

# **Management Training In Family-Owned Businesses in Kingdom Of Saudi Arabia Status, Barriers, and Recommendations for Improvement**

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**Abstract:** *This paper presents the status of training in family-owned businesses in Kingdom of Saudi Arabia (KSA). It further highlights the barriers in training and development and gives recommendations for improving the training in family-owned businesses in KSA. The paper is based on the mixed-method research approach using quantitative as well as qualitative techniques. 210 HR employees responded to the survey questionnaire. Interviews of 33 HR managers were taken with the help of another questionnaire for qualitative analysis. Inference have been made using the responses from the quantitative as well qualitative research. Data was statistically analyzed and tested. The study finds that the training in family-owned businesses have number of barriers and have lots of potential for improvements to improve the skills and competency level of employees as well as to improve the productivity of the business.*

**Keywords:** *Training, Advantages of Training, Family-owned business, Barriers, Training Need Analysis(TNA).*

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## **I. Introduction**

Due to globalization of business, more and more firms are keen to enlarge their business beyond the boundaries of the home country. Davis [1] states that liberalization, globalization, changing technologies, growth in knowledge and advances in information technology are creating challenging situations to the managers. The firms from advanced countries have the advantage of the latest technology, financial resources, qualified and trained manpower and extremely good communication and information systems. The existence and growth of a firm in global competition depends on capabilities and the capacity of the firm integrating all these aspects. Although competition between two firms is related to the competition in every field like technology, information system, health of plant and machinery and strategic location of the facilities but the real competition is between the human resources of two companies. It is the professional competency and the training of the human resources of the company which can take the company to any heights. If the human resources of the company is not able to sustain the competitive forces in market place, the firm will find difficult to survive and may vanish in a short time. Training of manpower assumes great importance in this scenario of competition. Aguinis-Kraiger [2] argue that training affects the individual's knowledge, skills and attitudes in a systematic way and improves the individuals, team and organizational effectiveness. The professional background, right attitude and good work culture of the employees is the outcome of systematic training, which makes the real difference to the company. Training of the employees across the company working at different levels assumes great importance to gain an advantage over the competitors. Colarelli & Montei [3] and Becker [4] argue that training affects the goals of both the employees and of the organization. This paper is based on the research conducted by the author for his PhD thesis and discusses the status of the management training in family-owned companies in the Kingdom of Saudi Arabia (KSA), barriers faced in training and the way forward to improve the situation.

## **II. Problem Of Training In Family-Owned Businesses In KSA**

The Kingdom of Saudi Arabia is the largest country in Arabia and occupies 80% of the Arabian Peninsula. According to Alwekaisi, K. S. [5], Saudi Arabia occupies a position of central financial importance being a powerful player in the global oil market. Saudi Arabia had a national oil company managing and developing the professional staff for the last 75 years. With the fast growing economy, it attracted a large number global companies and increased the demand for professionals in various areas of economic development. The training of manpower has not kept pace with the recent developments especially due to large share of business in the hands of family owned companies.

## **III Research Objectives**

The objectives of the research are:

- i. To assess the potential of training in family owned businesses in KSA.
- ii. To understand the features of family-owned businesses in KSA.

- iii. To identify the barriers in imparting training in family-owned businesses.
- iv. To suggest measures to improve training and effectiveness of the family-owned businesses.

#### **IV Research Questions**

Following research questions are addressed:

- a. What is the potential of manpower training in private sector family-owned businesses in KSA?
- b. What are the features of family-owned businesses in KSA?
- c. What are the barriers in training of manpower in family-owned businesses in KSA?
- d. What measures can be taken to impart training to manpower in family-owned businesses for improving their productivity.

#### **V Literature Review**

Literature review will cover the aspects of concept of manpower training, especially the training of managerial staff, advantages of training, characteristics of family owned firms, characteristics of family owned firms in Saudi Arabia, barriers in imparting training in family owned firms in Saudi Arabia and measures to help in training the manpower.

##### **5.1 Training**

Many authors have defined training in their own perspective. Goldstein [6] described training as “the acquisition of skills, concepts, or attitudes that result in improved performance in an on-the-job environment. It comprises of a massive enterprise and a powerful instrument for change. Abiodun [7] defined training as a methodical development of the knowledge, skills, and attitudes essential for employees to perform sufficiently on a given task or job. It could take place in a number of ways, on the job or off the job; in the organization or outside organization.

