



The Caspian Sea Journal

ISSN: 1578-7899

Volume 10, Issue 1, Supplement 4 (2016) 292-297

The Relation between Organizational Strategies and Competencies of Human Capital in Exploration Directorate

Marziyeh Shabani,

Ms. Student, Executive Management, Department of management, college of human Science, Saveh Branch, Islamic Azad University, Saveh, Iran. : marziyehshabani@gmail.com

Alireza Afsharnezhad

Assistant, Faculty Member, , Department of management, college of human Science, Saveh Branch, Islamic Azad University, Saveh, Iran.: a.afsharnejad1394@gmail.com

ABSTRACT— The most important asset of any organization is its staff, or human resources. That's why it has tried every way to reinforce the organization's human resources. Human resources competencies that the company will focus on these competencies to strengthen the competencies to achieve a competitive advantage for your company's human resources. Select the type of strategy may affect the competencies organization's human resources. For this purpose, to examine the relationship between organizational strategies with Human resources competencies, first, to review the organization's strategy and it was found that the strategy is based on four Miles and Snow's, Oil Company Exploration Management Strategy was Prospector strategy. Then the relationship between Oil Company Exploration Management strategies (Prospector strategy) were analyzed with human resources competencies. For this purpose, gathered data using questionnaires from 240 workers in Oil Company Exploration Management and Conceptual model and hypotheses to be tested using structural equation by SPSS and SmartPLS software. Results show that relationship between Prospector strategies with human resources competencies was significant and positive. Also, relationship between each 4 dimensions of Prospector strategy includes competencies of innovation, adaptation, customer-orientation, and critical thinking was significant and positive.

KEYWORDS: Miles and Snow's strategies, Prospector strategy, human resources competencies, Oil Company Exploration Management

Introduction

Organized as a set of interactive components, as a whole, is that interact with larger environments, viewed. The survival and success of organizations in challenging and competitive environment of the contemporary world that change, speed, complexity and uncertainty, the essence of it is needed to choose and implement effective strategies and continuous improvement of performance. Organizational strategies reveal the nature and circumstances in order to accomplish the nature and circumstances of the organization's mission and objectives assuming. Since human resources play a key role in the implementation of the strategy and its organizational goals, Individual features and capabilities should always be considered valuable resources and transformational to realize their talents and competencies and participation, optimization of product and service provided. Any ignorance of these capabilities and competencies of human resources as a strategic resource and competitive advantage will lead to disarmament (Shaebani Ravari & Moghadam, 2010). Competence is a systematic approach to staff that all traits, attributes, skills and attitudes related to effectiveness in carrying out the duties and responsibilities will include. Also, Competence indicates how people should do their duty and how to react or behave in certain situations (Orayzi, 2006). An organization must develop its own strategy aligned with the business units' strategies and functions' strategies. All employees must understand the strategy and help to Company to successfully implementation of strategy. The basic and constant assumption of all identification and conceptualization of fit or alignment is when organizations operate effectively and efficiently will achieve compliance (Farahi, 2007). Organizations can through strategic alignment and investment in human resources policies and practices are also beneficial financially (armestrang, 2012). In other words, when the human resources value-added for organizations that the characteristics of human resources is consistent with the organization's strategies. Staff Competency and coordination of these competencies in line with the strategy of the organization Leads to organizational competence; therefore the relationship between the individual and the organization's competency is a two-way interaction. National Iranian Oil Company from 1952 until now responsible for regulating and policy activities of the oil industry including exploration, drilling, production, research and development, refining and distribution of oil, gas and petroleum products and export it. This company is in possession of huge hydrocarbon reserves, is one of the largest oil companies in the world. After the nationalization of the oil industry, the Iran' oil exploration and Production Company in the years 1958 and 1959 Started its activities. The company in 2000 separated from activities of oil production and as Exploration Directorate that one of the main management National Iranian Oil Company has

started its activities. Exploration Directorate Management Organization, which is considered as the heart of the oil industry, Task planning, organizing, managing and conducting activities related to the exploration of new oil and gas resources on land and sea leads. The strategy of this organization due to the increasing global demand for oil and also to achieve the objectives of the Fifth Development prospects in the oil industry And prevent loss of hydrocarbon reserves, is prospective strategy. As mentioned, organizational strategy, positively and directly affect on human resources competences. Therefore, managers should pay more attention to the quality and unique competence as the main sources of competitive advantage to understand which Human resources competences ensure successful implementation of the strategy. Therefore, for absorption and optimal use of their human resources, requires an appropriate model for understanding human resource competencies needed for assignments in its organization is to implement policies. Results of several studies have been done on the competencies of Human Resources show that the human resource competencies critical role in the successful implementation of organizational strategies. In this regard, given that the main strategy of Exploration Directorate is prospective strategy, this study examines a number of potential human resources and competencies related to prospective strategy regarding how do the assigned tasks in jobs in Exploration Directorate.

