CONCLUSION

Human resource management has become vital to organizations of the twenty first century. The heightened levels of global competitiveness have alerted all organizations to the fact that all their resources must be utilized well than ever before. HRM has received great attention recently because of the recognition that much more could be gained from a better handling of this resource. Consequently academicians have begun to devote more attention to it.

Academicians and HRM professionals together have identified several HR activities that are critical for the survival of an organization. Survival is enhanced because of the ability of effective HRM to attract, retain, motivate and train employees. These goals have become particularly important over the past decade because of the rapidly changing environmental forces. For HR to be effective, however, requires that not only the several HR activities needed to be performed effectively, but also that the HR departments in organizations should play several roles and that those in these departments need to have a broader and deeper range of competencies than previously required.

With the changing dynamics of the HR functions, it is becoming more strategic in nature hence there is greater urgency for HR strategy. Organizations and companies that are enduringly successful are those that begin as early as possible to define and embody in their activities a unique competitive position vis-à-vis HR. Among HR strategies, productivity, commitment, competence, and globalization have acquired more importance.

As already discussed in the first chapter the rapid pace of globalization and the forces driving it have created new market conditions. The structure of international and domestic markets has changed and production systems have been transformed in goods and services, information, finance, and other tradable commodities. In the globalized economy competitiveness means an ability to take the most dangerous position in a constantly changing market environment. The major determinants of the ability to sell products and services in highly competitive markets are no longer relative cost advantageous. In the ultimate analysis, one of the major determinants of
competitiveness, whether at national, sectoral or enterprise level, is raising total productivity.

The changing nature of production and its organization as well as the changing nature of the markets, require new conceptions of productivity, its improvement and management. Many of the concepts, tools and techniques of productivity improvement were developed when modern enterprise had emerged out of the industrial revolution. Production systems based on enterprise networks and value chains, new forms of work organization such as production cells and autonomous groups, and other flexible production systems that are evolving in response to rapidly changing customer preferences and expectations, all mean that new productivity paradigms and approaches must be developed. The importance of the HR as the key to productivity and competitiveness must be fully appreciated and taken into consideration.

Productivity has been viewed from three related but different perspectives. Firstly, emphasizing the relationship between output and input, the conceptual perspective considers productivity as a comprehensive whole incorporating both the input dimension (effective use of resources) and the output dimension (effective accomplishment of goals). In this perspective, productivity means how much and how well we produce from the resources used. The following points emerged from the present scenario:

1. Put outputs first
2. Continue the emphasis on the waste reduction
3. Productivity is value added
4. Shift focus to value creation

The second perspective embodies a multitude of approaches to productivity improvement. Recent literature and research have underscored the critical role of HR in enhancing productivity. The importance of soft factors such as innovation, creativity, motivation, knowledge, information, training, skills and values should also be recognized.

The third view relates to the scope and goal of productivity improvement. This approach observes productivity growth as a major means to generate wealth and
improve the quality of life in society, and to enhance competitiveness and quality of working life in the enterprises.

Studies of job satisfaction and job involvement have in the past tended to focus primarily on jobs, ignoring the organizations to which the employees belong. However, recent concerns have been more organization oriented, with increasing interest in organizational commitment as the secret of raising productivity.

The concept of commitment plays an important part in the IIRM philosophy. HRM policies are designed to maximize organizational integration; employee is to do a job or to carry out specific tasks. This may necessitate working with others: a workplace is not a mere economic group, but requires teamwork or grouping behaviours. To facilitate the process, some form of commitment is needed. This may appear in several forms which, although closely related are different. However, this entry will focus on organizational commitment.

Organizations facing increased competition and coping with change and turbulence are more anxious than ever before to get people to identify more closely with their objectives and values. In many ways, organizations are becoming more fragmented.

A comprehensive HR competence strategy should be supported by HR systems extending right down to the lowest cadre of the employees. Absence of an HR strategy for the organization leads to a mixed bag of individual motivation or alienation, growth or regression.

The term competence has been used at three levels:

1. Organizational competence
2. Management competence
3. Behavioural competence

The organizational level of analysis focuses on the core capabilities associated with business success. The managerial level competencies follow from these and the behavioural level ones in their turn come from the managerial level.

