
DEVELOPMENT OF EMPLOYEES IN MODERN COMPANIES

■ **Abstract:**

Development of employees in modern companies is an activity that helps employees in its future development, change and creation of certain skills and behaviors that they require for daily achievement of clearly defined goals. A large number of companies in today's time believed that the basic cause of acquiring, maintaining and creating competitive advantage in the market development of employees through the development of intellectual capital.

This includes the development the applicable knowledge - in the first place to know what to do, and develop skills that will help them to know how to do it. In addition, it is necessary and understanding the whole process and a certain dose of creativity to the employees know why it works in a certain way. Basic focus development of employees in manufacturing enterprises related to learning and skills, their changes directly influence the creation of conditions that employees understand the connection and the reasons why something works and why. In this entire process is very important motivation for innovative thinking and continuous quality improvement. It is important to emphasize that during the crisis development of employees is crucial for the survival and further growth of the company.

■ **Keywords:**

employees, knowledge, motivation, skills, innovation

■ **INTRODUCTION**

The adaption of the company to the constant changes and trends in the environment, means a constant change of the employed in the same conditions and processes. In today's real conditions of business the life cycle of products is shorter and shorter, the technological changes are accelerated, also is the growing of competition on the global level, and on the other hand, the present knowledge becomes old. The answer to such problems can not be given by formal school education, which by its nature has a certain stability and cycle. For these reasons, we can say that the school system is only one pillar and base for further upgrades and expansion of other educational activities during life and worktime, which aims at adaptation of existing knowledge and skills to

new work requirements. For these reasons, the development of employees is the basis of the flexibility of companies and a key lever in long-term development of enterprises. The management of the enterprise increasingly thinks that the development of employees is one of the most effective ways to achieve competitive advantage, the basic assumption of entering the competition and compete with competitors for the affection and confidence of consumers. This becomes not only a necessary condition, but also a prerequisite for any further development of enterprises and survival. So when we talk about the development primarily we think of activities that aim at expansion of the overall knowledge, development of the potential and the change of the values and culture. It is considered that the development is primarily aimed at long-term plans, i.e., the

acquisition of certain skills and knowledge necessary to overcome specific business tasks, and indicates the time dimension of the future.

■ THE GOALS OF EMPLOYEES DEVELOPMENT IN MODERN ENTERPRISES

Development Goals define precisely what we want to achieve with that process, including preparation or changes arising after the whole process of development, and relate to better and more qualitative job performance of employees. A large number of enterprises in our country and in the world believes that the crucial importance of the competitive advantage is knowledge. Therefore, all these companies are investing huge funds and resources for the development of intellectual capital, they invest in knowledge. A large number of various researches shows that such companies invest annually from 1.5% to 3% of the total annual budget revenues, and even if you add the indirect costs of training, then the total amount of expenses exceeds 10% of total earnings. The answer to the question of why to invest is so very simple, if you want to be competitive in a constant course of events, it is necessary to invest in knowledge. These investments directly affect the creation of successful and unsuccessful companies.

The development of employees is very often confused with the concept of employees training. The development of employees refers to the creation of learning opportunities in order to help employees in their personal development. When we talk about development, access is very wide, because it does not apply to their work places where they carry out everyday work activities, but the mere way of approach and development of employees has far-reaching and future requirements of the job or career development.¹

Realizing the special importance of developing employees for modern enterprises, in reality, today's companies give out more and more funds for this activity with the belief that it is an investment which very quickly returns. It is estimated that companies which want to keep pace with changes should ensure that employees get of 2% of the total annual fund of

work hours for development. The reasons for investing so much in the development of the modern organization are numerous:

- The accelerated development of technologies which causes rapid obsolescence of knowledge
- Increasing of the demands of consumers, who seek new solutions and new knowledge;
- Increasing of the competition on the global market stipulates the need for higher level skills of employees in order to make company survive;
- New technology and new way of doing business increase the complexity of work and require new skills (interpersonal, communicational, conflict management, team work, etc.)
- A growing gap between theory and practice, and the inability to provide the appropriate skills and knowledge on the labor market.

