"Into an entrepreneurial society individuals must cope with an extraordinary challenge and this should be considered an opportunity: the necessity of continuous training and re-training." (Peter Drucker)

The present challenge faced by the public utilities organizations is that of market opening (in our case, the energy market), with the competition effect and its possible negative consequences: clients' loss, decrease of revenues, costs regulation, reorganization and downsizing.

In the Human Resources management, the Subsidiary's response to the above mentioned challenges shall be described through a strategy which would be presented in detail in our paper. It refers to the following aspects:

- Knowledge regarding the market mechanisms;
- Recognition of professional management dimension;
- Openness towards decentralization and increased decision making autonomy;
- Choosing suitable and flexible organizational structures;
- Technological improvement.

These aspects require actions which have been taken both at a general of personal development level, and at a very specific level of professional training. Both types of development follow two basic trends:

- **For Managers**: training and improving their entrepreneurial capabilities supported by managerial skills
- **For Non-Managers**: gaining new competence (referring to the market, commercial codes, new technologies, international accounting standards) and new behavior skills (flexibility, empathy, customer care, capacity of operating an advanced software, team spirit etc.)

In this paper, the SWOT analysis of the organizational context is treated with respect to Human Resources performance, and it refers to the present discrepancy between what the employees actually do and what they are expected to do. In this regard, we tried to find answers to the following questions:

- Which are the tasks that have not been completed and, for this reason, generate dissatisfaction?
- What are the costs imposed to the company by this problem?
- Is this performance problem caused by the lack of compulsory skills? Which are the skills that are now missing but will be necessary in the future?
- May tasks be changed so that employees be able to complete them using the already possessed skills?
- May employees be helped so that their lacking skills be compensated by training?
- Are employees capable of gaining the necessary skills for a satisfactory performance?
- If abilities must be improved, may the problem be solved by training on-the-job or is it necessary an off-the-job training program?
- Which actions are more appropriate for solving the performance management problem, to answer to all the Subsidiary's scope and objectives, taking into account minimal costs?

**SWOT Analysis**

**Strengths**

1. The Subsidiary has a quasi-monopolist status and it is the biggest power supplier in the area;
2. The Subsidiary represents a well-known brand at the national level;
3. The technical staff and good technical practice;
4. The IT network, the telephone network and the automatic metering-reading system;
5. The implemented Quality Management System which fulfils the requirements of the ISO 9001: 2000 and 14001:1997 standard
6. A staff-oriented Organization Culture with two relevant components: cooperation and interpersonal relationships, which can be capitalized in order to promote the team work;
7. Gradual regulation of an important part of the Human Resources activity;
8. Standards and rules for an operational and work security communication.

**Weaknesses**

1. Misunderstanding of the market and competition mechanisms;
2. Insufficient competences for a deregulated market;
3. Bad image as a monopoly;
4. Monopolistic perspective;
5. Inadequate Customer Care Services;
6. Lack in communication skills of the Customer Care personnel;
8. Excessive bureaucracy;
9. Under-utilization of the IT support;
10. Inefficient structure and organization;
11. An inflexible Remuneration System, which has a direct result in incapacity to really motivate the employees;
12. A "laissez-faire" type of Professional Training Strategy;
13. Old mentality and attitudes: low degree of responsibility and initiative: the customers are at Subsidiary's disposal instead of opposite; the
performance is not representing the satisfaction in work.

Opportunities

1. The Subsidiary may provide new services for the existent customers: telecommunication, GIS, measure, consultancy, technical assistance, studies etc.
2. The Subsidiary may collect payments at its own offices for the services provided by other utilities;
3. The Subsidiary may supply the eligible customers located outside its own area of activity;
4. Privatization of the state owned companies with liabilities cancellation;
5. A new managerial vision which brings the possibility to exercise the modern Human Resources management;
6. A possible privatization would determine a new approach and strategy of the human resource and new practice in this domain;
7. A possible privatization would determine a new approach and strategy of the human resource and new practice in this domain;
8. The acquisition of Human Resources Module in SAP AG software.

Threats

1. It is possible that the Subsidiary should lose an important number of customers, taking into account the total deregulation of energy market in 2007 (they would become eligible customers);
2. Deregulation of energy market for all the customers;
3. Financial freezing;
4. The customers would become more demanding;
5. Competition would increase the standards of performance among the energy suppliers and that would be reflected in the price of energy and the quality of services;
6. The inertial behavior of the employees, resistance to change;
7. The possibility to acquire external HR services (recruiting and selection, performance appraisal etc.)

