



A Study on the Impact of Training in Al Futtaim Motors, Dubai

Karthikeyan Lenin

Assistant Professor-Senior scale, School of Business, Manipal University, Dubai.

Dhannya Elizabeth Samuel

Assistant Professor, School of Business, Manipal University, Dubai.

ABSTRACT

For an organization to achieve its legitimate objectives human resource management has to adopt a holistic approach towards the management of people and to use the human talent efficiently and effectively. Rapid changes in technology, the exportation of jobs (e.g., manufacturing), downsizing, shortcomings in formal education (e.g., high school level) and global competition are some of the major reasons making organizations to focus on continuous learning and job training. Clearly, in a highly competitive global marketplace, strategic training and development is a key. Training is not only necessary to keep the skill of the creative person but; it also contributes to the company's needs and goals. The main purpose of the article is to analyze the strategic training at Al Futtaim Motors which is one of the leading companies in UAE. The authors intended to analyze the perception of employees towards training at Al Futtaim Motors, to identify the amount of organizational support given to the trainees and to find out the gaps in training and suggest measures for bridging the gaps.

KEYWORDS: Human resource management (HRM), Strategic Training, Performance, Business.

INTRODUCTION

An organisation will be successful only if it is able to turn strategies into action quickly: to manage processes intelligently and efficiently: to maximize employee contribution and commitment; and to create the conditions for seamless change (Ulrich, 1998, p-33). Since human resources are critical to a business success the organization has to develop HR strategy which identifies company characteristics that motivate and energize the employees.

Training and Development is one of the most important strategies that can create a direct impact on business outcomes. The goal of training is to improve employee and organizational capabilities. According to Noe's (2008) definition training is

"Planned effort by a company to facilitate employees' learning of job-related competencies". These competencies include knowledge, skills, and behaviours that are critical for successful job performance (Noe, 2008, p-32)".

Training to employees has to involve more than the basic skill development. In other words a company should take a broad perspective regarding training, viewing it as a way to create and develop intellectual capital (Scott, 2010, p-19).

The main purpose of the article is to analyze the strategic training at Al Futtaim Motors which is one of the leading companies in UAE. We intended to analyze the perception of employees towards training at Al Futtaim Motors, to identify the amount of organizational support given to the trainees and to find out the gaps in training and suggest measures for bridging the gaps. Continued effectiveness and efficiency of an organization is to some extent dependent on the ability of its employees to produce at high levels of efficiency and keep abreast with their job role demands (No author, 2006, p-180). Training helps employees to learn their jobs and attain desired levels of performance rapidly. It helps to eliminate the wastage of materials which in turn reduce scrap cost. Thus in order to help the organization to achieve a satisfactory level of job performance and acquire capabilities that would be valuable in possible future jobs, training forms an imperative part. It was this aspect that necessitated this study.

SHRM (Society for Human Resource Management) research department stated that "Today, training programs cannot merely be a 'good idea' but must directly relate to measurable performance metrics that will advance the company's business plans. Return on investment (ROI), a process that compares the monetary benefits or outcomes of training with the cost of training, is a critical factor for strategic training and

development. ROI benefits are the value gained by the organization (SHRM research Dept, 2008, p-5)".

Review of Literature: Strategic Training and Development

In a rapidly changing competitive environment HRD has to adopt a proactive approach that is to search for preventive care in human relations. Long-term growth can be planned by creating highly inspired groups of employees with high aspirations to diversify around core competencies and to build new organizational responses for coping with change (Jha, no date, p-9).

Strategic Issues

Employees training and development is increasingly becoming a major strategic issue for organizations for several reasons. Rapid changes in technology continue to cause increasing rates of skill obsolescence. In order to remain competitive, organizations need to continue training their employees to use the best and latest technologies available.

Secondly, the redesign of work into jobs having broader responsibilities (that are often part of self-managed teams) requires employees to assume more responsibility, take initiative, and further develop interpersonal skills to ensure their performance and success.

Thirdly, mergers and acquisitions have greatly increased. These activities require integrating employees of one organization into another having vastly different culture. When financial and performance results of merger and acquisition activity fall short of plans, the reason usually rests with people management systems rather than operational or financial management systems

Finally, the globalization of business operations requires managers to acquire knowledge and skills related to language and cultural differences.

