

The Role of Training in Management and Efficiency of Organizations (Case Study: Isfahan's Mobarakeh Steel Complex)

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Abstract

Today, human resources is the most important factor for developing societies and economic growth, and the organization performance depends on the employees' performance that's why it can be said that human resources as the capital plays an important role in developing organizations, so that despite the existence of the advance machines, the role of the efficient human resources is undeniable. In business world, training is considered as the most important factor for increasing efficiency in organizations. The organizations that use the efficient and creative workforces can prevent the loss of capital and they can increase the efficiency. In this descriptive-analytic article, we try to study the role of training in management and efficiency of organizations. Therefore, 110 employees of Isfahan's Mobarakeh Steel Complex were randomly selected as the sample. 110 questionnaires that were established based on Likert scale were distributed among the employees. After collecting the questionnaires, we analyze them. Finally, by analyzing the hypotheses and findings, we conclude that training plays an important role in management and efficiency of organizations.

Keywords: Training, efficiency, management, motivation

Introduction

Today organizations in human resource management have faced with many challenges such as lack of the motivation and lack the necessary skills. According to Onah (2003: 1), the important factor for the success of organizations is the method of human resource management. The ability to achieve sustainable development requires manpower. So, personnel selection, management and reward system affect the performance and success of the organization. After the selection of efficient workforces, it cannot be said the organizations' mission is finished, and since in the developing world we face with great changes, organizations must adapt to these changes and provide the necessary training to the staff and acquaint them with today's technology.

The concept of training can be defined as the ability to learn skills and information for the specific purpose. The concept involves in-service training, workshops, seminars or conferences. Many studies show that education and human resource development leads to increased job satisfaction and increase employee productivity that increase employee productivity and increase the efficiency of organization. In this article, by considering two hypotheses, we have provided a questionnaire that distributed among the employees of Mobarakeh Steel Complex and we study the effect of training on the efficiency of organization.

Review of Literature

During the last fifteen years, efficiency has increased 45 times around the world (Faraji, 2006). The experience of industrial developed countries shows that the importance of efficiency in the process of development of these countries was more than capital and labor factors, in other words, in recent years the development in the developed countries is mainly due to increased efficiency rather than the development and increase of the quantitative level of effective factors.

Accordingly, the efficiency in the Fourth Program of Economic and Cultural Development has been so concerned by social and economic policy makers, so that about 2/5 percent of the country's economic growth of 8 percent during the fourth development plan should be realized through increasing efficiency (Alirezai, Afsharian, 2006). So the promotion of efficiency is now the focus of the country's medium-term planning and obviously we can enhance our efficiency at all levels including organizations, government and non-governmental institutions, managers are considering the issue of efficiency on the agenda.

Because of the importance of efficiency in the development process of countries, several studies have been conducted on factors affecting efficiency. Regarding the factors affecting efficiency, economists and management experts have done the various divisions based on the views and attitudes. Common factors are concerned in this division in terms of systematic attitude known as intrinsic and extrinsic factors; so that external factors include environmental factors and structural changes and internal factors include the software and hardware elements (Janalinejad, 2001).

In a study was conducted by Kudyba (2003) factors affecting improve employees' efficiency showed that with proper training, guidance and participation of employees can improve their skills and enhance organizational performances. The results Seonghee and Harton (2006) suggest that the development and improvement of human resources increases organizational efficiency.

The importance of staff training for organizations

Human resource training is profitable investment that its effect plays an important role in developing optimal organization and in promoting the culture of the community. Importance of education, especially adult education is clear for all. Mixed education is an important principle in the work life of any organization, since the most important aspect of this term is growth and development and expertise, that establishment and continuation of education in today's organizations play an important role in professional practice; in fact, a leader in organizations. Staff training is an imperative and inevitable that should be effective with other management processes.

Training is one of the fundamental methods to guide staff in the organization that leads to apply hidden talents, to operate imagination and create a sense of intellectual flexibility in staff. The training is better and more efficient, widely given society towards goals such as the development, skills, improvement and modification of guidance (Gorouhei, 2001) and this causes changes in an organization's staff in performing their duties to act more successful. Education is a key factor in development and one of the most important measures to increase the organization's efficiency; according to statistics, the ordinal American companies pay more than \$ 1,500 a year for each employee training that spent a total of 52% of the total sales figures of companies (Bailey, 2003). The studies also show that education leads to the continuity and survival of the organization. A three-year study in Singapore showed that 17% of commercial and industrial companies have gone bankrupt that less than 1% of these companies have held training courses for their employees (Carr, 2002).

