



WORKERS' DEVELOPMENT IN THE POLISH STEELWORKS PLANTS

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ABSTRACT:

The aim of this article is to present the key elements of workers' development in steelworks plants in Polish metallurgical sector. As case study was used the company ArcelorMittal Poland, the biggest metallurgical company on Polish market. After restructuring process the structure of employed workers' in Polish steelworkers plants was changed. Moreover workers participate in corporate management. Modern steelworks plants realize the strategy of the workers' development. Workers take part in *trainings to improve their professional qualifications and knowledge*. After trainings they can better plan, organise, implement and control actions at a given job. The company ArcelorMittal Poland measured the level of workers' engagement in their jobs. In the article the key results were presented.

KEY WORDS: restructuring process in employment, workers' development, corporate workers' engagement.

1. INTRODUCTION

The transformation of the Polish economic system in the early 1990s forced enterprises to adjust to totally new conditions of the market economy. As a result of these transformations, works on the Polish industry restructuring were commenced since it was not able to function in the new reality. The metallurgical industry restructuring in Poland commenced in 1992, with the development of a document "*Study of the Polish Metallurgy Restructuring*", where the strategic directions of changes were determined. The year 1998 gave rise to the government's "*Programme of the Iron and Steel Metallurgical Industry Restructuring in Poland*", together with a set of acts of parliament. The ongoing process of transformations was systematically bringing the Polish metallurgy nearer the requirements of the European Union market. In 2007 the Government of the Republic of Poland and the European Commission acknowledged that the restructuring programme, based on the document "*Restructuring and Development of the Iron and Steel Metallurgy in Poland up till 2006*" had been realized. One of the restructuring areas was employment. The structure of employed workers in Polish steelworks plants was changed. Besides workers participate in planning, organising, implementing and controlling actions at a given job. We can say about corporate workers' engagement. But the new situation is connected with workers' development.

2. RESTRUCTURING PROCESS IN EMPLOYMENT

During restructuring process of metallurgical sector, after 1989s the employment decreased from 153 000 persons to 30 000 in 2006s. As a result of the employment restructuring the employment structure and the level of education among employees of the metallurgical sector improved (fig. 1). The number of people with a university degree doubled and the number of employees with secondary education was systematically increasing, whereas the number of people with the primary or secondary education dropped [1].

New conditions for the metallurgical industry (globalization of actions) increased the demand for the managerial staff and staff of other levels. During the last few years the metallurgical sector in Poland saw an increase in the number of people employed on managerial positions. In order to eliminate the generation gap (aging of the staff employed at present), new specialists were employed. The company of ArcelorMittal Poland serves as an example of this phenomenon (fig. 2). The company employs about 10 500 persons (fig. 3). In 2005 the situation on Polish steel market was very positive, so company decided to employ new workers. After the year companies started to change the structure of employment [2].

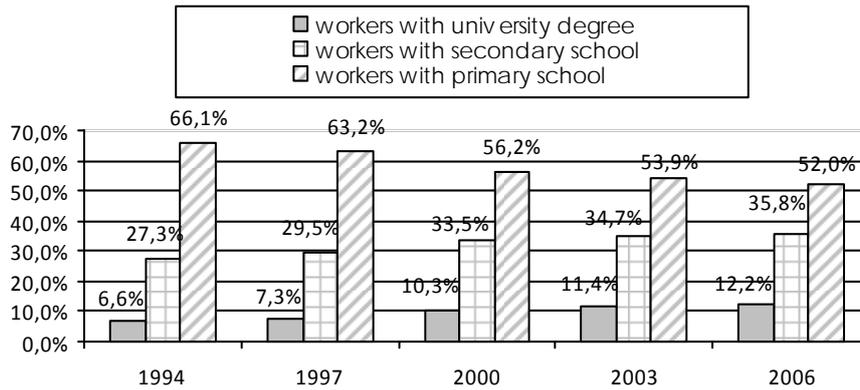


Fig.1. The level of education among employees of the metallurgical sector [1]

