Promotion of Managerial Approach, Essence of Efficacy of Management Training and Development Center of Oil Industry

Mohammad Nemati Goodarzi,  
Board member of the Institute for International Energy Studies (IIES), Tehran, Iran. Nematiisoo@gmail.com  
Gholamali Rahimi  
Faculty member of the Institute for International Energy Studies (IIES), Tehran, Iran. Alirahimigh2000@yahoo.com

Abstract

21st century will experience many great unprecedented changes and developments. By Elvin Tofler’s speech, “We must be witness of a future shock”, this shock is due to rapid changes that falls as an avalanche and many organizations cannot align themselves with it. One of the most important duties of managers is obtaining capability to anticipate future [1]. The roles and places of managers in today’s organizations are so that one can say success of organizations devotes to success of managers and suitable systems to develop them. Managers are vital members of organizations and direct them. While managers’ successes are so important, it is important to recognize the effective factors for this success. There are many factors affecting this success, partly for absorption of managers and their personal features; and partly for the effective training systems to promote professional capabilities of managers. Success of each manager is a function of his professional performance in its organization, so that survival of organization depends on assignment of proper persons in key posts [2]. In this regard, the great management teacher, Peter Drucker, says: “The great concern of current society is tomorrow’s management. Obviously, we, as a society or country, are in a point that cannot easily accept extinction of one of our important companies for inefficient management.” [3]. It can be said that each manager will attain his goals when he does his roles, missions, and duties well and he can plan and manage internal and external factors. Today, interaction with other countries is a necessity and formation of a knowledge-based system requires organizations to apply professional managers in international environments. In such conditions, existence of suitable systems to absorb and train managers and develop systems by modern and standard models is from undeniable necessities for human resources of valid organization. Therefore, creation of suitable systems to provide training and consultative services by international standards to develop oil industry is very important.

Keywords: Management, Training, Development, Oil Industry, standards

Philosophy of Center

Détente in external policy and necessity of development of cooperation with regional countries inform formation of deep developments in economic and political structures of countries in near future. Economic disorders due to recent deprivations during recent years, lack of powerful and professional managers in these critical conditions, and many other factors encountered oil industry with large challenges. Here, the main factor is employment of qualified and professional managers. On the other hand, major investments in oil industry in different areas, especially in Common South Pars Field, requires employment of professional managers in international level (according to the anticipations, oil industry will require more

Approvals for establishment and startup of this center. The establishment and startup permission was approved by Ministry of oil.
than $200 billion new investments in future years). This necessity rendered establishment and startup of “Management of Training and Development Center of Oil industry”. The other factors are requirement of different units of oil industry to obtain global standards, which rendered usage of new managerial systems and obtaining certificates for settlement of managerial systems. Especially, lack of training and consultative systems and lack of familiarity of managers with modern management systems in this center are on the focus of this paper.

**Similar experiences in other international oil companies**

Study of performances of valid international oil companies for training managers indicates their special notice to train and promote their managers in different levels and assignment of related budgets and investment. This is true even for companies not having high international ranks. For example, Kuwait Oil Company concluded a contract of $38 million for training its managers in 2013. This investment was started in 2008 after economic recession of global markets, and after analysis of petrochemical sector. So this company dissolved its contract with K-Dow Petrochemical Co. After complain of the other party, Kuwait Oil Company was condemned to pay $2.2 billion. This shocked Kuwait Oil Company for many years. Thus, top manager of this company reviewed management of its affiliated companies. The first step was deposition of managers of 8 affiliated companies. But this trend continued and this action concluded reconstruction of managerial system of this company by employing a training planning [4].

**Training budget and promotion of managerial systems in oil industry**

Now, the key question for starting up this training center with a $200 billion investment perspective is that the required budget for promotion of managerial knowledge. In response, there are a significant difference in comparison with investments in international companies for managerial training and development. Although there were trivial budgets (in comparison with international companies) for training, but contribution of managerial training in oil company was petty. Perhaps one of the reasons for unsuitable budget was beliefs of related managers to the nature of this investment. On the other hand, traditional and inefficient systems, low efficacy of training courses, and disregard to international and professional standards towards training process affected this thinking. Therefore, many researches about identification of low productivity of oil industry indicate necessity of software and brainware investments beside hardware ones [5]. Thus, the prerequisite for startup of this professional training center is allocation of enough budget (by Ministry of Oil as custodian of four main companies) and allocation of suitable space for this center.

**Key points for startup of this center**

To avoid the economical and income-generation views of this center

**Necessity of direct investment in this center and providing training budget by Ministry of Oil**

As mentioned above, studies in valid international oil companies indicate necessity of direct investment of these companies for executive manager of this center.

**Main reasons for avoidance of income-generating view for this center**

Lack of required budget by affiliated companies

Lack of fidelity of affiliated companies to this center and employing other training centers

Financial and budgetary problems and deferred claims

To become far from the main mission of this center and turning toward financial affairs and supply of resources.

**Necessity of a strategic view for training and development of management of oil industry**

The concept of strategic management indicates necessity of its usage. Regarding to the acceleration of environmental changes and complexity of organizational decisions, employing a comprehensive program to encounter these problems is necessary. This should be a strategic program. Strategic management is the solution of many today’s organizations. Strategic management is based of perception of managers from rival companies, markets, prices, suppliers, distributors, governments, creditors, stockholders, and customers. Then, one of the most important tools for success of organizations is “strategic management” [6].

Redaction and execution of a strategic plan must be done in major level and key areas. Also, programs of specialized areas must consider fortes and foibles and opportunities and threats of organizational environment [7]. Therefore, redaction of a strategic program for training and development of management
of Oil Company is necessary for managers of human resources department. All these activities must be executed in the framework of “The strategic program for training and development of managers of Oil Industry”.

