

RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES ON THE FINANCIAL PERFORMANCE OF INDUSTRIAL PARK COMPANIES IN THE VIEW OF EMPLOYEES AND MANAGERS

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Abstract: The purpose of this research to survey the relationship between human resource management ways and financial performance of active companies in Sanandaj city industrial park. In this research, data has been collected through a standard questionnaire to examine human resource management ways and financial performance. The present study is an applied work in terms of its purpose and a descriptive survey in terms of data collection method. The research population was active companies in industrial zone of Sanandaj city, which consisted of 105 employees of these companies, investigated by simple random sampling. Different methods of descriptive and correlation coefficient were used for statistically analysing data. The data was analysed in SPSS18 software by applying good statistical tests with respect to the research hypotheses. Accordingly, the result suggest that there is a positive and significant association between human resource management practices and its dimensions, and financial performance of human resource management ways; firstly training places, secondly motivation, thirdly involvement, fourthly reward system, and finally employment. Eventually, a conclusion was drawn and some suggestions were offered so as to improve the relationship between the model's variables.

Keywords: Human Resource Management Ways, Financial Performance, Human Resources, HR

1. INTRODUCTION

Polices, programs, and human resource activities enables economic units to achieve competitiveness through their employees. Human capital management seeks to improve the performance of an organization as a backing for achieving competitiveness through employees. Achieving a leading position in the market and maintaining it is increasingly difficult due to the expansion and diversification of industries and intense competition on one hand, and increased expectations of customers on the other hand. Currently, the advantage of organizations in outdoing

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each other does not lie in applying new technology, rather it lies in high confidence of employees in and their commitment to organizational goals. Most human resource scholar are currently collecting evidence that strong human resource (HR) system help improve productivity and that companies adopting high-handed HR policies have better financial performance compared to those not following them. They are discovering the impact of strong HR management on performance of organizations [13]. Over the past two decades, significant changes have occurred in the business environment in which companies are competing. Today, many influential companies gain their competitive advantage from resources different from traditional wealth-making resources. During the industrial revolution, companies relied on physical assets such as land, natural resources, buildings, and machineries. However, the rise of organizations and knowledge-based industries significantly changed the nature of wealth creation. These companies have created value and market net through their physical assets, but rather through intangible assets. Today's managers are experiencing an era in which "human capital" is the actual capital of organizations. In other words leading organizations in the field of competitions and challenges facing them, could outdo other organizations only with the help of intelligent knowledge-creating people [12].

Thus, in the present day, knowledge human resources are considered as the main capability of an organization in achieving better financial performance as well as the most significant intangible asset, and organizations believe that employees should be considered as a foundation based on which the quality and productivity of all organizational processes are improved. Therefore, this factor should be considered as the main basis for increased efficiency and effectiveness as well as the most valuable capital and golden key to success. Thus, today's organizations place more emphasis on investment, since human investment and promotion of the quality of work force is one of the fundamental ways of enhancing productivity and accelerating growth and development in organizations, and leading organizations would ensure their present and future, retain, and employ skilled knowledge workers [1]. Given the above perspective, it seems that organizations should allocate appropriate budget for investment in their human resources, though in reality it does not seem so. HR (human resource) units are often considered as "cost centers", while they should be treated as "profit centers". Becker et al. [6] believe that HR managers should illustrate the impact of human resources on gaining competitive advantage and business profit and loss. Pfeffer [15] also emphasizes the necessity for illustrating the effect of human resources on competitive advantage of an organization. Thus, investigating the return on HR investment in order to demonstrate the strategic role of human resources in organization is of high importance [18]. On the other hand, recent empirical studies on strategic HR management have directed the researchers towards examining the "black box" between HR practices and financial performance of an organization. The term "black box" indicates potential rings that casually explain why HR

practices or a combination of these practices lead to better financial performance or as Wright and Gardner [24] in their study suggested, the “black box” indicates mediator variables between the measurement of HR practices and the measurement of the competitive advantage of an organization [2]. Given the competitiveness of today’s world and effective role of human resources in improving financial performance of organizations, the main purpose of this study is to investigate the association of HR management practices with financial performance of active companies in industrial zone of Sanandaj city. In this regard, the present study seeks the following secondary objectives: (i) Identifying the association between employee motivation and financial performance; (ii) Identifying the association between employee involvement and financial performance; (iii) Identifying the association between staff employment and financial performance; (vi) Identifying the association between employee training and financial performance; (v) Identifying the association between employee rewarding and financial performance.

