

## PRESENTATION OF AN EFFECTIVE MODEL FOR STRATEGIC CAPABILITIES OF HUMAN RESOURCES WITH AN APPROACH TO ANNOUNCED GENERAL POLICIES OF ADMINISTRATIVE SYSTEM

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**Abstract:** The present study aimed at presenting effective model for strategic capabilities of human resources with an approach to announced general policies of administrative system (case study: Saderat Bank branches). Accordingly, in this study firstly strategic capabilities of human resources were identified through exploratory studies and a survey of knowledgeable experts on the subject was conducted using Delphi technique, and then, these capabilities were tested in the statistical population in the form of the designed model. The statistical population of the study consisted of experts and managers of Saderat Bank branches who were 3050 people, among whom 341 ones were selected as sample based on Cochran formula. Data collection tools were the examination of documents and questionnaire. Validity and reliability of questionnaires have been confirmed with a high percentage. The present study has presented a strategic model of effective human resource capability in administrative system according to the statements of the Supreme Leader of Saderat Bank. This model includes strategic human resource capabilities, including four dimensions of leadership capabilities (including 12 components), core human resource capabilities (including 11 components), special capabilities of human resource role (including 6 components) and individual traits (including 10 components). Then, based on this model, the relationships between strategic human resource capabilities, effectiveness, and policies of administrative system have been investigated. Based on the obtained results, while the proposed model of research was confirmed, all research hypotheses were accepted at 95% confidence level.

**Keywords:** Strategic human resource capabilities, Special capabilities of human resource role, Individual traits, Effectiveness and policies of administrative system.

## 1. INTRODUCTION

The organizations' environments are more dynamic than ever before, and it is essential for organizations to move towards development in order to be successful [1]. In recent decades, many steps have been taken to coordinate and create coherence in human resources' sub-systems. One of these actions is moving toward designing and development of capability models as the basis for staff development and the basis for coordination between training units, human resource planning, procurement, and other human resource management sectors and sub-systems. Fundamental changes in activities, procedures, and business of human resource management over the past decades have caused the subject of human resource capabilities to be considered by leading organizations [2]. As has been the case so far, human resource staff have relatively less engagement in the development of strategic goals of organizations, and have mainly focused on activities that have had an operational aspect. But currently human resource management is expected to respond to many issues and phenomena among which the reduction of costs, improvement of quality, ensuring of the use of all potentials of organization's staff, and building more robust business cooperation can be mentioned, which emphasize on the strategic role of human resource management in today's organizations. Such an expectation from human resource management makes the importance of human resource management in successes of organizations more than before [3].

[2] believed that strategic human resource capabilities can lead to successful job performance for employees, thereby equipping the company with a competitive weapon by which it can work better than competitors and gain more market [2]. Strategic human resource capabilities, by making the activities of staff and organization effective, provide a new and growing trend for the company which causes competitive advantage of the company over other rivals [4]. [5] described capability approach as a broad normative framework for assessing human well-being and social reform, and designing policies and suggestions about social change in society. He has stated that the core feature of capability approach is focusing on what people are effectively able to do and should be able to do. In other words, the focus of this approach was on people's capabilities. This means that first of all, capability approach is creator and promoter of justice, or according to Sen, it is an informational focus. In fact, capability approach provides appropriate theoretical and methodological tools in order to examine issues such as employee accountability and the appropriate tool in order to achieve this goal. Capability approach, in normative point of view, provides a change in mixed approach, which involves human and economic development. This approach, in empirical point of view, is a framework for the evaluation of company administration, organizational labor, and management policies, and it examines the impacts of this approach on man and his acts [6].

Capability approach focuses on empowering human such that he can turn resources into performances. In addition, this approach claims that human capability turns resources into performances, which is different based on personal heterogeneity and environmental and social conditions. Therefore, initially, and in contrast to developed economies and standard economic approaches, as well as in contrast to Rawlsian ideas about basic goods, capability approach considers goods and services only as tools for a particular purpose which is the quality of life. Secondly, capability approach also examines the impact of social and environmental conditions. It also considers capabilities

as a good tool for assessing human quality of life. Therefore, capability approach considers social and environmental conditions such that they will lead to human advantage [7].

