

CONDITIONS OF ORGANIZATION AND PERFORMANCE OF THE TRAINING SERVICES COMPANIES

Iwona Małgorzata Kutzner*

Abstract:

The aim of this study is to present the results of the research of the author, which aimed at: recognition of the training services market, the entities creating it, the characterization of the structure of employment (their quality, quantity, their education, qualification, age). In addition, the author presented in the form of tabulation the changes that are taking place in the modern world and have an impact on the functioning of the organization. The author defined a new category of a worker, which appears in the organization – an external knowledge worker along with its characteristics. The basic research methods used in the work are: literature studies, empirical analysis using secondary research and own empirical research conducted for the scheduled process research. The paper consists of six components, with description of the functions performed by the service sector in the economy, the characteristics of the training services market, as well as the impact of the new economy on the organization, function and shape of small business training services and employees who are the organization's most important asset.

Keywords: *globalization, training services market, small enterprise, small training services enterprise, employee, knowledge worker, external knowledge worker, features.*

1. Introduction

In the global economy the services sector becomes vital and it slowly begins to replace the manufacturing sector. The new economy influences and forces changes in the economic entities. Also, increasingly recognized is the fact that developed economies are characterized by the overwhelming role of the services sector in the GDP and employment. According to Flejterskiet al. (2005, p. 4), the sector affects the production, exchange, consumption, and also the life of the individual units. Knowledge-based economy (KBE)

* Ph.D. Candidate, Faculty of Economics, Department of Economics, Wrocław University of Economics and Faculty of Economics, Department of Science of Business, ul. Kochanowskiego 9. 58-500 Jelenia Góra, e-mail: iwona.kutzner@ue.wroc.pl.

(Niklewicz-Pijaczyńska & Wachowska, 2012, pp. 16-17). KBE is a type of economy that expands a subject in contrast to the industrial economy and is based on the following features:

- fundamental resource is widely understood knowledge and information that preceded it, and its carrier employees are not treated as a cost, but profitable investment (Davenport, 2007). They also have a decisive role in determining the market value of the company,
- different style of management: it is participatory rather than top-down (command and control)
- the status of the organization does not depend on the scope of authority, but the skills and knowledge: you are worth as much as you know (Perechuda, 2005),
- a new dimension of organizational culture based on trust and incentives rewarding creativity and ability to work in a group (Nalepka, 2012),
- network organizational structure, in which the main strategy is based on cooperation,
- different incentive system based not only on traditional financial incentives, but also personal, internal satisfaction,
- development of international companies and new forms of doing business, which contributes to the diffusion of knowledge and the effectiveness of its use,
- a new dimension of relationship with customers – individualization,
- transformation of the internal and external environment is treated as Drucker's excuse to change, and is no longer a threat; while development of the company has no longer linear character, it is often spontaneous,
- difficult to predict, but adequate for the development of the market situation of the entity, the use of modern technology is an indicator of market success and the meaning for the company's existence,
- services are becoming the dominant sector of the economy, information processing, and use of knowledge, drastically decreases the importance of industry-related departments and classic production lines,
- management rules are also applied in "non-business" sectors, such as education, administration or health care,
- gain increasingly becomes a means of the task, and not its goal (M. Strojny, No. 10, 2000).

This economy is a network based on mutual relationships. It is a doctrine in which knowledge becomes the engine of socio-economic changes, and consequently a stimulus to economic growth and development of countries. Skilfully prepared or acquired it becomes a cause for changes in the micro and macro economics. Man is the source of knowledge along with the widely understood human capital (Strojny, 2000).

