

The Effect of employee's competences on petrochemical sales markets: the case of Saudi Arabia's industrial organizations

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Abstract: Petrochemical company (PEC) is considered as one of the largest global chemical company, in addition the largest and most reliably profitable public company in the Middle East. However, the purpose of this research is to identify the root cause and contribution factor of polyethylene production sales decreased. In pursuit of this aim, a review of similar literature on factors related with Petrochemical companies were considered through this review. The target population for the study was 500 sales employees in Jubail industrial city who involved in polyethylene production sales. organizational analysis has been conducted. The findings and results in the proper shows that many variables associated with polyethylene production sales. Among the significant variables was the employee's competences and lack of training. Conclusions were drawn that conduct training for employees and implement the recommendations and establish learning organization cultures, which facilitates the learning of its members. In another hand, reevaluate the product prices and check if there is opportunity for offers. Finally, suggestions are made for further research.

Keywords: Human Resource development, employee's competences, training effectiveness.

Introduction

According to GCC petrochemical and chemical industry report (Gpca,2016) Petrochemical sector witnessed major development in the current period as petrochemical products prices tumbled in 2014 compared to 2013 in line with prices of oil . Recently, at the beginning of 2015 most of petrochemical product prices increased because of rises in oil prices and high demand improvement in some polyethylene products. This issue paper will attempt to solve one of Petrochemical company issues. In 2017, Petrochemical company (PEC) polyethylene production sales decreased 30% compare with last year. However, Human resource development specialist should analysis the organization and conduct survey to come up with reasonable recommendations to solve the problem. Organizational analysis is the systematic process of reviewing the work environment, operation of a business, organizational development, or another type of association (Reid,2002). This review or analysis is often performed in response to problems or crisis for a big organization such as PEC company.

Petrochemical company (PEC) is Saudi Industrial Company, headquartered in Riyadh, Saudi Arabia (Motaleat,2009). PEC consider as one of the largest global chemical company, in addition the largest and

most reliably profitable public company in the Middle East (Payam,2005). PEC has branches in three regions: the Middle East and Asia, the Americas and Europe.

Problem Statement:

Products from hydrocarbons are called petrochemicals. There are many petrochemicals products. Such as Petrochemical polyethylene and which consider as raw materials for other industry. Polyethylene is made from ethylene and mostly for plastic polymers. The majority of polyethylene produced used for packaging purposes. However, recently, polyethylene production sales decreased 30% compare with last year in PEC Company. Although their production sales was decreased, PEC polyethylene production affects world market. However, to identify area for improvement in sales department's organization structure, Human resource development specialist should analysis organization structure and conduct survey to come up with recommendations to increase the sales and close this gap.

Aims and objectives:

The present research is practically aim to improve the current sales situation in PEC Company, Identifying possible solutions and techniques that may be recommended for increase the sales. In additional to provide detailed information regarding major factors influencing growth of the Petrochemical market, to analyze competitive developments, such as new product launches. The questioners and organization analysis methodology were designed to identify the root causes of decreasing the production sales 30% compare with last year, analyze efficiency by directly correlating the outcome of a service to the overall business operation.

Methodology:

In order to carry out this study. Researcher used organizational analysis methodology by apply the SWOT Analysis. SWOT is a useful method for understanding your Strengths, Weaknesses, identifying both the Opportunities and the Threats.

Organizational analysis models

1- Strategic Triangle Model

This mold relies on three input calculations to determine the efficiency plus effectiveness of an organization(Abells,2005).

- First, is the value, or mission, that guides the organization?
- Second, is operational capacity, the knowledge and capability to carry out the mission?

- Third, is legitimacy and support, or the environment that authorize the value of the organization, and offer support?

Using this model, a strategy for an organization is considered good if these three components are in alignment.

2- SWOT model

A SWOT analysis is modal considered a structured planning way used to know the strengths, weaknesses, opportunities and threats involved in a project or business (Abells,2005).

- Strengths: characteristics of the business or project that give it an advantage over others.
- Weaknesses: characteristics that place the business or project at a disadvantage relative to others.
- Opportunities: elements that the project could exploit to its advantage
- Threats: elements in the environment that could cause trouble for the business or project

However, the decision makers should consider whether the goals is attainable, given the SWOTs. If the goals is not attainable, different goals must be selected and the process repeated.