**Necessity for allocation of a suitable building for this center**
Regarding to the necessity of having suitable facilities and hardware for this center, required decisions should be made.

**Necessity for decision about the Comprehensive Management Training System of Oil Industry (different custodian organization in training processes) and determination of systematic place of Training and Development Center of Oil Industry**
The scientific and professional approach for training managers requires a systematic view in major level of oil industry and effective management of training process (feasibility study, redaction of syllabus, implementation, evaluation, and measurement of efficacy) as different sections of the Comprehensive Management Training System of Oil Industry [8]. Now different organizations are in charge of enacting and implementing training courses. But each acts as an independent island without considering its systematic role. Thus, before startup of this center, necessary decisions must be taken about discipline and communication of this center with other subsystems in the major management level of oil industry; then the activities of this center will be initiated in the framework of an efficient system.

**Perspective of Center**
MTDCOI, in the 1404 horizon, is a leading center in training managers and promotion of managerial systems in the state, regional, and international oil industries to offer different managerial portfolio with qualified human resources and other internal and external resources.

**Mission of Center**
Missions of this center are redacting training courses, managerial projects, and other required managerial services in related oil organizations in order to promote potentials of managers and managerial systems by modern methods and according to valid international standards, using the best internal and international professors, and considering organizational values of oil industry.

**Strategic goals of Center**
To prepare powerful and professional top and middle managers according to international standards
To train managers based on real needs of oil industry to face with challenges of international competition environment
To promote managerial systems of oil industry by settlement of newest international managerial models

**Introduction of different centers of Management Training and Development Center of Oil Industry**

**a) Managers Training Center**
The main activity of this center is training, which includes courses and seminars according to real needs of managers of oil industry. The goals of this center are:
To promote important potentials of managers of oil industry through training
To participate finding training needs and problems
To provide effective courses to promote abilities of managers and organizational productivity of oil industry
To find experts and professors for redaction of training courses
To use maximum power of scientific board of different fields of Ministry of Oil for training of managers of oil industry

**Executive structure of Managers Training Center**
This center has a matrix structure and executes all training courses to train manager of oil industry. By development of training activities of other fields of oil industry, different executive groups participate to train them (National Oil Company, National Petrochemical Industries Company, National Gas Company, National Oil Production and Distribution Company).

**b) Managers Evaluation and Promotion Center**
This center started its activities few year ago based on general competence model of managers. Studies in human resources show about 10-15% empty vacancies and 40-50% retirement of managers up to 5-7 next years, which caused establishment of this center. This center has valuated many managers during several
past years. Another experience in oil industry was starting up “Project Management Evaluation and Development Center of National Petrochemical Industries Company”. The activities of this center during last decades were: appraisal of managers of oil and petrochemistry projects; to enact Adult Model of oil and petrochemistry projects by EFQM; to hold a Festival for Promotion of Project Management Systems of Petrochemical Industry; and to execute many other research projects.

By assigning Development Management of Petrochemical Industries Company to private sector (Persian Gulf Holding Company of Petrochemical Industries), is inactive practically and has lost its research role in oil projects field. There have been many efforts to reactivate this center by IIIES during two last years. We hope this center will be reactivated by proper decisions of related authorities.

The above mentioned experiences and similar needs in other fields demonstrate necessity of a systematic overview and to aggregate all Managers Valuation and Development Centers with leadership of the existing valuation center to execute the first step of training process (Evaluation and Finding Needs of Managers).

**c) Managerial Systems Support and Consultation Center**

This center offers support and consultation services for managerial systems to redact and implement modern managerial systems and to respond managerial needs of related organization of oil industry by redaction and execution of managerial support and consultation by expert groups including different management fields of oil industry.

This center has a matrix structure and redacts and implements all managerial consultation services for management system of oil industry and supports them in the frame of independent projects.

**d) Management Systems Diagnosing Center**

Administration of this organization has been difficult by development of new management standards and models and complexity of business space. Top managers use different methods to solve hard problems. However, a small mistake in these conditions produces large problems for organizations. The important question is “What is the remedy?” One of the experienced strategies in developed countries is establishment of Management Systems Diagnosis Center. This center is a suitable bed to offer expertise and consultative services to affiliated companies to study managerial problems of them during diagnosis meetings with presence of known experts and consultants in each field, to diagnose the problem, and to offer suitable strategies [9].

**Goals of startup of Management Systems Diagnosing Center**

Top managers have implemented different management systems and improvement tools in their organizations by spending large costs. However, there are many problems now. Regarding to the current economic situation of country, many organization and institutes have not enough financial potential to improve their projects and are not sure about efficacy of them. Management Systems Diagnosing Center is a bed to study problems during meetings with related managers and internal and international experts to find best decisions with least costs [10].

**Conclusion**

Regarding to the development perspective of oil industry of Iran, investment for promotion of managers and systems (software and brainware investments) is necessary beside hardware investment. Since there is no definite management center in oil industry in this regard, startup of Management Training and Development Center of Oil Industry was placed in agenda. Regarding to the proposed strategies in this paper for starting up of this center, redaction and execution of strategic programs for training and development of management in oil industry is necessary to provide training services and to valuate and diagnose managers.

In this framework, this paper proposes to organize all training centers and to promote management systems in oil industry and to startup Management Training and Development Center of Oil Industry to promote management training system of oil industry.

Also, it is proposed to use previous training experiences and international standards to promote managers of oil industry in an international environment.

In this regard, new managerial approaches must be used, new strategic programs and direct investments must be implemented, and economic earning for supply of financial resources for this center must be avoided for permanent success of this center.
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