Importance of Training

- Higher productivity
- Better Quality of Work
- Cost Reduction
- Reduced Supervision
- Low Accident Rate
- High Morale
- Personal Growth

Case study – Al Futtaim Motors, Dubai

Al-Futtaim Groups which was founded in 1930s is one of the most progressive regional business houses headquartered in Dubai, United Arab

Emirates. Al-Futtaim operates through more than 65 companies across sectors as diverse as commerce, industry and services, and employs in excess of 20,000 people across the UAE, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, Egypt, Pakistan, Sri Lanka, Syria, Singapore and Europe. Al Futtam employs over 20,000 people and operates six divisions comprising automotive, electronics, Engineering and Technologies, insurance, real estate, retail and services.

Al-Futtaim maintains a decentralised approach, giving individual businesses flexibility and versatility to maintain a competitive stance. The success of Al-Futtaim is attributed to proactively managing change whilst upholding the values of integrity, service and social responsibility. The majority of businesses, built on a portfolio of world leading brands, dominate their sector. The authors used both Primary and Secondary data for this research. The former included personal meetings and questionnaires completed by the employees whereas the secondary was made available by the company past records.

Analysis and Interpretation

While conducting a survey in Al Futtam from different departments (7 departments) the authors took only 70 respondents for the study to know whether there is strategic training being followed by their organization and what does the employees think about training and development program. This survey has been done only in one branch of Al Futtam Groups ie Al Futtam Motors, Dubai. In this organization 65% of the employees are male and female constitutes 35%. Fig 1 shows the age of employees working in the organization.

Fig.1 shows the age of employees working at Al Futtam Motors

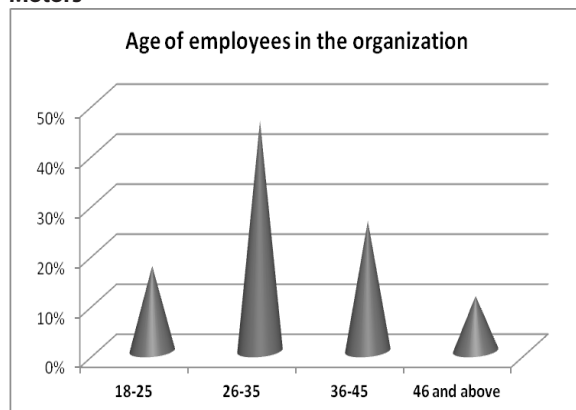
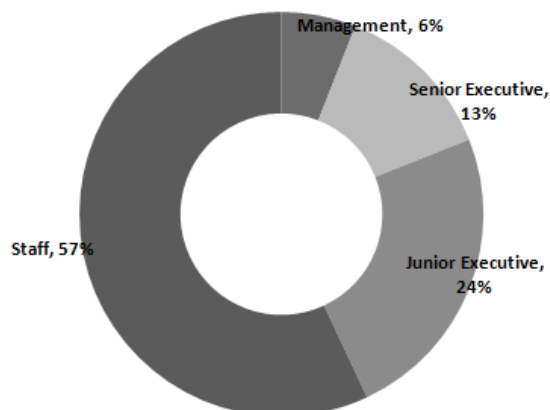


Fig 1 shows the different age groups of employees in Al Futtam Motors. Out of 70 respondents, 45.72% of the employees are between the ages of 26-35, 25.71% are between the ages 36-45, 17.15% are between the age of 18-25 and the remaining 11.43% are with age of 46 and above

Fig 2 shows the designation of employees at Al Futtam Motors



The above Fig. 2 demonstrates that 6% of the employees are at the management level and 13% of the employees are working as the senior executive. Majority 57% of employees are working as staffs in different departments.

Fig 3 Income of the employees in Al Futtam Motors

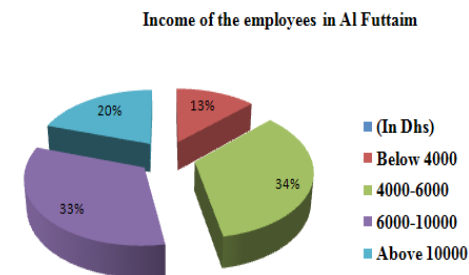


Fig 3 explains the income of the employees in Al Futtam. Majority of the employees (34.29%) are being paid between 4000-6000Dhs with incentives. Employees at top level are being paid above 10000Dhs. 12.86% Employees are those who have newly joined and they get below 4000 and gradually it gets increased. In Al Futtam the employees are being paid basic salary with commission due to which the employees work hard to get those commissions.

