

State of Human Capital Development and Working Conditions in Electrical Distribution Companies in Bulgaria

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Abstract—The current report discusses the results of empirical research on an aspect of corporate social responsibility in the electricity distribution companies in Bulgaria – the development of human capital and labour conditions. The respondents are employees of the electricity distribution companies. They have been asked in respect of a number of important characteristics of human capital and working conditions: the development of healthy and safe working conditions; training and staff development; support the career development; voluntary programs for employees; programmes for objective and fair pay; satisfaction and commitment of employees. The obtained results are discussed in terms of commitment of the employees with the aims of the electricity distribution companies.

Keywords—corporate social responsibility, electricity distribution companies, human capital

I. INTRODUCTION

Corporate social responsibility is a new concept, that's why there is no single accepted definition. Corporate social responsibility represents the commitment of the economic entity to long-term upward development of the society. This is a commitment that has always been raised to the economic operators: taxes, excise taxes, donations, healthy working conditions, fair pay, etc. So, despite being a new concept, the essence of the commitment is not new. What is new, indeed, is the aggregation into a single term of all social commitments of undertakings to society. These commitments are related to: the environment; human capital development and working conditions; knowledge and education; protection of the global causes of society. One of the options for the assessment of the status of corporate social responsibility is by means of summarizing the views of the different groups of respondents.

The purpose of this article is to evaluate one of the most important aspects of corporate social responsibility: the development of human resources and working conditions. This includes the following commitments of companies:

- development of healthy and safe working conditions;
- training and staff development;
- support the career development;
- voluntary programs for employees;
- programmes for objective and fair pay;
- satisfaction and commitment of employees.

Each of the above mentioned commitments has a direct impact on sustainable ensuring of employees commitment to the objectives and mission of the company. They are an important aspect of motivation of the personnel. Their effective implementation/failure leads to: turnover/lack of turnover; high performance/low productivity; high quality/low. On the other hand - not always the actions of the company on employee motivation rises into employees' commitment to the mission and goals of the company. For this reason, empirical research over the employees in terms of human capital development and working conditions must include an assessment of their impact on the commitment of the staff.

In this article we discuss the empirical results obtained from the survey among employees of the electricity distribution companies. The aim is to establish the feeling of the staff on the development of human resources and working conditions.

II. THEORETICAL FOUNDATIONS AND PRE-RESEARCH

There are many classic theories about the motivation of the staff: of A. Maslow; F. Herzberg; C. Aldefer; D. McClelland; H. Murray; J.S. Adams; V. Vroom; G. Latham and E. Locke; L. Porter and E. Lawler; R. Hackman and G. Oldham. Also, the theories of contingencies of Reinforcement (B. Skinner and J. Roche). All of them in an unequivocal way show the relationship between achievement of efficiency and effectiveness of work processes and motivation. In Bulgarian conditions interesting research in this area is [6, 7, 8, 9, 10] where the local specificity is presented. This study also correlates with research in high-tech organisations [4], so the results obtained of both of them are compared.

Stoyanova and Angelova reflect on the place of human resources in achieving a competitive advantage for companies [10].

An interesting look at the question poses Stoyanov. It looks at the peculiarities of Human capital management in innovative organizations [8]. In this connection are also the studies related to the creation and management of successful teams and overcoming the destructive problems [6, 7].

Stoyanova and Iliev identify ways to increase employee engagement in Bulgarian business organizations and identify how such employee engagement affects employee and company performance [9].

III. METHODOLOGY OF THE RESEARCH

The research was conducted in the period October-November 2018 year, with the help of questionnaire. The interviewed sample contained employees of various electricity distribution companies operating in different regions, occupying a number of managerial positions (directly directing workers), who are learners in the discipline Corporate Management. These are the executives who have a direct view on the contractors of the technological operations of maintenance and emergency repair of the electricity transmission networks. The latter makes them very suitable for questionnaires regarding the opinion of the workers, their satisfaction, and their turnover and commitment to the mission of the company. All respondents have engineering education, which is typical for the positions they occupy. They are aged 28 to 45 years. They have professional experience from 5 to 18 years, from 1 to 13 years as primary executives. All respondents are men, which is typical for operations related to maintenance and emergency repair of electricity transmission networks. The inquiry was made directly in examining the opinion of each of the respondents. A summary of the results was made in December 2018.