Several factors influence the micro and macro environments: globalisation, competition, innovations, monopol, technological regress, cultural diversity, customer orientation, changes on the labor market. In knowledge-based economy intellectual capital acquires growing importance. Product quality or price ceases to be essential. More and more often, in order to gain a competitive advantage organizations accelerate, show flexibility in decision-making, respond to the environment of the company and develop and maintain good relationships with customers. In witness whereof, (Juchnowicz, 2014, pp. 31-32) today in the business environment, as well as within the organization, multiple new phenomena can be observed that have a particular impact on the development of companies. They are, among others: the next phase of globalization, emergence of new technologies, growing modernity of developing economies, which results in an increase in the level of skills and innovation of employees, urbanization, increased employment in the service sector, aging of the society, as well as new norms and values brought by the new generations entering the labour market. New economy (...) will be based on the use of small businesses, individuals, freelancers, forming more flexible virtual communities, faster in operation than the big corporations (Mrówka, 2012, s. 56). Intellectual capital consists of: human capital, organizational capital and relational capital. However, the most important are the people and their knowledge; also, important are the specialists involved in seeking active possibilities and using knowledge to generate profits in various types of industries, for example: IT, education, e-commerce, health care, financial companies, media, pharmaceutical or high technology (Marcinkowska, 2011, p. 497).

Nowadays companies consider the following directions of development: (Mikuła et al., 2007, pp. 26–27):

- economic activity around the world, globalization, cost reduction,
- organizational flexibility and the ability to make changes related to market environment and the changing situation,
- flattening structures of companies, networking, fractal organization, virtual organizations, organizations without borders,
- cooperation with external knowledge workers, partnership-oriented actions, outsourcing to other companies or external knowledge workers,
- building and strengthening of intellectual capital for the individual and organizational level,
- creating systems to facilitate customer relationship management based on new technologies and their effective use.

2. Polish training services market

Polish training services market exists and has been developing since the early nineties of the twentieth century in Poland. In the initial phase, it was only adopting moving personnel management models used in international companies. Over the years, training industry has been going through various stages of development from dynamic development to recession. Its dynamics depend on European funds. Now this market consists of the following entities according to the Act of 20 April 2004 on employment promotion and labor market institutions, Art. 20 (Official Journal of 2008, No.69, pos. 415 with later changes) and the Regulation of the Minister of Economy and Labour of 27 October 2004 on the register of training institutions (Official Journal of 2004, No. 236, pos. 2365 with later changes). According to the Act, a training company is a public and non public entity. Legal and natural persons may establish nonpublic schools and institutions after registration issued by a local government obliged to run the appropriate type of public schools and institutions. Commercial provision of services by these entities and therefore training services has been recognized as an economic activity in the Act on Freedom of Economic Activity. Training services have not been assigned to the so-called regulated activities, such as those which require the fulfillment of specific conditions in specific provisions of the law, as well as any license, permit or consent given by the relevant authority.

An entrepreneur wishing to conduct training activities, pursuant to the Act may be: a natural or legal person, civil law partnership or organization unit which is not a legal. The entrepreneur, depending on legal form of organization should: a natural person – register in Central Registration and Information on Business, a legal person, civil law partnership or other organizations – register in the National Court Register.

Nowadays, training companies are private, micro and small businesses which operate on local or regional market. In 2010-2013 observation of development of this market was made, which is related in changes of size of businesses: the number of micro and small enterprises declined, and the number of big, medium and big-sized enterprises rose. This trend is confirmed by the analysis of range of the training firms and institutions. In 2010-2012 the number of entities operating on the local and regional markets decreased and the number of those that provide services throughout Poland rose. There were no changes in terms of the number of entities of international training: they constitute about 5% of all surveyed institutions and companies. Although the structure of the training market has not changed, there are some indicators proving its development: a growing number of medium and large companies and those that provide their services not only to the local and regional markets.

Detailed analysis of employment data, including data relating to persons directly involved in the training or consultancy shows development of this sector (Pauli, 2014).

Between the years 2010 and 2012 the average employment in the sector increased from 43 to 56 persons, while the average number of trainees increased from 20 to 27. The training sector in Poland is characterized by a high rotation of entities operating in it: there are many new providers on the market, however many entities are expected to announce bankruptcy or resign of training activities. As many as 1 of enterprises studied in 2012 are relatively young: they have been operating on the market no longer than five years. Despite the slight increase of Poles' educational activity, the training sector is increasing steadily as evidenced by the previously mentioned employment growth and increased turnovers observed in subsequent editions of the survey². There is no single definition of an enterprise or a training institution. The Central Statistical Office reports that a training institution is one that offers training for the unemployed and job seekers. Register of Training Institutions³– defines it as one that offers courses for the unemployed and job seekers, which are financed from public funds. The Polish Chamber of Training Companies⁴ associates entrepreneurs whose business activity focuses on training services. In contrast, the Polish Agency for Enterprise Development defines institutions classified in Polish Code List of Business Activities in the area of adult education as for instance: driving schools, foreign languages schools or companies providing consultancy services in the field of management etc.

