An investigation into the relationship between financial employee and human capital empowerment in the Ministry of Industries Mines and Trade

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ABSTRACT: According to “Drucker” economic growth depends on educated employees empowerment and empowered organization refers to an environment where employees in different groups, in doing their activities are work together. Considering the importance of this issue, this study aimed to investigate the relationship between financial employee and human capital empowerment in the Ministry of Industries Mines and Trade. The statistical population of this study includes 90 employees of the Ministry of Industry and Mine that using Morgan table, 73 people were determine as sample size and data were collected through questionnaires distributed among the sample. Analyzing data has performed by SPSS 22 software and Pearson correlation test. Results obtained in this study shows that there is significant relationship between human capital and empowering which can be considered as great achievement to increase productivity and efficiency and empowering.

Keywords: empowerment, human capital, creativity, individual merit.

INTRODUCTION

Empowerment is the process of enabling an individual. In this process, we help to our experts to improve their self-esteem and dominate their sense of failure and inability. In this sense empowerment leads to inner motivation mobilization of people (Oreii Yazdani, 1381). To put it simply, empowerment is the ability to inspire others to do what they want to do. Therefore, the study of empowerment now is considered as a fundamental principle in the management of organizations. Current organizations that work in knowledge based atmosphere, competitive, customer-oriented, responsive, entrepreneurial and transformational required to quick access to enable human resources as competitive tools and empowerment is an acceptable and macro strategy that it can be used for continuous improvement and it is a abbreviations in order to using the competence of staff as creative and innovative approaches in all aspects of organizational performance. Evidence suggests that empowered experts are more productive, more satisfied and more innovative and produce high quality products and services than disable experts and by empowered experts, organization become more efficient. Current organizations that work in knowledge based atmosphere, competitive, customer-oriented, responsive, entrepreneurial and transformational required to quick access to enable human resources as competitive tools. Hence, organizations capitalize on people, that's because people are valuable human capital with different qualities because nowadays only physical assets are not important, but human capital is the main factor and major production generator (Baso & Govarijla). Today, most of Iranian government agencies are faced with various problems in the area of empowerment. Most of the employees of these organizations are not capable to do different things with high efficiency and, therefore, constantly lag behind the organization's objectives. Also, due to pyramidal structure of such organization, employees often work independently and there is no teamwork in the organization. While empowerment, especially in the workplace that organization’s members are deprived from mutual interaction and teamwork and forced to act independently, is very important. Another important issue is that most of country's organizations are faced with it, is that the most of managers concentrate their strategies on organization's tangible and visible factors such as technology and the use of physical and financial resources. But considering the current characteristics of global economy and the emergence of phenomena such as globalization and the rapid growth of technology and the use of new technologies in providing new and diverse products alone cannot lead to
competitive advantage for organizations. Thus, if in organizations we can’t take advantage of creative, knowledge-oriented, opportunistic and explanatory human capital we will lose a lot of opportunities and situations. This in knowledge-based organizations such as the Ministry of Industry and Trade and Mines is much more important and impressive. Ministry of Industry and Trade and Mines is a leading and broad and knowledge-based organization of the country's that is responsible for important industrial and commercial activities. Therefore, considering the importance of Ministry of Industry and Trade and Mines in the development of needed technologies and industry, present research aimed to investigate the relationship between financial employee and human capital empowerment in this organization.