In the present century globalization poses distinctive HRM challenges to business especially those operating across national boundaries as multinational or global enterprises. A number of factors affecting HRM in global markets are culture, economic system, political system and human capital.
A strategic approach to HRM is a response to the challenges of globalization. SHRM involves a set of internally consistent polices and practices designed and implemented to ensure that a firm’s human capital contribute to the achievement of its business objectives. SHRM is largely about integration and adaptation. Its concern is to ensure that: (i) HRM is fully integrated with the strategy and the strategic needs of the firm (ii) HR policies cohere both across policy areas and across hierarchies and (iii) HR practices are adjusted, accepted, and used by line managers and employees as part of their everyday work.

In Iran the automobile making industry is a key sector of priority. It used to receive considerable preferential treatment of capita allocation and foreign exchange, but these have been gradually withdrawn. Not being immune from general economic woes of the country, the automobile making industry also has far lower propensity to react to any general downturn in the economy than most other sectors. Between 1994 and 1998, the automobile making industry grew by about 30 per cent, five times that of other national industries and eight times the rate of growth of the economy while generating close to 235,000 jobs. The domestic demand and export potential are considerable but there are too many local manufacturers. Privatization and rationalization is on the cards but outmoded regulations and bureaucracy slow down the process. The authorities are eager to promote local production and variety via joint ventures hence imports remain tightly controlled. Problems persist in local manufacturing output and aspects of the centralized economy can lead to tortuous decision-making process.

Iran’s domestic automobile making industry has been active for over 40 years and is largely controlled by the government. However, according to clause 37 of the national budget, the government is to transfer ownership to the Private sector during the current Third FYDP. The best one can hope for, however, is partial privatization; what has been attained by some of the large manufactures such as Iran Khodro, which is still 45 per cent owned by IDRO demonstrates amply the benefit of privatization.

For the research objectives the data was collected from two public sector companies (Saipa and Pars Khodro), and one private sector company (Bahman Group) based on managers’ views. Description and analysis of data has been done based on practical framework for HRM (Figure No. 3.1).
To measure HR competence strategy, four key factors were used, namely knowledge, skills, attitudes, and values. Three items for each factor were averaged to form a summary index for the competence strategy. Thus, mathematically, HR competence = f (knowledge, skills, attitudes, and values).

An analysis of public sector companies depicts that values, skills, attitudes, and knowledge obtained mean scores of 13.410, 13.090, 12.995, and 12.675, respectively. Taking all the factors together, the average score is 13.040. To conclude, it may be inferred that there is a high level of HR competence for the managers (top, middle, and line) working in these companies.

But in private sector study depicts that the factors viz. values, skills, attitudes, and knowledge obtained mean scores of 13.84, 13.26, 12.94, and 12.84, respectively. Taking all the factors together, the average score is 13.23, which is the extreme high point on the five-point scale, and reflects a high level of the HR competence in the HRM area of the company under study.

To measure HR commitment strategy, three factors were used, namely creating motivational environment, creating job security, and creating suitable organizational climate. Four items for each factor were averaged to form a summary index for HR commitment strategy. Thus, mathematically, HR commitment = f (creating motivational environment, creating job security, and creating suitable organizational climate).

An analysis of public sector companies depicts that creating motivational environment, creating suitable organizational climate, and creating job security obtained mean scores of 17.42, 16.62, and 16.26, respectively. Taking all the factors together, the average score is 16.77. To conclude, it may be inferred that there is a high level of HR commitment for the managers working in these companies.

While in private sector company study depicts that factors, namely creating motivational environment, creating suitable organizational climate, and creating job security factors, obtained mean scores of 17.44, 16.73, and 15.94, respectively. Taking all the factors together, the average score is 16.70, which is the extreme high point on the five-point scale, and reflects a high level of HR commitment in the HRM area of the company under study.
To measure HR productivity strategy, three factors were taken into account namely conceptual, improvement, and goal factors. Four items for each factor were averaged to form a summary index for HR Productivity Strategy. Thus, mathematically, HR Productivity = f (conceptual, improvement, and goal factors).

An analysis of public sector companies depicts that conceptual, improvement, and goal factors obtained mean scores of 14.27, 14.19 and 13.81, respectively. Taking all the factors together, the average score is 14.09. To conclude, it may be inferred that there is a high level of HR Productivity.

An analysis of private sector company under study depicts that goal, improvement, and conceptual factors obtained mean scores of 15.26, 15.11 and 15.10, respectively. Taking all the factors together, the average score is 15.15, which is high point on the five-point scale, and reflects a high level of HR productivity in the HRM area of the company under study.