##### **5.2 Need for Training in an organization**

All organizations employing people need to train and develop their staff. Most of the organizations are well aware of this requirement and invest effort and other resources in training and development. Such investment can be in the form of employing specialists to impart training and development and also paying salaries to staff undergoing training. Investment in training and development involves obtaining and maintaining the space and equipment required for the training. It also means that operational personnel, employed in the organization’s main business functions, such as production, maintenance, sales, marketing and management support, must also direct their attention and effort from time to time towards supporting training and development efforts and in its delivery. Investment in training and development is generally regarded as good management practice to maintain appropriate expertise now and in the future.

Training is the systematic learning of the employees to perform better on the job and to handle the future jobs proficiently. Sims [8] suggests that training benefits individual employees to make better decisions and develop skills in problem solving effectively. Training prepares the employees to handle stress, tension, frustration. A person gets job satisfaction through training and moves forward towards achieving personal goals. According to Armstrong [9], acquisition of understanding, know-how, techniques and practices are the tangibles that can be translated into organizational resources through people who acquire, infer and utilize such inputs through training and development. Explaining the importance of training and development, Sims [10] emphasizes that training improves the performance on the present job whereas development helps in managing the future jobs. Narrowing down the skills gap is one of the critical areas for human resource development. Sims [11] stresses that suitable training programs should be developed to fill the skills gap and skills-deficiency.

##### **5.3B Benefits of training**

Training have been found beneficial to the individuals, teams, organizations and society. Aguinis and Kraiger [2] summarized the benefits as below:

- a. Training gives many benefits to individuals and teams in better performance through development of innovation and tacit skills, adaptive expertise, technical skills, self-management skills, cross-cultural adjustment. Training also helps in empowerment; communication, planning, and task coordination in teams for higher performance.
- b. Organizations are able to achieve better performance through higher profitability, effectiveness, productivity, and operating revenue per employee. Training also results in reduced costs, improved quality and quantity on one hand and on the other hand reduces employee turnover, improves organization’s reputation and social capital.
- c. Training enables development of national policies to improve nation’s human capital, which in turn leads to greater economic prosperity.

Adeniyi [12] observed that staff training and development is a work activity that can make a very significant contribution to the overall efficiency and productivity of an organization. According to Pitfield [13], the objectives of training are to provide the skills, knowledge, and aptitudes needed to undertake the required job efficiently, develop workers so that their potential is utilized, and increase efficiency by reducing spoil work and misuse of machines as well as by lessening occupational risk.

Hill and Lent [14] argues that training improves job performance. Barber [15] found that trainees acquire greater innovation and tacit skills also known as behavioral skills through informal learning. These skills are useful for effective performance. Davis & Yi [16] observed improved computer skills in the trainees by using behavioral-modelling training. Kozlowski et al. [17] observed better declarative knowledge or procedural knowledge through training. According to Frayne and Geringer [18], training improves self-efficacy or self-management skills. Lievens et al. [19] argue that cross-cultural training benefits in job performance in a new environment of a different culture. Dvir et al. [20] suggest leadership training to motivate the followers. Tahir, Neelam et al. [21] also support the views of other researchers that training improves employees' performance and Productivity.

Kaufman & Hotchkiss [22] see the benefits of training programs to both the employees as well as to the organization. Company will be benefitted by increase in the output and productivity of the worker. The worker should translate the increase in output into higher wages and future opportunities in career development.

Management training is widely seen as a tool to enable greater operational efficiency in companies [23], [24]. Essentially, the assumption is that most organizations carry out their HR function more or less well enough to support their operations. However, they suggest that there are significant relationships between strategic HRM effectiveness and employee productivity, cash flow and market value [25].

Camps and Luna-Arocas [24] find training and development as key elements in organizational improvement. It is a critical element in sustaining a program of organizational change [26], [27], [24]. Overall, training is widely acknowledged to be a valuable tool for enabling an organization to realize its strategic goals [28] and as a critical means to create and sustain competitive advantages. However, there is a need to ensure that what is delivered is appropriate or any impact will be limited [25].

