

# THE HUMAN CAPITAL RATIFICATION – A KEY FACTOR FOR DEVELOPMENT

Chief assist. Prof. Mina Angelova PhD.  
University of Plovdiv Paisii Hilendarski, Bulgaria  
mina.marinoval@abv.bg

**Abstract:** *The maturing of markets and market relations lead to increased competitiveness and consumer's requirements as well as transform the quality as a factor of company's success and survival. Increasing the human resource quality through using and applying appropriate methods and technics contributes to the organization stability. The human resources transformation into human capital is a basic condition for development of the enterprises. The survey is based upon own questionnaire through the employee in event management company. The results indicate that taking measures in accordance with the new good practices and motivation policies lead to positive changes and development of the company.*

**Keywords:** HUMAN CAPITAL, BUSINESS DEVELOPMENT, HUMAN RESOURCES, METHODS, TECHNICS, QUALITY

## 1. Introduction

The maturing of markets and market relations lead to increased competitiveness and consumer's requirements as well as transform the quality as a factor of company's success and survival. The theme significance takes a central place in discussions, researches and organizational activities in the field of production and services. There is a rich elaboration of science and science – practical approaches in theories, standards, practices and systems for quality management. Increasing the human resource quality in strategic aspect helps to broaden the flexibility and enterprise's potential through their basic "asset" – the human resources.

**The object** of this survey is the employee in Event Company.

**The subject** of this report is introducing methods and technics for increasing the human resource quality and opportunities to be implemented in the organization.

The researcher's **thesis** is that the proper use and implementation of methods and technics for raising the employee's work quality is a basic condition to manage the strategic development as well as providing a company's competitiveness through their employee.

**The basic aim** of this report is connected with argumentation the necessity of investment in people, gaining new knowledge and skills, a life-long learning, a comprehensive increase in their work quality as factors which lead to company's competitive development.

The quality management includes key elements in employee's activity, the inside relations, the interaction with the surroundings and the way of functioning focused to realize the enterprise's goals. In this survey are considered exact methods and technics which help for increasing the work quality.

## 2. Strategies, methods and technics for increasing the human resource quality

### 2.1. The strategy "life-long learning"

The observations indicate that the qualification level of Bulgarian manpower is related with a tendency to decrease, even to degradation. The basic reason for that is the emigration process through the years of the Bulgarian transition period of more than 1 million educated and qualified, mostly young people, which is a fatal mistake for the Bulgarian economy. That's why the enhancement quality of the human resources is a priority strategic problem for our country.

The life-long learning can be defined as every focused educative work which helps for continuous improvement of people's knowledge, abilities and competences. It's necessary to be created an interest both in employer and in employee for permanent qualification enhancement through a normative regulation; an exactingness and control in occupying a position by qualified candidates which provide achieving the expected results of the

strategy "life-long learning". Indications for the lack of interest are the insufficient results of assimilated funds by the European program "Human resource development".

For a successful strategy implementation in the company is necessary to be created opportunities for certifying results of distant, informal and independent education, of practical skills and recognition of all education achievements – knowledge, skills, competencies. This will provide an opportunity for employee to combine the working obligations with learning. The holding of exam by the company's managers is frequently a wrong action because it creates tension in the organization. Much more productive is the method of practical usage of learning when the employee is implemented in different role games or case study. In this way the theory is put into practice and the education results are obvious and estimated by the employer.

The application of a strategy life-long learning leads to enhancement of human resource quality on the next fields:

- A sustainable and ascending company development because the permanent gathering of new knowledge, skills and competences make employee more productive and the enterprise – more competitive.
- A higher living standard, a better company culture, a bigger mobility and labor satisfaction.
- An increase devotion to the enterprise.

### 2.2. Methods for development and use of employee's creative potential

The comprehension of the entire potential of employee in the goal activity has a key importance in providing competitive advantages and creating high level organizational effectiveness. From a great matter is the developing and utilization of employee creative potential. By means of it are realized numbers of functions as:

- A participation in management of different levels in the organizational functioning. To the employee is given an opportunity to take the manager's position for a definite period (recommended for a week) and after that is analyzed his impressions, recommendations and conclusions about the company environment.
- Forming a communication network which provides the creation of a communication circle. This is a precondition for realizing a moving process of active communication streams top-downs and bottom-up as well as on a horizontal line.
- Realizing a process of training and self-training as the theoretical learning is made by the employee himself but the company provides the implementation of learning.
- Building of high motivation levels in the enterprise – raising the employee's motivation is a precondition for better labor results and quality of work.

