Identifying and Ranking HRM Procedures on Production Performance
(Case Study: Yazd Alloyed Steel Company)

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ABSTRACT

Rapid environmental changes and high standards make organization to increase competitive advantage so that human resources as the most important factor of competitive advantage is the solution to this problem that imitating it takes great time. The present research is conducted aiming at determining the relation of effective procedures of human resources management and production performance among managers and supervisors of Alloyed Steel Company. This research is applied-correlative in terms of nature and its statistical population includes all managers and supervisors of this company 108 of them were chosen as statistical sample using Morgan Table with limited population. Data were collected through questionnaire tool. AMOS Software, structural equations modeling and Mora and Multi Mora ranking methods were used to analyze information. In this research, the effect of each of the procedures of human resources management on the indices of production performance is specified through determining the effect rank of each of the variables, the relation among them and presenting its model with the help of structural equation. Ranking the procedures of human resources management is also dealt with using Mora Method. Results of data analysis show that a significant relation exist among effective procedures of human resources including “participation” and “education” and the indices of production performance. In Mora prioritizing, the effect of the procedures of human resources on production performance, education, safety and health, participation, compensation and motivation were prioritized at first to fifth ranks.


1. INTRODUCTION

Pioneering organizations in today's world have the success secret to employing modern management and quality methods by benefitting from cultured humans by understanding mutual interactions of organization, quality, qualitative Human Resources (HR) and effective management and believe that the worthy assets creating competitive advantage is their high-quality personnel and only these individuals maintain the organization in the scene of pioneering competition and are considered the golden key in that arena [1]. The recent studies suggest Human Resources Management (HRM) as the factor to increase competitive advantage. The behavioral model of organization regarding HRM introduces the HR strategy of that organization itself.

Recent theoretical studies on business strategy show that competitive advantage can spring from HR of organization. According to resources-based view, organization can create competitive advantage for itself by controlling unique resources of organization with superior, steady and inimitable value-creating [2].

Nowadays, HR is considered the main capital of organization and it can be regarded as a steady competitive advantage for organization, while, capital and technology cannot be suggested as long-term competitive advantages and using them in short-term period is logical [3]. Organizations, in addition to having competent manpower, need necessary capacity in using these resources. In fact, organizations seek to increase their efficiency and effectiveness by depending on personnel’s performance and managing human capital as well as presenting scientific and practical methods. In modern organizations, the importance of HRM is no secret to any one, therefore, different researches have been conducted in organizations on HRM. The main subject of HRM researches since 1990s has been concerning the effect of HRM procedures on production performance and consequently the performance of organizations. One of the main motivations for investigating the effect of HRM on the performance of organization is the fact that HRM is in crisis and has been criticized as much as increases. The main objective of HRM in any organization is helping the origination in the direction of improving better performance of organization so as to achieve organizational goals. When the necessity of HRM could be perceived that performance evaluation makes managers informed of the needs of HR of organization, organizational culture and their view and makes the identification of indispensable activities to improve the quality of services and reduce costs possible [4]. In the present research, it is attempted to identify and rank HRM procedures affecting the performance of production performance in Yazd Alloyed Steel Company.
2. Theoretical Framework and Research Hypotheses

2-1. Production Performance

Production performance brings about greater value for shareholders with the personnel’s help through increasing productivity, optimum use of production capacity, quality and finally reducing deliverance time [5].

2-2. HRM

Wright and Ferris [6] define HRM as “HRM deals with the effective use of human assets to achieve organizational goals, life continuance and success of organization”. Storey (2001) expresses another definition as “HRM is a distinct approach to the management of personnel, which its goal is to achieve competitive advantage through strategic development of committed and efficient manpower”. Furthermore, Mondy et al. (2002) summarily define HRM as “employing individuals to achieve organizational goals”. The three presented definitions explicitly express the importance of the functions of HR in organizations. Basically, among all the factors of production, this is HR that, in fact, makes difference in an organization. This is human capacity and commitment, which make successful organizations distinct from other organizations, thus, logically, HR is a particular resource to be taken into account and spent time [7].

