

Strategic Analysis of the Effects of Human Capital Strategies on Organization Strategies in Marjan Tile according to Strategic Reference Points

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Abstract

Human resources strategy is a pattern for decisions which are related to human capital policies and procedures. In deed the process of human capital strategy formulation and implementation is to relating the human resources processes with organization strategic goals. In this article, we tried to study the impacts of human capital strategies on organization strategies. The basic models used in this research, are strategic reference points (Bamberger and Meshoulam) and balanced score card. The statistical population of this research is the Marjan Tile managers, bosses, experts, operators and contractors. The data gathered for this study are from questionnaires, documents and interviews. After the data mining, we found out that the most important human capital strategies for realizing organization development goals, especially product development, are commitment and free-agent strategies. The commitment strategy creates a good base of viewpoint for experts, managers and other people with important roles. The free-agent strategy can be used in temporary research and projects toward development.

Keywords: strategy, balanced score card, strategic reference points, paternalistic strategies, commitment, free-agent and secondary

1. Introduction

Today in the world of competition, organizations must have roadmaps for survival. Road maps can be created according to the current situation (descriptive paradigm) or forecasted conditions (normative paradigm). (Smith, comprehensive approach to strategic management, 1388: 96). Utilizing both paradigms has a very important role in achieving organization goals. (Ali Ahmadi, comprehensive approach to strategic management, 1388: 108)

One of the most comprehensive and best models of corporate strategy is the Balanced Scorecard model which follows four perspectives: financial, customer, internal processes and learning and growth and covers all aspects of the strategy's importance. This model, like any other model, is based upon the organizational mission and vision. In this model the main focus is organization intangible assets of organizations. This model is one of the most comprehensive approaches in the world of strategy which many corporations tend to use. Marjan tile is also one of the followers of this model.

Bamberger and Meshoulam defined an integrated model for human resources strategies which has and integrated view point toward the human capital processes. Their model consists of four main parts, main types of strategies. Their model is based on two main parameters. The labor market and amount of control needed to lead people. Control on process or the outputs.

Table 1- Strategic Reference Points model

	Internal labor market	External labor market
Output controls	Commitment	Free-agent
Process control	Paternalistic	secondary

1- Commitment strategy:

These strategies are used in corporates which the top managers don't have a deep knowledge about the processes. So they have to trust in their personnel and control the results of their actions. The employer does not have the skills and knowledge and don't want to give their experts power of social capital to the other competitors. (Human resource strategy-formulation, implementation and impact, Bamberger Meshoulam, translation Arabi: 87)

2- Free-agent

For many employers the most efficient way of using the proficiency of the labor market is to hire them temporarily for the projects. The managers don't have a good knowledge for expertise tasks and using free agent strategy help they use the professionals' knowledge temporarily. They are able to control the outputs only. Therefore, people are judged by results and efficiency. (Human resource strategy-formulation, implementation works, Bamberger Meshoulam, translation Arabi: 88)

3- Paternalistic

For controlling the phenomenon of uncertainty, corporates use this type of strategy. They use a certain type of technology so they can ask their personnel to fallow procedures and operation rules. In this type

of strategy they use the internal labor market to avoid the costs of hiring from the labor market outside the corporate. (Human resource strategy-formulation, implementation works, Bamberger Meshoulam, translation Arabi: 89)

4- Secondary:

Organizations that have highly repetitive tasks and low costs, and the process of transforming inputs into outputs is the main competitive advantage in them, use this type of strategy. The organization uses a specific technology and employees are expected to follow certain rules that do not interfere in organization tasks. (Human resource strategy-formulation, implementation works, Bamberger Meshoulam, translation Arabi: 89)

2. Methodology

For understanding the correlation of the variables of this research we need two questionnaires. One is to determine the value level of each process in product development and also determine the portion of human capital, systems and methods and technologies.

The other questionnaire is built to estimate the efficiency of these four types of strategies in realizing the corporate strategy.

The first questionnaire is answered by top managers and the other is answered by the population from different organization levels.

The first questionnaire is designed by the researcher, and the other one is inspired from the questionnaire used in Arabi and Movarei in Mapnagroup and also recruiting procedure in Marjan and the validity amount of it is about 0.79.

We should notice that the above-mentioned operations must be inferred from statistics and qualitative methods used. Descriptive statistics is used to classify and describe the data into manageable format and inferential statistics to draw conclusions from the data used. (Bobbie 2001)

3. Results

In this section, which can be considered the core of this research we try to reject or confirm the hypothesis using single sample t-test (one sample t test).