Literature review

Organizational strategy

The strategy is the general direction of the organization into a strategic destination looking at the future (Rezvani & Saham khodoom, 2013). Two common framework governing business strategies include Miles and Snow's typology which focuses on product-market rates tend to change and Porter's typology that focuses on customers and competitors (Hambrick, 2003). Miles and Snow (1978) offer four types of strategy for organizations that include Defensive' strategy, Reaction' strategy, analyst' strategy and prospective' strategy. Prospective strategy has external orientation, Scout out a good environment to do, And to make maximum use of the environment opportunities to meet new market needs Has innovation and flexibility, and is free from the rules and regulations limiting the organization. Also welcomes changes and see the environment ensure. Fore there more, continually seeking new opportunities in the environment and can predict changes in the market (Teimoori & Abroomand, 2010).

Human capital competencies

Competency term first was used by AT & T in Organizational areas. Each Competency is a combination of knowledge, skills, abilities and attitudes. In other words, Competency is a combination of knowledge, skills and behavior expressed or implied skills, that the potential and capacity to effectively perform its tasks to individuals (Draganidis & Mentzas, 2006). Core competencies are competencies that it is necessary that all people working in the organization in each category are to benefit from it as much needed. Core competencies and levels differ from one company to another company (Mashhoodi, 2011). In this study, four components of innovation, adaptation, customer-orientation and critical thinking as core competencies of human resources have been considered.

Conceptual model and hypotheses

The conceptual model is as follows.

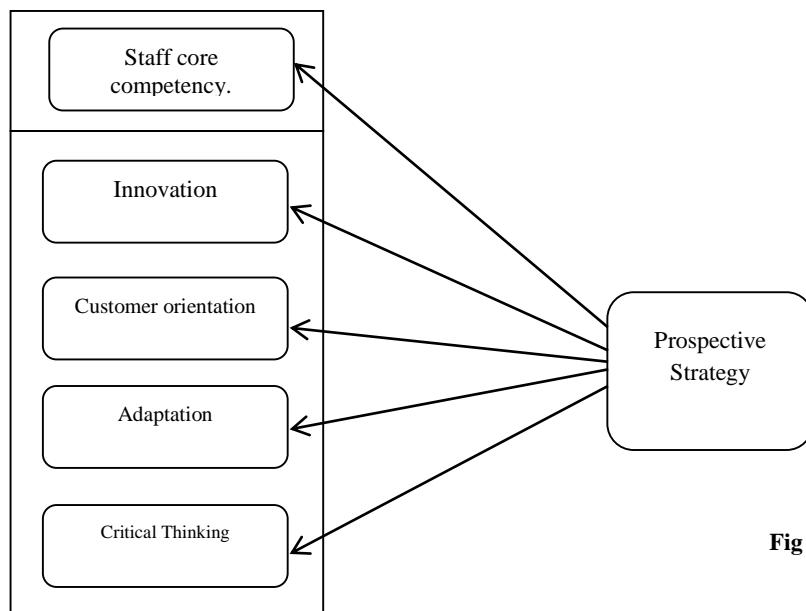


Fig 1. Conceptual model

According to the conceptual model, the hypothesis will be as follows:

The main hypothesis:

- There are relationship between prospective strategy and staff core competency.

Sub Hypotheses:

- There are relationship between prospective strategy and staff innovation competency.
- There are relationship between prospective strategy and staff adaptation competency.
- There are relationship between prospective strategy and staff customer-orientation competency.
- There are relationship between prospective strategy and staff critical thinking competency.

Research methodology

This research in terms of purpose and nature is applied research, in terms of data collection is survey, and in terms of method is descriptive research. For data analysis and testing research' hypotheses, Structural equation modeling was used and two software package (SPSS and SmartPLS) are used.