The major functions concerned with HRM include employment process (planning, employing and selection), HR development (education, efficient planning and development, performance evaluation), compensation and reward, safety and health, personnel’s relationships and effective manpower [8].

2-3. HRM Procedures

Since 1990s, the main subject of HRM researches has been the investigation of the effect of HRM procedures on the performance of organizations [9]. Therefore, some of the HRM procedures, which have the greatest effect on the performance of organization are introduced. The effect of these procedures on the performance of company is through increasing productivity, work quality and offered services, the quality of customer service, profit and greater growth and value for shareholders and personnel [5].

All the used measures and methods relevant to HR such as compensation, increasing motivation and participation of HR are to facilitate working processes and employment of personnel’s skills [10]. Pffeffer [11] considered the coordination among the seven HRM procedures as the facto of increasing the performance of organization. These seven procedures include selective employment, self-management teams, performance-based high compensation, personnel’s job security, education, ending discriminations and sharing information.

Cho et al. [12] introduce the five HRM procedures, which high-performance organizations used them as creating validity measurement system of pre-employment tests, conducting standard and organized interviews, intelligence quotient test and individuals’ life background.

Zhang et al. [13] introduced HRM procedures affecting performance as follows:

- Processes revenant to the personnel’s job inside organization including employment, education, transference of personnel (for example promotion inside the organization)
- Processes revenant to evaluation and rewards including compensation and other advantages such as unlimited rewards (unrestricted reward)
- Processes revenant to employment including job design (such as job description, flexible jobs) and motivating individuals for participating in affairs

2-4. Educating Personnel

Education is a kind of learning-based experience to make relatively steady changes in the individual to enable him in doing works and improving abilities, changing skills, knowledge, attitude and social behavior. Thus, education means changing knowledge, attitude and interacting with colleagues [14]. Education requires the use of predicted plans, which reinforce personnel’s existing competency and makes the individual to gain new knowledge, skill and abilities facilitating job performance [15]. Therefore, the first hypothesis is expressed as follows:

Hypothesis 1: a significant relation exists between HRM procedures regarding education and HR development and production performance.

2-5. Compensation

Compensation is interpreted in different senses. Compensation is considered to be the results of efforts or the reward of outstanding work. Employers ascribe it to their efforts and abilities in returning investment or education and the education of their own experts. Most of individuals interpret compensation as the salary received in lieu of work. Thus, compensation is an important and determining factor in the economic and social behavior [16]. Sa’adat [17] considers rewarding system as the compensation for the effort that individual makes in organization in lieu of time and energy that he spends in organization in order to achieve the goals of organization and as the recompense of his creativity of innovations for finding and employing newer and better working procedures and methods, organization rewards the individual. The reward that the individual receives from organization is owing to doing the assigned duties at normal level, which is called salary or is owing to doing duties at a higher level than normal working standards that in this case reward is regarded as extraordinary advantage for extraordinary work. Therefore, the second hypothesis is suggested as follows:
Hypothesis 2: a significant relation exits between HRM procedures regarding compensation and production performance.

2-6. Motivation
Some HR experts say if personnel are satisfied with their job and have good spirit, they work better. In fact, if they are sad, they do not show their maximum efficiency. Thus, the context and structure of organization should be designed in a way that motivates personnel. Organization should have necessary flexibility with environmental changes so that solves internal conflicts and structures structural relations. In addition, appropriate plans of compensation should regulate individuals’ capacity use so that individuals are motivated sufficiently for needing goals of organization [16].

Motivation may be expressed as individual’s will and passion in attempting to reach a particular goal or result. Motivation is the result of the activity of various forces acting simultaneously in the individual or individual’s environment. Organizational factors in motivation include leadership method, structure (such as job design) and HR policies. However, individual skills, personal characteristics and attitudes, which person applies in his job play an important role in motivation. Employees are one of the most important procedures of HR [18]. Thus, the third hypothesis is expressed as follows:

Hypothesis 3: a significant relation exits between HRM procedures concerning motivation and production performance.