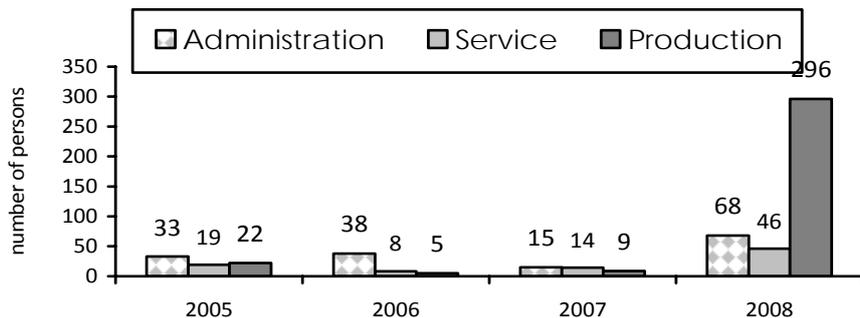


Fig. 2. The number of new employed workers at the company ArcelorMittal [2]

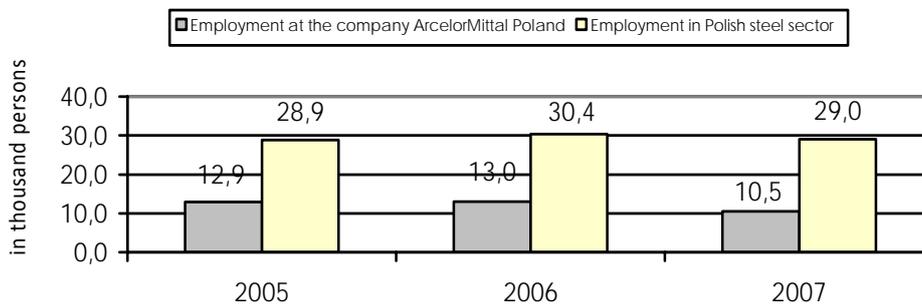


Fig. 3. Employment in Polish steel sector and at the company ArcelorMittal Poland [2]

Table 1. The steel production in Poland and the number of employees [3]

Year	Steel production [in million tons]	Number of employees [in thousand persons]
1990	13,5	147,0
1991	10,3	123,0
1992	9,8	106,0
1993	8,9	99,0
1994	11,0	93,0
1995	11,7	91,0
1996	10,4	90,0
1997	11,6	86,5
1998	9,9	78,2
1999	8,8	55,2
2000	10,5	38,7
2001	8,8	31,6
2002	8,4	26,4
2005	8,3	29,0
2006	10,0	30,4
2007	10,7	28,9

As a result of the restructuring, the productivity of the metallurgical sector increased. In 1989 it equalled 65 tons per head, in 2003 222 tons per head and in 2006 333 tons. It is still not enough in comparison to the EU standards of productivity, which are ca. 500 tons per head. Table 1 presents the steel production in Poland and the number of employees [3].

3. WORKERS' DEVELOPMENT

A dynamic environment forces employees to adjust to new professional tasks. The factors which contribute to the general skills of employees are: practical proficiency, intellectual and social abilities. They are indispensable for understanding and learning new data. Practiced skills, supported with professional experience and certainty basing on employees' reflection allow acting in a specific

manner in a specific situation. An employee's development is of a long-term nature and it signifies employees' personal advancement, which is connected with improving their qualifications, skills, obtaining new knowledge, undergoing mental and physical changes.