Establishing efficiency in the staff thought

The basis for the establishment of efficiency management is that the employees should think. The problems of organizations are not financial problems or equipment, materials and facilities, but major problem is lack of thought. Efficient and successful organizations in addition to bureaucratic discipline have adopted special measures for the use of all intellectual and practical capacities of the employees. Although the activities of scientific and intellectual workers cannot be formulated, leading organizations have gradually achieved the perfect mechanisms and approaches to leadership and cultural fields for synergizing efforts and ideas of staff. Effective management of workforces requires measures that lead to qualitative and quantitative development in learning capacity, effective use of knowledge and organizational knowledge development at the national level (Fereidounian, 2001: 22).

By knowledge management in the organization, efficiency in thought will be achieved. Knowledge management is knowledge management of organization that can range from features to improve organizational performance. Thought is the fundamental that its successful application helps organizations to offer innovative goods and services. This huge resource of knowledge covers many different types of organizational processes, best practices, gain the trust of the customer, MIS, culture and norms (Azari: 2001: 47).

The importance of effective management to improve the performance and efficiency

There are diverging views on the performance indicators that are used in researches which examine the role of human resource management techniques on the performance of their organizations.

Some researchers, financial indicators and the remaining majority of them use non-financial indicators.

In Human Resource Management as human resources is considered not as a goal, the researches in this field must apply both financial and non-financial indicators. It is worth noting that non-financial measures will ultimately lead to financial revenues. For example, consider an employee's departure. This is one of the non-financial measures that was used. Finally, when turnover is less significant for the organization, the organization will not be able to fill vacancies costs required to provide employees who have left the organization.

In summary, despite the use of both financial and non-financial results is very important, we should not ignore the fact that the non-financial indicators will lead ultimately to the financial performance for the organization. An important key point is that the definitions and limitations of evaluating are used. Current scales measure financial performance and effectiveness of the organization.

However, this method is ignored the role of staff in achieving corporate performance and how employees understand the techniques of human resources.

The study of these aims to investigate the relationship between human resource management and performance can use one or more indicators of performance. Dyer and Reeves have proposed four categories of performance indicators. There is a relationship between the output of employees and the results of techniques such as behaviors such as absenteeism and turnover.

The output of organization has focused on the operational measures of performance such as efficiency, quality, and all or most of those that are led to profitability. The output of financial / accounting refers to the actual measures of financial performance including costs, revenues and profitability. The output associated with market reflects how the financial markets determine the various market price. Regarding several indicators that were used in terms of performance, this study will attempt both financial performance and the effectiveness of human resources. So when the relationship between HRM and performance is formed the need to balance is felt that is why the study uses the financial and non-financial performance indicators. This fact strengthens professional ethics related to human resources management and prevents the support of people from the old thinking that says employees are like machines to work.

Hypotheses

Considering the purpose of this study to review the role of training in the management and efficiency of organizations, three hypotheses are presented: The first hypothesis: there is a direct relationship between employee training and organizational efficiency. The second hypothesis: the lack of training triggers reduces employees' motivation. The third hypothesis: Staff training will reduce costs and minimize errors.

Research Methodology

In this study, 110 employees of Mobarakeh Steel Complex in Isfahan were randomly selected. Then, 110 questionnaires were distributed among them. Based on objective, research hypotheses with multiple choice answers were provided to staff. The structure of the questionnaire is based on the Likert scale. The participants answer questions by selecting an option. These options include the: strongly agree, agree, no comment, disagree, and strongly disagree. The role of education in organizational productivity was assessed from the perspective of employees. Then we review the results of the questionnaires.

Findings and results

This section examines the employees' responses to the questionnaire. The table below shows the employee's responses to the first item.