2-7. Participation
Participation shows the degree in which the individual is involved in the organizational decisions [19] and is based on the belief that personnel at all levels can and are inclined to participate in the effectiveness of organization beyond what is demanded of them in the job description. Personnel’s participation in management includes all measures, which increases the rank of personnel’s influence and responsibility through proper representativeness at different levels of organization and facilitates the achievement way of industrial democracy. In any case, it should be noted that similar terms may include different realities widely according to the case [20]. Therefore, the fourth hypothesis is suggested as follows:

Hypothesis 4: a significant relation exists between HRM procedures regarding participation and production performance.

2-8. Safety and Health
Personnel’s health and safety is an increasing organizational issue. Employers show extremely interestedness in improving personnel’s status and spend various resources for this work. Since 1900, industrial incidents have been responsible for the highness of death rate in comparison with other incidents such as wars and natural events. Thus, the fifth hypothesis is expressed as follows:

Hypothesis 5: a significant relation exist between HRM procedures regarding safety-health and production performance.

2-9. Research conceptual model

Figure 1. Research conceptual model
3. RESEARCH METHODOLOGY

Regarding the present research is conducted at the level of Yazd Alloyed Steel Company, the research is quantitative, applied and descriptive-survey in terms of methodology, objective and data collection, respectively. It is also a corrective research in respect to the research hypotheses that have investigated the relation between HRM procedures and production performance. Field method has been used to collect data in which the questionnaire has been distributed and collected among senior and middle managers and supervisors of the units of Alloyed Steel Company. Sampling method in this research is of simple random types. The statistical population included 112 persons that 108 of them were chosen. Then, the analysis was performed using SPSS 19 Software on the collected data. Afterwards, a model was designed to investigate the effect of HRM procedures on production performance using structural equations modelling and AMOS Software. Finally, prioritizing HRM procedures and the indices of production performance was conducted for the mentioned company using multi-criteria decision-making techniques such as Mora Method (robust approach).

The model of the present research is formulated from the variables of motivation, participation, education, compensation, safety and health and production performance. The questionnaire, which has been used has 24 questions with Likert five-point scale (very high=5, very low=1). Content validity was used to measure the validity of measurement tool of this research. Content validity is a test that is determined by experts in the study subject. The validity of the questionnaire of the present research was confirmed based on the theoretical principles and views of some HR and production managers and in consultation with supervisor professor. Cronbach’s alpha coefficient was used to determine the reliability of the research that the obtained Cronbach’s alpha of the whole questionnaire was obtained 0.796 via SPSS 18 Software showing the reliability of the questionnaire. Table 1 shows variables, and the number of questions related to the variables.

### Table 1. Variables and the number of questions relevant to variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Questions of questionnaire</th>
<th>Number of questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedure of motivation</td>
<td>1-4</td>
<td>4</td>
</tr>
<tr>
<td>Procedure of participation</td>
<td>5-8</td>
<td>4</td>
</tr>
<tr>
<td>Procedure of education</td>
<td>9-12</td>
<td>4</td>
</tr>
<tr>
<td>Procedure of compensation</td>
<td>13-16</td>
<td>4</td>
</tr>
<tr>
<td>Procedure of safety and health</td>
<td>17-20</td>
<td>4</td>
</tr>
<tr>
<td>Increase of production quality</td>
<td>21</td>
<td>1</td>
</tr>
<tr>
<td>Reduction of production time</td>
<td>22</td>
<td>1</td>
</tr>
<tr>
<td>Increase of production productivity</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Optimum use of production capacity</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td>Whole of questionnaire</td>
<td>-</td>
<td>24</td>
</tr>
</tbody>
</table>

3-1. Data Analysis

In inferential statistics method, parametric methods based on the technique of structural equations modelling and factorial analysis are used and to perform statistical analyses and rank HRM procedures, AMOS Software and Mora Decision-Making Method are used.