Although the advancing trend of the issue of capabilities and strategic capabilities of human resources has proven to be good in private sector, some scholars use it as a lever to improve governmental organizations in order to be able to turn their organizational units, which follow bureaucracy into efficient and flexible units [8]. This is while factors such as increasing public expectations of the public sector, focus on new approaches in the area of human resource management such as the creation of capability-based management approach, the need to increase efficiency and effectiveness of services provided in the public sector to people, establishment of meritocracy processes, the need to change the viewpoint from job-based approach to capability-based approach in the public sector that have revealed the need of public sector organizations for a strategic capabilities' model of human resources more than before [3]. On the other hand, the debate about effectiveness, efficiency, and productivity of organizations has long been the focus of attention of organizational theorists, management philosophers, financial analysts, and executive managers. Scientists and theorists who have studied organization have, consciously or unconsciously, started their work with the issue of effectiveness. They are always looking for ways to adjust their organization so that through which they can increase their effectiveness. Effectiveness is one of the common but still understated organizational structures that relates to all participants in organizational life [9].

Ulrich et al considered organizational effectiveness as appropriate conducting of work and considers it to be the key to the success of an organization. Contemporary scholars of management often emphasize effectiveness which is created through acquisition, development and use of knowledge [4]. Over the past decades, the issue of effectiveness in organizations has turned into a basic concept in organizational theory and the main effectiveness approach focuses on competent and capable human resources. Development of staff competence and capabilities will improve the effectiveness of working time, the increased effectiveness of working time will improve other indicators of organizational effectiveness. Organizational effectiveness plays an important role in organizational development [10]. It can be stated that in response to double pressure of globalization of economy and attention to social welfare of people, the human dimensions of work have turned into a very important issue in organizational effectiveness. During this period, employees pay special attention to strengthening their expertise by continuously developing their skills and capabilities. Paradigm shift from employment safety to safety through employability has led to the creation of dynamic and learning employees who are responsible for their opportunities in life [6].

There is no doubt that all organizations compete through their employees. Employees of an organization or company are responsible for the company's outcomes and successes. Since employees in the form of human capital determine organizational success and effectiveness, therefore, companies that have deeper and better developed human capital are more successful [11]. Such an expectation from human resource management highlights the importance of human resource management in effectiveness and successes of organizations more than before [3]. Therefore, human resource area should further pay attention to the improvement of its competencies and capabilities in order to be able to organize important things ahead and prove its effectiveness in creating competitive advantage for the organization.

On the other hand, the purpose of administrative transformation is to strengthen capabilities of administrative system in line with efficient performing of current tasks and

the role of the government. In other words, the purpose of administrative transformation is to adapt the roles, capabilities and potentials of administrative system that is considered vital and necessary for development. The issue of modernization and transformation in administrative system proportional to technological advances is in line with fulfillment of demands of society [12]. Experts assess the current environment of management to be turbulent and believe that employees should be able to easily adapt themselves to continuous changes and turbulences of the new working environment. Despite the efforts of organizations' managers to create change and reform in organizations, recent studies showed that more than 75% of attempts for organizational changes have failed or have not achieved the desired goal [13].

In Iran also in recent years, transformation plans and policies in administrative system structure have been proposed in the report of strategic plan for the evolution of administrative system in various formats such as seven transformation plans, ten transformation plans, or sub-plans such as the plan for rationalization of government size with three plans, the plan for reforming governmental organizational structures with four plans, the plan for reforming management systems with three plans, the plan for reforming employment system with five plans, the plan for reforming human resource education and improvement system, the plan for reforming processes, methods of work, and development of administrative technology, and the executive plan for upgrading and maintaining people's dignity. Also, regarding administrative reform plan, it has been mentioned in the eleventh government that one of the 26 principles of general policies of administrative system announced by the Supreme Leader emphasizes making the administrative system organizations agile, fit, and rational in line with realization of goals in the vision; and operationalization of these policies requires reengineering of administrative system of the country.

Based on conducted studies, developing countries often face a kind of low organizational effectiveness and efficiency that in order to resolve it, there is a need for individuals with high organizational commitment and capabilities who have common values and beliefs. Basically, administrative and organizational system is an instrument for achieving development goals in different dimensions. Therefore, there is a need for a common sense and belief among the members of organization in order to give coherence to various sectors and components. Undoubtedly, if organizations cannot use their human resource capabilities effectively, problems such as reduced employee job satisfaction, reduced incentives in them, reduced organizational efficiency, and reduced financial return will occur to them. Therefore, the first step in the effective use of human resource is exact identification of needed capabilities for precise implementation of policies of administrative system in various dimensions for each public and private sector organization.