Fig.4 indicates the percentage of employee's access to the Information

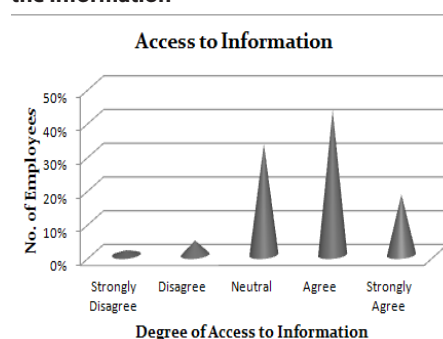


Fig.4 indicates whether employees are getting ready access to the information they need to do their job. Maximum 42.86% of employees agree to the statement that they get ready access to information followed by 18.75% who strongly agree, 32.86% being neutral and 1.43% employees who strongly disagree to it. This shows majority of employees are getting information which they require to perform their jobs better.

Another findings which need to be discussed here is that majority of the employees (32.86%) agree that they are working in a very comfortable environment whereas 15% strongly agree that there are conflicts within work space and more competition among themselves rather than with their competitors.

Fig 5 shows the percentage of employees who are trained to perform effectively and efficiently

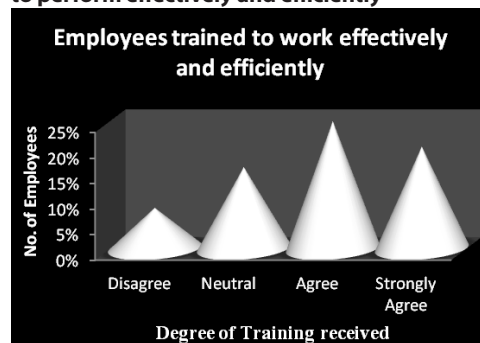
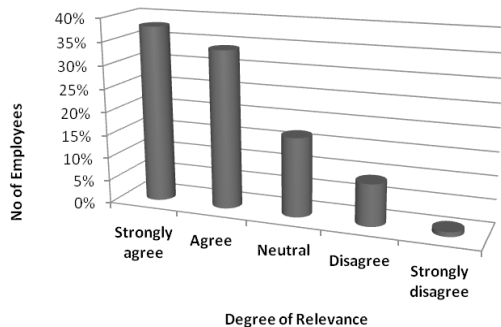


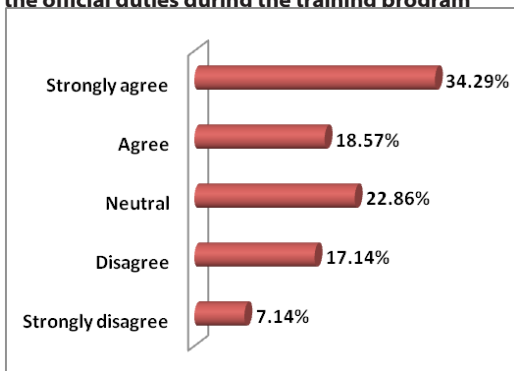
Fig 5 demonstrates the percentage of employees who received training which is very essential to perform their job more effectively and efficiently. Maximum 35.71% agree that they have received training about their job so that they can perform more effectively, 28.57% employees strongly agree with it, 22.86%, and 11.43% disagree they don't get any training.

Fig 6. Relevance of Training Provided by AI Futtaim Motors



In figure 6 shows the relevance of the training programs provided to employees for their self development. Maximum of 38.57% employees found that training provided is completely relevant for their self development. Followed by 34.29% agree, 17.14% at neutral and 1.43% employees responded it as completely irrelevant for their self development.

Fig.7 shows the percentage of employees relieved from the official duties during the training program



In Fig. 7 majority of 34.29 % employees strongly agree that they are completely relieved from their official duties during the training program, followed by 18.57% who agreed that they are relieved from duties, and 22.86% being at neutral and about 17.14% employees are withdrawn sometimes from the training program at the last moment. We can assume from the given response that more than 35% employees are not allowed to attend full training due to which they are not able to perform well in their job.

Fig. 8 demonstrates that there is consistent & equitable system of rewards for the employees' outstanding performance at AI Futtaim Motors

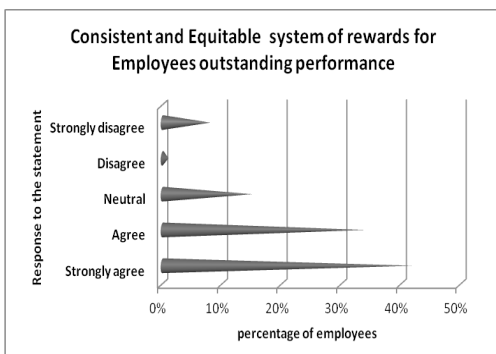


Fig. 8 illustrates the degree of response to the statement (i.e) "Is there a consistent & equitable system of rewards at AI Futtaim motors for the employees' outstanding performance? Maximum 42.86 % of employees say they strongly agree with this statement followed by 34.29 % employees who agree, and about 1.43% disagree with the statement and 15% being neutral. The graph indicates that rewards are given regularly for the outstanding performance. Since 15% of the employees are neutral it suggests they are not rewarded quite often and the reward is not motivational.