3-2. Analysis of Structural Equations

Before structural model test and measurement for the analysis of the path of conceptual model by AMOS Software, the questions used in the questionnaire should be measured and evaluated separately in terms of model fitness. In this section, using measurement models of structural equations model, the accuracy of measurement will be analyzed by relevant indices. Using confirmatory factorial analysis of the first phase, it would be determined that whether designed questions can really measure the intended construct or not. Confirmatory factorial analysis investigates the issue that whether available data are fitted with extremely pre-empirical limited structure, which estimates the similarity conditions or not. In this research, it has been attempted to use AMOS Software for confirmatory factorial analysis of the variables one by one. Confirmatory factorial analysis probably is the most useful method that deals with the estimation of parameter according to the number of fundamental factors of the relations among indicators. In addition, confirmatory factorial analysis provides indices that enriches the approach of structural equations. The results of confirmatory factorial analysis of the variables by AMOS 18 Software are mentioned separately for each construct.

3-3. Analysis of the General Model of Research Structural Equations

In confirmatory factorial analysis, researcher knows what question is relevant with what dimension. In other words, the conceptual model exists for each of concepts and research variables. Delineating this model is to explain the latent dependent variables. In this model, each of latent constructs is introduced on the basis of some introducers.

Multiple correlative square is an index that shows what variance ratio of dependent variable is explained by independent or predicting variables, thus, the value higher than this index shows the explanation power of the regression model and better prediction of dependent variable. The result of structural equations model indicted that different factors explain 97 percent of the variance of loyalty. Regarding the significance of the path of participation and education to performance at one percept level in the structural equations model, it can be mentioned that these two indices are highly effective in the rank of performance.
3.4. Conceptual Model

The research conceptual model is designed according to the analysis of theoretical principles and the literature review. The conceptual model has determined the important variables and shows the relations among them. When these variables and the relation among them are placed through logical reasoning and conceptual framework, its relations can be tested and the regulation and compilation of procedures can be dealt with. Certainly, a clear description of how the existence of such relations are expected, should be presented and the delineating model design should be in a way that theorized relations are observable.

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

In Table 2, a summary of the results of the fitness of the research conceptual model, which is a non-standard model is mentioned in the next phases of research, the main modified model will be mentioned after modifying the previous models of measured procedures.

**Table 2. Summary of the results of the fitness of the research conceptual model from the perspective of some absolute, comparative and economic fitness indices**

<table>
<thead>
<tr>
<th>Fitness indices of model</th>
<th>Abbreviation of index</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Ch-square</td>
<td>CMIN/DF</td>
<td>1.407</td>
</tr>
<tr>
<td>Second Root Mean Square Residual</td>
<td>RMR</td>
<td>0.059</td>
</tr>
<tr>
<td>Comparative Fit Index</td>
<td>CFI</td>
<td>0.882</td>
</tr>
<tr>
<td>Parsimony Comparative Fit Index</td>
<td>PCFI</td>
<td>0.708</td>
</tr>
<tr>
<td>Root Mean Square Error of Approximation</td>
<td>RMSEA</td>
<td>0.044</td>
</tr>
<tr>
<td>Akaike Information Criterion</td>
<td>AIC</td>
<td>431.578</td>
</tr>
<tr>
<td>Expected Cross-Validation Index</td>
<td>ECVI</td>
<td>2.0174</td>
</tr>
</tbody>
</table>

4. Research Results and Data Analysis

The main modified research model is mentioned as follows:

\[ \text{Ch-square}=100.592 \]
\[ \text{DF}=80 \]
\[ \text{P-value}=.060 \]
In Table 2, the values of fitness indices for the main modified model are mentioned. The initial model compiled by the researcher does not show the population exactly and is a merely experimental model. The objective of evaluating the model is obtaining a model that not only fits data well statistically and analyzes all error aspects, but also can present a significant interpretation by each parameter of the model.

