



## Investigating the Applicability of the Investment Standard in Human Resources (Case study: East-Azarbaijan Road and Urban Planning Organization)

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### ABSTRACT

The objective of this study was to investigate the applicability of the investment standard in human resources. The statistical population of this research included all 170 employees of East-Azarbaijan Roads and Urban Planning Organization. Using Cochran formula, sample was determined to be 119 people. Data were collected by investment standard questionnaire and human resources questionnaire. The Kolmogorov-Smirnov test was used to test the normality of the data. To determine the R-value, Pearson test was used, and regression analysis was used to test the hypotheses. The results of the research show that the hypotheses of investment commitment, implementation of investment development plans and pursuit of investment activities have a positive effect. In the next step, to determine the impact and priority of the dimensions of the independent variable of applicability of investment standard, Freedman test was used, and the dimensions of investment commitment, pursuit of investment activities and implementation of investment development plans had the highest impact respectively on Independent variable of applicability of the investment standard in the East-Azarbaijan Road and Urban Planning Organization. Finally, according to the findings of the research, suggestions were provided to better effect of investment standard for human resource development by the employees.

**Key words:** Investment standard, human resources, ranking of effective factors

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### INTRODUCTION

Human resources are the valuable capital of any community, which creates big problems regardless of its education and development. Sustainable development in light of a conscious and committed human resource can be realized within a community. Reforming attitudes, views, and ultimately changing behavior are considered one of the main functions of human resources development and education. In this sense, education and ultimately development as a mechanism has special importance in achieving high goals. Human resources are a strategic factor in sustainable development. Simultaneous with creation of economic situations and the expansion of the scope of productive activity, the need for expert and trained personnel has always been felt. Considering the experience of developed countries of the world, the importance of human resources development is well known. Sustainable development based on endogenous factors from the scientific, technical, and technical dimensions, and from the culture development dimension is highly dependent on the level of development and the increase of human resources (Moses Khani et al., 2006).

Organizations have no choice but to develop their own human resources to achieve their goals, to direct their risky mission that covers a large population of society. Implementing investment standard in human resources as a model for identifying and responding to this issue is at the organization and comprehensive level (SeyedNaghavi et al, 2013). On the other hand, today, with a dramatic increase in various aspects of technology, human resources are considered as the most valuable source of the organization. The importance of developing human resources and the impact of proper management on them have improved the performance of the organization and the emergence of various approaches to increase the efficiency of human resources. Improving the performance of the organization requires a defined framework and standard that this framework is provided for organization through human resources investment standard and gives the organization an opportunity for organization to create an appropriate environment to fosters human resources and ultimately to improve the organizational performance. This standard is the first human resource development in the development of human resources developed in 1990 with the participation of a number of organizations. This standard is a useful tool for leading organizations and companies that by optimal management implementation, it improves the organization's performance in business and human resource