2. LITERATURE REVIEW

Practices can improve corporate performance. Methods for involving employees or indeed the role of HR management are as follows: creating a positive psychological understanding, increasing employee motivation and commitment, increasing employee skills, developing their skill base, delegating wide responsibilities to staff such that they could use their full skills and abilities, clarifying job opportunities, defining competence requirements, creating processes of performance management, applying management systems to convey messages associated with important issues with respect to the organization and its method for paying cash and non-cash rewards to all employees [18].

Motivation: Job incentive of employees is one of the essential qualitative characteristics of employees, which can increase their performance in fulfilling their duties, while having a fundamental role in increasing the productivity of an organization. Job incentive can also be a factor for increasing job satisfaction among employees. However, the key issue in the discussion of job incentive is a concept called motivation which has a great part in the topics of organizational behavior and HR management. Employee motivation is associates with other categories and concepts like emotions, beliefs, opinions, and needs of employees. But what is agreed upon by anybody in all theories of motivation is the role of a leading manager is promoting employee motivation and in this regard, concepts such as manager’s beliefs, his presumptions, his attitude, his way of management, his approach towards people, and his position within the organization can play a role in promoting the level of motivation among employees [11].

Motivation literally means to incite, stimulate, and encourage”, and incentive means what stimulates someone to do something; accordingly, motivation could

be considered as a driving force. In order to create motivation, it is necessary to identify needs and try to satisfy them. In any organizations, it is essential to take into account a common view and same motivation in internal activities. The main challenge facing an organization is to build a balance between general and specific objectives of that organization and personal values of employees, so motivation is a product of involvement and the result of a mutual relationship (interaction) with the situation in which he acts. Desire or willingness to do something, or motivation is a major factor in creating individual efforts and activities. Motivation is one important tool that stimulates employees to produce efficiently and efficiently, create a positive job environment, and successfully implement the predicted programs. One of the theories on job motivation is Herzberg's two-factor theory. He believes that motivation is influenced by the factors stimulating motivation (individual's internal and mental factors) and health factors (external factors). Factors stimulating motivation or mental factors result from work and make the individual satisfied. They act as internal or mental rewards necessary for doing the job: that is, success, advancement and appreciation, while in order to provide health for an organization and maintain it, the identification of health (or external) factors is mainly associated with job background and environment, which would retain employees in the organization. These external factors include policies and regulations, conditions of job environment, amount of wages, personal relationships with peers, and job security. Motivation is defined theoretically and scientifically as a force which exerts pressure on an individual so that he perform his duty with care and interest. Motivation, in fact is a force that makes managers enable to do their duties more effectively [3].

Involvement: The term "involvement" means to perform various affairs together with different people. Some suggest that involvement is nothing but consulting with staff. On the contrary, others believe that involvement is nothing less than controlling the staff (employees). Involvement is the process of getting the employees involved in strategic/ tactical decisions of an organization, which occurs formally/ informally, directly/ indirectly, and with certain degrees, levels, and limits. Moreover, Simon defines involvement as follows: involvement in management means all actions that increase the influence and responsibility of employees in the process of decision making through proper agency in different levels of an organization, whereby facilitating the realization of democracy [18].

Employment: According to Aip [3] employment is acquiring and employing good staff with necessary competencies, skills, knowledge, and potential for future trainings. Methods for choosing and employing employees who could best satisfy these requirements of any organization should be considered as the main activity of that organization. Also, most HR policies designed to nurture and motive employees should be based on these activities- the concept of employment is used in different areas, both for those who are employed and those searching for

employment. Accordingly, though providing a literal definition as “characteristic or quality of being employable” is simple, achieving a conceptual and operational definition is a complex task. Industry confederation of Great Britain defines employment as follows, “Employment is having the characteristics and capabilities required by an individual to meet the needs of employers, organizations, and customers. It helps the individual to realize his potential ambitions and abilities in his job. Other efforts to define this concept suggest a more perfect approach, focusing on the impact of individual characteristics and labor market conditions such as supply and demand in the labor market. In this regard, the Canadian Workforce Development Committee has suggested the following definition, “capability to employ the relative capacity of an individual for achieving significant (meaningful) employment, which results from an interaction of individual factors and conditions with labor market” [25].