Table 3. Summary of the results of the fitness of the model of significant numbers of the research conceptual model from the perspective of some absolute, comparative and economic fitness indices

<table>
<thead>
<tr>
<th>Fitness indices of model</th>
<th>Abbreviation of index</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Chi-square</td>
<td>CMIN/DF</td>
<td>1.257</td>
</tr>
<tr>
<td>Second Root Mean Square Residual</td>
<td>RMR</td>
<td>0.037</td>
</tr>
<tr>
<td>Comparative Fit Index</td>
<td>CFI</td>
<td>0.950</td>
</tr>
<tr>
<td>Parsimony Comparative Fit Index</td>
<td>PCFI</td>
<td>0.724</td>
</tr>
<tr>
<td>Root Mean Square Error of Approximation</td>
<td>RMSEA</td>
<td>0.035</td>
</tr>
<tr>
<td>Akaike Information Criterion</td>
<td>AIC</td>
<td>180.592</td>
</tr>
<tr>
<td>Expected Cross-Validation Index</td>
<td>ECVI</td>
<td>0.844</td>
</tr>
</tbody>
</table>

4-1. Mora Method (Robust Approach)
In this method, the calculations are performed according to the following steps:
First step: formulating matrix of decision and determining matrix of the weight of criteria, Equation (1):

\[
X = \begin{bmatrix}
x_{11} & \ldots & x_{1n} \\
\vdots & \ddots & \vdots \\
x_{m1} & \ldots & x_{mn}
\end{bmatrix}
\]

Second step: internal normalization of each solution, Equation (2):

\[
\tilde{x}_{ij} = \frac{x_{ij}}{\sqrt{\sum_{j=1}^{m} x_{ij}^2}}
\]

Third step: optimization is conducted according to equation (3-4) and its results for each procedure are mentioned in Tables 4 and 5:

\[
\tilde{y}_j = \sum_{i=1}^{g} \tilde{x}_{ij} - \sum_{i=g+1}^{n} \tilde{x}_{ij}
\]

Fourth step: the calculation of the maximum reference point is performed according to Equation 4 and its results for each procedure are mentioned in Tables 4 and 5:

\[
\min M_j = \left(\sum_{i=1}^{n} (t_i - x_{ij}^g)^a\right)^{1/a}
\]

Fifth step: the calculation of total desirability function is performed according to Equation 4-5 and its results for each procedure are mentioned in Tables 4 and 5:
\[(4-5) \ u_j = \prod_{i=1}^{n} x_{ij}\]

Last step: the calculation of the final rank of each procedure that here the calculative mean of the ranks of each of procedures are used and its results for each procedure are mentioned in Tables 4 and 5:

<table>
<thead>
<tr>
<th>Multiple Mora</th>
<th>Complete multiplicative</th>
<th>Reference point</th>
<th>Mora</th>
<th>Ratio system</th>
<th>HRM Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant theory</td>
<td>Rank</td>
<td>U_i</td>
<td>Rank</td>
<td>max [\bar{r}_i - \bar{x}_i]</td>
<td>Rank</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>13.3431</td>
<td>1</td>
<td>0.5512</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>37.3304</td>
<td>2</td>
<td>0.7151</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>12.1051</td>
<td>3</td>
<td>0.8691</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>7.8172</td>
<td>4</td>
<td>1.0067</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>0.2113</td>
<td>5</td>
<td>1.2800</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Multiple Mora</th>
<th>Complete multiplicative</th>
<th>Reference point</th>
<th>Mora</th>
<th>Ratio system</th>
<th>Indices of production performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant theory</td>
<td>Rank</td>
<td>U_i</td>
<td>Rank</td>
<td>max [\bar{r}_i - \bar{x}_i]</td>
<td>Rank</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>147.049</td>
<td>1</td>
<td>0.7007</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>13.8773</td>
<td>4</td>
<td>1.2634</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>33.8802</td>
<td>3</td>
<td>1.1574</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>299.765</td>
<td>2</td>
<td>0.7083</td>
<td>1</td>
</tr>
</tbody>
</table>

