

## Organizational Excellence Performance and Human Force Productivity Promotion: A Case Study in South Zagros Oil and Gas Production Company, Iran

Aliakbar Shirvani<sup>\*1</sup>, Seyed Javad Iranban<sup>2</sup>

<sup>\*1</sup> Shiraz Branch, Islamic Azad University, Shiraz, Iran

Email: [Aliakbar.shirvani@iaushiraz.ac.ir](mailto:Aliakbar.shirvani@iaushiraz.ac.ir)

<sup>2</sup> Shiraz Branch, Islamic Azad University, Shiraz, Iran & Department of Economics and Management, Shiraz Science and Research Branch, Islamic Azad University, Shiraz, Iran

### Abstract

This paper deals with the effects of Organizational Excellence performance on the productivity promotion of human force, employed in Parsiyan Operational Zone. The survey research method was used and data obtained through standard questionnaire. A sample consisting of 73 employees was prepared by random sampling method to collect the data. Findings shows that human force productivity significantly related to variables as leadership, strategy, employees, firms and resources, processes, customer results, employees results, society results and key results. Among the indices show Organizational Excellence, two indexes of strategy and leadership are the most effective criteria of Organizational Excellence on the degree of human force productivity.

**Keywords:** human force productivity, Organizational Excellence, Parsiyan Operational Zone

### Introduction

Organizational Excellence is one of the concepts that organizational and work systems have searched it continuously and have stated it differently in each stage of the history. Organizational Excellence can be defined as the growth and promotion of organization in all its different aspects in the manner that by desirable satisfaction of all organization stakeholders and establishing equilibrium among them increase the probability of organization success in long-term. Excellence model is a managerial structure that causes progress and improvement by relying on basic principles and concepts and paying attention to basic criteria of total quality management (TQM) and self-appraisal system. Excellence model is an instrument for measurement of the degree of systems establishment in organization and is a self-assessment and guide that determine and identify the line of managers' activities for performance improvement.

Paying attention to human force is one of the effective instruments to achieve Organizational Excellence. An organization must have excellent human force to help it achieve its goals and achieve the success. Human resource empowerment and productivity as a strategic instrument for gaining competitive advantages is one of the principle and important plans in organizations. Managers of organizations perceived that dealing with human resources as a main capital of organization is one of the most important function of them so that having qualified human resources with proportional characteristics, abilities and skills to nowadays organizations' needs, can form their organization competitive advantages.

On this basis, human resource productivity has a particular place in organizations and the human resource thinkers and connoisseurs have designed special managerial models and framework for this sake and have introduced them to the managers of organizations.

EFQM Organizational Excellence model established a suitable method with regard to total quality management (TQM) principles and powerful instruments in each execution phase and by

compiling policy and strategy, states the goals based on the stakeholders' wants and expectations. Parsiyan Operational Zone consists of four gas fields and it is one of the largest sweet gas fields of the country that located in middle of the Lamerd Township and includes a broad geographical area. These fields in south of Fars province and neighborhood south-east of Bushehr province and north-east of Hormozgan province has the area of 600000 hectare.

The purpose of this paper is to examine the effect of Organizational Excellence model execution on the degree of human force productivity in Parsiyan Operational Zone.

#### ***Productivity and human force productivity***

The definition of Productivity includes two basic indicators of efficiency and effectiveness. Fatemi (2002) considers productivity as the ratio between expected resources and used resources, in other words, it refers to expected data relative to real data in the organization and doing the work correctly. He defines the effectiveness as doing correct works in suitable time and with proper quality. Politis (2005) described efficiency as degree of organization costs, time and resources saving and also the quantity of ideas that has been presented and defines the effectiveness as the amount of cost used in goods production and the quantity of ideas that has been executed in the organization. (Politis, 2005)

Human resource productivity means maximization of human resources gain in a scientific manner to reduce the costs and increasing employees, managers and consumers' satisfaction and maximum advantage of human force with the least time and cost for movement toward organization goals.