It seems that the lack of employee effectiveness in banking system, lack of clear and precise administrative policies, and lack of attention to human resource capabilities will cause widespread financial losses to banks. In other words, if employees, for various reasons including the lack of job satisfaction and lack of motivational criteria, do not have high commitment to providing services to customers of the relevant bank. This act of them will significantly affect the attitude of customers toward the service provider bank and finally will lead to customer dissatisfaction and thus, the bank will face a lot of financial challenges. Therefore, it is necessary to pay attention to employee effectiveness and its constituent factors in banking system more than before, and to identify human resource capabilities in order to develop employee effectiveness and improve administrative

system policies. Therefore, the present study sought to provide an effective model for strategic capabilities of human resources with an approach to announced general policies of administrative system.

## 2. RESEARCH METHODS

The present study was applied in terms of purpose and was a descriptive-correlational type in terms of method. Also, this study was a combination of library and field studies. Delphi technique has also been used in order to implement the field method. The study has been carried out in three phases. In the first phase, by reviewing the subject literature, the indicators of capabilities and strategic capabilities of human resources are effective individually and the components of administrative system of the country have been extracted. In the second phase, using the Delphi method and enjoying the opinions of experts, the indicators of capabilities and strategic capabilities of human resources in Saderat Bank have been determined and localized. In the third phase, by developing a questionnaire for each of the research variables, using structural equation modeling approach, the research hypotheses have been assessed and the relationships between the variables have been explained.

## 3. RESULTS

Single-sample t test has been used to examine the components of strategic human resources capabilities. Given that -p value of the test (0.000) for all components was less than the significance level (0.05), so, null hypothesis was rejected. In other words, given the obtained means, it can be said that there was a correlation between the four dimensions of leadership capabilities, core human resource capabilities, special capabilities of human resource role, and individual traits, and the variable of strategic capabilities of human resources. The components approved by the experts are as follows (Table 1).

Table 1: Components of strategic capabilities of human resources

Leadership capabilities	Core capabilities	Special capabilities	Individual traits
Team work	Technology specialist	Change management	Honesty and integrity
Providing a vision	Talent management	Ethical responsibility	Respect for variety
Influence on others	Knowledge management	Designing of plan	Being trusted
Determining a goal	Risk management	Service provision	Interpersonal skill
Creation of trust	System thinking	Relationship management	Creativity skill
Performance management	Analytical thinking	Business intelligence	Problem solving skills
Strategic thinking	Coaching and consulting		Flexibility
Networking	Evaluation and measurement skills		Commitment
Resource management	Conflict management		Being trustable
Evolutionism	Relationships		Piety
Excellence process	Coordination in the area of responsibility		
Innovation and construction			

Subsequently, based on these components, a questionnaire has been developed and after being distributed among the statistical sample, in the quantitative section, the data has been analyzed through structural equations in LISREL software. The two (Diagram 1) were the structural model of research in the standard estimation state, and significance number state, respectively, in order for examining the research model.

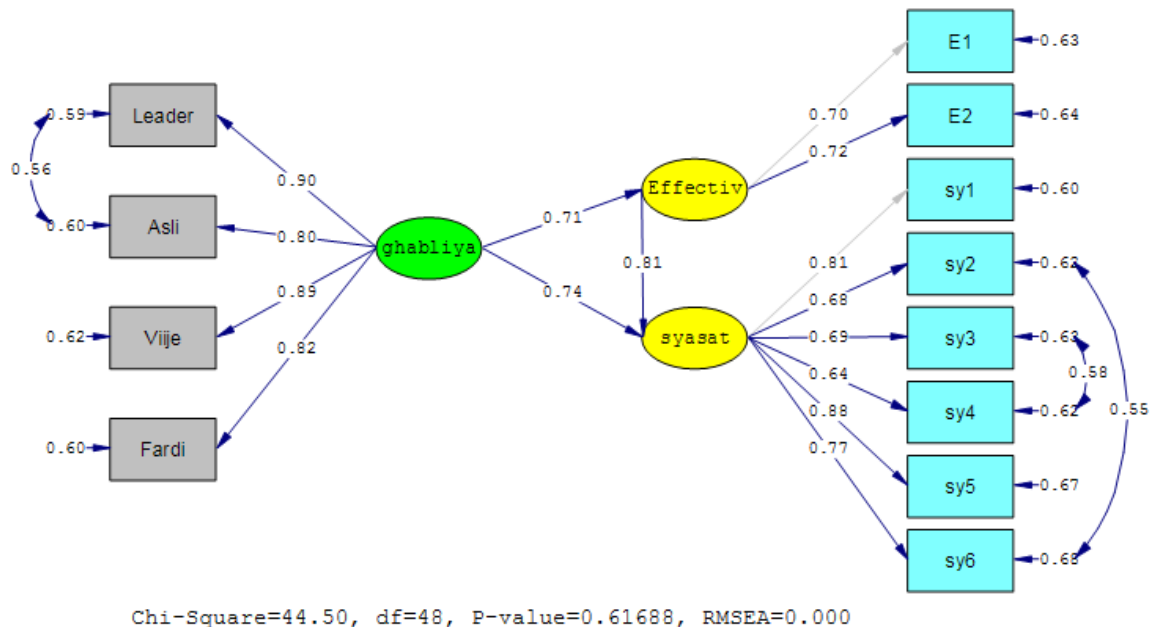


Diagram 1: Structural equation model of research (standard estimation)