Taking into account elements referring to the Human Resources Management from the SWOT analysis, having as an objective the neutralization of weaknesses, we are proposing the following Human Resources Development Strategy:

TABLE No.1 - HUMAN RESOURCES DEVELOPMENT STRATEGY for 2005 - 2007

<table>
<thead>
<tr>
<th>Domain</th>
<th>Strategy</th>
<th>Policies/Specific measures</th>
<th>Responsibilities</th>
<th>Due date</th>
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</table>
| 1. Organization Development | Development of abilities and behaviors, development of structures and of work processes necessary for the organization to meet privatization and market deregulation; Heads' of Departments deep involvement for the development of human resource | • Modeling employees' behavior  
• Coaching-mentoring  
• Adding to the manager's job description the specific requirement of contributing to the professional development of the subordinates | - Top Management  
- H R Department  
- Heads of Departments | 2005-2006 |
| 2. Professional training | Continuous professional training; emergent strategy for the development and capitalization of the organization's internal resources; personalized approach of Human Resources development | a. a plan designed for managers specialization  
b. a plan for the professional training of executives (appointed courses for every domain)  
c. social and professional integration of the new employees  
d. job rotation  
e. mentoring, in order to disseminate experience and fundamental values  
f. coaching for managers | - HR Department  
- Top Management  
- Heads of Departments  
- mentors | a. permanent  
b. 1.12.2004 (the plan for the next year)  
c. 1.01.2005  
d. permanent  
e. 1.06.2005  
f. 1.01.2006 |
| 3. Number of employees and abilities inside the HR Department | 1. Internal resources  
2. Out-sourcing | • courses  
• employing a sociologist or a psychologist  
• setting up a department for professional coaching/training  
• acquisition of the HR module of SAP AG software  
• selection/recruitment  
• performance appraisal | - HR Department  
- Top Management | 1.07.2005 |
| 4. Employees motivation, work environment | Improving employees' satisfaction and loyalty by using non-financial incentives, strengthening the sense of affiliation and stability; Personalized | a. Developing career paths  
b. Systematic analysis of the employees' satisfaction (questionnaire)  
c. Improved working conditions (cafeteria, fitness hall, modern) | - HR Department  
- Top Management  
- Heads of Departments | a. 31.01.2005  
b. 1.07.2007 (stage I)  
c. 31.12.2005  
d. permanent |
In all the strategic directions presented we shall focus first - on the section referring to the continuous professional training (the new elements included into the training plan), second - on the matter of professional enhancement by developing career paths and third - on the issue of employees' social, professional and cultural integration.

1. Continuous Professional Training

Considering training as a proactive approach of organizational development we are due to make systematic prevision related to the future development of the Subsidiary and subsequently to identify the personnel's future needs for training.

In correlation with the above requirements, we have to design a model of organizational environment which encourages individual learning and provides for training programs that enable employees to continuously gain new information and improve their abilities.

In order to minimize the discrepancy between the actual employees competence \((t)\) and the expected competence \((t+n, \text{where } n \text{ is difficult to quantify})\) the continuous professional training represents the best solution. This enables employees to understand and cope with all organizational processes and, most of all, to find proper solving problems they would confront with in the future.

To succeed it is necessary that all managers be involved and to actively participate to the change of perspective in what HR is concerned.

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<tr>
<th>Table No. 2 - PROFESSIONAL TRAINING PLAN FOR 2005 - DRAFT</th>
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The plan (table no. 2 – draft) contains thirteen directions of action, meaning specific domains of activity for the Subsidiary (the energy market, internal financial audit, financial accounts, technical specialization, open education for top managers, mentoring, courses for the users of Energy Data Management System modules etc).

**Management specialization** of medium and operational management levels (Heads of various Departments) is compulsory necessary for understanding the manager's role: to communicate effectively, to manage the conflicts, to coordinate and to plan the appropriate use of resources, especially human resources. A successful HR strategy depends on the correct application of this program.

**Coaching** refers to the training and knowledge updating process taking by the immediate superior. It starts with the analysis of employees performance and concentrates upon solving the performance related problems. The task of the program "How to became a better manager" is to train the coachers (managers), to change attitudes regarding the human resources and to exercise behaviors that may allow the correct use of employees competences.

In order to reach the organizational objectives, along the coaching process, the employee must be treated as a partner.

Using the coaching model, the fundamental question to be answered is "How can we cope with change"? In order to understand what 'change' represents (how it manifests, what should be the correct position) we should analyze the reality of internal and external environment. We should ask ourselves not only "What do I think about 'change'?" but also "How do I feel about it?":

**The Hudson Model**, that is to be used in the coaching program, requires the fulfillment of the following stages:
- Application of the four basic rules (Circular Rule, Inside-Out Rule, "Training Isn't Just for Children" Rule, Continuous Change Rule) in the professional and personal life of the employee;
- Identification on the map of human values of the three fundamental values which inspire and guide us to achieve our objectives;
- Identification of the transition periods in the employees' lives by application of "all types of change" pattern (external acquisitions followed by the internal renewal);
- Professional reorganization and revitalization between life stages.