Research Literature review

Empowerment concept

The first definition of empowerment, back in 1788 that empowerment knew as delegating authority to the organization role of individual. This authority should be granted to an individual or seen in his organization’s role. his empowerment means individuals desire to take responsibility for accepting word for first time, officially interpret as responding ( Orei Yazdani, 1379). Grew (1971) points to common definition of empowerment that includes delegation of legislation power, delegation of authority, mission and sector power. But Zimmerman (1990) refers to the definition of careless and indifferent. And believes that when it is easy to define what we want to consider empowerment regardless words like "helpless", "powerlessness" and "alienation" and if we want to define it according to many people is very difficult ( Aghayar, 1382). According to Fox (1998), “Employee empowerment is a process and through it develops a culture of empowerment where dreams, goals, boundaries and attempts to influence their decisions and the results will be shared with the entire organization. In such cultural resources and compete for resources needed to provide effective and supported activities (Fox, 1998). Employee empowerment is a management tool that can be use to directed towards increasing the productivity of human resources. Changing conditions of organizations at present has been led to changing their attitude to human force. Under such conditions employees are not a tool for the manager's success and they are converted into main leaders of work flow and partners of the organization as its capitals. Therefore, having leadership skills is not sufficient for managers and employees need to learn self-directing methods. The organization must empower its most important competitive resource and factor, i.e. human force to obtain such characteristics (Momeni and Pargari, 1389). Abdollahi (1382) in a study tries to investigate and design a pattern of psychological empowerment experts working for the Ministry of Science, Research and Technology. This study aimed to determine the psychological empowerment and to evaluate the ability of experts on the basis of psychological empowerment and also to identify the mechanisms or factors related to psychological empowerment of experts working for the Ministry of Science. The results suggest that there is no relationship between management strategies as independent variables and psychological empowerment; but through mediator variables such as organizational conditions and resources self-efficacy affects psychological empowerment. Self-efficacy also not affects directly the psychological empowerment but through organizational conditions it affects empowerment, while organizational conditions directly affect the psychological empowerment. In another study, Mohammadi (1380) evaluate ways to empower employees and finally the results show that the empowerment ways of human resources includes: job enrichment, delegating, performance-based bonuses, participative management, the proposed system and the formation of working groups and participation in goal setting.

Importance and necessity of Employee empowerment in organizations

Today Organizations affected by factors such as increased global competition, rapid changes, the need for quality after-sales service and limited resources and… Are under high pressure. After many years of experience, the world has come to the conclusion that if an organization wants to be a leader in the economy and his business affairs And stay in the competition arena Should has skilled, creative and high motivation. There is a direct relationship between human capital and productivity in organizations. One Concern of the world's major economic institutions is gathering educated and wisdom human capital that can change in an organization which they are belonging. Personal productivity of organization use set of individual talents and potential to improve the organization and with potential power and talents to make tremendous progress in the development of individual and organizational alignment Abdollahi (1383). Employees through knowledge, experience and motivation behind his powers and in fact Empowerment is release of this power. Enabling programs allow organizations to act in a creative and innovative manner and supply its business plans in such a way that always keep its position in a best state. The most outstanding advantage of using this program is that it causes mutual understanding and commitment of the employees and the organization (Asghari, 1385).
Empowerment dimensions

In one of the best empirical studies of empowerment to date, Spreitzer (1992) identified four dimensions of empowerment. Then, one dimension has been added to her model based on the research of Mishra (1992). The importance of this dimensions is also supported by a number of more studies (Kanger & Kanungo, 1998). When managers be able to foster these five attributes in others, they have successfully empowered them. Five key dimensions of empowerment are:

- Sense of Competence: This means that people believe that they have skills and abilities necessary to perform their work. Sense of competence relates to individual's belief to their capabilities to do work. These people feel that they can do their jobs with high skill.
- Self Determination: people feel self-determined when they can voluntarily and intentionally involve themselves in tasks, rather than being forced or prohibited from involvement. They see themselves as proactive self-starters. They are able to take initiative on their own accord, make independent decisions and try out new ideas.
- Personal Consequence: empowered people have a sense of personal control over outcomes. They believe that they can make a difference by influencing the environment in which they work or the outcomes being produced. Personal control is an individual's beliefs at a given point in time in his or her ability to effect a change in a desired direction.
- Meaning: empowered people value the purpose or goals of the activity in which they are engaged. Their own ideals and standards are perceived as consistent with what they are doing.
- Trust: finally, empowered people have a sense of trust. They are confident that they will be treated fairly and equitably. They have an assurance that, when they are in employee situations, they will not be taken advantage of by those in position of authority or power (Asghari, 1385)