3- Sociotechnical Model

The modal known as Sociotechnical Systems , is an approach to complex organizational work design that recognizes the interaction between worker and technology in workplaces. The term also refers to the interaction between society's difficulties and human behavior. This model consider the environment as a key factor that interacts with the organization (Abells,2005).

Yet, to come up with a good recommendations to uproot the issue. I believe the SWOT model will help in this case. Because I have to know the strengths, weaknesses, opportunities and threats in my organization. The purpose of SWOT analysis is enables organizations to identify both external and internal influences. Outside of business, other organizations have found much use in the modal guiding principles. Education, industrial companies and other groups have used the analysis. SWOT's primary aims are to help organizations develop a full understanding and awareness of all the factors, positive and negative, that may impact the strategic planning and decision-making. This goal can be applied to almost any aspect of industry. Yet, below are the questions help me develop each section of my SWOT analysis.

Questions help researcher develop each section of my SWOT analysis.

Strengths

- What internal resources do we have?

- Positive attributes of people, such as knowledge, background, education, credentials, reputation, or skills.
- Tangible assets of the company, such as capital, existing customers or distribution channels, patents, or technology.
- What advantages do we have over your competition?
- Do you have strong research and development capabilities?
- What other positive aspects, internal to our business, add value or offer you a competitive advantage?

Weaknesses

- What factors that are within your control detract from your ability to obtain or maintain a competitive edge?
- What areas need improvement to accomplish your objectives?
- What does our business needs or lack (for example, expertise or access to skills or technology)?
- Does our business have limited resources?
- Is our business in a poor location

Opportunities

- What opportunities exist in our market or the environment that we can benefit from?
- Is the perception of our business positive?
- Has there been recent market growth?

Threats

- Who are our existing or potential competitors?
- Has there been a significant change in supplier prices or the availability of raw materials?
- What about shifts in consumer behavior, the economy, or government regulations that could reduce your sales?

However, below table shows the strengths, weaknesses, opportunities and threats involved in my case.

Table (1) the strengths, weaknesses, opportunities and threats involved in my case.

Internal environment	
Strengths (S)	Weaknesses (W)
<ul style="list-style-type: none"> • Excellent sales staff with strong 	<ul style="list-style-type: none"> • Currently struggling to meet deadlines - too much work?

Internal environment	
knowledge of existing products ● Good relationship with customers ● Good internal communications ● Good location ● Reputation for innovation	● High rental costs ● Holding too much stock ● Poor record keeping ● Employees bad behavior ● Lack of training ● Recent company incident Caused three employees with disabilities
External environment	
Strengths (S)	Weaknesses (W)
● Similar products on the market are not as reliable or are more expensive ● Loyal customers ● Customer demand - have asked sales staff for similar product	● Competitors have a similar product ● Downturn in economy may mean people are spending less

After analyzing the issues the finding as follow:

External environment		
Finding	Correct of action (Recommendations)	Target date
● Currently struggling to meet deadlines - too much work?	1- Increase the manpower 2- establish clear job discretion	7 Months
● High rental costs	1- Reevaluate the cost of rental equipment and negotiate the price.	7 Months
● Holding too much stock	1- Decrease the inventory (FIFO) 2- Attend warehouse management training	7 Months
● Poor record keeping	1- Include the keeping record in daily checklist. 2- conduct housekeeping campaign	7 Months

Table (2) the strengths, weaknesses, opportunities and threats involved in my case.

