

## **MODERN METHODS FOR THE CONTINUOUS DEVELOPMENT OF SME PERSONNEL**

Miranda-Petronella Vlad, Ph.D. Candidate, “Babeş-Bolyai” University of Cluj-Napoca, Romania, Faculty of Economic Sciences, mirandapv@yahoo.com  
Associate Professor Ramona Lacurezeanu, Ph.D., “Babeş-Bolyai” University of Cluj-Napoca, Romania, Faculty of Economic Sciences, ramona.lacu@personal.ro  
Associate Professor Alexandru Chiş, Ph.D., “Babeş-Bolyai” University of Cluj-Napoca, Romania, Faculty of Economic Sciences, alexandru.chis@econ.ubbcluj.ro

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### **Abstract**

Information and knowledge became decisive factors in determining the competitiveness of a country during the process of accelerated globalization from the last decades. Education stimulates economy, contributes to the diminishing of poverty and promotes democracy, thus being a governmental priority in all countries.

In the context of this economic competition, the companies consider diverse methods of professional improvement for their employees. One such method is e-learning. The study aims to analyze a set of instruments and educational materials to understand how to apply solutions of e-learning in SMEs, also evaluating and locating instruments and educational materials adapted to the needs of development in SMEs.

E-learning offers substantial advantages to companies as it is perfectly adapted to the specifics and exigencies imposed by the instruction destined for the business environment.

### **Introduction**

According to the Country Report released in September 2006, the European Commission recommended that the Romanian Authorities should continue the implementation of the reform process, so that the country should be prepared for the accession and integration to the European Union. The accession passed well, but the problem of workforce integration is very present as we are facing with direct competition both at the economic level and at the workforce level.

The professional training and the current activity are permanently interdependent; the training structure focusing on the knowledge transfer and the knowledge application to the basic activity.

At present, more than ever, any strategy for the development of a business is based on the principle according to which it is acknowledged that the most profitable investment of an institution is the formation and training of employees and the principle which refers to the need of a continuous training for the whole career.

The training process (learning, instruction, and formation) uses several methods among which: activities performed in the classroom, on-line learning, practical activities and assisted learning. It is recognized that the combined learning is the optimal solution for making beneficial the professional training of the personnel at various levels within a variety of companies. At the same time, it is recognized the importance of the tutor/ mentor who assists the personnel in the training process.

At present, more and more managers and businessmen say that “the training of personnel is very important for a company, as the personnel are the most valuable assets of a company, and for this, significant investments will be made so that the personnel should participate every year in training programmes.” There are companies where the employees benefit of specific training when being employed. This training includes a series of basic courses to know better the company: business basic courses, strategy and culture courses. In addition to the traditional learning and training methods, there is an attempt to implement modern training systems as eLearning.

These systems are according to what the European Commission, by [11], defined “a new Lifelong Learning Programme”, presented in the Decision of the European Parliament and of the Council on 15 November 2006 and published in the in the Official Journal of the European Union on 24 November 2006.

The Lifelong Learning Programme comprises four sectoral programmes on school education (Comenius), higher education (Erasmus), vocational training (Leonardo da Vinci) and adult education (Grundtvig), and is completed by a transversal programme focusing on policy cooperation, languages, information and communication technology and dissemination and exploitation of results.

In the Romania of 2008, there has been announced the opening toward projects financed from the European Regional Development Fund within the Sectoral Operational Programme “Increase of Economic Competitiveness” 2007 – 2013 (further referred to as SOP IEC), through “*Operation III.3.2 – “Support for the development of electronic commerce systems and other electronic solutions for business” within the Major Intervention Domain III.3 – Development of e-economy” [1]*

“The intervention of structural funds for I&CT domain is structured on five priority axes.]. Axis III – “Information and Communication Technology for Private and Public Sectors” supports the economic competitiveness through increasing the interactions between the public sector and enterprises / citizens by fully exploiting the ICT potential and its application in the public administration and private sector (enterprises, citizens)” [1]. Within this operation, there may be financed projects that contain one or several elements, among which: ***Implementation of eLearning systems for Small and Medium Enterprises (distance learning).***

### **What is specific for the eLearning in SME?**

Small and medium sized enterprises embrace very different forms of organisational structures and work in very different branches – from a traditional handicraft enterprise with less than ten employees to an innovative enterprise with 250 employees and several branch offices. It is obvious that these different kinds of enterprises have different demands on knowledge and knowledge management (OECD, 2000).

