Study of Factors Affecting the Productivity of Human Resources 
(Case Study: Refah Kargaran Bank, Zanjan, Iran)

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Abstract

The purpose of the study was to identify factors affecting the increased productivity of human resources at Refah Kargaran Bank (Iran), in particular, factors such as participative leadership style of manager, meeting the basic needs of employees and employee participation in decision-making, which was examined relationship between effect intensity of damper variable the job dissatisfaction and increase of productivity. In this study, we have investigated the effect of these factors on increased productivity through correlation analysis and regression analysis. The statistical population is composed of Refah Bank employees, who were randomly selected and their views on this issue were collected by questionnaire. The findings showed that meeting the basic needs of employees, employee participation in decision making and participative leadership style of manager increases the productivity of human resources and job dissatisfaction variable reduces the effect of these factors on the productivity of human resources.

Keywords: productivity, human resource, participatory leadership style of manager, employee participation in decision-making

1. Introduction

The experience has shown that if all the policies and goals are correct, But resource human who wants to achieve the goals in the situation are not desirable, naturally, one cannot expect the organization to achieve its predetermined objectives. If the employees morale is not high in the branches of the banks, and not treated properly with clients, clients will only go to branch if be forced. Therefore, in the present stage of Iran that credit and financial non governmental agencies are taking shape more attention should be given to manpower. For now, customers of the banking system for many reasons such as proximity to workplace or home, being familiar with a particular person in a particular branch and etc. work with bank branches and for them right to choose has been limited. But it is not clear in the near future with the current state that they are willing to work with the current banking system. So, while we must pay special attention to the needs of our customers at the same time we must not neglect of manpower. Clearly the most important asset of any organization is efficient manpower (Yousefi, 1999: 126). Today, management thinkers and researchers believe that employees are the most important competitive source, and human capital of an organization or institution or company and at beyond level the human capital a country can meet all the requirements of the Strategic ((Mahdi Zadeh, 2008: 79). Human being as a key element in the structure and management can bring development and also can act as a major barrier against development (Majdnia, 2009: 25). Thus human developed brings the developed community. In this paper is checked importance of manpower as an important strategic resource in developing a country and ways to enhance the manpower productivity.

2. Research Literature

The productivity is a measure of the output of goods and services relative to the input of manpower, materials, equipment and so on. Whatever more an industry is more productive, its competitive situation will better. Productivity a way that improves living standards, productivity improvement is not meant working hard, but it is meant working smarter (cascio, 1998: 16).

Empirical studies in developed countries have shown that importance of productivity as a result of development the management software systems has been more than participation and overall increase of labor and capital in the production and delivery of services. Thus, the productivity of human resources is one of the most important
pills any institution or organization (Mohammadi, 2008: 46). Of dominant features of less developed
countries is low level of productivity that is due to factors outside the control these communities and some of
factors that are manageable and controllable, meaning that these countries also are able to achieve a higher level
of national production with fewer resources consumption, because there is a direct relationship between income
per capita and productivity indicators any country (Taheri, 2009, 12). Thus, human resource productivity can be
defined as follows.
a) Manpower productivity a person is defined as the ratio of work done by each person to time consumed
by the same person.
b) Human resources productivity a group is defined as the ratio of work done by the group to total time
spent by group members.
c) Human resources productivity a organization is defined as the ratio of work done the organization
(production of goods or provision of services) during a given time to human resources spent (total personnel) in
terms of man-hours, man-week or man-month (Bahramzade, 2004: 29).
d) Factors that can effect on manpower productivity as follows:
1) Investment (ICT) has a positive impact on manpower productivity growth in the short and long term.
2) Structural factors are productivity determinant in the long term.
3) Investment in education has a significant positive effect on productivity that one major reason of the
productivity levels is in countries with high or low income.
4) Economic indicators a country is another of productivity determinant factors.
5) Inflation factors have a negative impact on productivity and reduce economic stability (choudhry,
2009:12).
Managers can by meeting the basic needs of employees, establishing mutual trust between himself and they and
create a culture free from blame, they make committed to the organization. Attention to employees as human
beings and expressed interest to their welfare, health, desires, and dreams result in their better performance and
helps to increase of productivity (Ahadi Panah, 2005: 46). Whatever organizations from knowledge of
knowledgeable human resources within the organization and outside the organization use more and more
certainly increase productivity in organization (MJY, 2009:13).
Participative management is a comprehensive approach to individual and group participation between senior
management and staff that tries in direction the organization's goals and continuous improvement in all aspects.
In other words, participative management is the participation of the right people at the right time to do the right
work. Among many of management methods, participative management is a relatively new approach that with
to recognize the importance of manpower tries to find strategies for active presence of all the people around
Organizations (Fakhimi, 2000, 37). In this regard, according to Davis opinion one of the elders of management
science, the participation and mental and emotional involvement of employees in a group position to give them
motivation until contribute to group goals and to achieve it feel responsible. Discontinue participation of
employees in making decisions is including the factors that cause the employees to resist against
implementation of decisions or plans submitted. When employees are involved in making decisions, doing work
is better and raises labor productivity (Haghighi, 2009:52). Considering that improving the productivity of an
organization depends on the organization's staff should give awareness to them and also providing opportunities
for employee participation in the decision process increased organization's productivity (Prokopenko and North,
2001: 10). The advantages of decision-making resource of subordinates are accepted by many managers' at all
organizational levels. Although participative decision-making is usually related to the involvement of small
groups in the decision-making process, but delegation of authority to people is best-known and most common
means of achieving the staff participation (Ghavam, 2009:27).
For improve productivity in organizations must be taken into consideration the opinion of managers, office staff
and laborers. In the first place, create productivity depends largely on the efforts of manpower available at
organization or institution (chyn, 2007:567).
Financial incentives are often considered as effective and useful tool for increasing productivity of
organizations. And another important methods for manpower management is salary and bonuses systems linked
to performance that encouragements and financial incentives in the level of organization can increase
productivity by motivating between the manpower in order to management goals at organization (wolf , ymd ,
zwick, 2008:10). Manager in addition to understanding the goals, capabilities, challenges, issues and problems
must also have enough knowledge about the material and spiritual needs of employees. Because the manager
must be use from capabilities and resolve obstacles and problems by the same organization's staff. And
certainly if the employee needs were identified, then much as possible to be addressed. Employees who have an
incentive to overcome obstacles and achieve goals do work with heart and soul; in that case he considers success and progress of manager as success and progress himself. But if for any reason the manager was indifferent to the wants and needs of employees, then irreparable losses enters to the organization (Kord, 2013:79).