The concept of human capital

Becker (1993) knows that human capital are a set of knowledge, skills, abilities, personality, appearance, and reputation economically because potential productivity are gain and valuable. Davenport and Prusak (1998), believe that human capital is intangible resources such as skills, effort, time devoted to work and activities. Human capital refers to staff competence and their capabilities. For example, if an organization, train its staff, in fact, has developed its human capital. In particular, human capital represents the collective knowledge storage to extract the best solutions from the minds of employees (Bykas, 2013). Chen and Lin (2003), believes that all the skills and abilities of people who work in an organization, skills and knowledge of people within an organization are its human capital. According to them, human capital is a tacit knowledge in staff mind, the thoughts of staff and basic source of innovation and recreating an organization (Randhava, 2004). McGregor et al., (2004), define human capital as the size and quality of the labor market as well as the overall merits of individuals in the organization. Human capital is defined as the individual's knowledge, skills, abilities and experience in the employees of an organization to create value and solve business problems. This capital is considered as a continual source of renewal and innovation for the organization with the ability to understand the issues and is able to take advantage of experiences. Investments made by the company in talent and technology that lead to competitive advantage and are unique and valuable, should be protected from the reach of other companies (Alvani, 1388). Human capital theory argues that individuals with regard to whether they want to or do not want to invest their more time, effort and money in education, training and experience take rational decisions. Means employee measures the benefits or losses of these investment or decisions, including the costs and potential rewards of such investments. Accordingly, people with more investment in human capital can develop their professional expertise and increase efficiency in work and, therefore, receive positive rewards from organizations. Therefore, with this change of direction, human and its assets are considered over the past and requires to embed specific programs to protect and nurture them (Moshabaki, 1385). The importance of this concept is considered in some previous research. Basu & Guariglia (2007), in an article entitled "Foreign Direct Investment growth and inequality, evaluated the effect of Foreign Direct Investment using panel data on growth and inequality in human capital and the share of agriculture in GDP, over the period 1990 to 1999 as experimental and theoretical, and concluded that Foreign Direct Investment increases both growth and inequality and reduce the share of agriculture in GDP. Castello & Domenech (2002), in another study entitled "The inequality of human capital and economic growth," pointed out that in recent economic literature, most economists investigate how revenue growth is affected by distribution of wealth or income and note that some studies to show the inequality of wealth make use of some substitutive variables such as income or land inequality, that these factors may be an inappropriate indicator for the distribution of wealth. Since, the other variables such as human capital are important determinants of wealth and growth.
main findings show that the inequality size of human capital has more decisive results than measures of income inequality in growth estimates. In this study they show that inequality has a negative effect on economic growth and human capital and this not only occurs through the efficiency of allocation of resources but also by reducing the investment rate.

**The importance of human capital**

Workforce is the most important asset of the organization and how this capital will benefit from higher and desirable quality the likelihood of organization's success, and enhance and survival will be greater. Given that the workforce has numerous approaches, investigating the attitudes of staff because of the significant results which can have on improving organizational behavior over the decades has been of interest to researchers and experts (Kim, 2002). The first and most important component of human capital, includes knowledge, skills and experiences of employees and managers and their effective response to future, and is also as an important source of innovation and restructuring strategy for organizations and is in favor of human resource managers and allow them to attract and develop the best staff as a means of achieving competitive advantage. In fact, in today's turbulent world-leading, companies more than any other time period realize the importance and attention to their employees. They have found out how by put greater emphasis on maintaining and developing their human capital can placed at the highest point of the global economy (Alvani, 1388). Therefore, human capital is the key to economic growth of communities and is an important and essential capital that will help the organization in economic growth and development and in this sense it can be compared with the physical capital and assets. Since the staff's ability and skills help to better performance and efficiency of the organization, pay any cost on its training and development is seen as a kind of long-term investing organization for a long time can benefit from its results. The reason for this is that in today's highly competitive and changing environment just with creative and innovative workforce we will be able to achieve competitive advantage (Parsaeian and Arabi, 1388).

