

Human Resources Professional Development within the Knowledge-Based Economy Organizations

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Abstract

Through the present paper, we identified and argued one of the most important consequences of the present business environment: appearance and, gradually, growth of differences between two categories of representants: human resources with high formation, strongly connected to the environment, who impose and even anticipate change, being fascinated by the development perspectives, unlike people always surprised by what is happening, sometimes lost by the predictable absence, having a continuous "fight" for keeping the other's rhythm. The solution is represented by motivation and formation programs, on medium and long term in order to offer sustainable results. Consequently, from the organization management point of view, the most appropriate instrument for accomplishing and implementing this is the strategy, as an exponent of organization mission and objectives, in correlation with human resources, technical and material resources, financial and informational resources restrictions, and, moreover, the actions ways for accomplishing the competitive advantage.

Keywords: *Small and medium enterprises (SMEs), human resources, professional development, motivation, economic performances, knowledge-based economy.*

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1. Introduction

We have approached the professional development strategies field, from the organizational management perspective, so we pointed the opportunity of building and

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implementing strategical solutions having as final goal economic and financial organizational performances (Popescu et. al., 2010).

The chosen work sample is represented by the small and medium enterprises (SMEs), because of several reasons:

- represents the type of organization having private or joint capital with the highest share (Smith-Easterby et. al., 2006) in the national economies of the European Union country members;

- most of workplaces from the European Union are generated by organizations having less than 250 employees: 70% from the occupied workforce activates in SMEs (Uit Beijerse, 2000), from which the third part works in medium enterprises and over 56% in microenterprises (Carroll, 2008);

- represents one of the main contributors to *GDP* formation for European states economies (Osborn, 1999), which means that economic effects of organizational performances gain a higher importance (Landau, 2004), and, furthermore, our scientifically goal has a growing utility (Moilanen, 2005);

- we consider formulating and sustaining a point of view regarding medium and long-term solutions for human resources who activate in *SMEs* as appropriate and useful (Palmer, 1999), because, many times, the business owners use solutions in a random, unorganized manner (Elkjaer, 2001).

As a consequence of diagnosing the *SMEs* sector, we realised the importance given to tourism, by growing investment volume (Addicott et.al, 2006), number of new organizations, and, consequently by growing number of workplaces (Vygotski, 1998), at the same time with improving economic and financial results (Pedler, 1999), and with the importance given by the European Union's country members (Pembernton, 2000).

In this context, we have deepened the paper purpose in an exploratory research which concerns SMEs in the services field – tourism area.

Through our scientific work, we have followed the objectives:

- formulating opinions regarding the context of approaching the scientific theme: knowledge-based economy, globalization, importance of human factor for the organization;

- obtaining a diagnostic of *SMEs* activity who can justify the importance of the research theme and its relevance for the economic and social context;

- demonstrating the compatibility between the positive motivated employees, through professional development strategies and the superior performances of *SMEs*;

- formulating and sustaining an economic interpretation for motivated employees (positively or negatively), from the point of view of professional development, according to the similarities and differences between European Union's country members (Spain and Romania);

- determining the measure in which the positively motivated employees, who have had strategies regarding the professional development (Torbert, 1994), may influence the competitive advantage of the organization, for the *SMEs* in Romania and Spain, with the explanation of the factors that influence this phenomena.

We consider the present research as an interesting scientific and practical challenge, because our goal is to identify, create and formulate a series of proposals

meant to contribute to improving SMEs activities (Chivu et. al, 2009), from the perspective of organizational management regarding the sustainable use of human resources.

The impact of human resources on the final purpose of SMEs, that is assuring profitability through gaining devoted and repetitive clients (Massey et. al, 1999), is superior for organizations that activate in services (Reuchlin, 1989). For purchasing products, the client's decision to buy (Garratt, 1999) and, sometimes, to come back as devoted client, is highly influenced by the product's characteristics that is to be bought (Daft, 1984). If the product is rare on the selling market, the client will be more preoccupied by the final result of the purchasing-selling process (the product itself), giving a smaller attention to the relationship organization representant – client (Simonin, 1997). For buying services, the costumers' behavior changes (Hedberg, 1999). The human resources role becomes essential, even vital for entrepreneurial success (Steyer, 2001). The abilities, knowledge, and positive motivation of human resources, as an effect of professional development (Swieringa et al., 1992), will be found in their behavior at the workplace (Bar-On R et. al, 2007), so will be also found in the relationship with clients and colleagues (Harvey et. al., 1999), and will generate sustainable economic and financial performance (Ferry, 2005).