If better E-learning solutions are to be found specific groups of SME’s according to quantitative and qualitative criteria have to be identified that can be treated in similar ways. This is necessary as it is too expensive to develop single solutions for specific SME’s at the moment. [4]

On the basis of our research, we believe that the eLearning within SME may be outlined by two major characteristics:

- ✚ on one side, the **researches**, made as case analyses and studies, which try to find out as exactly as possible the needs of professional development of SMEs; these needs are noticed according to the number of potential clients and their training level; thus, there

may appear several research segments, using the following segment criteria:

- activity (production, services, trade, constructions)

A very good example is the Analysis of the learning needs of the SMEs in the tourist sector (Work & Learn Together project [13] – WP2), co-financed by the European Commission from Leonardo da Vinci programme. The authors use specific instruments for the identification of the professional development needs of the SMEs in the **tourist sector**. The purpose of this project is to encourage and support the companies in their initiatives of professional development of their employees. It is believed that the professional development of the employees starts the companies' innovation and improvement. However, small and medium sized companies have limited resources for such initiatives. Therefore, building up SMEs communities and joining learning and work represent an efficient strategy for the encouragement and support of the SMEs in their own professional development. [13]

- level of I&CT knowledge
- the market aimed for extension (regional, national, international)
- size of business (number of employees, turnover, etc.)

✚ on the other side, **learning management systems, eLearning platform projects** that try to offer companies the possibility of keeping the history of the events within education on Internet domain, solutions for the development of software simulation and eLearning content, in order to give strategic, cultural and procedural information in an improved manner, simultaneously with the productivity improvement of the employees and services to the clients.

The market of web applications is increasing and therefore, there are “eLearning tools” for the profile of each company or organization, irrespective of its size. Many companies have heard about eLearning, but they need the difficult part, the environment or the platform necessary for the training of their employees. Thus, many software companies offer a cross-browser web application, accessible from any location and with any operation system. It is needed only an internet connection and a web browser. Among the facilities of an eLearning application we may mention:

- course management;
- the management of documentation, reference and files enclosed;
- the management of users at different access level;
- the management of tests of different kinds;
- reports related to the evolution of the students;
- statistics of tests and other instruments to see the effectiveness of the online training.

In just a few minutes you can access the application by registering your company or organization and you can begin to add courses, students, tests, etc.

In conclusion, the eLearning solution needs hardware, licences for software. Some solutions are so simple that the access to the application is conditioned only by a previous registration which takes only a few minutes, and then the students, courses, tests, etc. may be added. The download and installation are not needed, the software is there and in some cases it is free of any obligation for the using company. The eLearning method is based on several learning levels, starting with short movies, the purpose of which is to sensitize related to the activity of SMEs (level 1) and ending with very professional courses (level 3). The eLearning model of PROMIS has been chosen among the best practices in the CEN / ISS guide of beneficial practices for quality eLearning services. [14]



<http://www.promis.eu/ro/description.html>

At present, “the community of good practice” is required more and more seriously as an element of eLearning in SMEs. The communities of practice are groups of persons with common interests that search for answers to common problems and aspects. *The participants acquire knowledge and develop their feeling of identity by interaction and communication, creating a network which shall make innovative processes.* [13]

e-Learning should be conceived of as a fundamental social process. The new digital generation is a communicative generation connected via SMS, e-mail and Internet chats. A lot of informal learning happens within social networks. Tacit knowledge is exchanged spontaneously within so-called “communities of practice” between participants with different expertise. [5]

E-learning, being a suitable modern way of education for use in small and medium sized enterprises is however for various reasons not commonly used for training practices. A solution to make technology enhanced learning better available or of more use in SME’s could be to form communities of practice with contacts, knowledge and information exchange over the Internet, applying best practices and developing business-oriented models of e-learning. [8]

As it happens when a new concept, technology or trend emerges, there are voices that say that e-learning is not a universal solution as there are several *obstacles*, faults difficult to pass in the following years.

Thus, the *participants in the ARIEL project* (a project that has divided Europe in 5 regions) have reached the conclusion that at a European level there have been identified only a few projects for the implementation of eLearning in SMEs, the information obtained being relatively little because of the following failures: [6]

- overview of the strength and weaknesses of those EU-funded e-learning project which aimed at SME or SMO as their target group or one of their target groups.

- **Lessons learned** - Observations can be helpful if they are not restricted to best or good practises but comprise bad practise and mediocre practice also.

- E-Learning provider have to be knowledgeable about the needs of SME or SMO and have to engage in establishing a relation of trust. Trust is a keyword and trust in e-learning-technology is problematic because the e-learning-supply-side is not transparent for SME or SMO and e-learning-solutions are not really standardized out-of-the-box-applications. Therefore personal relations between the supplier and the SME- or SMO-representatives are important.

## Recommendations

- that SMEs resources are scarce and it is not a priority for them to administer vocational training

Other obstacles in the implementation of eLearning in SMEs are mentioned in Austria [7]:

- Companies do not always have the choice to select ICT-based learning materials and programs themselves. Many SME's depend on larger enterprises which also provide the learning materials, e.g. simulators or technical information. Out of the number of SME's that have the choice to select their learning materials themselves most of them don't analyse the market before selecting the program but spontaneously choose a product that seems to fit to their needs. In most cases they do not develop e-learning materials themselves. These are usually provided by suppliers or external manufacturers.
- Enterprises have very different approaches in selecting their students for training programmes. One method often used is to select them according to the skills and the interest employees have in e-learning. Another method is to select a group of employees (e.g. back office) to join the e-learning programme. In a third approach new employees or those who change their work environment have to go through an ICT-based learning course. The background of students is therefore varying very much. Learning itself takes place as well inside as outside of the enterprise, during and after working time or in special areas/buildings.
- SME's do rarely evaluate their ICT-based learning provisions. If they do they mostly use one of three methods (in order of usage): evaluate learning through practical application (this aspect is also used as an evaluation criterion – employees should know their trade), by the department that is in charge of elearning or instruct an external evaluator.