Fig. 1 - RULES ILLUSTRATION

**Mentoring** - we took this program into consideration because of the limited financial resources and because we desired to capitalize the internal human resources, the valuable professionals which are able to influence others, to disseminate knowledge and specific organizational values and may represent a model for the other members of the Subsidiary, even after their retirement. The mentoring technique is a medium and long term investment of the Subsidiary adressing to the valuable young employees which have the capacity of improving their skills as to fill a manager position and, on the other hand, it is an award in recognition of mentors' achievements.
Figure 2 - THE COMPONENTS OF THE HUMAN RESOURCES PLANNING AND DEVELOPMENT SYSTEM

**ORGANIZATIONAL ACTIVITIES**

- **A** Organizational Planning
  1. Strategic Level (long term)
  2. Operational Level (short term)

- **B** Human Resources Planning
  1. Job Classification
  2. Number of Employees

**MATCH PROCESSES**

- **C** Performance Appraisal
  1. Present Performance Status
  2. Potential

- **D** Human Resources Data Base
  1. Skills and Abilities
  2. Performance Levels
  3. Potential
  4. Phases and Needs in a Career

**INDIVIDUAL ACTIVITIES**

- **E** Human Resources Present Status (number, skills, performance) versus Organizational Needs
- **F** Specific Human Resources Plans
  1. Personnel Plans
  2. Development Plans
  3. Recruitment Plans
  4. Monitoring Plans

- **G** Career History for Each Employee
  1. Type of Duties
  2. Development Activities

- **H** Self-evaluation
  1. Career Links
  2. Involvement, Responsibility
  3. Phases and Needs in Career

- **I** Individual Career Plans

- **J** Discussion: Negotiation Plans regarding Job Rotation, Employees Development etc.

- **K** Plans Implementation:
  1. New Jobs or Development Activities for Present Employees
  2. Recruitment

- **L** Implementation Monitoring: Evaluation, Replanning, Research etc.
2. Career Planning

When we establish like an objective the employees’ development, we hate to understand that people are not alike. In order to obtain good performance for the organization, employees need to be treated as individuals, so the management job is to meet and understand their different needs and expectations.

Dealing distinctly with people having different needs, not only satisfies individuals but helps organization to meet its objectives in human capital diversity, creativity and unique experience of each individual.

Regarding to this matter we create and shall soon apply a model of organizational approach of career development plan (see Figure 2); its stages will be developing throughout two years, from 2005 to 2007.

The basic principles of this model are:

- Connecting individual objectives with the Subsidiary's strategy;
- Connecting the activities regarding career development plan with the performance appraisal and training plan;
- Involving managers and mentors in the subordinates' career development process;

and its implementation requires the following activities:

- Creating career plans for each category of personnel;
- Developing activities which may increase the employees’ skills;
- Introducing replacement diagrams for the key-positions within organization.

3. The Process of Social, Professional and Cultural Integration of Employees

The process of social and professional integration refers to the profitable meeting between the employee's expectations and the Subsidiary's necessities and objectives. The purpose of this adjustment is to create among the employees a sense of affiliation and the readiness to participate in the accomplishment of the company's goals and mission. Usually, the process of integration comprises only the new employees and is meant to accustom them to the new working place, colleagues, superiors, subordinates, rules and duties, by describing them the way to contribute to the company's performance.

However, the subsequent changes in career (new job positions, new teams, promotion for a manager position etc.) require also re-integration in the new context and they do not constitute at present a subject of concern as a distinct activity at the level of the HR Department.

Organizational socialization is to be considered a continuous process which has in view the ongoing adjustment of the individual employee to the Subsidiary's requirements (new tasks, new roles, new superiors, new teams) in accordance with the rapid rhythm of change. Thus, we intend to implement a new integration model (Figure no.3) addressing to all new employees which is meant to guide them before the effective employment and then along their career. We call the first step of this model anticipatory socialization and it refers to: hire young people during their vacation, promoting Subsidiary's image through mass-media, realistic preliminary presentation during the recruitment process etc.

The adjustment stage becomes effective from the moment of hiring and, in addition, we plan to provide a Guide for the new employee. The future performance of the new employees depends on the success of these two mentioned stages as they may provide the long term motivational mechanisms for the employees.

Role management stage refers to the sophisticated adjustment of any individual role as a result of: socialization, experience achieved inside the Subsidiary, standards and values internalization. As a consequence, any of the employees may personally contribute to the improvement of the work processes.

![Figure 3 - STAGES OF ORGANIZATIONAL SOCIALIZATION](image)

The Human Resources Development Strategy consists of specific programs in accordance with the general perspective on the Subsidiary needs for the next years and based on well-grounded Career Plans.

Carrying out the strategy does not necessarily require money, but understanding the importance of Human Resources, so it is a matter of changing perspective and attitude. The major change in this regard is approaching human resources as an investment by using the perspective of a football club manager, in other words, by making the employee subject to an individual and team training and rewarding him/her depending on performance.

References