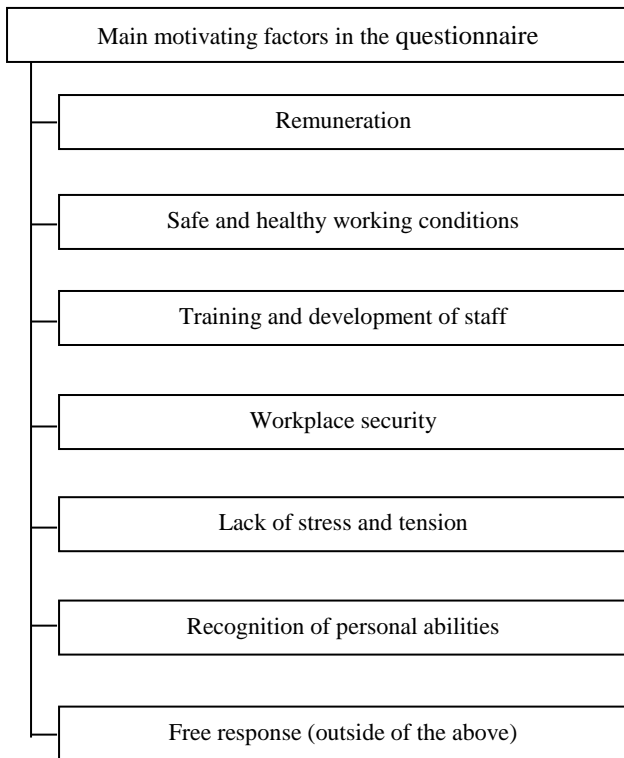


Fig. 1. Main motivating factors

IV. CUMULATED RESULTS AND ANALYZES

With its initial questions, the study aims to identify the impact on the motivation of respondents due to the different aspects of human resources development and working conditions and other classic motivators such as salary and workplace security. This may help to establish the degree of commitment that would be achieved by using the different motivators. The respondents pointed the most influencing motivators according to them from the following several options: salary; workplace security; development of healthy and safe working conditions; training and development of staff; recognition of personal abilities. More than one

response is permissible. It is possible to indicate a response outside of the above. The summarized opinion of the respondents is as follows (Figure 2):

- the factor with the strongest influence is remuneration (94.7 % of the respondents);
- second place is for development of safe and healthy working conditions, with 89.4%;
- third place, for 84.5% of the respondents, is training and development of staff;
- for 68.4% of the respondents leading factor is “workplace security”, which places it at fourth position in the range;
- 47.4 % of the respondents give their priority to “recognition of personal abilities” as the strongest factor about employees motivation;
- only for 26.3% the factor “lack of stress and tension” is of strong significance.

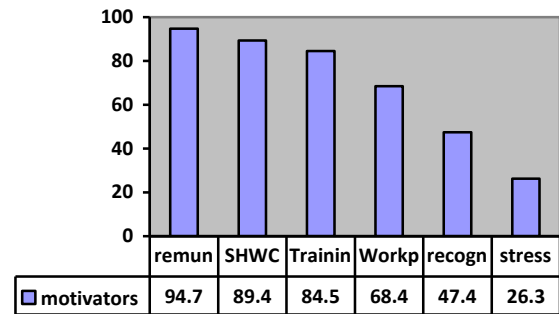


Fig. 2. Influence of motivational factors

These results largely confirm the order of the motivators received in a previous survey in Bulgaria among employees in the human resources departments of high-tech enterprises [4], although there are some differences. The first clear coincidence is the importance that is unambiguously attributed to the salary size. Obviously, in Bulgarian conditions, even for well-paid sectors such as energy and high technology, this factor is dominant. The second most important factor, associated with ensuring healthy and safe working conditions is also easy to be explained in view of the technological processes that meet the respondents in their companies. In terms of companies dealing with high technology, due to the nature of the work, this motivator is not designated as determinative. The high percent of respondents, who rated company training for a significant motivational factor, demonstrates unambiguously the great opportunities to achieve satisfaction, low turnover and high commitment to company goals. An important motivator, but with much less influence is security in the workplace. This is due to the significant demand of highly qualified engineering staff on the labour market in Bulgaria. Explicable, in this study the value of the motivator is higher than in the previous one, directed to IT professionals and high-tech engineers, whose shortage is even greater. A great opportunity to achieve commitment is also the recognition of the personal abilities of the employees in the companies, so almost half of

the energetics place it among the significant ones. regarding the motivator, related to lack of stress and tension during the working processes, there is a large difference between the two polls. Unlike IT professionals and high-tech engineers, the employees of the electric companies have accepted that the essence of their work, besides the planned one, is a prerequisite for stress along unavoidable accidents on the electricity network.

The following questions in the study establish the perception by employees of the development of human capital and working conditions in their companies. On this basis, it will be made a comment about the existing possibilities.

As far as remuneration is uniquely the dominant motivator for work, it is necessary to clarify two aspects:

- are potential programs of objective and equitable remuneration significant motivator;
- what is the employee satisfaction of such programs.