To measure HR globalization strategy, four factors were taken into account namely environmental, organizational, institutional, and technological factors. Three items for each factor were average to form a summary index for HR globalization strategy. Thus, mathematically, HR globalization = f (environmental, organizational, institutional, and technological factors).

An analysis of public sector companies depicts that environmental, organizational, institutional, and technological factors obtained mean scores of 11.24, 11.23, 11.14, and 10.28, respectively. Taking all the factors together, the average score is 10.97. To conclude, it may be inferred that there is a high level of HR globalization process for the managers working in these companies.

While in private sector company environmental, organizational, institutional, and technological factors obtained mean scores of 11.60, 11.42, 11.21 and 11.00, respectively. Taking all the factors together, the average score is 11.30, which is high point on the five-point scale, and reflects a high level of HR globalization in the HRM area of the company under study.

To measure internal environmental factors influencing HR strategies analysis, three key factors were taken up, namely, organizational structure, work culture, and HR process.
An analysis of public sector companies depicts that work culture, organizational structure, and HR process factors obtained mean scores of 3.885, 3.815, and 3.690, respectively. Taking all the factors together, the average score is 3.795. While in private sector company HR process, organizational structure, and culture factors obtained mean scores of 3.74, 3.58, and 3.47, respectively. Taking all the factors together, the average score is 3.63, which is high point on the five-point scale, and reflects a middle level of internal environmental factor which influences the HR strategy in HRM area of the company under study.

To measure external environmental factors influencing HR strategies analysis, three key factors were considered, namely economical, sociological, and technological factors.

An analysis of public sector companies depicts that economical, sociological, and technological factors obtained mean scores of 4.135, 3.640, and 3.510, respectively. Taking all the factors together, the average score is 3.760. While in private sector company economical, sociological, and technological factors obtained mean scores of 4.21, 4.11, and 3.95, respectively. Taking all the factors together, the average score is 4.09, which is the high point on the five-point scale. It reflects a high level of factors influencing HR strategies in external dimension in HRM area of the company under study.

To measure organizational productivity, six key factors were considered namely work methods, work culture, organization and system, products, technology, and management vision, values and style. For each factors, two items were averaged to form a summary index for organizational productivity. Thus, mathematically, organizational productivity = f (work methods, work culture, organization and system, products, technology, and management vision, values and style).

An analysis of public sector companies depicts that technology, work methods, products, management vision, values and style, organization and system, and work culture obtained mean scores of 8.160, 7.725, 7.105, 7.060, and 6.675, respectively. Taking all the factors together, the average score is 7.290.

The analysis of private sector company under study depicts that technology, work methods, management vision, values and style, products, work culture, and organization and system factors obtained mean scores mean scores of 8.32, 7.79, 7.78,
7.73, 7.32, and 7.00, respectively. Taking all the factors together, the average score is 7.65, which is the moderate point on the five-point scale, and reflects a high-middle level of organizational productivity in the HRM area of the company under study.

To measure HR competence-related pay philosophy, three factors were considered namely knowledge, skills, and aptitudes. Three items for first factor, three items for second factor, and one item for third factor were averaged to form a summary index for HR competence-related pay philosophy. Thus, mathematically, HR competence-related pay philosophy = f (knowledge, skills, and aptitudes).

The study of public sector companies depicts that the skills, aptitudes, and knowledge obtained mean scores of 13.090, 12.995 and 12.675, respectively. Taking all the factors together, the average score is 12.920. To conclude, it may be inferred that HR competence-related pay philosophy is a statement of how the companies value their HR, because HR play important role in the overall success of the companies. The HR competence-related pay philosophy provides for action on people-related business issues and for the development of HR polices, programmes, practices, and processes based on strategic needs.

An analysis of private sector company under study depicts that HR skills, aptitude, and knowledge factors obtained mean scores of 13.26, 12.94, and 12.89, respectively. Taking all the factors together, the average score is 13.03, which is the moderate point on the five-point scale, and reflects a high-middle level of HR competence-related pay philosophy in HRM of the company under study.

To measure HR competence-related pay policy, four factors were used, namely organizational strategy, organizational culture, organizational size, and organizational structure. For each factors, eleven items were averaged to form a summary index for HR competence-related pay policy. Thus, mathematically, competence-related pay policy = f (organizational strategy, organizational culture, organizational size, and organizational structure).