Table1. The employees' responses to the first item

	Strongly agree	Agree	No comment	Disagree	Strongly disagree	Total
The effect of staff training on the efficiency of organization	61	14	5	26	4	110

Participants should express their opinion by choosing one of the options about the fact that the staff training affect the efficiency of organization. The most responses were strongly agree. Thus, the first hypothesis is confirmed and training has a positive effect on the efficiency of organization and achieving the goals, and without education does not provide such an opportunity even lead to employee turnover.

Table2. The employees' responses to the second item

	Strongly agree	Agree	No comment	Disagree	Strongly disagree	Total
Lack the training triggers reduces employees' motivation.	58	20	14	4	14	110

Participants were asked to comment about the lack of educational triggers reduces the employees' motivation. The most responses were strongly agree and agree. Therefore, the second hypothesis is confirmed. Lack of training triggers reduces the employees' motivation that affects the efficiency levels of the organization.

Table3. The employees' responses to the third item

	Strongly agree	Agree	No comment	Disagree	Strongly disagree	Total
Staff training will reduce costs and minimize errors.	7	43	14	27	19	110

The aim to present the third item is to examine whether Mobarakeh Steel Complex as a case study as used the benefits of employee training or not. According to the employees' responses, it can be concluded that staff training for the organization has led to economic benefits and reduced the cost of production.

According to the above results it can be concluded that staff training increases the efficiency of organization and increases employees' motivation and reduces the cost of production.

Table4. Review of the employees' responses to the items of questionnaire

Items of questionnaire	Variables	Strongly agree	Agree	No comment	Disagree	Strongly disagree	Total
There is a direct relationship between staff training and the efficiency of organization.	Frequency	61	14	5	26	4	110
	Percent	55.5	12.7	4.5	23.6	3.6	100
Lack the training triggers reduces employees' motivation	Frequency	58	20	14	4	14	110
	Percent	52.7	18.9	12.7	3.6	12.7	100
Staff training will reduce costs and minimize errors.	Frequency	7	43	14	27	19	110
	Percent	6.4	39.1	12.7	24.5	17.3	100

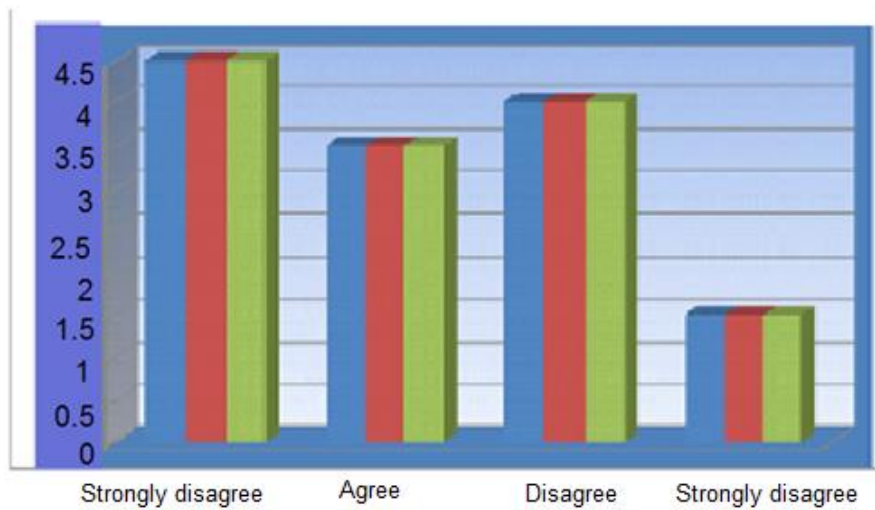


Figure1. Diagram of the employees' responses to the first item: the relationship between training and efficiency of organization

Figure 1 shows the employees' responses to the first item as they were presented in the table. In this diagram we can see that most of the responses were strongly agree and agree. By examining the employees' responses, these results were obtained: 14 strongly agreed 55% and 61 agreed 12.7%; so, there is a relationship between staff training and efficiency of organization. Nwita (2000) also concluded that organizational performance plays an important role in achieving the goals and increasing the efficiency improves the performance of organization.

