

Privatization and Its Impact on Company's Performance

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ABSTRACT

The aim of this study is examination of the effect of privatization on the performance of post office. In this study are used longitudinal or panel and also survey. The statistical population of this study is including all of system under the general administration of Guilan include General Office and the Department of post counter office postal in Rasht and 15 town Office and 37 postal agencies and communication services office. In this study, cluster sampling is used. Sample size by using the formula is 323. The questionnaire is a tool for data collection. Alpha coefficient obtained is more than 70% thus the questionnaire has reliability. To compare the dependent variables in the years before and after the privatization is used the t test for independent two groups. For control variables such as population, technology and personnel with dependent and independent variables is used the partial correlation method. For Statistically significant differences between satisfactions are used with the help of nonparametric statistics (χ^2) chi-square test. The results from the hypothesis test show that satisfaction rate in private units are more than public units.

Keywords: Privatization, Company's Performance, Satisfaction, Post Office.

1. INTRODUCTION

Privatization process defined as various forms and there are various discussions about it. Privatization is means the transfer process of ownership and responsibility for decision-making of government units to the private sector and then there is broader perspective in this field that according privatization is process that:

- 1- Transfer of units ownership from the public sector to private sector as a whole or partially.
- 2- The provision of some public goods and services through conclusion of the contract with private units.
- 3- Providing financial resources required of public companies to receive all fees from users.
- 4- The release of public companies means elimination of existing restrictions and the possibility of using market forces.

Privatization is being done today in most countries but incentives privatization of public sector and also methods used in this process are different in different countries. Some of the countries use each of the above case in terms of its effect on the privatization process. But some other privatization without a change of property and have done by changing management systems and creation of the necessary motivation and organization of public companies and in other words in this way managed of public companies is done In the framework of existing commercial activities in the private sector and with the use of professional managers and with economic attitude. In general, several factors are involved in image of the countries from the role public companies and private sector in development and these factors will difference in during time. The most important point in privatization process is more appropriate performance and better efficiency of companies because use appropriate tools of business, that puts the company in line with customer satisfaction. So with change management system and transfer of ownership and decision-making power to the private sector and use market forces can be expected that goods and services are provide way more favorable to customers(Khoshkar Keysomi,2004).

Current arena is the period of accelerated and unpredictable evolutions and companies confront with the most difficult and unprecedented competition conditions(Rezvani& et al,2011,gilaninia & et al,2011) In line with Iran's government policies and in the implementation of privatization of Iran Islamic Republic Post office delegated to private sector in order to provide better services to customers, meet the needs of customer, customer sovereignty, better use of facilities and reduce costs and ultimately create a reasonable balance between costs and revenues of the company and also become more active in the postal network, postal letters acceptance (since 1994 years) while government departments have also worked in private units. As brief in this study will examine that can transfer of step (letter acceptance) to the private sector improve performance level of post Company or not?

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2. LITERATURE REVIEW

Theorists and scholars of the world economy believe that "Government is not a good economist and industrialist" .to reduce policies the government in economic issues and privatization is one of the most important reforms that Iranian government officials have considered several years.

Islamic Revolution in Iran after the war and during the crisis, the authorities gradually became aware of the ineffectiveness of government systems but in action about a few years ago wasn't done a certain work to reduce the governmental economy. With formation of private organizations, and requiring agencies to transfer their shares, the privatization debate was serious. One way of privatization is divestiture of public companies, not necessarily the best way. Unfortunately, the purpose of transfer of public companies is compensate for the budget deficit, pay debts and provides a working balance needed in privatization that is done in privatization name (Hajimirsaeedi, 2003, p12).

After the privatization will expect significant growth and development in units and companies of transferred, increasing revenues and profits, will upgrades the amount of capital and equipment but according to officials private purposes is failed in both the first and second program of the development (Khamoushi, 1993, p17). Three different ways the government can intervene in social and economic relations of nations and these three ways including laws and regulations, independent management on service and industries and finally preventive measures of encouraged and supported (Shams, 1993, p42).

Although providing postal services in Iran is several years dating but could not to find its real position. Customer dissatisfaction from the quality of postal services, inability to participate in the timely delivery in accordance offered schedule. Lack of sufficient authority delegated to post agencies and communication offices, failing to create a plan for rural offices and impose heavy costs on the company is the major problems (So that Postal per capita in Iran is not only less developed countries but even from developing countries such as Turkey and Pakistan are also lower. Also, for every 350 people in European countries there is an employee post but for 5 and 6 thousand people there is an employee post (Fariabi,2000,p1-2).

Despite all the efforts taken by post office still has to deal with numerous problems. In line with the cases and the problems mentioned in this study examine that does privatization could take a step toward increasing income and traffic of postal letters? (Khoshkar Keysomi,2004).

