



## Corporate Education inside the Major Integrated Company as the Technology for Developing Company's Human Resource Potential Authors:

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Growing role of the workforce professional development in the major integrated corporate structures is much explained by the fact that nowadays success on the market to the great extent depends upon the capacity of the employees to acquire novel knowledge and skills and efficiently apply those in work. Major methods of professional development include:

- vocational training;
- career management, covering:
- working with personnel reserve/planning substitutions and succession;
- working with young specialists.

The personnel professional development is aiming at:

- employee due level of training as required by the employee's occupied working post/position;
- conditions for the employee mobility as the prerequisite of better work use and providing working occupation;
  - conditions for forming motivation in the employee and satisfaction with work.

Therefore for organisations being a part of major integrated structures, from the

viewpoint of personnel management necessity arises to view professional development as a constituent element of production or business.





Managing the personnel of organisation in human resources training can have different directions – from pursuing current demands (including for preparation of the narrow specialists, able to fulfill 2-3 particular operations), to pursuing long-term prospects. This depends upon objective and subjective factors: selecting the strategy of organisation development, type of production, labor distribution, financial state. Workforce training shall take into account both the interests of organisation in quicker filling the vacant positions, economy on expenditures relating to education, and also the interests of employees in obtaining the overwhelming professional training.

In the area of personnel development is undergoing transition from conventional periodical professional training to flexible, continuous, versatile education system. Significant part in implementing the concept of personnel development belongs to the system of the Continuous Corporate Professional Education for Managers and Specialists (CCPE) existing in Gazprom. This system proved efficient within the previous years allowing in short terms to provide quality dedicated professional training for great number of Gazprom Group managers and specialists. Changing conditions in which this system operates require its further upgrading and development.

For today Gazprom employs 313875 people. The Company pays priority attention to create comfortable working conditions, provide social guarantees, benefits and compensations. The utmost important foundation documents in this area are the Personnel Management Policy and Provision on the Continuous Corporate Professional Education for Managers and Specialists. Also Gazprom has adopted: the Provision on the Training of Young Specialists with Higher or Secondary Professional Education and their Internships in Gazprom's Subsidiaries and Associated Companies, the Provision on Psychological Support in Gazprom. With a view to provide high level operational capabilities and improve the quality of works, great attention is paid to the educational level of personnel. Applied in practice workforce professional development management program enables employees to gain perception of work as rotation in different working positions enhancing development of both organisation and personality. It has great importance as the studies attest to the fact that people usually show passive attitude towards their career. Employees tend that the most important decisions on their career to be made by other persons, but not to be defined by their own interests, needs and aims. In the opinions of experts, results of the management programs for the personnel professional development in the organisations include deeper involvement into the interests of organisation, growth of motivation and labor





productivity, decrease in workforce losses and more complete use of employee capabilities. Professional development also produces positive impact on personnel: while acquiring novel knowledge and skills employees become more competitive on the labor market and get new possibilities for professional growth.

Conventional system of professional training for administration and specialists includes three directions: first – basic higher education or retraining, completed by practical training and work in concrete working position; second - short term training before filling any new working position, complementing and making more comprehensive basic education and helping to assimilate to new functions; third direction – improving qualification, supporting professional competence at the due level or filling in some gaps in professional knowledge and skills.

Systematic target approach to human resources training is one of the major possible practical solutions in forming the necessary workforce team of the company and developing Gazprom's human resource potential.

*Primary education.* Adaptation of the young specialists, universities and colleges graduates, identifying among them prospective personalities with high leadership and professional traits, is one of the major directions in the activities of HR divisions in the industry.

First year training. Annually more than 15 thousand managers and specialists become employees of Gazprom's organisations and subsidiaries, about 80% of those have never before worked in Gazprom's system. In order for them to get the idea of gas industry retrospective, learn strategic targets facing the Company and facilities, special features of employment in the major gas company with long-term traditions, norms and rules, one or two weeks seminars are arranged in many subsidiaries. At such seminars the specialists usually get to know about the corporate rules of working in the Company, social benefits and guarantees, documents circulation procedure, specifics of information computer systems operation which results in better adaptation to the new working environment.

Improving qualification and professional retraining. Annually on application by societies and organisations is implemented the centralized Schedule for improving Gazprom's employees qualification. At the beginning of the year educational institutions provide the set of proposals on the seminars in the forthcoming year. Summarized and systematized information is circulated to the affiliate companies and organisations, where are generated applications for participation of the specialists in some concrete seminars.





Upon results of submitted applications and the required period for such educational courses is formed the Schedule for improving qualification and professional retraining for the next year. The basis of the schedule form the seminars aimed at solving strategic and prospective tasks, implementation of new technique and technology, circulation of industrial standards and norms.