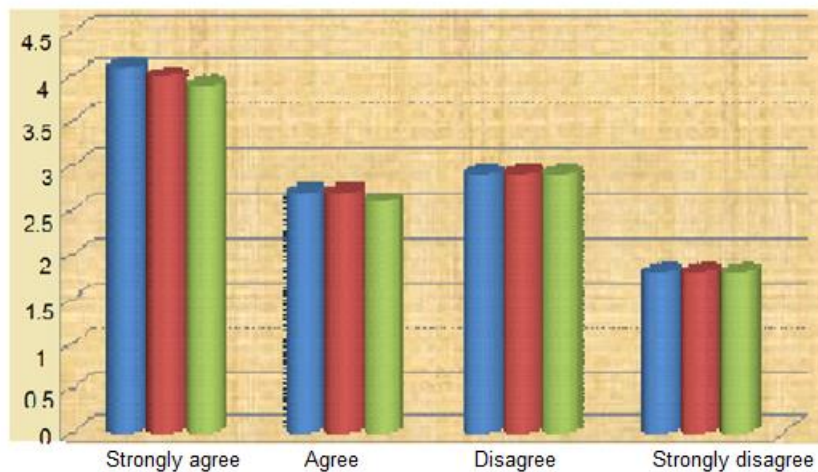


Figure3. Diagram of the employees' responses to the second item: lack the training triggers reduces employees' motivation

Figure 3 shows the employees' responses to the second item as they were presented in the table. In this diagram we can see that most of the responses were strongly agree and agree. By examining the employees' responses, these results were obtained: 58 strongly agreed 52.7% and 20 agreed 18.9%.

Therefore, it cannot be said that lack the training triggers reduces employees' motivation. Akintayo (2006) in his study concluded that increasing efficiency and improves the quality of work, increasing knowledge and skills to use tools and machines reduce costs and turnover in employees.

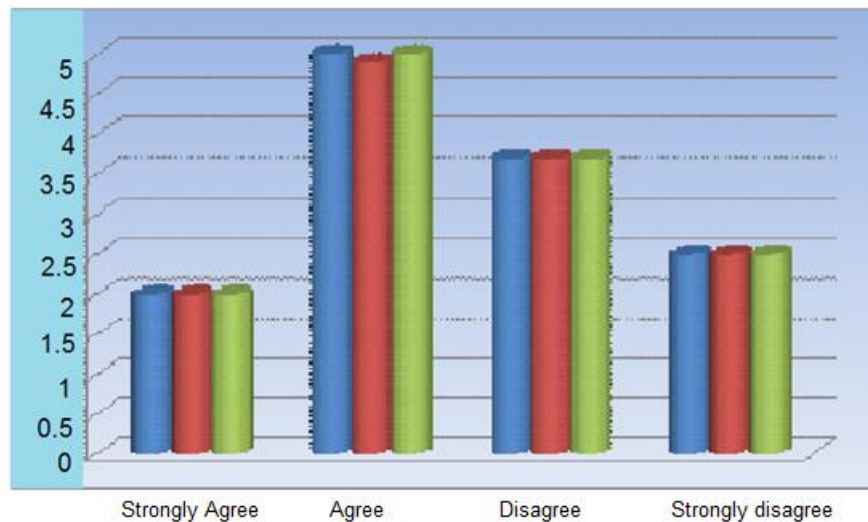


Figure4. Diagram of the employees' responses to the third item: Staff training will reduce costs and minimize errors

Figure 3 shows the employees' responses to the third item that were presented in the table. In this diagram, we can see that most of the employees agreed on the issue of staff training costs can be reduced. By examining the responses, the results were obtained: 49 agreed 39.1% and 27 disagreed 24.5%. So staff training reduces production costs and increases organizational efficiency.

Conclusion

The use of human resources potential is huge advantage for any organization. Training and empowering employees are the goals of organizations and it is strong based on this belief that efficiency depends on the educated and empowered staff, the organizations have paid costs for in-service training, short-term and long-term coursed, or in other ways in order to set individual abilities in line with organizational goals. After years of experience the world comes to the conclusion that if an organization wants to be a leader in its economy must use the creative and motivated experts.

Management and reducing costs means to identify and take action to eliminate waste and reduce costs, then, the employees get creative. Training courses about managing cost can be very helpful. In the present study, by studying the hypotheses in Mobarakeh Steel Complex, we found that training plays an important role in motivating employees reduce costs and increasing efficiency of organization.

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