■ THE CONCEPT AND DEFINITION OF THE EMPLOYEES DEVELOPMENT IN MODERN ENTERPRISES

The development of employees can be defined as a clear program plan of the company to influence the improvement of the performance of employees in the course of performing their work assignments. Under development we can clearly define, that it is a set of activities that directly affect the change of the knowledge of employees, their skills, abilities, attitudes, opinions, working process, attitude to work, mode, etc.

Development of employees is a good tool that allows employees to acquire specific skills and behaviors that are crucial and very important to them in doing business with a standard level of performance.

The development of employees is an activity that helps employees in their daily work, change and creation of certain skills and behaviors that they require for daily achievement of clearly defined goals. A large number of companies in today's time believe that the basic cause of acquiring, maintaining and creating competitive advantage in the market is the development of employees through the development of intellectual capital. This includes the development of cognitive knowledge – in the first place to know what to do, and improve skills that will help them to know how to do it. In addition, it is necessary to

¹ Bogičević.B., Human Resource Management, Faculty of Economics, 2003, Belgrade, pg.153.

understand the whole process and a certain dose of creativity so that the employees know why is that done in a certain way. Fundamental focus of development of employees in manufacturing companies relates to the acquisition of knowledge and skills, their changes which directly influence the creation of conditions that employees understand the connection and the reasons why something works and why. In this entire process motivation is very important for innovative thinking and continuous quality improvement. Many companies today believe that the development gives competitive advantage in the market development of intellectual capital, which includes cognitive knowledge (to know what to do), how, and skills they need to improve creativity and motivation to understand the importance of the whole project.²

Here are some obvious possibilities of employees development application at work:

- Motivating of employees;
- Delegation;
- Troubleshooting;
- The creation of teams;
- Evaluation and assessment of employees;
- Planning and critical review;
- Work in a team;
- Development of employees;
- Planning;
- Management;
- Monitoring of performance;
- Efficiency.

The development process helps employees in the company to focus on acquiring knowledge and skill development, as well as the creation of such changes and conditions for employees in the company to understand the connections and the reasons why something works and to be motivated for innovation and constant improvement of the business.

The approach to the development of employees in manufacturing companies has experienced a significant transformation and correlates with changes in how to manage the enterprise. The first period, which presents Taylor's understanding of the company, features training for making capable of performing divided and simple work operations and directing to gaining speed and working skills. During this period the

environment is stable and school system largely satisfied the need for higher levels of knowledge. In the second phase of the development of company, the development of employees focuses on problem solving and transfer of lessons learned into practice, there is a more systematic confirmation of development needs, development of more complex contents, which do not only include a working operation, but also social competence, and the establishment of developmental functions as an important function in company. The modern approach to the development of employees in the company is based on the activation of the very employees and managers in the realisation of the development process, and the contents are directed to a system of values, teamwork, communication and conceptual thinking. At the same time interactive methods are introduced and learning in various forms is becoming a normal and daily practice and commitment of every employee. Today companies, under the influence of high technology and competitive relationships on a global scale, have a changed attitude toward work processes, costs and resources, so that knowledge becomes a key resource, a training mode and survival. The development of employees in manufacturing enterprises is determined by the following factors:

- The market principle of business enterprise requires constant adjustment to new conditions and flows, which means not only technological changes but also changes in the company, changes in product assortment and behavior. All these imply a high level of flexibility, that flexibility also means people who work in market-oriented company. The development in that way becomes a factor of adaptation and necessity, without which there is no change.
- Under the pressure of competition and the fussiness of customers, a market-oriented company is constantly faced with the problem of costs and problems of innovation. In order to solve these problems the knowledge becomes a key factor. Therefore, specific knowledge gains increasing importance in the direction of innovation and expansion of knowledge through flexible development programs during the job or related to the job.
- Development of functions in the company takes into account the objectives in terms of

² Quinn., JB, Andersen, P., Finkelstein, 1996., Leveraging intellect, Academy of Management Executive, pg. 39

overcoming the deficit of knowledge, developing of skills needed to perform certain tasks and solve specific business problems and working.