Training: Experts have mentioned several goals for employee training as one of the main methods for improving human resources can play a significant role through changing the intellectual system of managers and employees towards their organization and enhancing their job abilities, Training would realize employees’ future growth and decrease their conflicts and stresses by developing a sense of responsibility, self- confidence, and job satisfaction. One of the most important effects of organizational trainings is identifying organizational duties. Briefly, employee training as an element of adult continuing educational system seeks the following objectives: (i) Providing scientific knowledge and promoting the level of information and knowledge among employees; (ii) Enhancing the level of capabilities and abilities among employees; (iii) Promoting social knowledge level of employees as well as optimizing their total behaviors and attitudes, so that they could actively take part in constructing and developing their respective organization and society [18].

Training is always considered as a reliable means to improve performance quality and solve the problems of management. Lack of training is among serious and essential issues in any organization. Thus, in order to equip the human resources of an organization and further improve and take advantage of them, undoubtedly training is one of the most important and effective measures and factors for improving the organization’s affaires. Note that training is not a temporary process, but a continuous one; it is an essential duty in any organization. Employees in any level of an organization, whether simple or complicated jobs, being a manager or a subordinate, require training, learning, and acquiring knowledge and new skills. They should always acquire new methods and information so as to do their job better, regardless of the type of work they are doing. Further, whenever an employee changes his job, he needs to acquire new information and learn new skills regarding his new job, so that he could be success full in it and fulfill its duties and requirements. Programs for employee training in

an organization can remove the need for skilled staffing in future and ensure that the problems of employees be resolved. Therefore, if employees of an organization are well trained, they can better contribute to the enhancement of performance level in their respective organization; Also, managers will not require to continuously monitor their subordinates, yet they can make their staff ready for obtaining higher and more demanding positions, since employees can perform their duties best only through proper training.

According to what we mentioned above, we can classify the factors that make employee training necessary as below: (i) Increasing speed of human sciences in all areas; (ii) Increasing advancements in technology; (iii) Complexity of organization due to mechanization; (iv) Career (job) change; (v) Human relations and problems; (vi) Employee promotion; (vii) Correcting job performance; (viii) Newly- employed staff; (ix) Productivity in reducing occupational accidents, professional needs of human resources [10].

Rewarding: Reward system is also a factor used in HR practices for improving positive actions of employees [17]. Rewarding strategy concentrate on the way the programs are prepared and designed by organization, so as to ensure that effective behaviors and performance of employees for achieving corporate business goals are well honored. Rewarding strategy is defined as applying a good payment system as a fundamental unifying mechanism by which the efforts of various secondary units and their employees are directed towards fulfilling strategic goals of an organization. A rewarding strategy is designed to ensure a balance between reward policies and processes and business goals and human resources as well as their feasibility in an organization. In this regard, the following questions are posed: (i) Where is the organization going to? (ii) How can Reward plans and programs help their organization in achieving its destination and in retaining its current position? (iii) What kind of behavior do we want? (iv) How reward processes could help us identify a proper behavior?

The underlying part of this strategy would be business and HR strategies, atmosphere and procedures of managing organizations, culture, type of staff employed, history and current settings. Among others, two major factors affecting the development of reward strategy are contingency requirements and obtaining strategic integration [2].

Financial performance: Financial performance is a process whereby the extent to which a system achieves the expected outputs is measured through building some indices. It also supports the process of decision making. Financial performance is one of the most structures discussed in management studies and undoubtedly, it is the most important measure of success in business companies [5].