3. Range of research and methodology

Empirical research conducted by the author of this publication is the initial stage of the scheduled research process for the purpose of writing a doctoral dissertation. Respondents were divided into two groups:

The first group of respondents includes:

2 Since 2010, the Polish Agency for Enterprise Development, together with the Jagiellonian University (Centre for Evaluation Analysis of Public Policies) prepare reports on labour market as part of project Study of Human Capital in Poland. Its general objectives are nation-wide outreach, which allow monitoring of changes in the labour market. Research in each edition will be conducted according to the uniform methodology, thanks to which results of the research conducted in different years will be comparable. The results will help planning the development of human capital at the state level, voivodeships, as well as companies. Based on our research and own observations, the author described the training market at: <http://bkl.parp.gov.pl/raporty-iii-edition-research>.

3 Register of Training Institutions is created and kept up to date by the Regional Labour Offices. The Register of Training Institutions includes, among other information: the name and address of the training institution, names of training staff, premises, its equipment, methods for assessing the quality of training, the number of unemployed and job seekers covered by the training during the last year, information about assistance after completion of the training and subject matter of courses. The Register of Training Institutions is conducted electronically. It is explicit and available on the websites: www.psz.praca.gov.pl, www.ris.praca.gov.pl, www.wup-krakow.pl.

4 www.pifs.pl – Polish Chamber of Training Services associate entrepreneurs.

- owners / persons managing small training services businesses – research sample – 30 respondents (2013/2014) and 30 respondents (2015);
- registered in accordance with Polish Code List of Business Activities – 85.5Z and 85.6Z – extracurricular education forms and nowhere else classified, from Lower Silesian and Masovian Voivodeships;
- registered in the Polish Chamber of Training Companies;
- registered in the Register of Training Institutions.

The second group of respondents includes:

- External knowledge workers, working with small training services businesses – research sample of 30+30 people;
- own database of external knowledge workers – 500 people.

At this stage, the aim was to: prepare research tools and pilot studies, verify the research tools, gather information. During the study, which was prepared in 2013,2014 and in the first part of 2015, the following information was collected and compiled:

- The characteristics of the organization: type of organization, size, industry, the activities, organizational and legal form.
- identified human capital in terms of: number of employees, the employment structure, the quality of employees' education, qualifications, age, implementation needs, their job satisfaction, opportunities for growth and self-fulfilment. Additionally, information regarding: culture, strategy, conditions of organizations and performance of the small training enterprises, structure of organization, their form.
- The use and development of human capital (implementation of selected methods, techniques and activities that support the use and development of human capital; connection with the implementation of the Human Resource function).

Due to the huge quantities of data collected and multitude of aspects of the study, as well as the limitations resulting from the number of publications, information obtained by the author will be presented only in general terms.

Preliminary studies were to obtain the following goals:

- test the questionnaire to verify its correctness and understanding of the questions. In addition, the author carried out direct talks with the respondents to improve the research tool. Questionnaire at a later stage of research will be adjusted.
- identification of the training services market, its operators, structure, forming their characteristics; identification of human capital in terms of: number of employees, employment structure, the quality of employees' education, qualifications, age, meeting the needs, their job satisfaction, opportunities for growth and self-fulfilment. Additionally, through direct interviews to obtain information on the following criteria: culture, strategy, methods of operation, dependence

on the employee, relationships with people, organizational structure, boundaries of the organization, organizational forms.

4. The characteristics of the training services companies

The characteristics of the surveyed companies providing training services were collected, as well as the structured information about the organizational and legal form of companies, number of employees, the form of employment and the quality of their education.