Table 2 – statistical results showing the impact of paternalistic strategy on corporate strategy

Variable	Descriptive estimate			One – Sample Test		
				Test Value: 3		
	Average	Standard deviation	Average subtraction	t	df	sig
Paternalistic strategy	4.05	0.54	1.05	20.57	200	0.001

Using the above table means paternal strategy (4/05) in the sample is higher than criterion (3) and statistically significant (0/001 sig =) .This means that the sample shows paternal strategy is effective on realizing product development strategy.

Table 3 – statistical results showing the impact of commitment strategy on corporate strategy

Variable	Descriptive estimate			One – Sample Test		
				Test Value: 3		
	average	Standard deviation	Average subtraction	t	df	sig
Commitment strategy	4.08	0.55	1.08	27.91	200	0.001

Using the above table means paternal strategy (4/08) in the sample is higher than criterion (3) and statistically significant (0/001 sig =) .This means that the sample shows commitment strategy is effective on realizing product development strategy.

Table 4 – statistical results showing the impact of secondary strategy on corporate strategy

Variable	Descriptive estimate			One – Sample Test		
				Test Value: 3		
	average	Standard deviation	Average subtraction	t	df	sig
Secondary strategy	4.08	0.52	1.08	29.04	200	0.001

Using the above table means paternal strategy (4/08) in the sample is higher than criterion (3) and statistically significant (0/001 sig =) .This means that the sample shows secondary strategy is effective on realizing product

development strategy.

Table 5 – statistical results showing the impact of free-agent strategy on corporate strategy

Variable	Descriptive estimate			One – Sample Test		
	average	Standard deviation	Average subtraction	Test Value: 3		
				t	df	sig
Free-agent strategy	4.08	0.53	1.08	28.63	200	0.001

Using the above table means paternal strategy (4/08) in the sample is higher than criterion (3) and statistically significant (0/001 sig =) .This means that the sample shows free-agent strategy is effective on realizing product development strategy.

Table 6 – statistical results showing the impact of human capital strategy on corporate strategy

Variable	Descriptive estimate			One – Sample Test		
	average	Standard deviation	Average subtraction	Test Value: 3		
				t	df	sig
Human capital strategy	4.04	0.54	1.04	27.32	200	0.001

Using the above table means human capital strategies totally (4/04) in the sample is higher than criterion (3) and statistically significant (0/001 sig =) .This means that the sample shows free-agent strategy is effective on realizing product development strategy.

Table 7 – statistical results comparing the amount of statistical results among different organization levels

Variable	Organization level	Average subtraction	Level of significance)Sig(
Human capital strategy	managers	experts	0.004	
		clerks	0.007	
		operators	0.001	
	Experts	clerks	0.70	0.001
		contractors	0.36	0.004
		operators	1	0.001
	Clerks	contractors	0.34-	0.007
		operators	0.32	0.001
	Contractors	operators	0.66	0.001

Tukey's values indicate:

- 1- Human capital strategy has an effect on realization of product development strategy in MarjanTile. Managers assess that effect higher than the clerks and operators but lower than experts and contractors.
- 2- Experts valued the human capital strategies' effects much greater than the other levels.
- 3- Clerks assessed that effect higher than operators but lower than contractors
- 4- Contractors assessed the effect higher than the operators

The human capital strategies' effect in viewpoints of organization top managers is valued as the table below:

Table 8 – rating of three main factors in each process in top managers' viewpoints

process	importance	Systems and methods ration	Human capital ration	Technology ration
finance	0.04	27%	48%	25%
Sales and marketing	0.22	19%	65%	15%
production	0.18	13%	57%	30%
Supply chain management	0.07	40%	50%	10%
Quality assurance	0.05	40%	40%	20%
Research and development	0.21	10%	80%	10%
Human capital	0.16	10%	80%	10%
Information technology	0.07	5%	60%	35%
average		21%	60%	19%

4. Conclusion

According to the results of this research in Marjan Tile Company and Arabi's research in Mapna group, development strategies are compatible with commitment and free-agent strategies. The study also indicates that free-agent strategies are much more used than paternalistic strategies, while it is thought contrariwise.

The interesting thing is that all the strategies outlined in the strategic reference points model, are

necessary for realization of product development strategies in Marjan Tile Company. Generally we can deduce that human capital strategies totally have an impact on organization development strategies. As the top managers of Marjan Tile has assumed, this effect can be as much as 60% in the company.

5. References

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