Much research has been conducted on the nature and procedure of measuring the performance of organizations. Results of these studies are valuable, since by

which we can understand the present situation of organizations and investigate future challenges regarding performance measurement currently, experts in the area of management underline the importance of performance evaluation models as one of the most reliable indicators of development in organizations. Thus, one of the main concerns of today's organizations is achieving a flexible efficient way whereby one could evaluate all performance aspects of any organization. If we define performance measurement as a process that quantifies the efficiency and effectiveness of an activity, among others, preparing financial ratios from financial reporting information is a way of analyzing financial reports by which one can summarize large volumes of information present in financial reports. It is also a way whereby we can simultaneously evaluate different aspects of firm activities. Financial ratios indicate the association between two or more figures among financial statement figures, which is stated as a part of whole or a percentage of it-when a ratio is calculated, we can say that the figure obtained is the product of a mathematical relation and statistical correlation of two or more variables in a certain period of time. The main purpose of ration in analyses is to facilitate and interpret financial statements, being performed with the reduction of large figures in financial reports and converting them into limited financial ratios. To evaluate financial performance of different companies, we should have evaluation criteria, which are usually financial. Financial ratios are usually obtained from balance sheets, gain and loss statements, and cash flow statements. However, some financial ratios have same structure and pattern. In order to avoid frequent evaluations, similar financial ratios are clustering into some groups [21].

Tables 1
Literature Summary

<i>Human</i>	<i>Resources</i>
[7] An Investigation of Competitive Advantage in Service Industries	Result suggest that opportunities for acquiring advantage from human resources in service industries are extensive and where quality or knowledge is more important in competitiveness strategies, the existing opportunities for improving competitiveness are enhanced via HR policies.
[23] The Association Between Human Resources, Capital, Innovation, and Organizational Performance	This study was conducted on 50 firms listed on Taiwan took Market from 1998 to 2005. Results of this study indicate that the application of research and development has a significant effect on firm performance. Also, the interaction between the number of patents (R & D) and the amount of salaries paid to the employees significantly affects the performance of organizations.
[16] An Investigation of the Companies with More Than 200 Employees	In their study, they found out that due to weak performance of human resources, these firms have little competitiveness. They compared the indicators of

contd. table

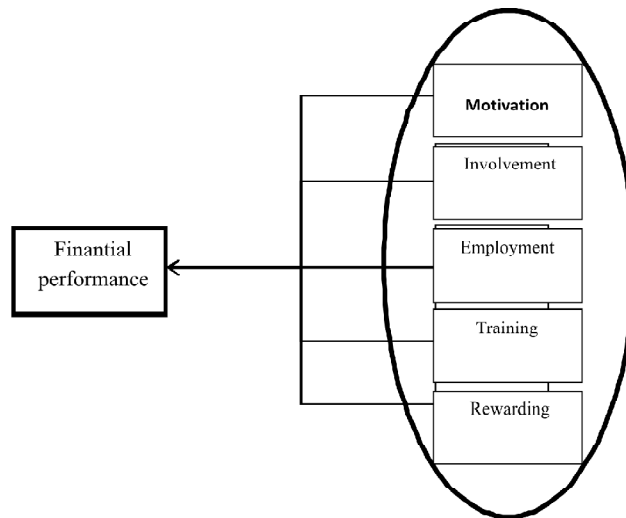
Human	Resources
	competitiveness in the field of human resources within the firm studied with indicators of those 10 firms by targeting the indicators of human resources in 10 top firms in the area of HR management through asking for experts' opinions. Finally they analyzed their findings
[2] A Study of the Relationship Between HR Strategic Management and Corporate Performance	Findings showed that firms following activity of HR strategic management have better performance compared to those not following it (Traditional firms). Also, the use of HR strategic management practices and principles would improve corporate performance.
[1] Developing HR Strategies	Results showed that the organization should good condition regarding inward process of human resources with respect to both internal and external factors; It was rated above average, since total final score of internal and external factors was more than (2/5). With respect to outward and retaining processes of human resources, the studied organization is not in good condition, being below average, since total final score of internal and external factor is less than (2/5). Therefore, the organization should pay more attention to offensive strategies with respect to HR inward process, and to defensive strategies in terms of outward and retention processes. Findings suggest that the studied organization can co-increase activities and create coherence and harmony between HR policies and overall policies.
[9] A Study of the Impact of HR Investment on Competitive Advantage: Intermediary Role of Human Capital	Results suggested that investment in human resources can affect competitive advantage of these firms according to the presented model for path analysis.
Financial Performance	
[22] The Relationship Between Institutional Ownership and Performance of Casino Industry Firm in The United States	Their results indicate that institutional ownership is significantly and positively associated with performance according to Tobin's Q ratio of Casino industry firms.
[14] The Relationship Between Intellectual Capital and Financial Performance in Singapore Stock Exchange	Results showed that there is a positive relationship between intellectual capital and financial performance indicators, and also there is a significant difference between intellectual capital coefficients in various industries.
[19] Investigating the Relationship Between	Results obtained by using pooled data showed that there is a u-shape negative association between insider ownership