#### **5.4 Appropriate Training for different levels of employees**

The type of training, its contents, duration, and delivery system will depend upon many factors. Employees at different levels in the organization need different types of training. The management hierarchy is usually divided into three levels: operational staff, managerial staff and the top management. The needs of operational staff is to learn the details of the work element, system components and procedural aspects. Their training should be organized as a mix of class room training as well as on-the-job training so that they can see the things actually happening. The group teaching techniques with practical exercises will be more suitable to them for faster learning. The language of training should be preferable a mix of local language with English. The duration of the training should be relatively longer ranging from 10 - 30 days. Employees at managerial level are better qualified and experienced. They would need training on finer aspects of the work, technology, trends in working practices, and new codes. The focus of their training should be on systems, procedures, technological developments, new materials, and new concepts. This group of persons should also be given training on management aspects, leadership quality, team work, communication skills, and computer programs. Their training can be for a period of 5-10 days mostly in class room environment. The training program should have group discussions, field visits and case studies. Employees at the top management level find it difficult to spare longer duration. The training program for top level people should be designed to meet the specific training needs of the trainee. The training should be given in capsule form. They could be attending lectures from experts of the respective field. They could be sent for workshops, seminars and conferences. Their training focus should revolve round the latest developments, latest systems, materials, soft wares, policies, regulations, methods of improving products and services, quality aspects, customer focus and strategic forecasting and planning. They should be taught strategic decision making, aspects of risk analysis, risk planning and risk management. The duration of training for this level of employees usually should be short from 1-3 or 1-5 days. Present day practice for training of top level employees is a combination of serious training contents associated with some relaxing time and break from work. This will give them an opportunity to remove stress, monotony and make them more creative and innovative.

#### **5.5 Training in private sector firms**

The statistics of SAMA [29] suggests that there is a need to train native Saudi workers to fill management and skilled roles in the private sector. Businesses in the KSA need training materials and programs that are specific to the Middle Eastern context. Although there is no shortage of financial resources to meet the need for trained workers in both the public and private sectors, there is a distinct lack of training focus on improved skills in a Middle Eastern context. The few management development programs run by

local institutes mostly use translated materials from foreign sources. These materials are written to cope with the work environments of the western countries and are not oriented to the training needs of workers of the Middle Eastern business environment. Indeed, trainers in the Middle East often complain that the available textbooks, exercises, and case studies have little relevance to their actual working environments. Most of the training films are imported. The Saudi Arabian Institute of Public Administration is actively involved in the adaptation of programs and equipment to the local needs, but this work is yet to complete. Atiyayah [30] suggests that the best way to prepare future managers in the Arab world is through on-the-job training, which is more appropriate than investing large sums of money in training programs that do not develop the skills and knowledge of the workforce and hence are not able to meet their needs. The on-the-job training approach, although valid on a methodological level, has its limitations due to slow rate of development, the structure of the family business, and import of foreign skilled workers.

Fasano and Goyal [31], ILO [32] suggest that looking at the history of development and the organizational culture of the family-owned private business in the KSA, HR practices around staff selection, staff development, and performance monitoring are holding this back and must be modified for achieving the objectives.

## **5.6 Family-Owned Businesses**

Schwass, Joachim [33] describes family businesses as “the backbone of the economy as they create wealth, they provide jobs, they are locally rooted and connected to their communities and they seem to be around for long periods of time”.

### **5.6.1 Features Of Family Businesses**

- One become part of a family business automatically by birth in the family. The membership is not by choice.
- Families attempt to support morally and financially for the period a family member needs it.
- Some of the family businesses are run by the professionals to avoid incompetency of the family member, who is eager to join the business. Professional non-family managers are given the family ownership rights in the form of dividends.
- Some families have encouraged next generation members to consider the family business as a source of employment, but based on principles of meritocracy. The presence of the family members in the business is considered as added value and elongate the business life thus benefitting many future generations.

### **5.6.2 Demerits Of Family Business**

- The risks of potential conflicts in the family business increase as the family grows.
- The most typical conflict arises when the next generation family members consider themselves entitled for a position in the business. Children in the family get the job in the family business even if they not suitable for the position and thus create negative impact on employee morale.
- In the case of family business run by professional, the family members may like to take out the locked up money and may want to sell their shares or even sell out the entire business.
- The number of shareholders increases tremendously with the growing size of the family. Sometimes-costly divorces results in handing over more money to the family.
- Most of the times, family businesses take decisions in the interest of the family ignoring the interest of the business.
- One of the biggest problems in family businesses is the generational transition. Parents while passing on the business reins to the next generation, try to give leadership role to the first-born child irrespective of his suitability for the role.
- Some researchers argue that the adherence to the family business structure in certain countries is a defensive response to those countries’ relatively weak legal and corporate protection [34], [35], and that the structure ensures that key assets are held and decisions taken within a group based on mutual trust.