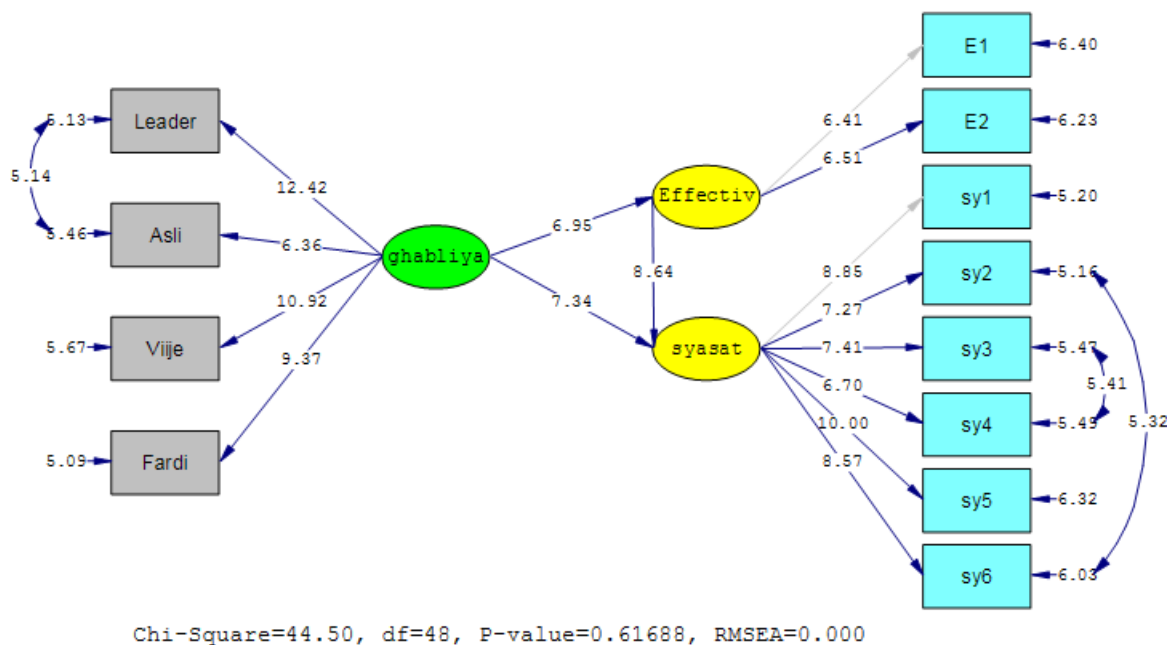


Diagram 2: Structural equation model of research (significance number)

As can be seen in the (Diagram 2), paths with significance number greater than 1.96 were significant. In other words, at 95% confidence level, the relationships between the variables were confirmed. So, this model was confirmed. Also, fitness indicators of structural equation model based on the software output can be seen in the (Table 2).

Table 2: Fitness indicators of main research model

Title of the statistical indicator	Standard rate of the indicator	Rate of the indicator in the model	Result
X2/df	Less than 3	0.92	Fit
p-value	More than 0.05	0.61688	Fit
GFI	More than 0.9	0.99	Fit
AGFI	More than 0.9	0.98	Fit
RMSEA	Less than 0.1	0.000	Fit
CFI	More than 0.9	0.99	Fit
NFI	More than 0.9	0.99	Fit
RMR	Less than 0.09	0.009	Fit
IFI	More than 0.9	0.98	Fit

As can be seen, fitness indicators were suitable and, therefore, all of them indicated desirability of this model of structural equations.

#### 4. DISCUSSION

It is not unknown that given the different nature and mission of organizations, the required competencies and capabilities of human resources, as the most strategic organizational capital for achieving the goals and the desired results in the implementation of organizational processes, should be completely different and appropriate to that organization. Therefore, identification of strategic human resource capabilities appropriate for strategic objectives of organization is always of utmost importance. If individuals with high skills and capabilities are recruited by an organization but they are not so appropriate for strategic goals of the organization, in addition to imposing baseless extra costs on the organization, this will create many barriers to the realization of organizational goals, which ultimately, while creating dissatisfaction in the mentioned employees, will also greatly affect the organization's overall performance.