contd. table

Human	Resources
Insider (Managerial) Ownership and Institutional Relationship on Performance of firm listed on Taiwan Stock Exchange	and corporate performance. Also there is a significant negative relationship between state institutional ownership and corporate institutional ownership and corporate performance, however the association between investment funds and corporate performance.
[8] A study of the Association Between Corporate Governance Structure and Financial Performance of Firms Listed on Tehran Stock Exchange	Findings suggest that information disclosure and firm financial performance are significantly associated.
[4] Investigating the Relationship Between Environmental Performance and Financial Performance	Results indicate that environmental performance indicator is not significantly associated with financial performance indicator. However, the relationship of firm size, the ratio of advertising costs to total sales, export sales to total sales ratio, financial leverage ratio, and sales to total assets ratio with financial performance is significant. Also, type of industry is effective on the association between environmental performance and financial performance.

Now that we have made the ground in terms of theoretical foundations and literature review, we can present the research hypotheses. In conceptual pattern of the present study, constituent components of HR management practices, say, motivation, involvement, employment, reward system, and training are considered as variables affecting financial performance.

Figure 1: HR Management Practices



Source: Made by Researcher

3. RESEARCH METHODOLOGY

The present study is an applied work in terms of its purpose, and a correlating study in terms of methodology. Also, this is a descriptive research with respect to research classification according to the way in which data are collected (research design). Spatial domain of the present study is industrial zone of Sanandaj city (a city located in Kurdistan province, western Iran). Since the population of this study is limited to the managers working in industrial zone of Sanandaj city, simple random sampling and Cochran formula were used in the present study.

$$n = \frac{148 \times (1.96)^2 \times 0.5 \times 0.5}{0.05^2 \times (369 - 1) + (1.96)^2 \times 0.5 \times 0.5} \cong 107$$

Based on the above sampling formula, the number of samples is 107 employees. In order to remove the effects of incomplete and lost questionnaires, sample size was increased by 15 percent. Accordingly, a total of 123 questionnaires were distributed, of which 111 ones were returned and finally 105 questionnaires were collected for the statistical analysis. In the present study, two methods-library and field methods- were used for data collection. Library method was used for data on literature review and research topic, and field method for designing a questionnaires and distributing it among the sample. The tool used in this research was a closed one. The research hypotheses are as follows:

Main H_0 : There is an association between HR management and financial performance of organizations.

Secondary Hypotheses

H_1 : There is an association between employee motivation and financial performance of organizations.

H_2 : There is an association between employee involvement and financial performance of organizations.

H_3 : There is an association between staffing and financial performance of organizations.

H_4 : There is an association between employee rewarding and financial performance of organizations.

H_5 : There is an association between employee training and financial performance of organizations.

According to Tsung and Lee [23], one of the models dealing with measurement of HR management practices in this regard, is HR management practices model (including motivation, involvement, employment or staffing, training, and reward system). In this study, we attempted to measure the extent to which each element of HR management practices affect financial performance.

3.1. Credibility of the Questionnaire

In this study, Cronbach's alpha coefficient was used as pre-test in order to obtain the credibility of HR management practice questionnaire and financial performance, such that prior to the final implementation, 30 people were chosen randomly among the sample. Then, they were provided with the questionnaire. Using the data obtained from this questionnaire together with the help of SPSS₁₈ (a statistical software), the value of confidence coefficient was calculated through Cronbach's alpha stability and consistency of the questionnaire.

Table 2
The value of Cronbach's alpha of the questionnaire of HR management practices

Row	Variable Name	(N) of Questions	Value of Cronbach's alpha
1	Motivation	5	0.754
2	Involvement	4	0.719
3	Training	5	0.713
4	Employment (staffing)	2	0.773
5	Reward System	4	0.816
6	Total	20	0.816

Table 3
The value of Cronbach's alpha of financial performance questionnaire

Row	Variable Name	(N) of Questions	Cronbach's alpha Value
1	Financial Performance	5	0.779

*According to the above table, the value of alpha is more than 0/07, which indicates high credibility of the questionnaire.