In this study is examined the relationship between results and delivery part of the postal operations to the private sector as city postal agency and communication offices with Performance levels in terms of income levels, traffic postal letters, personnel efficiency and customer satisfaction of services.

2.1. Privatization

Privatization has several definitions that the two of them are:

1- Privatization is a set of legal, social and economic action based on the reduction and even elimination of command technocracy and bureaucracy in public sector institutions (Shams, 1993, p43).

2- Bisli & Richel Child said: Privatization is a means for improve the performance of economic activity by increasing the role of market forces, if at least 50% from government shares to be privatized (Bisli & Richel Child, 1983, p45).

2.2. Efficiency

Output

Efficiency is Relative output to input $e = \frac{\text{Output}}{\text{Input}}$

Input

Whatever output is greater than is indicated more benefits towards costs of performed and gained and increases the efficiency (Rabiei, 1998, p100).

2.3. Traffic of postal letters

In discussion of services statistics are part from postal service that it is a service more than traffic. For example mobile registration that from time refers people to register to time distributed SIM card is more than working traffic. So according to such cases purpose from traffic is all letters included (correspondence and trusts, voice messages, video, etc.) that accepted by post offices and after preparation was proceed and ultimately will be distributed (Taiari, 2010, p8).

2.4. Income

When an institution offers service for others or delivers goods, has received some money of them or creditor is equivalent to the price of services and mentioned goods. In case first cash fund and in case second accounts receivables (debtors or the proceeds of documents) and increases in both asset institution (Nabavi, 1996, p56-57).

2.5. Satisfaction

It is the concept of spiritual enjoy from satisfies, needs, desires and hopes (Saebi, 1989, 339). Full understanding of this issue is important for researchers and officials (Taleghani & et al, 2011; Arbore, 2009) Customer satisfaction is defined as a customer’s overall evaluation of the performance of an offering to date (Gilaninia, 2011; Johnson and Fornell 1991) Customer satisfaction is not an absolute scenario, but very much depends on interactions, feedback, praise, and complaints (Taleghani & et al, 2011, gilania & taheri,2011).

2.6. Population

It is set of units that are same in terms of trait or traits. Also, it is all residents’ population a geographical region (Farzaneh, 2002, p86).

2.7. Technology and Equipment

It is used monetary value of all machinery and equipment in order to earn money and provide services in an enterprise of manufacturing - service or trade. In accounting of this concept used as machinery and in economics this is called capital goods equipment (Gharehbaghian, 1994, p49).

2.8. Work force

Worth of Human forces in order to create added value and increase the price of goods or services is called the work force (Gharehbaghian, 1994, p93).

3. Research Hypotheses

3.1. Main hypothesis:

The performance of Post Office of Guilan has improved after privatization compared with previous years it.

3.2. Sub hypothesis

- 1- Income of Post Office of Guilan has increased after privatization.
- 2- Postal letters Traffic of Post Office of Guilan has increased after privatization.
- 3- Human resources efficiency of Post Office of Guilan has increased after privatization.
- 4- Customer satisfaction rate from postal services in private units is more than public offices.

4. RESEARCH METHODOLOGY

In this study are used Longitudinal or panel and also survey. In the research information about literature review is collected through library. Also it is collected through the documents statistics about traffic of postal letters, to income number of personnel and.... The statistical population of this study is including all of system under the General Administration of Guilan include General Office and the Department of post counter office postal in Rasht and 15 town Office and 37 postal agencies and communication services office. In this study, cluster sampling is used. Sample size by using the formula is 323. The questionnaire is a tool for data collection. Alpha coefficient obtained is more than 70% thus the questionnaire has reliability. To compare the dependent variables in the years before and after the privatization is used the t test for independent two groups. For control variables such as population, technology and personnel with dependent and independent variables is used the partial correlation method. For Statistically significant differences between satisfactions are used with the help of nonparametric statistics (χ^2) chi-square test.

5. Data Analysis

5.1. First Hypothesis

H₀: Postal letters Traffic of Post Office of Guilan hasn’t increased after privatization.

H₁: Postal letters Traffic of Post Office of Guilan has increased after privatization.

Table 1) result of first hypothesis analysis

Time period	Numbers of years	traffic Mean	Standard deviation	The standard error of mean
Before privatization	7	11283635	5103952	1929113
after privatization	7	7557129	5103952	348588
T=1.9	df=12	p(sig)=0.04 One tailed		

Based on t test for independent samples can be said that significantly postal letters traffic is reduced after privatization and the research hypothesis is not confirm but also the null hypothesis is not confirmed. Contrary hypothesis that research shows to reduce traffic after the privatization of postal letters are accepted.