**Discussion and Analysis of Mora Method**

In this research, ranking has been conducted according to the obtained information of the types of procedures and indices. Regarding the available information and ranking using multiple Mora, it became clear that education is at the first importance rank of HRM procedures and health and safety, participation, compensation and motivation are at the second to the fifth rank, respectively.

In addition, concerning the indices of production performance, the importance order of indices in terms of the study company is as follows:

1. Increase of the optimum use of production capacity
2. Increase of quality
3. Increase of production productivity
4. Reduction of deliverance time

Selecting a multi-criteria decision-making method from various methods in many cases has been a difficult choice. In this research, through a robust approach, it has been attempted to present guidance in selecting and presenting a method for multi-criteria decisions. Based on the conducted researches, meeting the seven conditions should be sought in the direction of stability of methods. In this research, using cognizant experts’ views, the cutting-edge available data, seven independent indices, internal normalization, and the movement is in the direction of stability.

**DISCUSSION AND CONCLUSION**

Since 1990s, the main subject of HRM researches has been the investigation of the effect of HRM procedures on the performance of organizations [9]. Therefore, some of the HRM procedures, which have the greatest effect on the performance of organization are introduced. The effect of these procedures on the performance of company is through increasing productivity, work quality and offered services, the quality of customer service, profit and greater growth and value for shareholders and personnel [5]. In fact, depending on the personnel’s performance and HRM as well as presenting scientific and practical methods, organizations seek to increase their efficiency and effectiveness.

In this research, it has been attempted to collect procedures that have the highest effect on production performance by investigating and studying the most of conducted researches in this regard, therefore, the selected procedures were placed in a conceptual model as the suggestive model. To measure production performance, the indices of production performance were identified according to the theoretical principles and on the other hand, they were entered into the conceptual model.

In the structural equations, through performed modeling, the effect of all variables on production performance was measured and it was determined that the variables of participation and education had the highest effect on the increase of performance and were identified as the significant variables. In the prioritization section, using Mora decision-making method, education, safety and health as well as participation were placed at the first to the third importance rank.
respectively. Concerning the procedures of participation and education as well as safety and health, their importance regarding their effect on performance can be mentioned.

Participation shows the degree in which the individual is involved in the organizational decisions [19] and is based on the belief that personnel at all levels can and are inclined to participate in the effectiveness of organization beyond what is demanded of them in the job description. According to this definition, it can be concluded participation with its effect on the personnel of organization leads them in the direction of improving the status of organization and increasing the performance of organization and consequently production performance, which is increasing productivity, quality, deliverance time and finally the optimum use of capacity. Furthermore, the variable of education usually begins with the newly-joined individuals of organization and continues during their employment. Education increases competition among employees and improves organizational performance and satisfaction. Managers can use education-oriented method in order to achieve their short and long-term goals and determine their participation rank in the program of educational activities and make decision that how individuals or teams can organize educational program.

Personnel’s health and safety is an increasing organizational issue. Regarding the great attention to the increase of production level, it can be mentioned that health and safety should be considered as an important category so that personnel make attempt to maintain and achieve goals of organizational with high security.

**Comparison with the Results of Previous Studies**

In comparing this research with the research of Karl et al. (1999), it can be realized that the effect of HR procedures on manpower’s performance is confirmed, which is consistent with the results of the conducted research. In the research of Karl et al. (1999), non-technical education with indirect effect coefficient 0.067 and higher payment level with indirect effect coefficient 0.049 for managers and job security with indirect effect coefficient 0.017 for non-managerial personnel affect the results of HR policies positively, while, in the present research, respecting performed calculations, education, safety and health as well as participation have the highest effect on production performance respectively. In addition, in the present research, the indices of production performance were also ranked that according to the performed calculations in the chapter four, the increase of the optimum use of production capacity and increase of production are at the top level, respectively.