The essence of development is to prepare an employee to do his job and to accept positions connected with greater responsibility. In order to achieve that, an employee participates in training sessions, which can be held in the plant or outside. The subject matter of trainings is much diversified. Trainings in the scope of innovations constitute a priority. The employees are responsible for new products and other innovations. For example in 2006 ArcelorMittal Poland SA introduced 14 new grades of steel, whereas in 2007 their number reached 17. The word innovation derives from the Latin word of *innovare* which means „make new”. Innovations in production plants are based on scientific and technical progress. One may say that innovations in industrial plants are all product design and development processes aimed at the application and implementation of improved solutions in science, technology, work organization and management methods. Expenditures on innovation activity in Polish industry increase systematically. In 2000 it was 10853,1 mil PLN and six years later expenditures increased about 5705 mil PLN (fig.4).

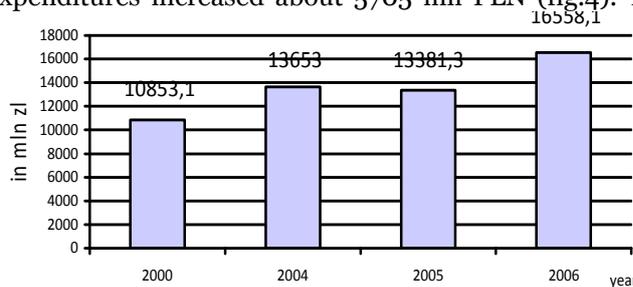


Fig. 4. Expenditures on innovation activity in Polish industry [4,5]

Two sectors of industry that is manufacture of basic metals and manufacture of metal products spent on innovation activity 2156 mln PLN (in 2006). Expenditures on staff training connected with innovation activity amounted to 4,6 mln PLN [4]. Innovation activity is rewarded. In 2006 ArcelorMittal was among the ten most innovative companies and received the Innovation Leader 2006 title. At the national level, the company was awarded the Grand Prix title at the EKO-2007 competition for 10 innovative projects. Moreover, the Cracow-based branch of ArcelorMittal Poland received an award for innovation at the 10th Little Poland Quality competition [5].

4. CORPORATE WORKERS' ENGAGEMENT

Engagement is energy, enthusiasm, passion which workers feel in relation to their work and/or function. An engaged worker takes an active part in planning, organising, implementing and controlling actions at a given job. His duties are additionally subject to changes resulting from new conditions. The essence of engaged management is orientation to goals the achievement of which contributes to the company's market success. The process involves all workers (production staff, management, administration) who cooperate to achieve corporate goals in accordance with their responsibilities and duties. An engaged worker speaks good about the company, wants to be a part of it, tries and takes additional efforts so that his company succeed in the market. An engaged worker knows he is a part of the company. An engaged worker does not think about leaving the company. On the contrary, he binds his future therewith. To have particular workers engaged in their work, the employer should establish good working and payment conditions (effective incentive systems). A key to success is also a required deep sense of responsibility for a company and own performance [6,7]. An engaged worker can manage himself (self-management). This means, without limitation, the development of own skills and abilities in order to adjust to changes occurring at the company and in its environment.

In March 2008, ArcelorMittal Poland ordered Hewitt Associates to identify workers' engagement at the company. The research was based on a questionnaire. Questions presented therein referred to six themes: work, development opportunities, remuneration, interpersonal relations, practices and quality of life (fig. 5). The research covered all sections of ArcelorMittal Poland, including production workers, head office and management board. 1620 questionnaires were distributed at random. In August 2008, research results were published in the weekly "Polska Stal" (No 31/2008). The ratio of workers' engagement at ArcelorMittal Poland was 31% (such a percentage of respondents feels engaged in the company's activity, speaks positively about the company, binds their professional development with the company and is able to take additional efforts to the benefit of the company's development). The ratio was by 8% smaller than an average for the production sector in Poland (39%) and by 14% smaller than the EU average and by 21% smaller than the World (fig. 6) [8,9].

Considering the fact that the company of ArcelorMittal Poland in its present organizational structure has been functioning on the market since 2006, the measurements results could be

recognized as positive. In 2009 the plant is still implementing the policy of building better relations with its employees.