development, and achieving its organizational goals and increasing its competitive power (Soltani, 2007). This research aims to explain the emergence, concepts, and the standard framework and to present advantages and positive outcomes that this standard has had in creating competitive advantage in the National Oil Prodi cuts Distribution Company in the East Azerbaijan .Therefore, the present research seeks to answer this question how investigating the applicability of the investment standard in human resources of East-Azarbaijan Road and Urban Planning Organization is evaluated. Given the organizations' status and the need to use human resources that have adapted companies to environmental changes, investment standard is one of the basic requirements, and it is necessary to look for a way to identify the most effective human resources. One of the standards that can help companies in their permanent improvement is human resources investment standard. The objective of this research is to make organizations more aware of this standard and the advantages of using it to meet the goals of organizational growth and improvement. In fact, human resources investment standard is the standard that provides plans to improve organizational performance through the development of its employees .This standard includes a framework that helps organizations develop and train their employees. This standard can be used as a tool to improve organizational performance or increase employees' motivation. The founders of this standard also claim that this standard will help in developing a learning organization. Accordingly, this standard is a tool for business development and can be used in the private and public sector. In this regard, investigating the investment standard among other variables is the best method to identify human resources. The investment standard is an option commonly used to examine its status and understanding the cases such as investment commitment, investment development plans, and pursuit of investment activities. The objective of this study is to investigate the relationship between the standard investment status and human resources. For this reason, in the present study, we examine the relationship between these two variables, considering the need for investment standard and its impact on the human resources. Is it possible to investigate the applicability of the investment standard in the human resources of East-Azarbaijan Road and Urban Planning Organization? What is the status of applying the investment standard in the human resources of the East-Azarbaijan Road and Urban Planning Organization? And what is the relationship between the current status of the application of the investment standard and human resources ?In the case of the investment standard, we can say that capital is one of the most important factors of trade and business and it is the largest means for gaining profit. Each company must have capital to make benefit from its own operations. The importance of business companies can be perceived from their capital.No maximum has been defined for capital and partners can increase the capital any rate as possible. In some European countries, the minimum level of capital has been defined for corporations, and in our country, according to Article 5 of the Amendment of March 1968, at the time of its establishment, the capital of public corporations should not be less than five million Rials and capital of private corporations should not be less than 1 million Rials. It is clear that the capital of public or private corporations should not be less than that, and if it is less, the company will be sentenced to be liquidated (Rahimi, 2011). The capital of a corporation is the sum of the nominal value of the shares of that company. Therefore, capital is divided into equal shares and each of the partners will have one or more shares. Investment is a kind of asset that an investor maintains to increase its economic benefits through the distribution of benefits (in the form of dividends, guaranteed profits, and

leases), increases in value or other benefits (such as benefits arising from business relationships). Although the underlying investment feature is that it is performed to gain future economic benefits, this feature applies to all assets. This creates problems in defining the investment for the purposes of this standard because this standard does not intend to include other assets used by business unit, such as fixed assets and inventory of materials and goods. This problem is doubled in cases where the investment has properties similar to other assets. For example, in cases where investment-purchase operations constitute the major part of everyday activity of a business unit, the investment portfolio is similar to the inventory of materials and goods in other business units .In developing an accounting standard for investments, there is an implicit assumption that classified assets as investments require a different accounting form of other assets. This, in turn, suggests that in the nature of investment, there is a feature that distinguishes it from other assets. The distinctive feature of investment as a class of assets is a particular way of gaining its economic benefits. These economic benefits may be achieved in one of the following forms or both of them. The first form involves receipts resulting from distribution of benefits, such as guaranteed profits and dividends. In a wider sense, this form involves favorable business conditions provided through a business investment. The second form is the benefit of a capital that reflects an increase in the exchange value of an investment during its maintenance by the business unit .This feature is used in the definition of investment for the purposes of this standard. Although the value of other assets, such as buildings and machinery, may be increased over time, these items are only considered in accordance with this standard as investment maintained for this goal not to be used in the in business unit operations. Definition of investment in accordance with this standard is a general definition. However, it is added that this definition includes equity securities, equity securities with guaranteed minimum profit, the priority right to purchase shares, goods (other than those maintained with the aim of consuming, purchasing or selling in the course of normal activities of business unit) and long-term bank investment deposits. In addition, the mentioned items do not include all cases (Hasanpour, 2010), and human resources are as follows :The human resource management means policies and actions needed to perform part of the management task related to aspects of employees' activity, especially for employees' recruitment, employees training, performance evaluation, rewarding, and creating a healthy and fair environment for employees of the organization. . The management of employees' affairs is an area that is as old as the entire domain of management, but it has been naturally changed and evolved. The turning point of this change and evolution is where human resource management is introduced instead of employees' management. Human resource management, in addition to having the basics and concepts of employees' management, considers more general and more recent approaches in human resources management .Human resource management focuses on policies, actions and systems that affect the behavior, attitudes, and performance of employees (Nou et al, 2000). Human resource management is a strategic approach to attract, develop, manage, motivate, and achieve commitment of the organization's key resources, which is those who work for it (Armstrong, 1993). Human resource management is a process that involves four tasks of attracting, developing, motivating, and retaining human resources (De Sanzou and Robbins, 1988). For decades, the implementation of the duties of selection, training, and compensation of employees' service were main tasks of employees' management. Human resource management, as it is now understood, is a generalization of the traditional needs

