



A CASE STUDY IN HUMAN RESOURCE FLEXIBILITY ON ORGANIZATIONAL PERFORMANCE UNDER PETROLEUM, GAS, AND PETROCHEMICAL COMPANIES

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ABSTRACT

This research was conducted with the aim of examining effect of human resource flexibility upon organizational performance among Petroleum, Gas, and petrochemical companies. Research method is survey-descriptive type; population of study consists of 439 official and contract employees, among which 207 employees were selected as sample of study through Cochran's formula. Questionnaires were applied as data collecting tools, also descriptive statistics (mean SD, etc.) and inferential statistics (correlation coefficient test, regression analysis, and Friedman's test) were applied for data analyzing. Findings of the study indicated a significant effect of human resource flexibility on organizational performance, and dimensions of skill flexibility, behavioral flexibility, and task (functional) flexibility are prioritized respectively.

INTRODUCTION

Human resource is of most vital strategic resources for any organization. Without doubt, success of organizations and workplaces relies on efficient utilization of human resources (Harsi & Blanchard, 1996). Human resource flexibility has become an inevitable necessity in today's insecure and dynamic environment that provides the organization with capability of having appropriate reaction to fast environmental changes (Simmons & Engleharts, 2003). Definition of flexibility roots in post-modernist theories and theories based on resources and includes suitable abilities and capabilities for quick reacting to environment, which has high impact upon organization's performance (A'arabi and Daneshparvar, 2006). Flexibility is a basic approach to management of lack of environmental uncertainty (Seyed Naghavi et al, 2011).

Human resource flexibility is one of main challenges that human resource management is facing with during recent years, because presence of large changes needs reaching for new technologies and focusing upon improvement of products' quality, which realization of all of these depends on human resource flexibility (A'arabi and Daneshparvar, 2006). Flexibility strengthens human resource to respond to subsequent changes and also provides employees with the ability to make needed changes within themselves to make coordination with implemented changes in working procedures (Atkinson, 1984). The word performance means a state or quality of performing; therefore organizational performance is a general component, which refers to how to perform organizational operations. The most well-known definition for performance was offered by Nellie et al (2002), "a process of explanation of



quality of efficiency and effectiveness of past actions". Hence, this issue is raised that organizations (subsidiary companies of Petroleum Industry) may improve organizational performance through human resource flexibility. In other words, the aim of present study is finding an answer to this question that, "Does human resource flexibility have a positive significant effect upon organizational performance?" and respecting high importance of this variable and that it has not been examined in assessing companies' performance "can we apply a suitable measure for improving organization's performance?"

METHODOLOGY

Human Resource Flexibility

Today organizations are working in high dynamic environments and are dealing with unpredictable events. Many factors may cause such conditions including technology advances and markets' globalization (Fatahi et al, 2011). Human resource flexibility is known as a tool for improving production performance. Such a flexibility helps companies to reduce production workflow and work in process inventory and improve customer's services, while it may provide useful utilization of human resource and equipment (Fraster&Hvolby, 2010). Human resource flexibility allows employers to save job (work) and helps more significant work satisfaction. Albez (1997) believes that human resource flexibility may lead to reduce some of hierarchy levels, obtaining faster communications and better ability in reacting more quickly. Reduction of number of management levels leads to lower expenditures and also lower managerial overhead costs

((ValverdaTregaskis&Brewster, 2000). Human resource flexibility is regarded as an organizational capacity resulting from employees' unique skills and behaviors (Fatahi et al, 2011). Human resource flexibility has different dimensions. Bhattacharya, Gibson and Doty (2005) consider human resource flexibility composed of three dimensions of employee's skills, employee's behavior, and human resource practices (SeyedNaghavi et al, 2012).

Dimensions of Human Resource Flexibility

Task (Functional) Flexibility

Human resource practices are also called task (functional) flexibility. According to Atkinson's view (1984), task (functional) flexibility means multi-functionality and versatility of employees (Atkinson, 1984). Task (functional (flexibility is the ability of take participation in adjusting and developing employees' skills in a wide range of tasks in order to adaption with variable tasks resulting from change of demand nature, production methods and technologies. Hotkam et al (2004) consider task (functional) flexibility as a way through which employees are transferred regularly to different roles or they can perform different roles. In this way in which employees are multi-skilled, capacity of learning and solving problem will be increased (Fraser &Hvolby,2010; Lepak& etal,2003).