For the effective use of employee’s creative potential is recommended the creation of different inside organizational structures like:

- **Small groups for activity improvement** – they are created within the boundaries of basic lineal groups in every functional field. Their target is to assist the process of problem solving in different spheres – quality, prime cost, working environment, etc.
- **Activity for suggestions** – the orientation is toward formation a creative atmosphere that will give a chance of every employee to take part in problem solving in the organization.
- **Patrol groups** – particularly created employee groups on a rotational principle realize control and self-control on specific parameters in the working environment.
- **Intelligent groups** – the highest specialized form of creative participation and improvement orientated toward problem solving on a strategic level. Every employee has the opportunity to take part in the organized discussions and to give solutions.

**2.3. Specific technics for employee’s training**

The economic globalization and its influence over the manpower necessitate more different way of training. The human force for improvement and change for the better are one of his fundamental characteristics. No matter the kind of activity and his way of life this desideration is a basic factor and determines the feeling of success and satisfaction.

**The project method** is created by J. Dewey and elaborated by U. Kilpatrick. According to this method the trainees work independently in small groups on a specific theme. The aim is not only to choose and solve an exact problem but the trainees to understand as much as its aspects which are organically connected with the exact problem in real life. Every project is unique and indefinite because the problems are not an abstract conception but are deduces by the reality. An important priority of the project method according to the traditional training is that the verbal activity is not so dominant but the accent is toward “learning through action” which is a characteristic element in training. Other priority is that the trainees with different skills take an equal participation in solving the problem they have chosen together.

**The sociodrama** is a dramatic play in which several individuals act out assigned roles for the purpose of studying and remedying problems in group or collective relationships. It was developed by social scientist Jacob L. Moreno to explore sociological interests using the techniques he originated in psychodrama for psychology. Sociodrama may be applied to collective trauma and current events, social problems and disintegration, prejudice, interpersonal tension and justice and rehabilitation. The basic idea is that a human can learn not only by gathering new information but also to restructure and redefine his own experience. It’s considered that sociodrama can be useful in forming of social skills and models of behavior. Its base is the role and the identification. The aim is trainees to think about the problem using their own experience.

**The casus** is a method of independent knowledge implementation. Using this method the trainee’s motivation increases and is presented the connection between economic science and the reality.

**The role game** simulates the reality and gives an opportunity to gather an experience for social behavior, to define, analyze and overcome an interest conflict, to take decisions. According to this are paid by working economic behavior, actions, obligations and functions of the separate person.

**3. An empiric survey of the opportunities for increasing the human resource quality**

Aiming the successful management of an object is necessary to know its characteristics. This is valid including this research connected with the human resource quality. The survey is made in a service sector company with basic activity Event planning. All the employee take part in the survey (60 employees) and is used own questionnaire with 18 questions.

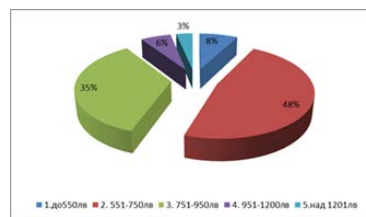


Fig. 1 Basic salary

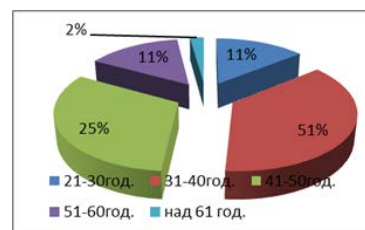


Fig. 2 Employee's age



Fig.3 Manager's influence over the work quality

The manager’s actions through commands and orders have a strong influence over employees (52%). According to this it’s necessary rethinking by the manager of a basic behavior lines and interaction with employees which will lead to increase the quality of their work.

The next results introduce the connection between the force of reaching a work quality and other characteristics of the employees. The results are obtained after a correlation analysis.