Statistical population and sampling

The statistical population of this research is staffs of Exploration Directorate of National Iranian Oil Company. For this purpose, attempting to send a questionnaire to members of the sample who were randomly selected. It should be noted that due to the certain and limited population size (600 staff), Cochran formula was used with an limited population and taking into account the level of 5% for sampling error, the sample size required was 235:

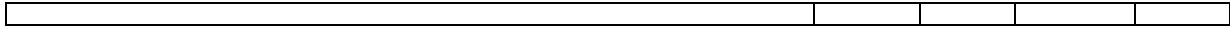
$$n = \frac{p(1-p)N z_{\alpha/2}^2}{e^2(N-1) + p(1-p)N z_{\alpha/2}^2} = \frac{0.5(1-0.5)(600)(1.96)}{(0.05)^2(600-1) + 0.5(1-0.5)(600)(1.96)} \approx 235$$

Validity and reliability

Obtained result of factor loading analysis was used in order to analyze the internal structure of questionnaire and determine the validity was examined. Convergent validity is appointed when applied that all factor loading (FL) related to every measurement variables and also amount of average variance extracted (AVE) for each structure be more than .05 (Fornell and Larker, 1981). As it is seen in table (1), amount of factor loading and AVE index for this research in more than 0.05. Discriminate validity is appointed when amount of AVE index for every structure should be more than correlation coefficient square of that structure than the other structures (Fornell & Larker, 1981). As it has been seen, amount of AVE index related to every structure is greater than correlation coefficient square of that structure. Cronbach's Alpha (CA) coefficient and Composite Reliability (CR) are used for reliability measurement that should be more than 0.07. CA and CR coefficient for all structure is shown in table (1) that all of them are greater than 0.07 in order to be acceptable.

Table 1. Validity and reliability indicators

| Variables and questions | FL | CA | CR | AVE |
|---|---|--|--|--|
| • Prospective strategy: 1. We're always looking for new opportunities related to existing activities. 2. We're usually one of the first organizations to offer new services to market. 3. We're often provided differentiated services to market. 4. Generally we will expand our potential over competitors. 5. We often strategically remove Services in decline. • Innovation: 6. I have high potential to provide innovative solutions to solve my problems. 7. I attach great importance to innovative solutions to problems. 8. I'll try to participate in service courses on creative and innovative thinking. • Customer orientation: 9. I pay much attention to customers. 10. Customer satisfaction is my main priority. 11. I try to explain all aspects and consequences to customers. 12. If customers ask me Supplementary information, I do not hesitate giving unclassified information. • Adaptation: 13. I've adapted well to his job in the oil company. 14. I can also adapt quickly to my new job. 15. I can easily work in variable and new workplace. • Critical thinking: 16. I am looking for activities in companies with a critical perspective. 17. For smarter decisions like that, I put first things to evaluate. 18. In some cases, I can identify some of the problems in company by using critical thinking approach. | 0.877 0.798 0.884 0.870 0.725 0.812 0.870 0.899 0.648 0.785 0.848 0.808 0.805 0.849 0.854 0.661 0.874 0.898 0.905 | 0.911 0.852 0.746 0.886 0.828 0.886 0.702 0.834 0.872 0.921 | 0.911 0.852 0.746 0.886 0.828 0.886 0.702 0.834 0.872 0.921 | 0.672 0.662 0.660 0.660 0.660 0.660 0.629 0.796 |



The results of hypothesis testing

The results of hypothesis testing based on structural equation modeling are shown in Figures 2 & 3.

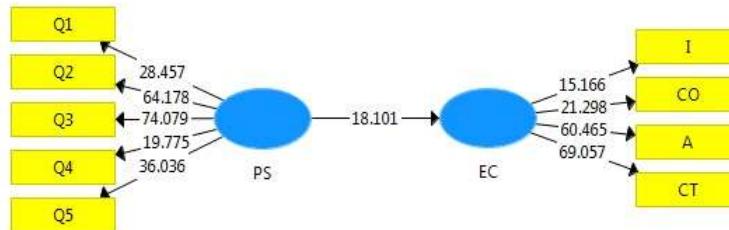


Fig 2. Model of the main hypothesis in **t-value mode**

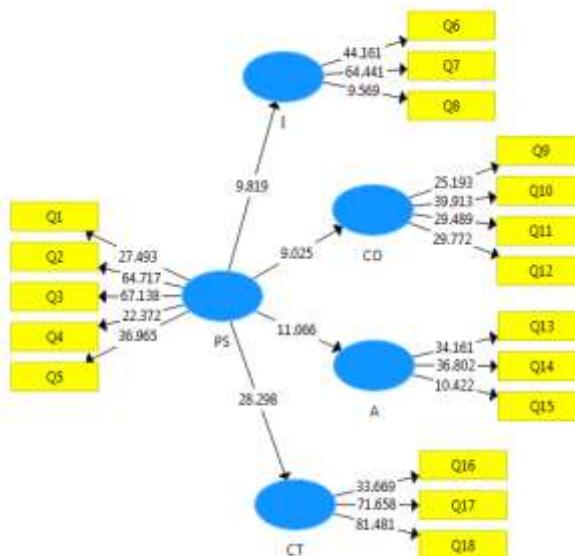


Fig 3. Model of the sub hypotheses in **t-value mode**

In this figures according to the t-value that is shown in the relationships between variables, the main hypothesis and four secondary research hypotheses have been confirmed in 95% confidence level. Thus it can be concluded that there are relationship between prospective strategy and core competency and also dimensions of core competency including innovation, customer-orientation, adaptation and critical thinking.