**Research theoretical framework**

The present study was conducted aimed to investigate the relationship between financial employee empowerment and human capital in the Ministry of Industry and Trade and Mines. Hence, the conceptual model of this research that reflects elements of empowerment and human capital and the impact of empowerment as an independent variable of research on human capital as the dependent variable, is presented in figure 1. In this model, empowerment variable borrowed from Melhem and Lockwood's (2004) model consisted of three components of creativity, confidence and efficiency, as well as human capital borrowed from the Becker's model (2001) is formed of four components of teamwork, interpersonal competence, implied knowledge and work skills.

![Figure 1. research conceptual model](image)

Accordingly, based on the conceptual model, hypothesis tested in this research are as follows:

The main hypothesis of the research: there is significant relationship between empowerment and human capital in the financial staff of the Ministry of Industry and Trade and Mines.
Sub-hypotheses
There is significant relationship between creativity and teamwork in the financial staff of the Ministry of Industry and Trade and Mines
There is significant relationship between confidence and teamwork in the financial staff of the Ministry of Industry and Trade and Mines
There is significant relationship between efficiency and teamwork between the financial staff of the Ministry of Industry and Trade and Mines
There is significant relationship between creativity and individual merits of financial staff of the Ministry of Industry and Trade and Mines
There is significant relationship between the confidence and individual merits of financial staff of the Ministry of Industry and Trade and Mines
There is significant relationship between efficiency and individual merits of financial staff of the Ministry of Industry and Trade and Mines
There is significant relationship between creativity and implicit knowledge in financial staff of the Ministry of Industry and Minerals
There is significant relationship between confidence and implicit knowledge in the financial staff of the Ministry of Industry and Minerals
There is significant relationship between efficiency and tacit knowledge in the financial staff of the Ministry of Industry and Minerals
There is significant relationship between creativity and work skill of financial staff of the Ministry of Industry and Minerals
There is significant relationship between confidence and work skill of financial staff of the Ministry of Industry and Minerals
There is significant relationship between efficiency and work skill of financial staff of the Ministry of Industry and Minerals

RESEARCH METHODOLOGY

This is an applied research and based on method of data collection is a descriptive survey. In this study data were collected through questionnaires. In fact, in this study, have been conducted considering research theoretical literature and also, extensive studies done in this field. The questionnaires used in accordance with the purpose and conditions of the study to collect the necessary data and information. The statistical population of this study includes 90 employees of the Ministry of Industry and Mine that using Morgan table, 73 people were determine as sample size. Analyzing data has performed by SPSS 22 software and Pearson correlation test.

ANALYSIS OF RESULTS

Demographic characteristics of the statistical population
In this part, underlying variables which described the characteristics of individual respondents in terms of gender, age, type of employment and education, are examined. The results associated with gender shows that 58.9 percent of respondents are male and 41.1 percent of them are women and, therefore, the greatest numbers of respondents are men. The age distribution of respondents indicate that 23.2 % of people are in 30-20 years age range, 43.8 % of people in 40-31 years age range, 15.6% of people in 50-41 years age range, 4.1% of people in 60-51 years age range and 8.2% of those not stated their age. Thus, most respondents are in the 40-31 years age range and the lowest are in 60-51 years age range. In this study employment type are divided into three groups of formal, conventional and contractual employment. Results obtained for the situation of this variable indicates that 39.72% of people have been hired as formally, 50.68% as conventional and 10.95% as contractual. Thus, most respondents been hired as conventional and least of them have been hired as contractual. Results obtained from education status of respondents also show that 6.8 % of those have diploma, 10.95 % have an associate's degree, 53.42 % have Bachelor's degree, 28.76 % have a master's degree. So, most of the respondents have a bachelor's degree and the least of them have diploma.