for effective employee management, rather than rejection or deletion. In this area, a good understanding of human behavior and the skill of using this understanding and insight is needed. In addition, having knowledge and understanding of the various tasks of employees and being aware of the environmental conditions are necessary (Boehlander and Cheroden, 1988). Human resource management emerged in the 1980s and evolved by its supporters as a new chapter in human resource management. There is currently an agreement that human resource management is not a substitute for employee management, but it looks at employee management processes from a different perspective. In addition, its main philosophies are also considerably different from the traditional concepts of employee management. However, some specific employees' management approaches and employees' relationships can be described as human resource management approaches because they are in line with the core philosophy of human resource management (Armstrong 1993). Human resource management is a comprehensive approach to strategic management of key resources of the organization that is human resources. Human resources management is not only a profit-oriented approach to employees' management, but it is a special approach to employees' relationships, with emphasis on commitment and mutual communication. In addition, the research background is as follows:

- Rahimi and Haji Karimi (2011) investigated the role of human resources investment in gaining competitive advantage in Iran's pharmaceutical industry. The present study was conducted to recognize the effect of investment in human resources on human capital at the organization level and competitive advantage. For this purpose, a questionnaire was developed for measuring these variables, and after assuring the validity and reliability of the measurement tool by confirmatory factor analysis, it was distributed in a sample of 300 managers of pharmaceutical companies. The method of this research is descriptive-correlational and based on the structural equation model. The results showed that all hypotheses and relationships between variables are significant. Additionally, among two components of human resources investment (investing in supply of power from outside and investing in the supply of power from inside), investing in the supply of power from inside and among the components of human capital at the organization level, the specificity of human capital more explains the variable of competitive advantage. The data also showed that the three dimensions of the four dimensions of human capital at the organization level, namely, the dimensions of proportionality, complementarity, and specificity, have almost high correlation. SeyedNaghavi et al. (2013) examined the relationship between the standard investment model in individuals and the quality of employees' empowerment: the headquarters of the Ministry of Economy and Finance. The objective of the research is to examine the relationship between the quality of empowerment and the standard investment model in individuals. The case of study in this research is the headquarters of the Ministry of Economy and Finance. The questionnaires used in this research were Spiretzer's Psychological Empowerment Questionnaire and a questionnaire designed based on standard investment indices in individuals. First, the current status of the psychological empowerment of the employees of headquarters of the Ministry of Economy and Finance was measured. Then, the research hypotheses were measured and tested. Investigating the employees' empowerment status indicates the moderate level of empowerment in this organization and needs improvement. The results of research hypotheses show that there is a positive and significant relationship between the quality of empowerment of

employees and the two components of commitment and planning, and there is no relationship between the two components of action and the evaluation of the standard investment model in individuals. Finally, the final regression model was presented.

- Norwash et al. (2009) investigated the impact of the company's corporate governance mechanisms on the representation costs of listed companies in the Tehran Stock Exchange during the years 2003-2006. Representation costs are defined as a function of the interaction between company's growth opportunities and free cash flows and uses Q Tobin Index (QT) as a criterion to measure growth opportunities. Among the mechanisms for controlling the cost of representation, the ownership of institutional investors and the percentage of unauthorized members of the board of directors and the debt ratio are considered as independent variables. Combined and cross-sectional regression was used to test the research hypotheses. The results of the research indicate that there is a negative and significant relationship between the ownership of institutional investors and the percentage of non-executive members of the board with representation costs, but there is not a significant relationship between debt ratio and representation costs.