Skill Flexibility

Skill flexibility refers to speed and facility of obtaining skills and new capabilities by employees (wright& Snell, 1998). In this sense, when employees receive required trainings and retraining, they can anticipate future skill requirements or they are eager

to learn new approaches and methods to perform their job. If organization's employees have a wide variety of skills and can perform different jobs, it can be said that organization has a high degree of skill flexibility. This kind of flexibility can be a source of competitive advantage, because they are valuable, various skills are hardly imitated by competitors (SeyedNaghavi et al, 2012).

Behavioral Flexibility

Behavioral flexibility is the ability of showing a variety of behavioral roles during different conditions. Employees' behaviors are those actions or arrangements, which are adopted by employees in their job. If an employee, who has adopted a specific action during repeated working opportunities, chooses the same action dealing with new conditions, his behavior is regarded to be inflexible. In contrast, if employees seek for new arrangements of actions for performing daily practices or new situations, their behavior is regarded to be flexible (seen, 2005). Therefore, the concept behavioral flexibility is more tolerance to non-repeated behaviour that employees react to new conditions with creativity and improvisation not based on stable and predetermined models (SeyedNaghavi et al, 2012).

Organizational Performance

The issue of performance assessment is one of wide subjects, upon with a variety of disciplines and experts were effective and many reports and new articles have been published about it. There are different views to organizational performance. Performance can be regarded as obtained results. Organizational performance is an index of how to measure realizing goals of

an organization or enterprise (Hoo, 2008). Organizational performance is obtaining organizational and social goals or beyond them and implementing responsibilities assigned by organization (Haghighi et al, 2010). Performance assessment includes "a process of quantification of efficiency and effectiveness of operations" that through a literature review, its reasons can be categorized into three main groups:

- 1- Strategic goals: consisting strategic management and reviewing strategies.
- 2- Communication goals: consisting controlling current situation, showing future path, offering feedbacks and benchmarking from other organizations.
- 3- Motivational goals: consisting determination a reward system and also encouraging improvement and learning (SeyedNaghavi et al, 2012).

CONCLUSION

First hypothesis of study indicates significant effect of HR flexibility on organizational performance. Results of study confirms this hypothesis with accordance with researches of Ketarans Set (2010), indicating effect of HR flexibility upon company's performance and also with study by Wall word et al (2000) showing the significant effect of HR flexibility upon organizational performance. Results of studies by SeyedNaghavi et al (2012) indicate that HR flexibility has a positive significant effect upon performance of Insurance firms.

Second hypothesis of study implying significant effect of task flexibility upon organizational performance confirms research results of this hypothesis, which is accordance with results by Molman and



Slam (1999), Cliher and Reili (2003), Ferser and Wally (2010), which have confirmed the relation between task flexibility and company's operation, efficiency and effectiveness.

Third hypothesis, which implies significant effect of skill flexibility upon organizational performance, confirms research results of this hypothesis. It is in accordance with results of studied by SeyedNaghavi et al (2012) in which skill flexibility plays the highest role in determining effectiveness.

Fourth hypothesis implying significant effect of behavioral flexibility upon organizational performance confirms the results of this hypothesis, which is in accordance with results obtained by Bhattacharya et al (2005) that have conformed relation between behavioral flexibility and organizational performance. In addition, it is accordance results of studies by Salman Pour et al (2012) that confirm relation between behavioral flexibility and value-creation in the organization. In this regard, the following suggestions would be presented:

Through long-term planning and adapting appropriate strategies for HR that lead to increase of capabilities and skills of employees, one may help to make human resource flexible.

By employees' training, which results in HR flexibility, HR managers should apply those methods that lead to skill learning including; scientific training, on-the-job training, etc.

Applying temporary and network structures can increase HR flexibility. Within this structure, each person can make communication with others. He can remain on a certain job or task for a certain

time, and then been transferred to another one. As a result if these relocations, he become familiar with various and different tasks and obtains new skill, finally it leads to HR flexibility.

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