#### ***Hersey and Goldsmith model***

It is a model posed by Hersey and Goldsmith to help managers identify the reasons of performance problems and establishing change strategies for solving this problems. Hersey and Goldsmith considered two main purposes of posing a model for analyzing human performance. The first step in Achieve model is considering followers motivation and ability. The follower should somewhat show necessary willingness and skills to do the duties. In the second step, Porter and Lawler- by adding role conception or independent perception to model- developed the idea that followers should have correct perception of how performing the duties for doing them properly. Achieve model considers the feedback factor very effective that includes daily training and formal evaluation of individuals' performance. Hersey and Goldsmith chose seven variables among variables related to effective performance management and by composing the first letter of each performance variable, made the seven-letter-word of Achieve for easy memorizing that includes Ability, clarity, Incentive, Evaluation, Validity and Environment. (Robins, 2007)

#### ***Organizational excellence***

The changes in global economy and the attempts made by World Trade Organization (WTO) and competition growth make the developed and developing countries believe that for presence and duration in global, Local and even domestic markets, they should promote competitiveness of their industries and organizations. Organizational excellence or being the elite of businesses models, are used as powerful instruments for establishment of these systems measurement in different organizations. By using these models, an organization meanwhile evaluating its success in performing improvement plans in different periods of time it can compare its performance with other organizations and especially with the best of them (Hoffman, Hoelscher, & Sherif, 2005).

Nowadays, most of the countries in the world have established awards in national and local levels to encourage organizations and businesses in development, growth and making wealth. Deming award in Japan, Baldrig award in the United State and European award of quality are three main awards of this kind in the three big economic poles in the recent century – Japan, United State and Europe. The European award of quality was established by European Foundation for Quality

Management, and is known as EFQM has won the fame and generality around the world. Strong systematic viewpoint, paying accurate attention based on organizational process management and result orientation of EFQM is very performable and learnable for Iranian organizations that have some serious problems in these areas. Organizational excellence model has nine criteria. Five criteria are developers and four other criteria are results. Developer criteria cover what an organization does and result criteria cover what an organization obtains. Results obtained from performing of developers and developers are improved by feedback from results. Innovation and learning help the improvement of developers and the improvement of developers cause the improvement of results. Nine organizational excellence criteria include:

Developers: Leadership, policy strategy, people, partnership and resources and processes

Results: Customer results, people results, society results, Key Performance Results

### **Research hypothesis**

#### ***Main hypothesis***

There is a positive significant relationship between Organizational Excellence and productivity promotion of human force employed in Parsiyan Operational Zone.

#### ***Secondary hypotheses***

1. There is a positive significant relationship between the empowerment and Organizational Excellence criteria and productivity promotion of human force employed in Parsiyan Operational Zone.

2. There is a positive significant relationship between the results and Organizational Excellence criteria and productivity promotion of human force employed in Parsiyan Operational Zone.

### **Materials and Methods**

#### ***Statistical society and sample***

The statistical society of the study consists of all people who are employed in Parsiyan Operational Zone and a sample was selected according to random sampling. The sample size is 73.

#### ***Data collection instrument***

Data collection instrument is a 32-item questionnaire which measures human force productivity and includes seven factors of readiness, job recognition, organization support, motivation, feedback, performance, credibility, and environment compatibility according to Hersey and Goldsmith productivity model. For measuring Organizational Excellence a questionnaire with 38 questions was used which was developed according to the questionnaires of European Foundation for Quality and Iranian National Organization for Productivity. A five-item Likert type scale ranging from “strongly disagree” (1) to “strongly agree” (5) was used for measurement of concepts. The reliability of questionnaires, was calculated using Cronbach alpha coefficients. Alpha coefficients was 76.8 % for the human force productivity questionnaire and 86.3 % (we don't use % for reporting the reliability value) for the Organizational Excellence questionnaire which both were above 0.7. So, we can conclude that the questionnaires enjoy a high reliability index.

#### ***Data analysis method***

Descriptive statistics and statistical inference by SPSS software was used for data analysis. The correlation coefficient was used to identify the relationship between Organizational Excellence model and human force productivity promotion and regression analyses were used to identify the relative frequency of each above-mentioned variables in forecasting the degree of employees productivity.

## Results

Regarding age, 9% were 20-30 years old, 52% were 30-40 years old, 28% were 40-50 years old and 11% were 50-60 years old. Concerning educational level, 25% had Diploma, 15% had Associate Diploma, 43% held BA degree and 17% were MA or PhD holders. 32% of participants have employed contractually and 68% formally.

Pearson correlation test was used to investigate the relationship between Organizational Excellence and productivity of human force that its results have been represented in table 1.

**Table 1. The correlation among the variables**

	Human force productivity	Empowerment, Organizational Excellence criteria	Results, Organizational Excellence criteria
Human force productivity	1		
	0		
Empowerment, Organizational Excellence criteria	0.84	1	
	0.000	0	
Results, Organizational Excellence criteria	0.72	0.3	1
	0.000	0.002	0

According to Table 1, there is a positive significant relationship between human force productivity and the two criteria of Organizational Excellence, namely empowerment and results.