4. DATA ANALYSIS

SPSS statistical software was used for data analysis. Kolmogorov-Smirnov test was applied for determining normality or non-normality of data. Finally, Pearson's correlation coefficient was used to accept or reject the hypotheses.

4.1. Examining the Assumption of Data Normality using Kolmogorov- Smirnov (K-S) Test

To use statistical techniques, we should first verify that whether the collected data is normally distributed or not, since if the data is normally distributed, then we can use parametric tests for hypothesis testing, otherwise (if the data are non-normally distributed), we must use non-parametric tests. To do so, (K-S) test was used for each dependent and independent VARIABLE.

Table 4
Result of Normality Test for Independent Variables

<i>Factor</i>	<i>Significance level</i>	<i>Error Value</i>	<i>Hypothesis confirmed</i>	<i>Conclusion</i>
HR management	0.714	0.05	H ₀	Normal
Motivation	0.621	0.05	H ₀	Normal
Involvement	0.091	0.05	H ₀	Normal
Training	0.101	0.05	H ₀	Normal
Employment (Staffing)	0.325	0.05	H ₀	Normal
Reward	0.824	0.05	H ₀	Normal

Source: the present research data

Table 5
Result of Normality Test for Defendant Variables

<i>Factor</i>	<i>Significance level</i>	<i>Error Value</i>	<i>Hypothesis confirmed</i>	<i>Conclusion</i>
Financial Performance	0.548	0.05	H ₀	Normal

Source: The present research data

According to the above table, since the value of significance level is larger than error value (0/5) for all components, these variables are normally distributed, so parametric tests are used for hypothesis testing.

5. FINDINGS AND CONCLUSION

Table 6
Result of testing Pearson's correlation coefficient between HR management practices and financial performance

<i>Research Hypotheses</i>	<i>Strategic thinking</i>			
	<i>N</i>	<i>sig</i>	<i>Pearson's correlation</i>	<i>result</i>
There is an association between employee motivation and financial performance of organization	105	0.000	0.735**	H ₁ Was confirmed
There is an association between employee involvement and financial performance of organization	105	0.000	0.696**	H ₁ Was confirmed
There is an association between employee (staffing) and financial performance of organization	105	0.000	0.552**	H ₁ Was confirmed
There is an association between employee training and financial performance of organization	105	0.000	0.857**	H ₁ Was confirmed
There is an association between reward system and financial performance of organization	105	0.000	0.647	H ₁ Was confirmed

Source: research data p < 0.01**

Given the above-mentioned table (6), since significance level is smaller than (0.05), H_0 is rejected while H_1 (research hypothesis) that there is an association between motivation involvement, employment (staffing), training, and reward system and financial performance, is confirmed. As you see, at 95% level, there is a positive and significant association between motivation involvement, employment (staffing), training, rewarding and financial performance.

All hypothesis studied in this research (main hypothesis and secondary ones 1 to 5) were confirmed. In general, results of hypothesis testing showed. That among HR management practices, the aspect of training (coefficient = 0.852) places first and has the highest association with financial performance of small and medium companies in Sanandaj City. Motivation (coefficient = 0.735) places second, involvement (coefficient = 0.696) third, reward system (coefficient = 0.647) fourth and finally, staffing (coefficient = 0.552) fifth. A common mistake committed by HR managers is that instead of considering HR needs of their organizations in long-term, they take into account short-term needs. Such attitude would make managers ignorant of changes in availability, quality and quantity of human resources leading to a number of uncertainties and doubts over short term. This attitude is quite inefficient and reactive and would manifest crisis-based management. If appropriate numbers of skilled and qualified workers are not available to an organization, it is not possible for the organization to meet its strategic business objectives. Research shows that organization which pay more attention to their human resources, pay higher salaries and benefits than the average in industry, consider internal justice in compensating for services and provide better job security for their staff, would be able to employ and retain more employees with higher capabilities. Further, when such organization provide multiple extensive jobs for their employees, follow policies of job rotation and put more emphasis on employee training and development, in fact they develop growth and learning in their organizations and thus, increasing the level of flexibility therein. Such benefits would finally lead to building and retaining competitive advantage as well as enhancing financial and non-financial performance of organizations.