On the first question, 84.2% of the respondents give a uniquely positive response. The answer to the second is not at all so unambiguous – 3.7 a 7-speed scale (from 1 lowest to 7 highest) indicates that they are satisfied with potential programs. This is a mark of the discrepancy between the expected remuneration and the actual received. Significant potential can be found in the efficient development of such programs in electricity distribution companies. For the remuneration to be an effective motivator, it is necessary to meet the following requirements at the same time: to be result of free negotiation between the parties (which is fulfilled); mutual maximum satisfaction; reflecting the actual share of the employee in the realization of the objectives of the organization. Remuneration formed on this basis is a prerequisite for the deployment of human potential. Effective application of programs creating a sense of objective and equitable remuneration can be considered, on one hand, as the potential to achieve mutual maximum satisfaction (including with increasing labour productivity), and on the other hand - to create a sense of reflection of the real share of the worker in the realization of the organization's goals.

There are interesting answers to the questions related to the feeling of the implementation of the following commitments of the companies(Figure 3):

- development of safe and healthy working conditions;
- training and development of staff;
- support of career development;
- voluntary programs for employees.

There are two main issues related to providing companies with healthy and safe working conditions: The perception of respondents and potential imperfections and opportunities. On the first question the respondents put 6.6 (of 7 degree scale), which shows the acknowledgement of the respondents about the healthy and safe working conditions provided by the companies. Among the possibilities for improvement (a question with a free answer and the possibility of more than one answer) are: better transport; modernization of the technique; more frequent renovation of personal work clothes.

Issues related to staff development training and career development assistance are interrelated. All respondents point high degree of satisfaction about staff training opportunities and personnel development (6.8 of a 7 degree scale). This is understandable, regarding their own personnel development. At first, the respondents started as staff for maintenance and emergency repair of electricity networks and over time they have evolved to group leaders. They have undergone many trainings funded by the companies. These trainings are related to obtaining of competencies and managerial and technical knowledge and skills related to their personnel development and are evaluated as a support career development. Each employee has a conversation about the prospects for career development. Each employee is given the requirements related to the occupation of the higher hierarchical position (5.5 of a 7 degree scale).

Relatively lower is the feeling of volunteering programs that are offered to employees (4.1 on a 7-speed scale). Although not involved, respondents know and positively assess the voluntary programs developed by the electricity distribution companies.

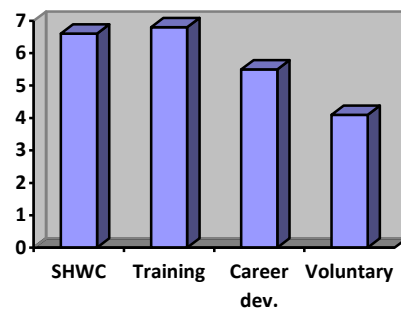


Fig. 3. Feeling of fulfilling commitments of companies

An important question here is how much the sense of performance of the main motivators leads to the satisfaction and commitment of employees towards the performance of the job tasks, achieving higher productivity and reducing turnover.

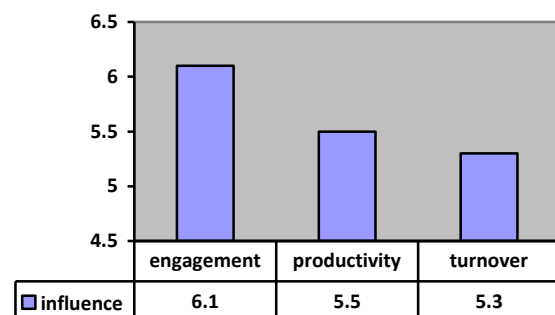


Fig. 4. Satisfaction and commitment of employees towards the performance

The question about the positive influence of the abovementioned motivational measures applied by the electricity distribution companies, receives answers, distributed along the 7 degree scale as follows: increase engagement 6.1; increase productivity 5.5; decrease turnover 5.3. The figures are high enough, recognising that respondents also give their opinion regarding the perception of the real impact of the motivators on their staff.

There may be summarized the following basic conclusions of the research. A leading motivator is the remuneration, while companies have not fully disclosed opportunities for effective programs for objective and equitable payment. Respondents highly evaluate the current working conditions, but also point some possibilities for improvement. All respondents point to high degree of satisfaction the opportunities for training of staff and personnel development in their companies. This is a mark, on one hand for a very well-established system of company training and on the other hand - for good development of the staff related to strategic management of human capital. Respondents do not testify to be involved in volunteering initiatives of companies, but they know about volunteering initiatives that companies are implementing. In terms of ensuring safe and healthy working conditions, respondents testify to different challenges that companies need to overcome. With regard to the objective and equitable payment programs, respondents testify to varying degrees of partial satisfaction. Respondents also share the big discrepancy between the expected remuneration and the actual received. In summary, there is a significant impact of employees on their commitment to company goals, increasing productivity and reducing turnover.

V. CONCLUSIONS

In this paper are represented the results of own empirical research among employees in electricity distributional companies about their perception of one of the aspects of the corporate social responsibility: development of the human capital and working conditions. The influence of each of the results obtained in terms of ensuring commitment to the company's goals is commented.

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