Besides centralized Schedule each organisation approves own educational schedule, including alongside with training in the educational center also training directly at the facility. Annually in Gazprom's system more than 35 thousand employees undergo the professional retraining.

Implementation of the Continuous Corporate Professional Education is done on the base of Gazprom's educational centers, qualification improving institutes, qualification improving faculties of higher education institutions, courses and training facilities, directly at the enterprises.

*Training the personnel reserve.* Great attention is paid to training of the personnel reserve for all levels managerial positions. New program has been developed for training the human resource reserve for Gazprom's administrative staff.

For training of the specialists are widely used novel approaches and educational principles, allowing to activate educational process in such a way that it becomes more suitable for solving the professional tasks.

Under development and implementation are various forms of the distant education and training.

Professional training of the workers at production facilities is the constituent part of Continuous Corporate Professional Education for the industry workforce and one of the long - term first priority directions of Gazprom's HR policy. Workers vocational training in the system of training, retraining and qualification improving of the workforce is maintained continuous and is carried out within the overall period of working activity for constant expansion and comprehension of knowledge and skills and compatibility of qualification level with the increasing requirements of production.

At present can be stated increase in demand for the system of Continuous Corporate Professional Education in Gazprom Group HR development activities.

In our opinion, it is due to existing three main reasons:

Firstly, there has occurred transition to requirements of education satisfying expectations of market economy.





Secondly, there have appeared and deeply rooted concrete factors of need for the knowledge provided by Gazprom's system of Continuous Corporate Professional Education.

Thirdly, novel IT - technologies in education have dramatically changed the methods of knowledge and practical skills acquisition.

Constructing educational plans and programs based on key competencies (cognitive, business, information and social) allowed to activate educational process and make it meet in significant extent the actual needs of educational product consumer. However it is also necessary to develop HR approaches responsible for quality of workforce development. Here should be mentioned: development of career plans, individual plans for qualification improvement, identifying candidates to the HR reserve for administrative positions, motivation of workforce development.

At present the main target of Continuous Corporate Professional Education is creating the unite information environment for the system of corporate education. Development of specialization for the educational institutions and integration under the aegis of the Continuous Corporate Professional Education System poses the task of creating the unite information environment for all the participants of educational process in the Company, both from the viewpoint of the education planning and implementation and monitoring. In order to expand information field and provide various methods of access to the needed information it is necessary to form the data base comprising all industry educational-methodical materials, library fund of Gazprom's Educational Center, other libraries of the Company, reference information and data.

Fast development of information technologies and the planned expansion of corporate network for data transfer allow not only to provide great possibilities for information exchange among the industry educational institutions but also to maintain access to this information for all the participants of education process including the listeners.

At the current stage of educational technologies development in Gazprom innovations implementation is obviously the main path to increase the efficiency of education. Innovation processes are regular stage in modern education development. Implementation into educational process of innovation technologies allowed to significantly increase the quality of educational process, to improve motivation of listeners, create interested discussion atmosphere in auditorium, when everyone can speak up and be heard on the issues of professional interest.





It looks prospective in the view of particular features of the Company to use combined forms of education including personal participation in the short term dedicated seminars and distant education on special methods.

Implementation of the Continuous Corporate Professional Education System shall be done predominantly on the base of own educational centers and also by attracting the leased narrow professional high class educational institutions of federal level.

Further development of Continuous Corporate Professional Education System for Managers and Specialists, on one hand shall embrace:

• Growth of the role of each educational institution, specialization of the educational institution on one or several directions of activities, improving the quality of education.

On the other hand, shall be provided:

- Integration on corporate level achievements in the area of:
- Educational –methodical works;
- Implementation of new methods and forms of education;
- Advanced pedagogical methods;
- Circulation of front-edge experience;
- Coordination of activities of educational divisions and units.

Inhomogeneous basic education, level of working positions, professional activity, working experience and career opportunities of the workforce urges to form programs tailored individually for the listeners. Differentiated approach to those programs is planned, constructing them from available educational modules on the basis of professional - qualification model of manager or specialist and current level of knowledge in the candidate for this working position. In the course of career lift the manager or specialist will be trained on educational modules of different degree of complexity. For this purpose has started development of flexible multi-level system of HR reserve education.

Continuous and rapid changes in technologies require constant education and HR potential development. Organisations with update system of corporate education become leaders in such competitions.

The concept of continuous education lately became one of the most successful instruments to comply the growing technical potential with the workforce. The concept presumes that HR potential is under constant development, the specialist in the frames of working activities and by attending dedicated courses acquires novel knowledge needed to support own working capabilities.