### **5.6.3 Merits Of Family Business**

- The family members are found to be more committed as they work harder and keep the family values alive and meaningful. This seems to work best when they feel proud to be ambassadors for their family business.
- Family business provides freedom to pursue unconventional business strategies.
- It is easy to synergize between capital and management in family businesses.

#### 5.6.4 Family-Owned Businesses In The Kingdom Of Saudi Arabia

Saudi Arabia economy is a mixed economy where government and the private sector plays complementary role in supporting some of areas for the welfare of the public. The larger part of Saudi economy is in private sector. Alwekai [5] reported that family businesses constitute over two-third of all the business in KSA. He further added that there is no definition of the “family business”, but it could be inferred that family business involves the participation of more than one individual of one family in the ownership of private capital company, with controls mechanisms that help to keep the company active and closely monitored across generations. The operations/management decisions of family owned businesses are affected by leadership succession of the family members managing the business.

There are large number of investment opportunities making the private sector as the primary backbone of the Saudi economy, which has contributed to the growth of the country through family dominated companies. Along with the growth of the country, family dominated entities have also grown. According to the 51<sup>st</sup> Annual Report of Saudi Arabian Monetary Agency (SAMA) [29], the total number of such family dominated firms had reached 621.4 thousand companies, which constitute 90% of the total companies in Saudi Arabia. Most of the said companies could be considered small and medium enterprises and about 45 percent of the largest Saudi companies can be recognized as family business, e.g., Al-Zamil Group, Al-Rashid Group, Al-Rajhi Group, National Commercial and Bin Ladin Group [36].

Family and business activities are closely inter-related in Saudi Arabia. According to Boxall and Purcell [37], the family business model is prevalent in KSA. In a recent list of the top 100 businesses in the KSA, 45 of these businesses can be considered family-owned or family-run businesses. Among the rest of the business in the KSA, the percentage of family-owned businesses are much higher. Only about 5% of family-owned businesses have survived to the third generation of the family, meaning that the most successful businesses classified as family-owned are no more than 65 years old. Family-owned businesses are adversely affected due to family dynamics, which has an impact on the business operations. Alwekai [5] reports that within family-owned businesses in the KSA, loyal family members tend to appoint close family members to positions within the management and executive teams even when the appointees lack experience and training. The inter play of family dynamics and business interests can cause serious losses of resources and opportunities due to lack of training, drive and experience among family-affiliated persons, who occupy the management positions. With 90% of the total companies in private sector being owned and operated directly by families, this phenomenon could have a profoundly negative impact on the Saudi national economy. Debicki et al. [38] and Sharma [39] argue that the family businesses structure has particular strengths and weaknesses, which have implications for, how employees can and should be trained. The classic management literature tends to dismiss the family firm as an archaic and inefficient organizational form. In particular, it is held to limit its skill set by preferring lineage and genetics over competence, and the blurring of ‘family’ and ‘firm’ leads to decisions being made in the family’s interests rather than those of the firm.

The family business rely on a narrower talent pool than what is usually available to other forms of companies. The staff training and development is an important issue in family owned firms. Chrisman et al. [35] draw attention to the question of training and career development for non-family members of the staff.

#### 5.6.5 Potential For Training And Development In Kingdom Of Saudi Arabia

According to Saudi Arabian Monetary Agency – 51<sup>st</sup> Annual Report [29], the number of employees in the private sector is about 10.02 million in comparison to 1.24 million employees in the government sector in the KSA (Table 1). These figures clearly indicate the important role of the private sector in generating