Overview of public sector companies depicts that organizational strategy, organizational size, organizational structure, and organizational culture obtained mean scores of 42.485, 39.740, 39.245, and 37.220, respectively. Taking all the factors together, the average score is 39.670. To conclude, it may be inferred that: (1) There is a high level of importance for motivation, HR development, and work relations
strategies, among others strategies, in these companies, (2) There is a high tendency towards decentralization in structure in these companies and managers believe that formal structure have less flexibility than informal structure, and (3) Managers believe that companies tend to improve for employees and try to prepare an environment which maximizes commitment to organization goals.

While in private sector company depicts that organizational strategy, organizational size, organizational structure, and organizational culture obtained mean scores of 46.23, 44.68, 38.92, and 38.84, respectively. Taking all the factors together, the average score is 42.53, which is moderate point on the five-point scale, and reflects a high-middle level of HR competence-related pay policy in HRM area of the company under study.

To measure HR competence-related pay programmes, three factors were used, namely behavioural core competencies, generic competencies, and specific competencies. For each factors, four items were averaged to form a summary index for HR competence-related pay programmes. Thus, mathematically, competence-related pay programmes = f (Behavioural core competencies, generic competencies, and specific competencies).

The analysis of public sector companies depicts that the behavioural core competencies, generic competencies, and specific competencies obtained mean scores of 15.385, 15.600 and 15.200, respectively. Taking all the factors together, the average score is 15.50. To conclude, it may be inferred that: (1) Creating motive for other employees, warning personnel who have poor performance, increasing HR skills and behaviour retention are the important characteristics in behavioural competencies factors in these companies; (2) the increasing companies competitive strength, and self control in companies, effectiveness in expert people acquisition (attraction) to companies, and creating job enrichment are the important characteristics in generic competencies factors in these companies; and (3) increasing productivity culture, creating an opportunity for companies’ investment for strategic goals, increasing team-work culture and creativity culture are the important characteristics in specific competencies factors in these companies.

The analysis of private sector company shows that specific, generic, and behavioural core competencies factors obtained mean scores of 16.52, 16.47, and
Taking all the factors together, the average score is 16.19, which is the high point on the five-point scale, and reflects a high level of HR competence-related pay programmes in HRM area of the company under study.

To measure HR competence-related pay practices, two factors were used namely behaviour-orientation practices, and work-orientation practices. For each factors, six items were averaged to form a summary index for HR competence-related pay practices. Thus, mathematically, competence-related pay practices = f (Behavioural-orientation practices, and work-orientation practices).

An analysis of public sector companies depicts that the behavioural-orientation practices, and work-orientation practices factors obtained mean scores of 22.200, 22.145, respectively. Taking all the factors together, the average score is 22.170. To conclude, it may be inferred that: (1) appearing of acceptable attitudes by HR decision making based on HR behaviour evaluation, creates opportunity for HR for doing work well, and increasing quality causes change in HR individual views, and managers’ good behaviour with HR in work environment are the important characteristics in behaviour-orientation practices factors in these companies, and (2) to be criterion for doing routine and standard work for HR competence-related pay, improving production qualities and services with increasing HR work experience, and investment in HR Knowledge are the important characteristics in the work-orientation practices factors in these companies.

The examination of private sector company depicts that behaviour-orientation practices, and work-orientation practices factors obtained mean scores of 24.21, and 23.15, respectively. Taking all the factors together, the average score is 23.69, which is the moderate point on the five-point scale, and reflects a high-middle level of HR competence-related pay practices in HRM in the company under study.

To measure HR competence-related pay process, two factors were used, namely people-orientation process, and job-orientation practices. For each factors, five items were averaged to form a summary index for HR competence-related pay process. Thus, mathematically, competence-related pay process = f (people-orientation process, and job-orientation process).

The examination of public sector companies reveals that the people-orientation process, and job-orientation process factors obtained mean scores of
18.365, 17.860, respectively. Taking all the factors together, the average score is 18.110. To conclude, it can be inferred that all the items relating to the people-orientation process and job-orientation process factors, in general, are not specifically carried out in these companies.

While in private sector company shows that people-orientation process, and job-orientation process factors obtained mean scores of 19.89, and 19.15, respectively. The majority of the managers believe that HR competence-related pay process is a combination of people-orientation process, and job-orientation process. Taking all the factors together, the average score is 19.38, which is the moderate point on the five-point scale, and reflects a high-middle level of HR competence-related pay process in HRM in the company under study.

The study examined the relationship between HR strategies (Independent variables) and organizational productivity (Dependent variable) and HRM activities (Intervening variables) and organizational productivity (Dependent variable).

In all the nine hypotheses the study indicates a positive relationship at .01 level and rejects the null hypotheses.