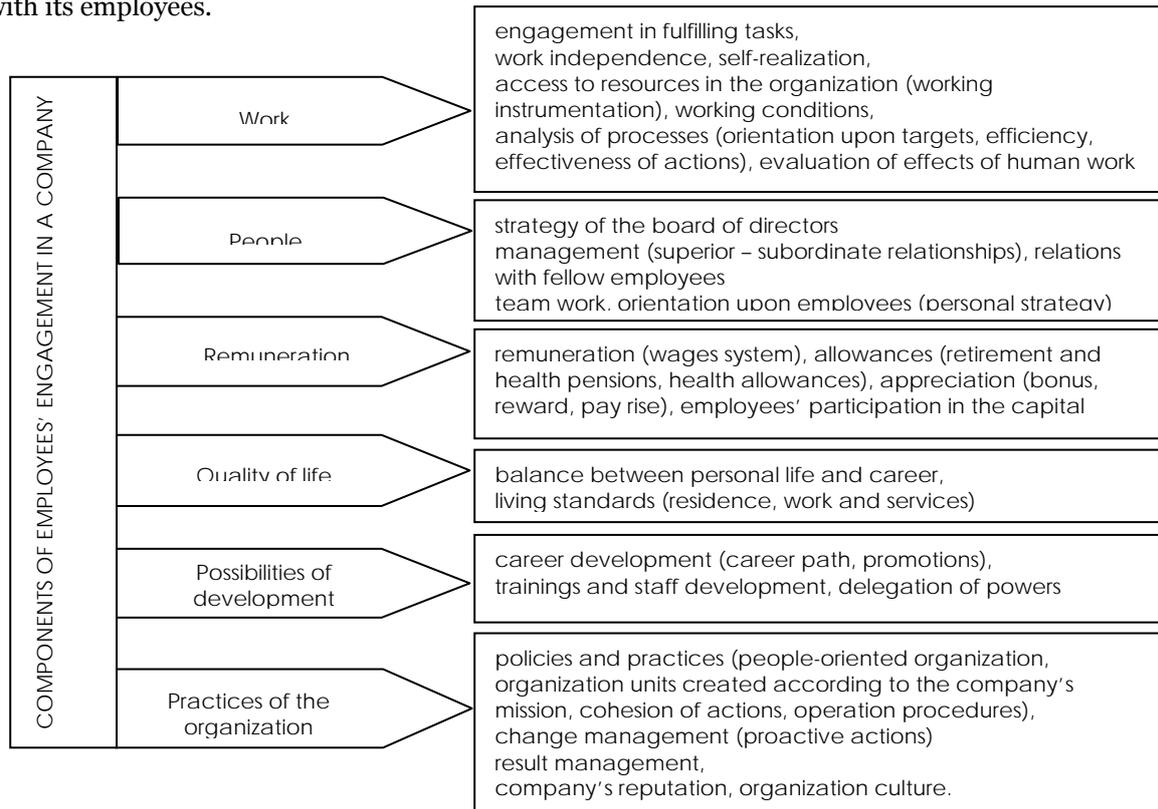


Fig.5. Components of workers' engagement in the company [8]

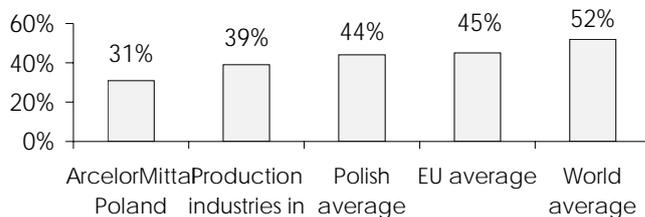


Fig.6. Indicator of engaged workers in activities [8,9]

5. CONCLUSION

The market conditions for functioning of metallurgical plants result in a fact that the staff advancement has become an inseparable aspect of their development and winning of a competitive advantage. Growing competition in the sector constitutes a

risk for the sales of products. In such a situation modern plants focus on the application of new methods and techniques of the staff advancement, increasing their engagement in the management and development of a company.

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