Another problem [8] is the poor quality of e-Learning, practiced in SME's. At one hand, learning contents are mostly standardised courses without much interactivity and engagement of the learners. At the other hand, most e-Learning developments have been focussing on the technologies of Learning Management Systems (LMS) and Virtual Learning Environments (VLE), which are in the way they have been developed usually inadequate for small organisations. Commercial LMS are costly, difficult to handle and to maintain; they have made little impact within SME's and are not sustainable. [8]

## The characteristics of eLearning for SMEs in Romania

*The I&CT in Romania has already got in* and there are regions where strong companies, with experience, which have grown at the same time with the local market, perform their activity, as shown in [10]. There are various measures according to the European Union requirements – as for example the public – private partnership, which should combine synergetically the local initiatives with the central ones, in a completion and support relation and not in a subordination relation. Once Romania ascended to the European Union, the local industry and companies should be competitive from all points of view. An essential element of competitiveness is the implementation of the most adequate I&CT solutions – for business [10].

The new challenges of the accession to the European Union faced by companies and their employees require a particular accent on performance. The extension of the competence portfolio, activity effectiveness, planning and adequate budgeting are only a few of the instruments made to increase the performance level. [12] The competence portfolio, the training level of the employees, the models and work methods are important prerequisites for the success of the organization. In this context, the investment in the training of the personnel may

be the most profitable for the organization. [12]

*The beginnings of the Romanian eLearning in SMEs* may be found under the form of *projects for the sensitization of managers* related to the opportunity of adopting the idea of e-business and implementation of I&CT in the business environment.

The development of training technologies in the field of e-business is achieved both by counselling companies and by big companies that supply e-business software, of profile universities.

We agree that the spreading of eLearning in the world of SMEs is owed to the following aspects very well noticed and synthesized in [2]:

1. The harsh competition of the last years, in the main field of industry, has led to the increase of pressure on prices.
2. The social and demographic changes guide education directly toward the older groups of people.
3. Due to the globalization of business, there are many challenges. The open borders between the states and the advanced technological information facilitate business development all over the world. While borders become less significant, the global competition intensifies. The international expansion led to the enlargement and growth of corporations. More than ever, nowadays businesses have different locations and have employees from different cultural areas and with different educational levels. The corporations all over the world try to find more efficient and innovative ways to offer trainings for their labour offers. [2]

## Conclusions

The information technology has developed as never before and the software solutions presented by various companies try to answer to the more and more diverse needs of the companies.

The eLearning system tries to erase the difference between the objectives of professional learning and the personal objectives and it addresses to all learning needs, ambition and development of the individuals and communities.

The target group is made of the employees of small and medium sized organizations (enterprises, local small administrations, NGOs, associations, etc.) to whom the employers do not offer learning possibilities and who risk to become a new group “socially excluded” from the knowledge based society. [8]

It is tried to achieve a data basis of the projects on eLearning financed by the European Union (partially they are presented on [elearningeuropa.info](http://elearningeuropa.info)). [6]

The training systems existing at an international level are very different according to: [9]

- the receivers: individuals (managers, clients, execution personnel, students, IT specialists, e-business trainers, etc.) or groups (a given company, an economic sector, etc.);
- knowledge level: beginners, advanced;
- offered modules / content: e-business models, e-business strategies, value making, legislation, Internet technologies, creating websites, data and networks security, etc.;
- training forms and methods: course / lessons, off-line individual study, discussion groups, practical exercises, virtual classes, interactive dialogue, interactive tests, simulations on case studies, etc.;
- delivery and payment of the training products and services ;
- granting the copyright to the content suppliers;
- used technologies.

Research carried out in different European and national projects, such as ARIEL shows that e-Learning is still used mainly in big companies. Excepting the IT- and some few other sectors, there is not much e-Learning applied in SME's and most of the few activities are of rather poor quality (Attwell, 2003; Beer, et al., 2006) so far. [5]

E-learning solutions in modular systems could then be easily adopted to different needs of SME's and could be upgraded or downsized according to the immediate learning needs of the enterprise. [4]

In addition to the observation of the general eLearning trends there will be special reports on certain *sociological, pedagogical, technical or economical key issues like eLearning and blended learning applications in SMEs*. [6]

**In conclusion, when we are talking about eLearning for SMEs we have to take into consideration the following actors: [7]**

- ❖ Management problems
- ❖ Understanding of e-learning potentials
- ❖ Inadequate infrastructures
  - Lack of organisational and spatial prerequisites
  - Learning materials
  - Equipment
- ❖ Missing organisational perspective
  - Cooperation of different actors
  - Learner
  - Training provider (intern / extern)

Use of new learning media in small and medium-sized enterprises (below, the “SME sector”) remains still today relatively rudimentary.

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