Organizational and legal form of training services enterprises

The main organizational and legal form of companies is an individual economic activity (sole proprietorship), which was indicated by 30 respondents, whereas the form of commercial companies and limited liability companies were indicated by 15 respondents for each. They are all Polish undertakings, without the participation of foreign capital.

Table 1. Organizational and legal form of training services enterprises

Polish List of Codes Business Activities	Organizational and legal form – the survey sample – 60 people		
	Sole proprietorship	Commercial companies	Limited liability company
Extracurricular education forms	30	15	15

Number of employees

From the data collected it can be seen that all the companies providing training services are small businesses and employ 10 people at the most: 48 indications. Employment in the range of 11 to 20 people was indicated by 6 respondents, and that in the range of 21-30 only by 4, the remaining categories had 1 indication each.

Table 2. Employment in training services enterprises

	Number of employees – 60 people				
	1- 10 people	11-20 people	21-30 people	31-40 people	41-50 people
Number of indications	48	6	4	1	1

Form of employment

In companies providing training services two categories of workers have been observed. One: – workers employed based on a contract of employment and the other: the external knowledge workers, self-employed. 90% of the employees are women, 10% men. They all hold higher education degrees: a Bachelor and a Masters degrees and postgraduate studies degrees. The women work in administrative and office positions such as: receptionist, assistant, marketing specialist, accountant or human resources specialist. Men are employed in the sales department as salesmen, marketing specialists, computer scientists.

Table 3. Form of employment

Form of employment	Full-time	Sole proprietorship	Contract
Full-time employees	100%	0%	0%
External knowledge workers	0%	35%	65%

80% of external knowledge workers are men. Employees employed under contracts of employment work in administrative or office positions or as assistants. External knowledge workers work on the basis of civil law contracts. Despite the fact, that in accordance with the Labour Code they do not provide employment contracts, respondents classify them as employees. External knowledge workers are treated as key *employees* who foster and stimulate the development of the company.

Table 4. Employment/gender/employees and external knowledge workers

Employees/gender	Results
Gender – Full -time employees	Women – 90% of employment in the surveyed enterprises (54 people) Men – 10% (6 people)
Gender External knowledge workers	Women – 20% (12 people) Men – 80% (48 people)

Table 5. Employment/ education/employees and external knowledge workers

Employees/education	Results
Full -time employees	100% Bachelor and Master’s degree
External knowledge workers	65 % Master’s and postgraduate degree, 10% Ph.D., Ph.D. with post- doctorate titles or professors

Table 6. Employment/age/employees and external knowledge workers

Employees/age	Results
Full -time employees	65% under 35 years, 20% to 45 years and 20% above 45 years of age
External knowledge workers	35% under the age of 45, 65% over 45 years of age

5. Results of the research

To meet the demands of the modern economy it is necessary to move away from the classic definition of an undertaking. Thus it is being treated as a set of processes, the blurring of boundaries between the undertaking and its surroundings and virtualization business is perceived. The basic research methods used in the work are: literature studies, empirical analysis using secondary research and own empirical research conducted for the scheduled process research. Table 8 presents the most important characteristics in the new economy.

Table 8. New economics, New organization, New category of employee – the external knowledge worker

New economics	New organization	New employee	External knowledge worker on the training companies
Globalization	Intellectual capital	Knowledge worker	External knowledge worker, well educated, uses skills in different projects
Competition	Key competences	Life-long learning	Takes care of his self-development, invests in his knowledge, is autonomous, independent, flexible, easily adapts to the services / tasks set before him to execute / implement, takes care of his intellectual, physical and mental development, has exceptional interpersonal skills
Innovation	Less hierarchy	Change of profession and function in the organization	High mobility, external knowledge workers matched to the individual projects. Interaction, mutual support and deepening knowledge. The use of a synergistic effect at each stage of realization of the project. Knowledge sharing. High self-esteem of each external knowledge worker.
Breaking monopoly	Project management	Lower stability of the employment	Lower stability of the employment but more possibility for self-development.
Technological regres	Network organization	Work as a task	Can perform work/services anywhere, for example using modern IT solutions, the Internet, videoconferencing or e-learning.
Computer science	Virtualisation	Creative thinking	Creative and conceptual thinking