**Table 1: Distribution of labor force in Saudi Arabia in 2014**

	Nationality	Male (No.)	%	Female (No.)	%	Total (No.)	%	% of KSA
Private Sector	Saudis	1,136,902	12.04	413,073	70.87	1,549,975	15.47	13.76
	Non-Saudis	8,301,552	87.96	169,812	29.13	8,471,364	84.53	75.22
	<b>Total</b>	<b>9,438,454</b>	<b>100</b>	<b>582,885</b>	<b>100</b>	<b>10,021,339</b>	<b>100</b>	<b>88.98</b>
Government Sector	Saudis	717,629	95.21	450,957	92.58	1,168,586	94.18	10.38
	Non-Saudis	36,125	4.79	36,037	7.4	72,162	5.82	0.64
	<b>Total</b>	<b>753,754</b>	<b>100</b>	<b>486,994</b>	<b>100</b>	<b>1,240,748</b>	<b>100</b>	<b>11.02</b>
Kingdom of Saudi Arabia	Saudis	1,854,531	18.19	864,030	80.75	2,718,561	24.13	-
	Non-Saudis	8,337,677	81.89	205,849	19.25	8,543,526	75.86	-
	<b>Total</b>	<b>10,192,208</b>	<b>100</b>	<b>1,069,879</b>	<b>100</b>	<b>11,262,087</b>	<b>100</b>	<b>100</b>

employment. The private sector is playing an integral role in the developmental activities of the KSA. It can be observed from the Table 1 that 84.53% of the workforce in private sector was of expatriates, whereas

the percentage of Saudi employees was only around 15.47 %. The expatriate workforce in private sector forms a share of 75.22% of the total workforce in KSA with only 13.76% Saudi workforce (Table 1). With the KSA's economic boom, the country has enjoyed major development, including the creation of many high-level jobs in business, industry, and domestic services. The KSA's international connections are further enhanced by its large foreign workforce. The recent job creation has attracted a labor force of foreign nationals who are non-skilled, skilled and highly skilled. The total population of Saudi Arabia of 30.77 million consisted of 10.07 million expatriates [29]. Al-Rajhi et al. [40] reported that in view of the foreign nationals for fixed term temporary periods, the human resource management practices about has been researched sparingly. Because family businesses are limited in their ability to use recruitment as a tool to address possible deficiencies in organizational performance, they may find in-firm training to be the best method of addressing skill gaps.

## **VI Methodology**

The purpose of this research is to study the current state of training provided in family-owned firms in the KSA, identifying the barriers in managerial training and to suggest recommendations for improving the training. The ultimate objective of the study is to improve skills of the individual employees as well as the skills and competencies of the organization as a whole. Mixed-method research approach has been chosen for the present study. Mixed-method research approach is a combination of qualitative and quantitative methods. The methodological framework is selected based on the intent of the researcher to develop a country-specific instrument and nature of the problem.

### **6.1 The Mixed-Method Approach**

The researcher interacted with 17 HR managers and 18 employees and discussed various issues about the purpose of the study, the approach of the research and requested for their inputs for developing the questionnaire for survey [5]. Based on the discussions and interviews with the HR managers and the employees, eleven themes were formulated. These themes also known as factors, or variables or dimensions developed are as follows:

- i. Identification of training needs;
- ii. Relevance;
- iii. Clarity of objectives;
- iv. Interactivity;
- v. Credibility of content;
- vi. Quality of training methods;
- vii. Training design;
- viii. Intent to participate;
- ix. Behavioral modification;
- x. Competence development;
- xi. Performance improvement.

Keeping in view the above mentioned 11 themes, two questionnaires were developed, one for the employees and other for the HR managers. The questionnaire developed for employees had two parts: the first part captured the background information and the second captured the perception on management training in family-owned companies in the KSA. The second part consisted of factors that included identification of training need, relevance, clarity of objective, interactivity, credibility of content, quality of training methods, training design, intent to participate, behavioural modification, competence development and performance improvement. The questionnaire for employees was subjected to validity tests. The second part of the questionnaire consisted of the perception on training in family owned businesses in KSA.

The questionnaire was subjected to content and face validity. Content validity was conducted in two stages. The first stage was conducted with 4 experts and in the second with 8 experts. Based on their feedback, few items were slightly repositioned, modified, reworded to make them appropriate for use. The questionnaire was comprehensively validated by the 8 experts constituted for this purpose. Finally, the researcher developed a content validity ratio (CVR) on each item using the formula developed by Lawsche[41] . Based on this, the questionnaire was finalized by removing the redundant statements.

Based on the validity test, the final number of items under each factor has been determined. The items were evaluated on a 5-point scale anchored by 1 = strongly disagree; 2 = disagree; 3 = neither agree nor disagree; 4 = agree and 5 = strongly agree and the mean of the items under each factor was used as a composite measure of the respective factors.

In the final stage of primary data collection, the researcher conducted 33 in-depth, semi-structured interviews. These interviews were conducted with the HR managers in two phases, with sixteen respondents participating in the first stage of interviews and 17 participating in the second phase. The data were collected in June 2014.