- *With development, working methods change. At a time when money and time become very important limiting factors, one can not gamble with activities that are not needed for companies, or which do not achieve specific goals. Understanding the role of participant development is also changing. These are no longer passive recipients of information but active participants in the process of exchange and creating new knowledge. To such conditions methodical concepts must be adapted, and also spatial conditions, which should encourage communication between participants and team work. For these reasons, development contents change. Navigation process in modern enterprises increases the complexity of business requirements, and development is not aimed at gaining additional knowledge and skills for specific job position, but the methodical entrepreneurial competence to solve problems. Autonomy, ability to work and professional expertise can be achieved only if the methods of knowledge development, skills and behavior are integrated into a single concept of team and project oriented development of employees in the company.*

■ **THE IMPORTANCE OF EMPLOYEES DEVELOPMENT PROCESSES IN COMPANIES**

Development of employees is becoming a very important element of the modern companies' success, both on global and domestic market. Today business conditions require the stronger need for leadership, knowledge, better employees, who are talented and highly educated. The companies with their ads and offers want to attract better workers, in order to have their focus on better quality and rapid change. Companies worldwide invest millions of euros, yens and dollars in various development programs to achieve competitive advantage in the market. The mere growth of investment in various developments shows us that companies are becoming aware that knowledge is a factor that creates the difference between successful and unsuccessful companies, whether it is about companies or employees within a company.

Development of employees in each company, regardless of size becomes very important activity in the function of human resource management, due to globalization, competitiveness, strengthening the need for leadership, growing knowledge, and attracting talented individuals. The whole world is investing digits in millions in development employees, only for reasons of domination in their markets.

Effective development must have clearly defined objectives, to be compliant with the identified needs, to plan and to ensure the implementation of experience and lessons learned. The best situation is when the development satisfies the needs of companies and employees.

The main goal of development is that to eliminate in the short term any elements that can affect the performance of employees.

The main results achieved by development in the company are the acquisition of new knowledge, new skills and developing abilities of employees.

When we speak of knowledge we have in mind the entire content of an object or phenomenon, and their provisions based on the truth. Knowledge is in direct conjunction with science, and it is often taken as its synonym. The aim of science is, with various theoretical and empirical research, to obtain objective and real truth.

As for skills, they refer to the long process of learning, while the capabilities and tendencies to something, form and are learned in the processes of education, and moral and cultural maturity of self-affirmation of the whole personality come from education and self-education.

Skills are personality traits of which depends the difference in the successful performance of certain tasks. The first group consists of more intellectual or mental abilities, while the second group consists of psychomotor skills, the third of sensory abilities.

When evaluating performance of employees we are directly related to the function of human resources. Scores of employees get, create a clear picture of whether they accomplish a certain standard and in what levels. Based on these results we can see very clearly that there is a change of behavior, attitudes and skills improvement. This method can be very good at checking the quality of development. In addition to all the important benefits of development

employees, this factor in the development of employees is in direct function of the progress of employees. Through specific results after development, we get information that help us in the process of deciding on the transfer and promotion in the company, and at the same time the whole process affects the wage system. In addition to the above-mentioned advantages of development, we can say that development has an important role in changing the culture of the company.

CONCLUSION

Development of employees in modern enterprises is becoming a very important element of success, both at the global and the domestic market. Conditions today require increasingly strong need for leadership, knowledge, better employees, who are talented and highly educated. Companies with their ads, and good offers want to attract better workers, in order to have focus on better quality and rapid change. Companies around the world are investing millions of euros, yens and dollars in various development programs to achieve competitive advantage in the market. The mere growth of investment in various development and training processes tells us that companies are becoming aware that knowledge is a factor that creates the difference between successful and unsuccessful companies, whether talking about companies or employees within a company.

Development of employees in any enterprise regardless of size becomes very important activity in the function of human resource management, because of the globalization, competitiveness, strengthening the need for leadership, the growing knowledge and attraction of the talented individuals. The whole world is investing millions of figures in the development of employees, only for reasons of domination in their markets.

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