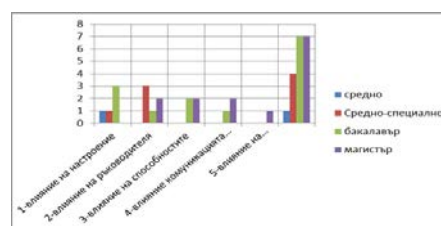


Fig. 4 A connection between the education level and different influences that determine his quality of work

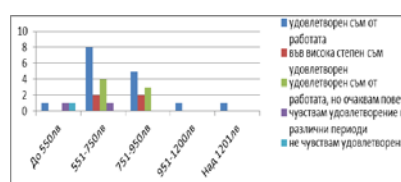


Fig. 5 A connection between salary and work satisfaction

- I feel satisfaction in my work
- I feel satisfaction but I expect more
- I do not feel satisfaction at work

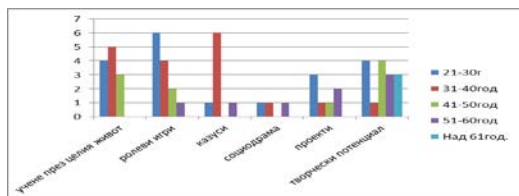


Fig. 6 Evaluation of the implemented methods and technics according employee's age

The analysis indicates that more than the half employees (51%) are at the age from 31 to 40 years old because the priority of the organization managers to hire young, active, purposeful people who can easily and trouble-free to communicate with clients in event planning. A characteristic of the young generation employees is the flexibility and the ability to adapt fast in changing conditions. The employees receive salaries around and above the middle salary for this line of business and the region it is located.

The role of the direct leader is essential for the quality implementation of obligations which is based on the high level of tension and dynamic in work. In the event organization and carry out is necessary enterprise and ingenuity to fulfill with unpredicted situations according to the specification of this activity and the lack of opportunity to "repeat" the event, in this train of thought the employee has no right to mistake.

The high educated employees indicate that the relationships and the contacts with clients have the strongest influence over their quality of work. Of prime significance for the company's activity is the quality relation with clients, meet client's wishes and ability of fast reaction of challenges in every new project.

The salary exercise straight influence on work satisfaction and according to the survey there are no employees who feel frustrated at work. This is connected with the work dynamic and variety that contribute to employee's positive attitude. In the company the salary is around and above the middle and are paid additional bonuses which is a motivation factor.

The inculcated methods and technics in the organization are well accepted by employees and they recognize their positive influence over work quality. The employees till the age of 40 prefer casus solving and taking part in role games. The use of the creative potential and the opportunity to take part in idea creation of events has a leading influence over employees by the middle-aged generation.

The survey connected with providing opportunities for raising the quality of human resources indicates the information gathered by employees in accordance to the implemented strategies, methods and technics for a better implementation of obligations.

Table 1: Applied methods and technics

№	Research of the applied methods and technics	NO	YES
1	2	3	4
1	A) investigation and identification of the employee's motivation attitudes	25,7%	71,7%
2	B) encouragement of employees for independent taking a decision and initiative at work	36,6%	61,3%
3	C) implementing a strategy life-long learning	13,4%	84,5%
4	D) influence over employees using motivation mechanisms and technics	38,3%	61,7%
5	E) using the method sociodrama	61,5%	36,4%
6	F) employee's inclusion in projects	63,6%	33,7%
7	G) taking part in role games and casus for problem solving	23,3%	73,9%
8	H) creating opportunities for expression of a creative potential	0%	94%

The results of this research confirm the implementation of good practices and methods for raising the quality of human resources. In the company are organized regular surveys for identifying employee's motivation attitudes, encouragement of the independent work and taking decisions. The strategy life - long learning is applied and the company uses the creativity of their employees. It's poorly practiced the method sociodrama and inclusion in projects.

#### 4. Conclusion

The investigation of the opportunities for raising the work quality in full and its results confirm the making efforts and striving for the best labor performance both by managers and employees. In the fast developing global competitive society there is no place for companies that are not adaptive toward new conditions and environment. And in social attitude the adaption depends on the qualities of human resources.

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