New economics	New organization	New employee	External knowledge worker on the training companies
Multi culture	Managing professionals	Team building	Multi culture. The most important mission, strategy, partnership collaboration, project teams
Customer oriented	Talent	Time management	Recruiting specialists, experts, self-control, own career and development the most important for the external knowledge worker
Changes in the labor market			More and more micro and small organizations, competitive, self-employed, knowledge worker, experts, external knowledge worker

Source: own study based on Morawski (2009, 2006, 2003).

Based on all the information obtained, external knowledge worker was defined and his features formulated:

- a natural person, who provides services / "work" on the basis of civil law contract,
- has unique, advanced and specialized knowledge – a specialist in his field – who shares it non commercially (depending on the scope of contracted work)
- takes care of his self-development, investing in his knowledge, is autonomous, independent, flexible, easily adapts to the services / tasks set before him to execute / implement, furthers his intellectual, physical and mental development,
- has exceptional interpersonal skills,
- able to work individually or in a team depending on the nature, complexity of tasks / services to be done, creative, able to think conceptually and use it in his work,
- can perform work / services anywhere, for example using modern IT solutions, the Internet, videoconferencing or e-learning.

6. Conclusion

In the global economy the services sector becomes vital and it slowly begins to replace the manufacturing sector. The new economy influences and forces changes in the economic entities. Currently, in order to compete, a company should not only focus on the material, financial and informational resources, but mainly on the human assets. The new category of employee appears – an external knowledge worker sharing his unique knowledge and having extraordinary interpersonal skills. An external knowledge worker is not a worker within the meaning of the Labour Code but the company treats him as a resource and signs civil law contracts with him. Restrictions resulting from the requirements of the publication editorial meant that the author has presented only basic conclusions. The study involved two groups of participants. The first

group consisted of proprietors and managers of companies providing training services, the other of external knowledge workers. Applicable organizational and legal forms were found, as well as the number of employees and their form of employment. The collected data characterize the companies providing services training and describe their functioning. In the next studies, the author intends to present the answers to the questions formulated in the research problem, for the purpose of writing a Ph.D. dissertation addressing the subject of managing external knowledge workers in training services companies.

References

- Flejterski, S., Klóska, R., Majchrzak, M. (2005). *Usługi w teorii ekonomii*. In: S. Flejterski, R. Klóska, M. Majchrzak (Eds). *Współczesna ekonomika usług*. Warszawa: Wydawnictwo Naukowe PWN.
- Davenport, T. H. (2007). *Zarządzanie pracownikami wiedzy*. Kraków: Oficyna Wolters Kluwer Business.
- Morawski, M. (2009). *Zarządzanie profesjonalistami*. Warszawa: Państwowe Wydawnictwo Ekonomiczne.
- Morawski, M. (2006). *Zarządzanie wiedzą. Organizacja-system-pracownik*. Wrocław: Wydawnictwo Akademii Ekonomicznej.
- Morawski, M. (2003). Problematyka zarządzania pracownikami wiedzy. *Przegląd Organizacji*, 1.
- Nalepka, A. (2012). Formy organizacyjne działania przedstawicieli licencjonowanych zawodów związanych z gospodarowaniem nieruchomościami w Polsce. *Zeszyty Naukowe*, 896.
- Niklewicz-Pijawczynska, M., Wachowska M. (2012). *Wiedza – kapitał ludzki – innowacje*. Wrocław: Wydawnictwo Uniwersytetu Wrocławskiego.
- Pauli, U. (2014). *Rola szkoleń pracowników w rozwoju małych i średnich przedsiębiorstw*. Kraków: Wydawnictwo Uniwersytetu Ekonomicznego.
- Perechuda, K. (2005). *Zarządzanie wiedzą w przedsiębiorstwie*. Warszawa: WN PWN.
- Strojny, M. (2000). Teoria i praktyka zarządzania wiedzą. *Ekonomika i organizacja przedsiębiorstw*, 10.