2. Methodology Research

Acknowledging the importance of knowledge-based management and SMEs performances, we realized a study on a sample of 117 respondents that belong to SMEs from tourism domain, both in Romania and Spain: Accommodation, Restaurants, Passenger Transports, Travel Agencies and Cultural Tourism Organizations, from different regions of the two countries taken into consideration, measuring 19 variables. The results are based on a study performed in September and October 2010 in different regions of two European Union's Country members (Romania and Spain) and confirm the research hypothesis regarding the knowledge management and its contribution to SMEs performances.

Research design: in fundament the research, we have taken into consideration the numerous answers received from the 117 respondents. Each question was formulated in order to answer, directly or indirectly to the research hypothesis. The questionnaire includes general, easy-to-answer, closed questions, in order to make the tasks easier for the respondent. A second part is reserved to issues regarding the SMEs profitability and economic performances and the third part refers to human resources performances. The main purpose of the research is strongly connected to the answers received from the second and third part of the questionnaire (Albu, 2005).

The first set of questions (1-6) is indirect ones, related to the purpose of the research. They refer to organization size, tradition and other factors that may influence the basic features of the organization dimension and activity. Their purpose is to fix the analyzed entities into a specific, determinate area of investigation. In this context, we appreciate those basic factors as market experience, number of employees or field of activity, may influence, in different ways, the quality and the work results of the employees. The second part (questions 7-14) aims to get indirect answers in order to

establish human resources work outcomes within the organization (expressed by the productivity evolution).

Third part of the questionnaire (questions 15-20) is directly related to human resources practices (which is the managers opinion about the motivation alternatives) and to material and non-material stimulants and facilities given to employees. First, the authors obtained the validity of the questionnaire on core values employed in this study. The initial version of the questionnaire was sent as a pilot survey to Spain SMEs in order to ensure the accuracy of questions relative to the core values. After completing the questionnaire, feedback was asked to managers for improving questions precision. Afterwards, a revised version of the survey was sent to Spain and Romanian SMEs. The data was analyzed using Statistical Packages for Social Scientists (SPSS) 16.0 and yielded multiple results that are presented synthetically in the present paper. Therefore, the most significant results are highlighted, with a focus on the profile characteristics, and the detailed secondary correlations.

Work method: Primary data, through structured questionnaire, were collected from a sample of 117 respondents (response rate of survey: 56,80%), randomly selected from among the SMEs engaged in tourism types of activity. The survey elaborated by the researchers group consisted of 20 items. The research adopted a survey method to collect data on the SMEs general characteristics (field of activity, form of propriety, market experience, geographical position, legal form of organization), organization performance (turnover and profit evolution, tangible assets contribution, average number of services, organization's turnover structure, first three clients and suppliers importance), human resources performance -employees level of motivation, education, average number of training days, average wage, facilities for employees – (Dibella et. al., 1997).

3. Analysis and results

Some of the significant findings of the study tested under the Pearson chi-square assumptions are given below. The importance given by managers to employees' social activities tends to decrease as the size of the organization becomes larger. The importance given by managers to *Social Processes* is not distributed similarly across different Size of the organizations and small size enterprises are more likely to give importance to employees' social activities than bigger ones. (Table 1).

Table 1: Importance given by managers to Social Processes

The number of employees of the organization	Importance given to employees' social activities			
	Low	Average	High	Total
1-9	14.5%	61.3%	24.2%	100.0%
10-49	26.0%	64.4%	9.6%	100.0%
50-249	66.2%	21.5%	12.3%	100.0%
Total	35.5%	49.5%	15.0%	100.0%

The use of planning techniques and knowledge-based management approaches in the organization is not correlated with the level of educational background (Business and Social Sciences – Other types of study). This dependent variable proved to be associated with the independent variable Specific Managerial Studies. The chi-square significance test measures the likelihood that the observed association between the independent variable Specific Managerial Studies Undertaken and the dependent variable Use of Planning Techniques is caused by chance and yielded a result of 0.001.

The information is provided in Table 2.

Table 2: Specific Managerial Studies * Use of planning techniques

		Use of planning techniques			
			Yes	No	Total
Specific Managerial Studies	yes	Count	28	18	46
		% of Total	23,5%	16,0%	39,5%
	no	Count	28	43	71
		% of Total	22,0%	38,5%	60,5%
Total		Count	54	63	117
		% of Total	45,5%	54,5%	100,0%

A similar result was obtained for the dependent variable Use of career plan for employees, which has a chi-square significance test result of 0.011 indicates in correlation with the independent variable Specific Managerial Studies. As in the previous case, the use of a career plan in the firm is significantly higher in the case of the entrepreneurs who benefited from some sort of managerial studies and trainings, beside their academic background (Table 3).