5.2. Second hypothesis

H₀: there isn’t significant difference in Income of Post Office of Guilan in before and after privatization.

H₁: Income of Post Office of Guilan has increased after privatization significantly.

Due to one of the objectives contained in privatization that follows increasing the earnings and also reduce current costs and overhead, therefore hypothesis was suggested in research that income has increased after privatization. The results are summarized in the following table:

Table 2) result of second hypothesis analysis

Time period	Numbers of years	Income Mean	Standard deviation	The standard error of mean
Before privatization	7	1119232596	715283463	270351737
after privatization	7	6274531374	2420805371	914978426
T=5.4		df=12	p(sig)=0.000 One tailed	

Based on mean comparison of incomes before and after privatization by t-test can be said that income has increased significantly during the years after privatization.

5.3. Third hypothesis

H₀: there isn't significant difference in the Human resources efficiency in Post Office of Guilan in the years before and after privatization.

H₁: Human resources efficiency of Post Office of Guilan has increased after privatization.

The results of mean comparison of human resources efficiency index in the years before and after privatization and its differences with the t test is as follows:

Table 3) result of third hypothesis analysis

Time Period	Numbers of years	efficiency Mean	Standard deviation	The standard error of mean
Before privatization	7	2326132	1714904	648172
after privatization	7	15482532	6387745	2414341
T=5.4		df=12	p(sig)=0.000 One tailed	

5.4. Fourth hypothesis

H₀: There isn't significant difference customer satisfaction to the public and private postal units.

H₁: Customer satisfaction rate from postal services in private units is more than public offices.

Table 4) result of fourth hypothesis analysis

Satisfaction	Ownership		total	
	Public	Private		
Low	2	8	10	
Average	44	18	62	
high	76	79	155	
Very high	39	56	95	
total	161	161	322	
X ² =18.22		df=3	p(sig)=0.000	

Based on x² values calculated with 3 degrees of freedom can be said that there is significant difference between Customer satisfaction from the public and private postal units. Results indicate that the satisfaction rate in private units is more than public units. 83.8% the satisfaction rate of visitors to the private units are high and too high, while these levels in public units are 71.4%.

6. Conclusions and Recommendations

Post as a fundamental institution in facilitating relations and meet communications needs of various social groups is role of determining and undeniable. Therefore, a capable and efficient postal network to reduce trips within urban and suburban population that often is done to meet needs the daily communication and also reduce traffic and vehicle fuel consumption saving and reduce air pollution and community health and also reducing national per capita cost, it will caused savings in reserves and economic growth of community. Today postal communication id as a factor of modern civilization and it is infrastructure of economic development, social and cultural Because post create unity and solidarity of cultural, economic, and social among people. Organized Postal communication eliminates gaps and reduces the time and in sustainable development of society as a fundamental factor in many cases takes steps ahead of the development.

Looking at the performance of Islamic Republic of Iran Post Company reached the conclusion that the company could not to achieve the objectives stated in the development programs and most important and raised indicators of global and regional level is lower.

According to limitations in this study that may be affected in research results, the following suggestions are offered:

- 1 - Review and compare financial statements and analyze them to the separation of public and private postal units.
- 2- Evaluation of the privatization plan in post office with cost-benefit model
- 3- Study and comparison of personnel satisfaction rate in public and private postal units.

- 4- Evaluation of people's expectations from postal units and compliance public and private postal services units with the expectations.
- 5- Review of the postal system in European countries and comparison with postal system in Iran.
- 6- Evaluation of privatization projects in post companies with time series model
- 7- Prepare and compile the qualitative and quantitative indicators of postal services.
- 8- Comparison of the privatization performance in various provinces of the country.
- 9- Review of barriers and bottlenecks of the privatization plan from the perspective of professors, experts, scholars and...

Also according to Study results and work experience of the author in Post office, following suggestions are offered:

- According to respondents to the questionnaire of service satisfaction of postal units were dissatisfied from most units' location in terms of the office center and far from the home and workplace. It is recommended: Positioning units and departments of public and private postal services will be done based on consulting expert opinion with regard to office status and population density of areas. Recommended in the most crowded squares and public places will be open kiosks such as press kiosk.
- According to the complaint, most managers and owners of private postal units to restrictions of provide practice and focus on important services and Lucrative in Post office(Such as automotive services, registration and distribution of mobile phone SIM cards, identity recognition, Job Search, etc.) It seems that privatization is not complete and what so far been implemented takes only a small part of the postal service. It is recommended privatization plan Post be done completely in accordance with theoretical models, So that government identified field of investment and activity in the sectors of Post and invite the private sector to cooperate and act as observers of quality services.
- Due to office constraints and lengthy process of licensure for private units, it is recommended licensing authority is delegated to the provincial head administration of Post.

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