-Hematjou (2009) examined the relationship between the cost of representation and institutional shareholders with dividend. In his research, he examined about 64 companies from the stock market of Tehran in the years 2003-2007 and concluded that free cash flows and institutional shareholders were positively related and the distribution of ownership was negatively related to dividend.

-Carrigan (2013) in a research on the issue of maturity of capability

in digital research noted that the concept of capability maturity model was first proposed by the Software Engineering Institute at Carnegie Mellon University as a tool for objectively assessing the ability of the government contractors to conduct a software development contract project and it was used successfully in other process regions and it was developed into a framework of process improvement models as a maturity of integration capabilities model.

-This review paper proposed capability maturity model as a tool for analyzing the digital research capabilities of the organization that is applied in a set of real organizations and their current capabilities were evaluated in terms of objective digital investigations using this model. Finally, it was concluded that this evaluation contrasts with the subjective evaluation of organizations of their digital capabilities.

-Moziou and Tusouli (2010) in a paper titled "Capability Model Application of people at the Research Center in Italy" noted that this model outlines a framework for assessing the organization's maturity level to improve workforce improvement in development and help to management to define the capabilities of people in the organization. Investigation was conducted on an ongoing project to achieve a higher level of maturity in human resources management. Finally, it was pointed out that according to the management level model, the first step is to improve the ability of the workforce directing the managers to workforce activities and accepting high priority of occupational responsibilities of individuals.

-Shlifer and Vishni (2008) stated that corporate governance is in fact the way through which resource providers ensure their investment returns. Without the support of foreign shareholders, it will be impossible to achieve the company's capital at a reasonable rate, and the company's growth will be limited. In this case, foreign shareholders will not be willing to submit their funds to company, and the company will be forced

to find other ways to finance it. Therefore, protecting foreign shareholders is one of the important criteria for proper financing of companies.

-Gupta (2005) tested the importance of board independence from the perspective of investors, based on company's corporate governance system and business conditions of the company. Gupta also measured the market response with changes in the structure of the board created due to manager resignation. The sample of this study consisted of 299 managers who had resigned and their names were published during the years 1990-2000. Using a cross-sectional regression, he found that investors show more negative reaction to the resignation of non-executive directors. The market reaction was more negative to loss of non-executive directors for companies with a high motivational pay and reward system for executives.

1- Determining the status of component of investment commitment in human resources of East-Azarbaijan Road and Urban Planning Organization.

2- Determining the status of component of implementing investment development plans in human resources of East-Azarbaijan Road and Urban Planning Organization.

3-Determining the status of the component of pursuit of investment activities in human resources of East-Azarbaijan Road and Urban Planning Organization.

**METHODOLOGY**

The statistical population of the study included 170 people. The sample size was determined to be 119 people using Cochran formula. In this study, probability sampling (simple random sampling) or convenient sampling was used. In probability samplings, members of the community have known chances to be sampled. To select the sample size, the Cochran formula was used, which it is used to determine sample size in limited communities. Sample size was determined to be 119 people based on this formula. Sampling method is also simple random.

$$n = \frac{[N \times (Z_{\alpha/2})^2 \times p \times q]}{[e^2(N - 1) + (Z_{\alpha/2})^2 \times p \times q]} = 119$$

To collect information in this research, two methods of library method to collect qualitative information and research literature were used. For this purpose, a variety of written information including book, journal, Internet, etc. was studied. In this study, two standard questionnaires of investment consisting of 30 questions and a human resources questionnaire containing 36 questions were used.

**Research hypotheses**

Main hypothesis: applicability of the investment standard in human resources of the East-Azarbaijan Road and Urban Planning Organization is in desirable condition.

1- Indices of component of investment commitment in human resources East-Azarbaijan Road and Urban Planning Organization are in desirable condition.

2-Indices of the component of implementation of investment development projects in human resources of East-Azarbaijan Road and Urban Planning Organization are in desirable condition.

3-Indices of the component of pursuing the investment activities in the human resources of East-Azarbaijan Road and Urban Planning Organization are in desirable condition.