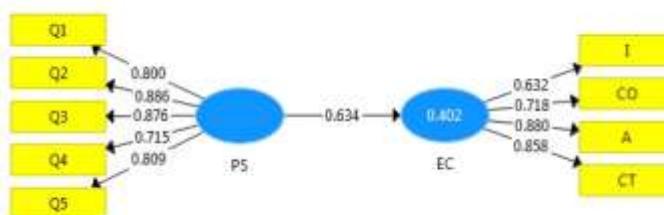
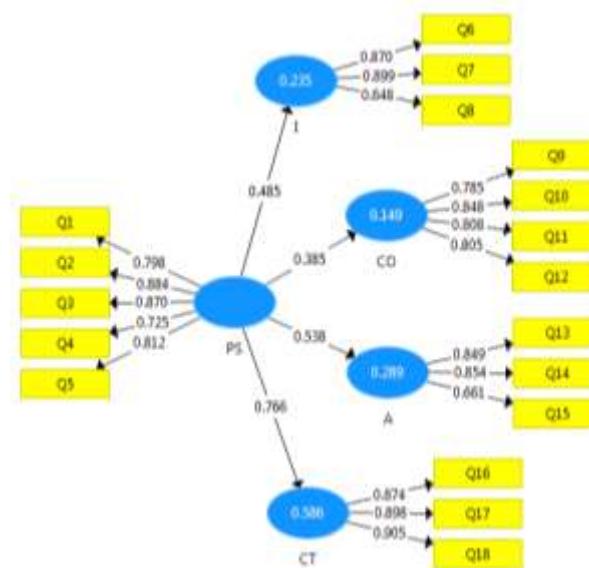


Fig 4. Model of the main hypothesis in **path coefficients mode**

**Fig 4.** Model of the sub hypotheses in path coefficients mode

According to the path coefficients that are shown the relationship between variables in Figures 4 & 5, it can be concluded that relationship between prospective strategy and core competency and also dimensions of core competency including innovation, customer-orientation, adaptation and critical thinking are Linear, positive and direct. The coefficient of determination (r^2) of staff core competency is 0.402 and this means that prospective strategy has been able to explained 40.2 percent of staff core competency. The coefficient of determination of innovation, customer-orientation, adaptation and critical thinking, are 0.235, 0.149, 0.289 and 0.586 respectively and this means that prospective strategy has been able to explained 23.5, 14.9, 28.9 and 58.6 percent of innovation, customer-orientation, adaptation and critical thinking respectively.

Goodness of Fit Evaluation

However, to evaluate the Goodness of Fit of the model is achieved by software Smart PLS 3 was used from the index GOF but Henseler and Sarstedt (2013), this index that introduced by Tenenhaus et al. (2004) for evaluation Goodness of Fit model, was inefficient. In this regard, the most reliable indicator that is used to evaluate Goodness of Fit of the model is SRMR Index That some experts believe should be under 0.08 but Some other experts believe that if the index is below 0.1 Goodness of Fit of the model is acceptable. In this study, the SRMR index is obtained 0.051 for Model of the main hypothesis and 0.043 for Model of the sub hypotheses that represents Goodness of Fit of the models is acceptable.

Summary of the results of hypothesis testing

The following table summarizes the results of hypothesis testing:

Table 3. Summary of the results of hypothesis testing

| Number | Hypotheses | t-value | β | R^2 | Conclusion |
|--------|---|---------|---------|-------|------------|
| main | relationship between prospective strategy and staff core competency | 18.101 | 0.634 | 0.402 | confirmed |
| Sub 1 | relationship between prospective strategy and staff innovation competency | 9.819 | 0.485 | 0.235 | Confirmed |
| Sub 2 | relationship between prospective strategy and staff adaptation competency | 9.025 | 0.385 | 0.149 | Confirmed |
| Sub 3 | relationship between prospective strategy and staff customer-orientation competency | 1.066 | 0.538 | 0.289 | Confirmed |
| Sub 4 | relationship between prospective strategy and staff critical thinking competency | 28.298 | 0.766 | 0.586 | Confirmed |