Jung and Jang (2006) studied the long-term profitability of banks in Taiwan and concluded that the most important factor in profitability and make a profit for studied bank branches was banking services. In the following, the bank employees were most important and foremost factor for achieve the increase profitability and make a profit. Abhiman et al (2009) by studying some of the branches of Major Public Bank of India, concluded that factors such as manpower, education level among employees, bank environment, premises and location of the bank, advertising, government regulations and reducing government intervention in banking affairs are most important factors in attracting deposits from the public. They believed that human resources were the most important and most effective factor in attracting investment from the public (Abdolbaghi-2004: 83-104).

3. Research Hypotheses

1) Participative leadership style of the managers is effective in increasing the productivity of human resources at Refah Kargaran Bank.
2) Employee participation in decision making is effective in increasing the productivity of human resources at Refah Kargaran Bank.
3) Meeting the basic needs of employees is effective in increasing the productivity of human resources at Refah Kargaran Bank.
4) Job dissatisfaction of employees reduces the effects of variables such as participative leadership style of managers, employees' participation and meeting the basic needs of employees.

4. Research Methodology

Present research methodology in terms of research objective is an applied research and in terms of data collection is a descriptive/survey research. A questionnaire was used for gathering of data, and scale of measurement was a seven point Likert scale. The study population was all employees working in Refah Kargaran Bank in Zanjan, Iran including managers and non-managers. The statistical population of this study is 180 employees of Refah Kargaran Bank of Zanjan city, of these, 155 individuals were male and 25 individuals were female. In this study we used of a random sampling method. Organizational factors affecting the enhancing manpower productivity were collected through library research and comparing different models that provided in the field of manpower productivity. The measuring instrument was consisted of four questionnaires that these questionnaires include: productivity of human resources, employees' participation, participative leadership style of manager, meeting the basic needs of employees and job dissatisfaction of employees. Each of the questionnaires showed high reliability.

5. Research Findings

In this research, data were analyzed by using SPSS software. The statistical methods used to analyze the data were Spearman correlation and linear regression analysis.
Table 1. Correlations between dependent and independent variables

<table>
<thead>
<tr>
<th>variables</th>
<th>Pearson Correlation</th>
<th>sig</th>
<th>(error value)</th>
<th>type of relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>relationship between meeting the basic needs of employees and human resource productivity</td>
<td>0.971</td>
<td>0.000</td>
<td>0.05</td>
<td>Significant relationship</td>
</tr>
<tr>
<td>participative style of managers and human resource productivity</td>
<td>0.941</td>
<td>0.000</td>
<td>0.05</td>
<td>Significant relationship</td>
</tr>
<tr>
<td>relationship between employees’ participation in decision-making and human resources productivity</td>
<td>0.921</td>
<td>0.000</td>
<td>0.05</td>
<td>Significant relationship</td>
</tr>
</tbody>
</table>

**Test of hypothesis 1**

According to Table 1, $\text{sig} = 0.000$ and $\alpha = 0.05$. Thus, Hypothesis 1 is confirmed, i.e., there is a significant relationship between meeting the basic needs of employees and human resource productivity. Also, this table shows that correlation coefficient between meeting the basic needs of employees and human resource productivity is equal to 0.971. So we conclude that according to mentioned hypothesis, meeting the basic needs of employees raises manpower productivity highly.