All these benefits would not be realized unless with basic and effective planning on human resources. In order for managers of organizations to fulfill such role, they need to identify aspects of HR development systemically and in a reliable manner and prioritize different development strategies. Result of the present study suggests that in order to change the position of human resources in the views of senior managers, we ought to make more prominent the role of HR development in achieving the goals of organization and create a link between objectives and activities of HR development and the goals of organizations. In this regard, major goals and strategies of HR development should be clearly defined. These goals and strategies should include elements such as enhancing individuals' performance

quality and their communication skills, reducing costs and individual and corporate wastes, more satisfaction of stockholders, and finally improving the capability of organizations to create and maintain competitive advantage.

5.1. Some Suggestions based on Findings

In this section, based on a known relationship between research variables, findings of the research hypothesis and adopting them to the literature mentioned in chapter 2, we try to identify areas of ambiguity and problems and present a practical solution based on the existing literature. Our final aim is to better apply these suggestions in companies of industrial zone in Sanandaj city.

Based on H_1 that there is a significant association between employee motivation and financial performance, it is suggested that: (i) The more employees are motivated in performing their duties, the more they try to provide services for customers. So we suggest that if employees are appreciated and paid cash rewards for doing their jobs better and getting things done for customers on time, customers will be more satisfied with services. (ii) If employees' innovation and good services are supported on time, they are expected to perform effectively. We suggest that organizations make grounds for employees' better performance by providing necessary supports and encouraging them to be creative and innovative in their jobs, whereby winning the customer satisfaction.

H_2 suggests a significant association between employee involvement and financial performance, accordingly we suggest that: (i) Training planners use new training methods and take advantage of reliable home and foreign sources in their psychological trainings. (ii) Specialist staff be employed extensively in training human resources so as to improve such trainings. (iii) Modeling best practices of industry and expending it.

According to H_3 that there is a significant association between employment (staffing) and financial performance, we suggest that: (i) Prior to adoption of rescue volunteers, they should be tested by expert psychologists mentally and with respect to their ability to control their actions in critical situations, so that only qualified individuals be employed. (ii) The more employees are skillful in their careers and the faster they act in certain situations, the better they would perform in their job, and as a result, the customers would be more satisfied as well. So we suggest that prior to staffing, individuals be provided with practical lessons and necessary trainings. They should also be monitored so that they could improve their performance of their respective organizations.

Based on H_4 that there is a significant association between employee training and performance, the following suggestions are offered: (i) Providing necessary training to perform various duties within an organization and designing a mechanism for conveying trainings and institutionalizing training in careers. (ii) Implementing

trainings on leadership skill development such as coaching and being master-apprentice. (iii) The use of socialization process (getting new employees familiar with acceptable behaviors within company). (iv) It is better to provide trainings continuously in all times and hold periodic re-training seminars. (v) HR planning based on employees performance and their skill levels.

Last hypothesis (H_5) showed that there is a significant association between employee rewarding and financial performance. According to this hypothesis the following suggestions are offered:(i) It is recommended that by evaluating employee performance and its impact through reward and punishment system, the performance of organizations would improve and whereby customers are more satisfied.(ii) The use of process-based reward system to institutionalize financial (non-financial performance management).We recommend that paying rewards be based on both individual and group performance.

5.2. Suggestions for Future Research

Our surrounding world is making fast and unimaginable advances. In such a leading world, it is nations and societies that should adjust their understanding and interactions to the world around and fit their science and knowledge to the modern knowledge, if a society is able to progress with the same speed as today's world, surely would benefit from this advances, but if it could not add to its speed, it would be definitely isolated from other societies. What is certain is that the researcher will identify new perspectives when accomplished his research, which can guide researchers who intend to conduct a similar research. So this study could be considered as a new window towards future research. Predictable researches are currently as follows: (i) An investigation of the association between HR management and development of information technology in organizations. (ii) Investigating the role of HR management in developing an organizations strategy with an innovative approach. (iii) HR management and financial performance can be compared within developed or under developed countries in order to adopt correct management policies. (iv) Moreover, other researcher are recommend to re conduct the present study, taking into account the criteria such as age, experience expertise and other characteristics of board of directors , and investigation of the impact of ownership structure on HR management by using different kinds of ownership.

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