Discussion and conclusion

Present research explores the relationship between prospective strategy and staff core competencies in Exploration Directorate of National Iranian Oil Company. In this respect, by collecting data from 240 randomly selected employees who working in Exploration Directorate of National Iranian Oil Company, tested the main hypothesis and 4 sub hypotheses. Results show that all hypotheses were confirmed so that there are positive and significant relationship between prospective strategy and core competency and also dimensions of core competency including innovation, customer-orientation, adaptation and critical thinking. With respect to confirmation of positive relationship between prospective strategy and core competency, also confirmation of relationship between prospective strategy and dimensions of core competency including innovation, customer-orientation, adaptation and critical thinking; So should try to improve the staff core competencies and The more use it in the Exploration Directorate. In this regard, according to the hypotheses approved research proposals for Exploration Directorate of National Iranian Oil Company will be offered: With respect to confirmation of positive relationship between prospective strategy and innovation, Staff should be use the knowledge, arts, values, and your abilities and experience-based lessons to learn, to continually improve their performance. Given that innovation means doing something new, some things may fail. Therefore fear in the organization should be destroyed because if people are afraid people will not be inventors. With respect to confirmation of positive relationship between prospective strategy and customer-orientation, therefor Exploration Directorate should be in accordance with the wishes and needs of their customers, offer products and services to them. To provide better products and services to customers, attention to the staff is very important because Key satisfy customers is appropriate staff that supported by the management system. Organizations according to four important basic principles of selection, training, support and payments can to ensure of their staff' utility. With respect to confirmation of positive relationship between prospective strategy and adaptation, therefore, Exploration Directorate should be raise power of adaptation of their employees in different conditions. It must be adapt personality trait when recruiting staff examined. For this purpose can be consider various training programs for the staff when changes in environmental conditions or changing jobs To adaption with new conditions or new jobs. Because Exploration Directorate if it wants to be successful in various national and international areas must have flexible and adaptable employees that upon arriving to the different markets, can benefit from the adaptation of the personnel. With respect to confirmation of positive relationship between prospective strategy and critical thinking, Personnel should be contemplate things to do, correct their errors and be purposeful in thinking. Because this style of thinking rather than mere acceptance without changing information, grounds for active learning. Although this study has tried to be free of restrictions However, research is always with limitations Therefore, the researchers recommended that in future research note the limitations of the present study The results be high valid and reliable. First, this study is limited to time and place of research and not generalizability of the past or future. Second, in this study, a questionnaire was used to collect the opinions of sample members and the accuracy of answers has not been studied. While researchers can in future research to explore for all or part of variables, use other tools such as interviews or view or even use customer purchase records. Third, to increase the success of prospective strategy, identify another possible competence of human resources involved can be a good subject for future researches.

References

1. Mashhoodi, M. (2011). Competence approach in human resources management. *Tadbir*. No. 215: 14-19.
2. Rezvani, H. R. & Sahamkhodoom, M. (2013). Business strategies correspondence with environmental uncertainty (case study: Pegah of fars and sham sham companies). *Explore Business Administration*. Vol. 4: 88-104.
3. Teimoori, E. & Abroomand, J. (2010). Coordination between the organizational strategy and the structural strategy by using strategic reference points (SRPs). *Human resources management*. Vol. 1. No. 2: 127-146.
4. Shaebani Ravari, S. B. & Moghadam, K. (2010). The role of standard of competence in human resource management professionalization. *Third Conference on Human Resource Development*. 118-137.
5. Oreizi, V. (2006). An overview of the concepts of meritocracy. *Journal of management and economy*. No. 15.
6. Farahi, A. (2007). Reviews and recruitment process to attract the telecommunications company. Master's thesis in management. Shahid Beheshti University.
7. Armstrong, M. (2012). Strategic human resource management. Translated by seyyed mohammad aerabi and omid mahdiyeh. Second edition. Tehran: Bureau of Cultural Researches.
8. Draganidis,F., Mentzas, G.(2006)."Competency Based Management: A Review of Systems and Approaches ", *Information Management & Computer Security* 14(1):51-64.
9. Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18: 39-50.
10. Hambrick DS. (2003). on the staying power of defenders, analyzers, and prospectors. Working paper, Pennsylvania State University.
11. Henseler, J., & Sarstedt, M. (2013). Goodness-of-Fit Indices for Partial Least Squares Path Modeling. *Computational Statistics*, 28: 565-580.
12. Miles, R. E. & Snow, C. C. (1978). "Organizational strategy, structure, and process", New York: Mc Graw-hill Book Company.
13. Tenenhaus, M., Amato, S., & Esposito Vinzi, V. (2004). A Global Goodnessof-Fit Index for PLS Structural Equation Modeling. In *Proceedings of the XLII SIS Scientific Meeting*. Padova: CLEUP, 739-742.