On the other hand, banks are among the important service provider-governmental organizations that provide widespread services to people. People expect banks to be more accountable for public money. This means that some attitudes, tools, methodologies and techniques used within the private sector should be modified and adjusted to be used in governmental organizations. Therefore, banks, like other public and private sector organizations, should seek to increase their competitive advantage and effectiveness. This will be possible through competent and capable human resources. Today, the administrative system of the country needs to have strong, competent and capable human resources. Therefore, the capabilities and strategic capabilities of human resources and their effectiveness in the development of administrative system of the country are among the main and essential elements. Therefore, it is required to identify and apply strategic capabilities of human resources in line with the effectiveness of the administrative system in the banks of the country which is considered by the Supreme Leader.

Since capability models and patterns in each organization are specific to it, the present study has presented an effective strategic model of human resource capability in administrative system according to the statements of the Supreme Leader of Saderat Bank. This model includes strategic human resource capabilities, including four dimensions of leadership capabilities (including 12 components), core human resource capabilities (including 11 components), special capabilities of human resource role

(including 6 components) and individual traits (including 10 components). Then, based on this model, the relationships between strategic human resource capabilities, effectiveness, and policies of administrative system have been investigated which has been summarized in the (Table 3).

Table 3: The result of hypotheses testing model

Hypot thesis	Path	Beta coefficient	Critical value	Result
1	Strategic human resource capabilities_ employee effectiveness	0.71	6.95	Confirmed
2	Strategic human resource capabilities_ General policies of administrative system	0.74	7.34	Confirmed
3	Employee effectiveness_ General policies of administrative system	0.81	8.64	Confirmed
4	Strategic human resource capabilities_ Employee effectiveness_ General policies of the system	(0.71) (0.81)	(6.95) (8.64)	Confirmed

Therefore, based on the obtained results, all the research hypotheses have been accepted at 95% confidence level; in other words:

✓ There was a relationship between strategic human resource capabilities and its dimensions and employee effectiveness in branches of Saderat Bank of Iran.

✓ There was a relationship between strategic human resource capabilities and its dimensions and general policies announced in administrative system in branches of Saderat Bank of Iran.

✓ There was a relationship between employee effectiveness and the announced administrative system in branches of Saderat Bank of Iran.

✓ Also, employee effectiveness played a mediating role in the relationship between strategic human resource capabilities and general policies announced in administrative system in branches of Saderat Bank of Iran.

The results obtained from testing the research hypotheses were compared with the results of various researches as below:

The research results showed that there was a positive and significant relationship between leadership capabilities and employee effectiveness which was consistent with the study by [14]. In fact, leadership capabilities can, by motivating the employees, create effectiveness in the organization's human resource activities. The role that a positive and capable leader plays in creating employee effectiveness is a very important and unique role because leadership variable is one of the most important variables that motivates the employees and create the sense of doing effective work in them.

The research results showed that there was a positive and significant relationship between individual traits and employee effectiveness which was consistent with the study by [15]. In fact, organizational staff that have traits such as honesty and integrity, commitment, continuous learning and result-orientation, always by their seriousness and consciousness in the implementation of assignments, promote individual effectiveness, and ultimately, overall performance of the organization to a significant extent.



The research results showed that there was a positive and significant relationship between the core human resource capabilities and employee effectiveness, which was consistent with the study by [16]. Also, the research results showed that there was a positive and significant relationship between special capabilities of human resource role and employee effectiveness, which was consistent with the study by [17].

The study results showed that there was a positive and significant relationship between the core capabilities of human resources and policies of the administrative system, which was consistent with the study by [18].

In other words, using a set of new capabilities that relate to core human resource capabilities, by creating innovative working structures, promoted the administrative system. Also, the research results showed that there was a positive and significant relationship between the special capabilities of human resource role and policies of administrative system, which was consistent with the research by [19].

## 5. SUMMARY

The study results also showed that there was a positive and significant relationship between effectiveness and policies of administrative system, which was consistent with the study by [20]. In other words, effectiveness and desirability of administrative system was dependent upon several factors, some of which were rooted in values and beliefs of organizational members that, if corrected and strengthened, many of the ethical problems and abnormalities of organizations would be removed. Therefore, it can be said that effective human resources would lead to innovative and effective changes in administrative and working structure and would improve administrative system. The limitations that existed during the research conduction were: The differences in the respondents' perception of the questionnaire's items (the subjectivity effect); & the prolonged questionnaire distribution and recollection time due to large number of the participants.

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