External environment		
Finding	Correct of action (Recommendations)	Target date
Competitors have a similar product	Encourage the employees to come up with new ideas for now product	3 Months
Downturn in economy may	Conduct a team to reevaluate the product prices and	7 Months

External environment		
mean people are spending less	check if there is opportunity for offers	
Employees bad behavior	Conduct behavioral assessment for all employees and implement the recommendations	5 Months
Lake of training	Establish learning organization cultures which facilitates the learning of its members	3 Months
Recent company incident Caused three employees with disabilities	Conduct task analysis for employees with disabilities and implement the recommendations	5 Months

Discussion

In this issue paper, I will elaborate more about the learning organization, which consider as one of correct of action in this case. Learning organization is the business term given to a firm that facilitates the learning and development of its employees. According to Morgan (1997), organization will be a learning organization if it is developing the four guidelines: Organization should scan and observe change in the business environment. Organizations should be capable of improving operating norms. Organizations must mental models, and norms guiding business activity also challenge and transform them if necessary. The organizations should have strategic direction. This makes area for desirable futures and suitable strategies to develop. Learning in organizational in today’s setting will represent a different form of learning in the following ways:

- Performance-based (link with business objectives).
- Learning processes with means learning how to learn.
- The ability to identify learning needs.
- Organization opportunities exist to develop KSA (knowledge, skills, and attitudes).
- Considering Learning is important part of work.

Learning organizations within industry field continuously innovate and evolve. Thus, the way to become Learning organizations (LO) is through continuous education. However, LO will always be future problems to solve. PEC company organizations should develop a program by creating objectives and a plan to achieve. Employees is key to creating objectives: What are the best valuable aspects of our organization? What do PEC competitors do better than us? Every objectives starts with a question and identifying those key questions is the first step. Once an organization has developed Strategies, it needs to create a plan to achieve it. The below are the PEC suggested objectives, Strategies, Measures and Targets

Table (3) the PEC suggested objectives, Strategies, Measures and Targets

Strategies	Targets	Measures 2017
Career Development & Training and retention : Succession Plan should be developed and maintained	Individual development plan for all employees.	90 % completed
Performance Management: Employees contributions will be recognized through the performance appraisal.	Performance completion as per Plan	100%
	Talent performance review conducted	Twice a year
Customer Satisfaction : take proactive measures and invest all efforts to keeping our customers satisfied	Customer claims	Zero Customer claim
	Production Quality Rate.	100%

In additional to the above strategies, PEC should drive their employees to learn by doing and practice. People learn more when they implement their knowledge to create meaningful business results. Moreover PEC should realize that training is only a tool to build knowledge. Learning is also about telling stories, making mistakes and improving continually.

Recommendation

According to survey and SOWT analysis, PEC Company struggling to meet deadlines and High rental costs, Employees bad behavior , Lake of training and Poor record keeping and . Thus, the follow main recommendations suggested improving external environment:

- Increase the manpower
- establish clear job discretion
- Reevaluate the cost of rental
- Decrease the inventory (first in first out)

In addition, the analysis shows there are recommendations for external environment as follow:

- Encourage the employees to come up with new ideas for now product
- Conduct a team to reevaluate the product prices and check if there is opportunity for offers
- Conduct behavioral assessment for all employees and implement the recommendations
- Establish learning organization cultures which facilitates the learning of its members
- Conduct task analysis for employees with disabilities and implement the recommendations

Conclusion

This research shows that it is necessary to pay more attention for employee's competences. PEC Company should establish learning organization which enhancing learning culture and improve employees KSA.. In additional PEC have to utilize technology to expedite learning and ensure availability of knowledge. Finally, enhance employee's knowledge and skills will affect positively in sales and productivity.

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أثر كفاءات الموظفين على مبيعات البتروكيمياويات
(دراسة الحالة في المنظمات الصناعية في المملكة العربية السعودية)

المخلص: إن هذا البحث يدرس مدى تأثير كفاءات الموظفين في قسم المبيعات للمنظمات الصناعية داخل المملكة العربية السعودية على نتائج المبيعات. يتضمن البحث نتائج وتوصيات تم استنتاجها عن طريق تطبيق سبلاً حديثةً مثل تحليل المنظمات في الشركات الصناعية المتخصصة في البتروكيمياويات؛ عن طريق استنباط نقاط القوة والضعف والفرص والمخاوف والتهديدات المحتملة، ومن أبرز النتائج التي تم استنتاجها هي أن المنظمات التي لا تعير انتباهاً لتطوير مهارات موظفيها ينعكس سلباً على مبيعاتها.

الكلمات المفتاحية: تطوير الموارد البشرية، كفاءات الموظفين، فعالية التدريب