**Test of hypothesis 2**

According to Table 1, $\text{sig} = 0.000$ and $\alpha = 0.05$. Thus, Hypothesis 2 is confirmed, i.e., there is a significant relationship between participative leadership style of managers and human resource productivity. Also, this table shows that correlation coefficient between participative leadership style of managers and human resource productivity is equal to 0.941. So we conclude that according to hypothesis 2, participative leadership style of managers raises human resource productivity highly.

**Test of hypothesis 3**

According to Table 1, $\text{sig} = 0.000$ and $\alpha = 0.05$. Thus, Hypothesis 2 is confirmed, i.e., there is a significant relationship between employees’ participation and human resource productivity. Also, this table shows that correlation coefficient between employees’ participation and human resource productivity is equal to 0.921. Therefore, we conclude that according to mentioned hypothesis, employees’ participation raises human resource productivity highly.

**Test of hypothesis 4**

Job dissatisfaction of employees reduces the intensity of relationship between human resource productivity and factors such as participative leadership style of managers, employees' participation in decision-making and meeting the basic needs. To test this hypothesis were used two regression models. Because other variable as job dissatisfaction of employees' had a decreasing effect on relationship between human resource productivity and factors such as participative leadership style of managers, employees' participation in decision-making and meeting the basic needs. In the regression, whatever coefficient of determination (R Square) is higher, showing the effect and a greater proportion from variations of dependent variables. Therefore it is necessary to determine that what proportion of the variance of human sources productivity is primarily explained by variables such as participative leadership style of managers, employees' participation in decision-making and meeting the basic needs. And then, what proportion of the variance is explained by variables such as job dissatisfaction of employees, participative leadership style of managers, employees' participation in decision-making and meeting the basic needs. The results listed in Table 2 show two models 1 and 2 in which influence of variables such as employees’ job dissatisfaction, participative leadership style of managers, employees’ participation and meeting the basic needs of employees have been estimated.
Table 2. summarizes the results of regression

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>F</th>
<th>Sig.</th>
<th>Durbin-Watson</th>
<th>df</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting the basic needs of employees, participative leadership style of managers, employees' participation in decision-making</td>
<td>human resources Productivity</td>
<td>1</td>
<td>0.988&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.976</td>
<td>514.113</td>
<td>0.000</td>
<td>2.216</td>
<td>4</td>
</tr>
<tr>
<td>Job dissatisfaction of employees, meeting the basic needs of employees, participative leadership style of managers, employees' participation in decision-making</td>
<td>2</td>
<td>0.886&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.876</td>
<td>621.103</td>
<td>0.000</td>
<td>2.208</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

At first model was estimated impact of variables such as participative leadership style of managers, employees' participation and meeting the basic needs of employees solely on employees' productivity. As can be seen the correlation coefficient between these two variables is 0.988, which indicates a strong and positive correlation between these two variables. R<sup>2</sup> estimated is equal to 0.976, indicating that 97 percent of human resource productivity is dependent on variables such as participative leadership style of managers, employees' participation in decision making and meeting the basic needs of employees and is explained by these variables. Linearity the regression model is accepted by F-Test, because F-value is equal to 514.113 that with df4 are significant at alpha level of 0.05. Also, Durbin-Watson statistic is equal to 2.216, which is indicative of the lack of correlation between the residuals.
In the second model by adding variable of the job dissatisfaction of employees to the model, the value of R<sup>2</sup> has changed about 0.1 (0.976 − 0.876 = 0.1), which based on the F test this modification is significant and showing a significant effect of job dissatisfaction variable in reducing value of R<sup>2</sup>. Multiple correlations are equal to 0.976 in the first model and in the second model the value of R<sup>2</sup> is reduced to about 0.876. Based on the results we can say that job dissatisfaction of employees as a reducer variable affects on correlation the variables such as the participative leadership style of managers, employees' participation in decision making and meeting the basic needs of employees with human resources productivity.

6. Discussion and Conclusion

One of the most important objectives any organization is to improve productivity and human has played a pivotal role in creating productivity. In this study, the correlation between intended variables was evaluated using Spearman correlation test. According to this test, a high degree of correlation was showed between human resource productivity and factors such as participative leadership style of managers, employees' participation in decision making and meeting the basic needs of employees. Meeting the basic needs of employees, participative leadership style of managers and employees' participation in decision making, respectively, showed the highest correlation with human resources productivity. Also in the two regression models presented, it was shown that variables of job dissatisfaction among employees reduces the relationship between human resources productivity with variables such as participative leadership style of managers, employees' participation in decision making and meeting the basic needs of employees.

References