Among the main factors illustrating the importance of continuous education and development of HR potential can be defined the following:

- 1. Implementation of new technique, technology, production of modern commodities, growth of communicative possibilities create conditions for liquidation or change of some types of works. Consequently needed qualification can not be guaranteed by base education.
- 2. The world becomes market beyond any boundaries with high level of competition. The companies possessing the modern system of engineering and managerial constant education stay leaders in conditions of such competition. Thus they are able at short notice to respond to any challenge by increasing the productivity of engineering and managerial labor.
- 3. Changes in all spheres of life are the main element of modern time. Constant and rapid changes in technology require continuous training of workforce.
- 4. More efficient and economical for the company is increasing the benefit from already employed workforce based on continuous education than inviting new employees.
- 5. The aim of preserving education is acquisition of established viewpoints, methods and rules in order to efficiently work in the well known and repeated situations.
- 6. Innovation education is directed to the prospect emphasizing preparation of organisation to work in new conditions.

In the view of intensive development of science and rapid aging of information, continuous upgrading of the knowledge becomes real challenging. In particular novel knowledge in professional sphere initializes creative efforts on implementation in practice of concrete organisation. Therefore, significance of the additional professional and business education in the process of starting and achieving managerial talents is extremely important.

It shall be stressed that there exist two major targets of additional professional and business - education. The first one – to obtain new professional knowledge (rather conventional and achieving it does not pose any special difficulties), the second one – overcoming the gap between employees knowledge and everyday activities – is new, innovative, which achievement depends on adequately selected technologies for education and development.

Thus at present knowledge becomes the key to personal and material success and development of talent, the only reasonable and rational resource. However to the category of main resource refers only the knowledge of practical validity suitable to be used





systematically for dedicated purposes, in order to determine which novel knowledge is necessary to introduce innovations.

Alongside with individual knowledge (inherent of single person) also exists organisational knowledge. Base of organisational knowledge covers both individual and collective parts accumulated by groups or communities. Quite natural it exceeds the sum of individual knowledge bases and forms the framework within which act individual employees. Organisational knowledge in different units can be inhomogeneous due to particularities in development and accumulated experience.

Growing competition, progressing dynamics of changes, craving for profit require constant search of advantages. Of particular importance becomes management of knowledge, which becomes the decisive factor in the fight for competitiveness. Corporate knowledge is one of the major assets or intellectual capital of organisation, and management of knowledge – is one of the most efficient directions in managing production and business.

In the prospect success of organisation will more and more strongly depend upon capability to generate and transfer novel knowledge in corporate procedures. This is a complicated task which efficient solution will provide organisation with undisputable advantages in constructing business.

Currently are defined priority directions of implementing Gazprom's HR policy in the area of workforce education and development, needs of qualified personnel for the company, organisation of education for employees in the frames of implemented by Gazprom's projects in the East of Russia, and also advanced education of workforce to participate in construction of the offshore oil and gas fields.

In November 2011 in Gazprom's Corporate Institute in Moscow was held the 14-th Presentation of educational-methodical complexes of Gazprom's Continuous Corporate Professional Education System and Contest for the best technical means of education, educational-program documentation and educational-visual manuals for Gazprom's Continuous Corporate Professional Education System, subsidiaries and organisations. Organizer of the Presentation and Contest is Gazprom's Personnel Management Department.

The number of participants in Presentation of educational-methodical complexes is under the constant growth.

In the Contest took part 36 societies and organisations. 233 educational-methodical complexes (EMC) were presented on various directions: these are training simulators, and





automated educating systems and numerous EMC for workforce training, of which 20 were awarded the prizes of the contest. The winners got diplomas, valuable presents and remunerations.

Economic policy of the major companies shall base on the following principles:

- Development of science and technologies being the utmost important resource nurturing economic growth;
  - Welcoming innovations and labor productivity growth;
- Forming workforce able to adaptation in rapidly changing conditions and having the skills of management of arising risks.

In modern economy even more and more significance are acquiring the global processes. Success and stability of major companies to great extent now depend on the continuous innovative efforts. Economic development now entered the phase of continuous technological revolutions, which in turn lead to constant changes in the production base of industries and modify the overall complex of social-economic relations. There appear new professions, systems of companies management, educational technologies, new methods of organizing living conditions and cultural entertainment.

The essence of rational use of the major integrated corporate structures includes better identification and implementation of each employee capabilities, improvement in creativity and contents of work, rise in professional-qualification level of the employees in the view of various stimulation and correspondent assessment of each employee impact into the final results of company's activities.