Table 3: Specific Managerial Studies * Use of Career Plan

		Use of career plan for employees			
			Yes	No	Total
Specific Managerial Studies	yes	Count	12	34	46
		% of Total	10,5%	29,0%	39,5%
	no	Count	9	62	71
		% of Total	7,5%	53,0%	60,5%
Total		Count	21	96	117
		% of Total	18,0%	82,0%	100,0%

Use of knowledge-based management approaches linked to organizational strategy yields no correlation with any of the independent variables taken into

consideration. The fact that in this case the Pearson chi-square value is 0.169 and more than 0.05 indicates that the rows and columns of the contingency are not dependent.

The information obtained is represented in Table 4.

Table 4: Specific Managerial Studies * Knowledge-based management strategy

		Knowledge-based management strategy			
		Yes	No	Total	
Managerial Studies	yes	Count	10	36	46
		% of Total	8,5%	31,0%	39,5%
	no	Count	10	61	71
		% of Total	8,5%	52,0%	60,5%
	Total	Count	20	97	117
		% of Total	17,0%	83,0%	100,0%

It was tested also the correlation of this dependent variable with the level of Academic Education of the managers and with the Field of the Educational Background, but the results were also not significant, which indicates that the use of knowledge-based management approaches linked to organizational strategy is influenced by another variable which can not be captured by a qualitative research and requires an individualized quantitative approach.

According to these definitions of the concept the main characteristics of *knowledge-based management* and their compatibility with the result of our study are the following:

- provides continuous knowledge opportunities for its employees in the form of training or other employee development activities. 45% of the interviewed entrepreneurs said they offer some kind of internal or external training to their employees and there is an increasing trend in this direction, sustained by the entrance on the Romanian market of several international consultancy and recruitment organizations.

- is continuously aware of and interacts with its environment, feature that can be translated into the acknowledgement of the importance to collect data from the environment and the interest for innovative information technologies. Although 56% of the organizations do not collect external data on a regular basis, 95% of the entrepreneurs are aware of the importance of the new communication and information technologies to the development of the firm.

4. Conclusions

In conclusion, as a result of the exploratory research, the following options, that can contribute to professional development of employees:

- recognition of employees efforts;
- appreciation of employees commitment to their work;

- proposals formulated to employees to be part of decision taking within the organization;
- offering training opportunities at the workplace and outside the workplace;
- respecting promises formulated by managers to employees;
- maintaining a good moral of human resources by verbal encouragements;
- improving behavior by rewarding special efforts and performance, in order to repeat similar results.

Analysis and interpreting information from the observation forms generated the following proposals of motivating employees by managers:

- acknowledging and using personalized motivation forms for each employee
- creating and using motivation new Communications channels between managers and employees (Communications improvement);
- offering employees the opportunity to fulfill activities according to their qualification. As managers, respect the employee's formation and competences!

The scientific approach can be forwarded highlighted through:

- formulating and arguing economic interpretations for motivated employees (positively and negatively), taking into consideration the similarities and differences existing between SMEs from the other European Union's country members;
- fundamenting and elaborating strategical directions of professional training according to SMEs type, as a result of differences resulted from the SMEs sector analysis;
- determining the measure in which positively motivated employees can influence the competitive advantage, for the SMEs from the other European Union's country members, with the factors that influence this phenomena.

Human resources motivation and professional development are indicators reflecting, in a long term, the organization health. Managers admit that the preoccupation for professional development of human resources is the most appropriate way to ensure the sustainable success of business.

As a result of testing the research hypothesis, we formulated the following proposals for improvement:

- strategical priorities for creating a favorable environment for human resources professional development;
- proposals regarding improving SMEs competitiveness, entrepreneurial culture and perfecting entrepreneurial abilities;
- developing a sustainable relationship between education and the business environment, by raising the number of students involved in

programms of practical activities within organizations, by raising the number of researchers and integrating the research and development institutes in national and international training programmes;

- building and implementing an informatic solution of managerial education regarding making more efficient the university system, by developing learning processes, including a system (model) that can assure correlation for future graduates according to national and international market requirements, in the context of knowledge-based economy from Romania. The proposal represents a solution of externalizing of codifying knowledge of human resources that activates in business and educational environments.

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