Test results of research hypotheses
The present study includes 1 main hypothesis and twelve sub- hypothesis thus results obtained from Pearson correlation test to confirm or reject this hypothesis are presented in Table 1.
According to the results presented in Table 1, the analysis of hypothesis tested in this study is as follows:

H1: because that significance level is higher than 0.05, there is no significant relationship between creativity and teamwork among the staff of the Ministry of Industry and Trade and Mines.

H2: considering the significance level (0.000) there is significant relationship between confidence and teamwork among the staff of the Ministry of Industry and Trade and Mines. On the other hand, according to the correlation coefficient (0.563) we can say that the relationship between the two variables is positive and severity of relationship is on average level.

H3: considering the significance level (0.000) there is significant relationship between efficiency and teamwork among the financial staff of the Ministry of Industry and Trade and Mines. On the other hand, according to the correlation coefficient (0.912) we can say that the relationship between the two variables is positive and severity of relationship is on very strong level.

H4: because that significance level is higher than 0.05, there is no significant relationship between efficiency and teamwork among the Ministry of Industry and Minerals.

H5: because that significance level is higher than 0.05, there is no significant relationship between confidence and individual merits.

H6: considering the significance level (0.000) there is significant relationship between efficiency and individual merits among the financial staff of the Ministry of Industry and Trade and Mines. On the other hand, according to the correlation coefficient (0.429) we can say that the relationship between the two variables is positive and severity of relationship is on weak level.

H7: because that significance level is higher than 0.05, there is no significant relationship between creativity and implicit knowledge.

H8: because that significance level is higher than 0.05, there is no significant relationship between confidence and implicit knowledge.

H9: considering the significance level (0.000) there is significant relationship between efficiency and implicit knowledge among the financial staff of the Ministry of Industry and Trade and Mines. On the other hand, according to the correlation coefficient (0.681) we can say that the relationship between the two variables is positive and severity of relationship is on strong level.

H10: because that significance level is higher than 0.05, there is no significant relationship between creativity and work skills.
H11: because that significance level is higher than 0.05, there is no significant relationship between confidence and work skills.

H12: considering the significance level (0.000) there is significant relationship between efficiency and work skills among the financial staff of the Ministry of Industry and Trade and Mines. On the other hand, according to the correlation coefficient (0.776) we can say that the relationship between the two variables is positive and severity of relationship is on strong level.

Main hypothesis: considering the significance level (0.000) there is significant relationship between empowerment and human capital among the financial staff of the Ministry of Industry and Trade and Mines. On the other hand, according to the correlation coefficient (0.899) we can say that the relationship between the two variables is positive and severity of relationship is on very strong level.

CONCLUSION

Nowadays empowerment is considered as a beneficial means of improving the quality of staff and increasing organizational effectiveness. In fact, in order to succeed in today's business changing environment, organizations require knowledge, ideas, energy and creativity of all employees, ranging from front line employees to high-level managers as the organization's human capital. To accomplish this, organizations by enabling relevant employees should act to encourage them to take the initiative without pressure, honoring the collective interests of the organization with minimal supervision and duty as the owner of the organization. Empowerment, especially in virtual work environments where organization members are deprived from face to face interactions and have to act independently, is very important. The present study has been done aimed to investigate the relationship between financial staff empowerment and human capital at the Ministry of Industry and Trade and Mines. Accordingly, one main hypothesis and twelve sub-hypotheses were raised in this study that illustrates the relationship between the components of the empowerment and human capital. Results obtained from hypothesis testing show that there is a significant relationship between confidence and teamwork, efficiency and teamwork, efficiency and individual merits, efficiency and tacit knowledge, efficiency and work skill. While there is no significant relationship between creativity and teamwork, creativity and individual merit, confidence and individual merit, creativity and implicit knowledge, confidence and implicit knowledge, creativity and work skills, confidence and work skills.

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