Further, cues were drawn from the interaction with the 17 HR managers in the first phase. The researcher subjected the semi-structured questionnaire intended for the HR managers to content validity using Lawshe's formula [41]. This semi-structured interview was conducted in addition to the questionnaire method under the assumption that such interviews would allow a deeper explanation as to how organizations have run the training programs.

## **6.2 Reliability Test**

Cronbach's alpha was used to establish the reliability of the questionnaire [5]. The geographical area of KSA was chosen as the Universe.

## **6.3 Sampling Technique**

A list of companies situated in KSA was prepared. The list was prepared from the information provided by the Ministry of Industry in Saudi Arabia. From this information, the companies which are owned and run by the families of Saudi Arabia based business men having operations in Riyadh, Jeddah and Dammam had been chosen. More specifically, these companies which had been in the trade for at least 1 year were selected. Accordingly, with the available information provided by the Ministry of Industry, the researcher could identify around 143 companies on which the above conditions hold good.

## **6.4 Sample Size**

After identifying the companies and the persons (HR managers) from whom further discussion on data collection could be made, snowball sampling technique was used to select the respondents for the employee survey. The researcher contacted the identified HR managers of these companies and asked them to identify possible employees who would provide data fairly without any personal bias or organizational prejudice. The sample size stood at 33 HR managers and 210 employees.

## **6.5 Data Analysis**

The data collected from the respondents was tabulated and analysed using appropriate statistical techniques.

# **VII Research Findings**

## **7.1 Present Status Of Management Training In Family-Owned Businesses In KSA**

The status of the management training in family-owned businesses in the KSA based on the survey through a questionnaire and interviews of the HR managers of the family-owned businesses in KSA is presented below:

- a. Training programs are an important and pervasive phenomenon in family-owned business organizations in Saudi Arabia.
- b. Organizations use Training Need Analysis (TNA) effectively for individual analysis, especially in the form of a performance evaluation and personal analysis as well as using it to identify group issues and training issues.
- c. Formal TNA practices were more commonly used in medium rather than small organizations.
- d. TNA was mostly used in performance evaluation including identifying gaps in knowledge or skills and in the analysis of the training process itself. It was also used for individual analysis to some extent. The findings of the study suggest that firms have been moderately focusing on managerial leadership skills. All organizations did offer training, but further analysis in the interviews indicated that few companies actually offered training at the managerial level. Overall, the findings suggested that when organizations did use TNA, it was applied in a patchy and incomplete way, often focused only on certain types of employees or workers.
- e. TNA in Smaller firms employing only one or two HRM personnel may find it difficult to deal with training issues using TNA.
- f. Although a fairly moderate attitude was noticed toward training in the organizations, but it was observed that the organizations do conduct training. Training of managers is not a normal practice as the general thinking is that managers are already trained. Training of managers should be supplemented through informal on-the-job training for additional inputs for their roles.
- g. HR managers do not plan training based on the outcomes of TNA. HRM staff is usually not involved in training planning.
- h. Only a few firms were planning managerial training programs that emphasized future managerial needs. Hiring practices often emphasized other issues such as daily operational capacity or preferential hiring based on social connections rather than strategic needs of the organization.

### **7.2 Barriers In Training In Family-Owned Companies In KSA**

- a. The largest barrier in effective use of TNA is the culture of the organizations in KSA. Organizational culture of strict hierarchy, preferential hiring, personal connections, and other hiring practices exists in Saudi organizations that focus on immediate needs or desires rather than strategic goals.
- b. The manager, owner, or top managers, hold the final say in hiring decisions. The HRM function within the firm has few opportunities to hire strategically or to provide training focused on long-term needs.
- c. Customer, shareholder, and competitor concerns are not considered in decision on the identification of training needs in many of the organizations.
- d. There is little focus on the strategic goals of the organization.
- e. Over half the firms that responded to the pre-survey, it is found that HRM professionals did not even design or conduct the training.
- f. The biggest barrier in implementation of training programs preceded by TNA in these firms is cultural barrier. Managerial training is of no importance or value in the organizations except in a few firms where employees use such training to gain new skills.
- g. The ultimate control of hiring and training is out of the hands of HRM professionals, who, although they express awareness of TNA, but implement it in an inconsistent manner.
- h. The family firm structure also form a barrier to TNA. Typical features of the family firm include preferential hiring of family members or other social connections as well as preferential assessment of family members.
- i. In cases where TNA was used at the organizational level, at the personal level it may be far less effective for some employees of the firm than for others, who may be non-related employees.