Fig 9 shows the percentage of employees agree that Trainer gave demonstration

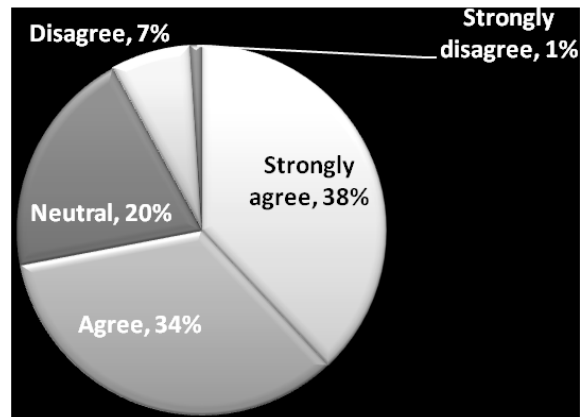
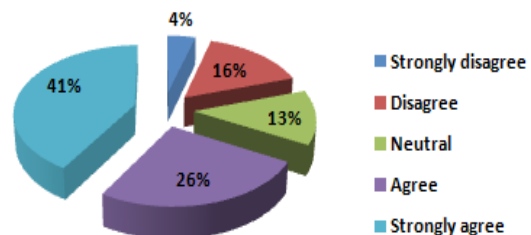


Fig 9 suggests that the trainer provided many applicable examples to make the employees understand better and make the training more interesting. Maximum 38 % employees agree the trainer had given demonstration which was easier as they learned how it should be used, followed by 34. % employees strongly agree, 20% being neutral and 7 % employees disagreed with the statement.

Fig 10 shows the percentage of employees involved in decision making



The above Fig.10 suggests that the employees are involved in the decision making. Majority 41.43% employees strongly agree about their involvement in decision followed by 25.71% employees agrees, 12.86% being neutral, 15.71% employees disagree and rest 4.29% employees strongly disagree about their involvement.

Fig 11 shows whether the trainer has adequate knowledge?



Fig 11 shows that Maximum 48.57% employees agree that the trainer has enough product knowledge, followed by 24.29% strongly agrees, 8.57% employees being neutral, and 14.29% employees disagree and rest 4.29% employees strongly disagree that trainer is short of adequate knowledge and he failed to answer the questions put forwarded by the employees and it created a negative impact on trainees.

Findings and Recommendations

The study regarding the Strategic Training was conducted in the seven departments within the AI Futtam covering most of its employees. This research has bought many noteworthy conclusions to the forefront. The authors suggested that the identified gaps can be rectified to improvise the training scenario through the following:

- Management should stress on the training programs regarding the leadership competence, communication skills, functional skills and behavioural skills.
- We found that 17% of the employees couldn't continue their training because of their official duties. In order to avoid this, the training schedule should be circulated to each & every employee in the organization in the beginning of the year. By doing this the employee will be aware of the training sessions & duration. This will help both employees and the concerned supervisors to schedule works in advance for the training programs to avoid disturbances during trainings.
- Employees are of opinion that training should be made mandatory, whereby every employee, at every level in the organization must attend at least one training program in a calendar year. So that all employees get equal chance to enhance their skills and knowledge. This will also increase their motivational level if participative training programmes are conducted to get employees opinions / suggestions.
- Management should allow employees to experiment / implement their learning to an extent that they don't incur loss to the company. If their ideas are implemented under proper supervision, it will motivate the employee and give them a chance to sharpen his/her skills. This will lead to active participations in future trainings.

Conclusion

Training and Development refers to the process to obtain or transfer knowledge, skills and abilities needed to carry out a specific activity or task. To meet current and future business demands, training and development encompasses a wide range of learning actions, from training for tasks and knowledge sharing to improved customer service and career development, thus expanding individual, group and organizational effectiveness (Prasad, 2009). Strategic positioning of training and development directly promotes organizational business goals and objectives. Key business challenges require that companies thoughtfully evaluate their market position and determine the talent, skills and knowledge to be successful. Why organizations should focus on continuous learning and job training? Because company most likely will need employees whose skills are constantly upgraded because it will constantly have to adapt to new conditions and methods in order to meet new competitive challenges. Training is not only necessary to keep the skill of the creative person but it also contributes to the company's needs and goals.

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