In comparing the present research with the research of Seyyedjavadin and Farahi (2011), the consistency of results and the effect of HR procedures on performance have been observed resulted in better performance results that in the mentioned research, the procedure of career and job promotion with correlation coefficient 0.403 has the highest effect and the procedure emphasizing on external fairness in compensation with correlation coefficient -0.288 has the lowest effect on organizational performance that in the present research, the procedure of compensation also is placed in the four position in terms of affecting performance indicating the consistency of the results of the two researches.

Moreover, in all conducted researches studied by the researcher, their results have been consistent with the results of the present research and the effect of HRM procedures on performance is clearly evident.

In the present research, in the structural equations with modeling, the effect of all variables on performance was measured and it was determined that the variables of participation and education had the highest effect on the increase of performance and were recognized as the significant variables. In the prioritization section, using Mora decision-making method, education, safety and health as well as participation were placed at the first to the third importance rank respectively. In addition, in the different conducted researches over the years, they have investigated the effect of HRM procedures on performance, but it should be noted that structural equations technique has been used mostly in sociology and psychology as well as in some cases in the value of brand. The software used in most researches is LISREL, while in this research, structural equations method is used for modeling. The present research has used Mora Method. Thus, the research has particular innovation. Certainly, it should be mentioned that some factors of the present research are similar to the factors of the previous studies. Respecting the fact that the present research has identified other factors more accurately in addition to variables identified in the previous researches, has studied them regarding the effect of HRM procedures on production performance, it has innovation.

**Practical Suggestions**

Respecting testing hypotheses in the study population, it is suggested to Yazd Alloyed Steel Company that HR procedures and the association of these procedures and their interaction with each other should be used as the procedures increasing knowledge, skill, ability, and motivation and finally increasing spirit and employees’ power. Furthermore, in respect to the fact that there exists different goals in participation, employers are expected to use this procedure in order to achieve the goals. Participation has spiritual and Mora goals such as individual progress and individual’s effort according to the human rights concepts and the positions of humans is also circulated. The political and social goals of participation are the redistribution of power in an institute and the improvement of relations in the workplace as well as the creation of wider relations between managers and personnel and economic goals such as qualitative and quantitative improvement of productivity, the improvement of manpower, raw materials and equipment as well as the introduction and application of new techniques in the workplace.

Furthermore, it is suggested that different methods of participation such as exchanging information, consulting and presenting suggestion, collective negotiations, common decision-making in the council of factory or expert boards, membership in running boards and finally autonomy be used. The development of HRM through education as a process to improve and uplift capacities and abilities, increase knowledge and cognizance and change humans’ tendency and attitude is founded importance, because individuals with learning are able to change behavior and progress and increase
the credit of themselves and organization as the organizational capital. It is recommended that this procedure be used as a motivator and the elevation of performance should be regarded through timely and appropriate education of personnel.

Moreover, it is suggested that education be conducted gradually and it should not be in the form of abstract concepts and be performed by experiment and practical experience. It is advised to use different methods such as distance learning, distance conference learning, the Internet and CD, computer-aided education, simulation and particularly in-service education, because this method is used in the production sectors as the most effective kind of education.

Suggestions for Future Researches

Concerning the difference of humans’ personality, the future researchers are suggested to include the demographic variables affecting independent and dependent variables in the conceptual model and they are encouraged to investigate that which demographic variables affect the procedures and consequently production performance.

It is suggested that researches be conducted regarding the effect of HRM procedures on production performance and fuzzy logic be used in data analysis to provide managers and researchers with their results.

It is suggested that researchers deal with the study of the effect of HRM procedures on production performance in their research comparatively in Iran and other countries in order to promote domestic managers and producers’ understanding and attitude.

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