Finally, the regression analysis was considered as a dependent variable and it refers to human force productivity and the independent variables are the two groups. The first group includes empowerment, business criteria that are: L leadership, St. strategy, Pe: people or employees, Pa: firms and resources, Pr: processes, and the second group are: Co: customer results, Rp: employees' results, So: society results and Kr: key results. "log" before each variable shows the logarithm of the variable. Estimative regression model is as below Figure:

$$\begin{aligned} \text{Log}(pro) = & \alpha_0 + \alpha_1(\text{log}l) + \alpha_2(\text{log}st) + \alpha_1(\text{log}pe) + \alpha_2(\text{log}pa) + \alpha_1(\text{log}pr) + \alpha_2(\text{log}co) \\ & + \alpha_1(\text{log}rp) + \alpha_1(\text{log}so) + \alpha_2(\text{log}kr) \\ & + \varepsilon \end{aligned} \quad (1)$$

Table 2 shows the effect of Organizational Excellence different criteria on human force productivity which is estimated by ordinary least square or OLS method.

Table 2 has shown a regression model to trail the direction of independent variables on dependent variable namely human force productivity. All nine variables of Organizational Excellence have direct positive significant effect on human force productivity. Therefore, the research hypothesis is not rejected since the nine variables related to Organizational Excellence are significant, so there is a positive significant relationship between Organizational Excellence model execution and promotion of human force productivity in Parsiyan Operational Zone.

First and second secondary hypothesizes are not rejected. So, there is a positive significant relationship between empowerment and Organizational Excellence criteria with promotion of human force productivity in Parsiyan Operational Zone.

**Table 2. The regression of Organizational Excellence different criteria effect on human force productivity**

Dependent variable: Human force productivity				
	Model	Coefficient	t statistics	Sig.
	(constant)	0.321	2.367	0.010
Empowerment criteria	Leadership(L)	0.222	4.367	0.000
	Strategy(st)	0.268	5.403	0.000
	People(pe)	0.097	7.148	0.000
	Firms and resources(pa)	0.098	8.124	0.000
	Processes(pr)	0.102	4.193	0.000
Results criteria	Customer results(co)	0.146	4.219	0.000
	People results(rp)	0.04	6.458	0.000
	Society results(so)	0.45	3.833	<b>0.005</b>
	Key results(kr)	0.17	2.534	<b>0.008</b>
	R=0.98                  Adjusted R Square=0.96			

### Conclusion

The degree of Organizational Excellence has positive significant relationships with variables of opportunity and job promotion, organizational productivity, role ambiguity, role stress and independence at work, so they are the most important and determinant effective factors on the degree of Organizational Excellence. The degree of human force productivity has positive significant relationships with variables of leadership, strategy, employees, firms and resources, processes, customer results, employees' results, society results and key results, and leadership and strategy are the most important and determinant effective factors on human force productivity. Human force productivity related to factors checking and improvement of some of them may be out of control for the firm. The improvement of human force productivity is a hard work and results confirm this claim. The research result is compatible with Adams equality theory. According to his opinion if the organizational given rewards are fair and equitable from people viewpoint, the satisfaction will be higher and the excellence will be more. Therefore, the employee's viewpoint about productivity can affect his/her performance and Organizational Excellence

### Acknowledgment

We would like to express our gratitude to South Zagros Oil and Gas Operation Company Research and Development Unit for their kind cooperation in doing this research study.

**References**

- Fatemi, N. (2002). Investment in higher education and state workforce Productivity, PhD, Dissertation, University, p. 122.
- Ghasemi, M. (2000). Effect of Quality of work life on manpower. MSc Thesis, Tehran University.
- Glaser, M. (2004). Improving the quality of work life and improving productivity. Available from: <http://eric.Ed.gov/ericweb portal//home.portal>.
- Hoffman, J. J., Hoelscher, M. L., & Sherif, K. (2005). Social capital, knowledge management and sustained performance". *Journal of Knowledge Management*, 9(3), 93-100.
- Mayer,J., & Hrrscovitch,B. (2002). Commitment in the workplace toward a general model. *Human Resource management review*. 2(9).
- Politis, D.J. (2005). Dispersed leadership predictor of the work environment for creativity and productivity', *European Journal of Innovation Management*, 22, 182 – 204.
- Robins, S. (2007). A consultant's guide to understanding and promoting emotional intelligence in the workplace, *Handbook of Organizational Consulting Psychology*, John Wiley & Sons, Inc.