## **VIII Conclusions**

The research conclusions are:

- a. Perception on training design, intention to participate, behavioral modification and performance improvement differ across education attainment. It has been found that employees who hold a college degree have a good perception on training design followed by those hold a diploma, have attended technical school and high school.
- b. Employees with more than 21 years of experience had a higher perception on training design, intention to participate, behavioral modification and performance improvement.
- c. It implied that the intent to participate in the future training programs was influenced by the perception on identification of training need, clarity of objectives, training design, behavioral modification and performance management.
- d. Strategic alignment is very critical for training requirements. The organizations with a large number of employees and with large HR departments designed good programs through an adequate TNA process, which in turn led to better alignment and integration of training needs.
- e. Organizational, task, and person-level analysis is required in order to have effective training design and delivery.
- f. Organizations need to plan for both short-term and long-term business goals, which are to be aligned with training goals and objectives.
- g. Customer orientation was considered to be one of the strategic thrusts that might be thought about in the hiring and training process.
- h. Customer needs were not considered to be a major part of the hiring practice. Study suggests that the needs of customers can be better integrated into hiring decisions at the managerial level. Training must be aligned with customer needs if that training is to be maximally effective.
- i. Shareholders and owners play an important role in the organization as far as their training requirements are concerned.
- j. Hiring was sometimes done on the basis other than skills or requirements.
- k. Training and development play an important role in equipping the employees with the required competency and help in their hiring.
- l. Re-evaluation is important for the future alignment of training and the organizational needs. It is necessary to re-evaluate training needs for managers every alternative year considering the changes in the business scenario. The re-evaluation will help organizations to better align their management training as a function and will contribute to performance effectiveness.
- m. A competitive environment affects the training function, and that, it is therefore important benchmarking one's standards with those of competitors. It is import to understand and align the training with the newer and future trends of competition and thereby make managers competition ready.
- n. Most of the firms did not have very clear and strict job specifications. It is important to have clear job specifications or at least to review them over time in order to ensure alignment with the management training.

The correct and clear specifications provide a benefit by differentiating star and poor performers and by making training programs that fit people with different characteristics.

- o. Training is helpful to enhance and sharpen selected skills to meet the present and future job demands. It cannot act as quick fix. With the training the manager will update his skills and knowledge and would continue to meet the job requirements.

### **Recommendations For Improvement In Management Training In Family-Owned Businesses In KSA**

Following recommendations will help improve the management training in family-owned businesses in KSA:

- i. HR intervention is the best means of improving training effectiveness.
- ii. In addition to the focus on the training on operational aspects of the business, attention should also be given on strategic aspects of the business. This will help the organization not only to meet the current needs of the business but would also take care of the future needs.
- iii. Training Need Analysis (TNA) should be extensively used with commitment in formulating training plans.
- iv. In addition to the focus of training on improving the skills of individuals, the training should cover aspects of organizational improvement. All the employees of the organization should be covered under the training plans.
- v. In addition to the development of current skills of the employees, organization must implement an effective and appropriate training and development practices that could help develop its resources for gaining competitive advantages and prepare it for meeting the unexpected challenges.
- vi. Focus of the training plans should be to train Saudi manpower to meet the national goals for improving the condition of the citizens. However, in addition to the training of Saudi manpower, the training must also be given to expatriate manpower to keep the organization efficient, productive and competitive.
- vii. Areas of training and the training methodology for training the individuals and groups should be decided by the HR Manager in consultation with other managers. The areas of training should be based on the TNA of individuals as well as of the organization.
- viii. Enhance the training value, which is defined as “individual attitudes towards the usefulness of training programs”.
- ix. Training department may be separated from HR department in view of the important role to be played by the training in performance improvement. Role of Training Manager is ‘How to improve skills of every employee to meet the present as well as future needs of the organization?’
- x. Develop competency-based training plans. Competency needs of each employee should be considered in designing the training programs.
- xi. Trainees may be motivated to participate in more programs and apply the newly acquired skills in their job. Performance comes with skills, knowledge and attitude. Employees are required to acquire updated skills to deliver in changing internal and external environment.
- xii. Training should be integrated with performance. Organizations can benefit by the improved performance of the trainees after attending the training programs.

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