings but each employee must complete at least one training type. Therefore the Human Resources Section must not only provide the education but it also has to work out or improve the mechanisms checking the participation of the employees.

## 7 CONCLUSION

In conclusion we can say that education at these fast-moving times is a very important and inevitable process, and the organisations and companies simply cannot do without it if they want to remain on the market and be competitive. Good results unambiguously depend on a high-quality analysis of educational needs and on the selection of suitable forms and methods of education. It is important for the companies to prepare their employees for job positions so that the employees can execute their work effectively, reasonably and safely providing the company with benefits and prosperity. This should be supported by the educational methods and trends utilised in every company at present.

We can state that VSE invests a lot of financial resources in education and endeavours to provide its managers with the most modern education, which is reflected in their performance and later in the overall company's benefit.

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