Inferential analysis of statistical data (statistical test of research hypotheses)

Investigating the normality of the data

Using the Kolmogorov-Smirnov test, the normality of data can be examined that we here performed this test for all data as well as individual variables, and the results are shown in Table 1. This test is carried out at a confidence level of 95%, that is, our significance level is  $\alpha = 0.05$ .

In this test, we have two following hypotheses:

H0= data are not distributed normally

H1: data are distributed normally

If the p-value is greater than  $\alpha = 0.05$ , the normality of the data will be confirmed, otherwise, the normality of the data will be doubted.

**Table 1: Normality test results related to the research variables**

Variables	Number of data	Kolmogorov-Smirnov test	p-value	Result (normality/non-normality of data distribution)
applicability of investment	119	1.488	0.239	Normal
Investment commitment	119	1.251	0.086	Normal
Implementing investment	119	1.347	0.053	Normal
pursuing investment activities	119	1.246	0.220	Normal
Human resources	119	1.299	0.063	Normal

According to the results obtained from Table 1, the significant level (p) is greater than the significance level of 0.05. Therefore, the normality of the data is accepted and parametric methods can be used to examine the hypotheses of these variables, and Pearson's r test was used in this study

**Final Table of Testing Hypotheses**

**Table 2: Final Table of Testing Hypotheses**

Row	Hypothesis	Title	R	sig
1	applicability of the investment standard	Impact of applicability of investment standard on human resources	0.426	Normal
2	Investment commitment	Impact of Investment Commitment on Human Resources	0.551	Normal
3	Implementing investment plans	Impact of Implementation of Investment Development plans on Human Resources	0.282	Normal
4	pursuing investment activities	Impact of pursuing investment activities on human resources	0.683	Normal

Prioritizing the three dimensions affecting the applicability of the investment standard in East-Azarbaijan Road and Urban Planning Organization

The results of Freedman test regarding the dimensions of the three dimensional factors affecting the applicability of

investment standard in East-Azərbayjan Road and Urban

**Table 3: Freedman test results related to three dimensions affecting the applicability of investment standard in East-Azərbayjan Road and Urban Planning Organization**

description	Value
n	119
df	2
p-value	0.000

Row	Factors	Mean
1	Investment commitment	2.87
2	pursuing investment activities	2.72
3	Implementing investment development plans	2.11

As seen in Table 3, since significance level of the Freedman test is less than 0.05, there is a significant difference between the effects of each of three dimensions affecting the applicability of investment standard in East-Azərbayjan Road and Urban Planning Organization, so that among the three dimensions, investment commitment had the highest and the implementation of investment development plans have the lowest impact on the applicability of the investment standard in the East-Azərbayjan Road and Urban Planning Organization.

**CONCLUSION AND DISCUSSION**

In the present study, it was found that the dimensions of investment commitment, the implementation of investment development plans and the pursuit of investment activities have a positive impact on human resources .Awareness of the results of this research can be useful for employees, managers, and organizations. The majority of employees tend to improve human resources in the organization, thus, they must fully understand the company investment standard and have the necessary knowledge in this regard and match human resources to the organization with the standard investment characteristics. In this case, people will have more job satisfaction. Organizational managers can also identify qualified employees for higher-level job positions by assessing their personality traits, and provide proper programs for them to meet their career needs. In this case, the balance will be created between the needs of the employees and the organization's needs for human resources, and organizations will benefit from greater productivity and achievement of more efficient functions .The applicability of investment standard affects organizational factors greatly, which there is need to carry out a number of studies in this regard, because knowing the results of this research can solve many problems of employees, managers, and organizations.

**Applied recommendations for research results  
Recommendations in line with the results of the first hypothesis**

It is suggested for managers to prove that the organization has a clear vision and has a business plan with measurable performance. It is also recommended for them to describe the learning needs for the development of the organization and state their provision for achieving goals and explain the way to

achieve them. It is also suggested that various needs of the human resources to be identified and provide equal opportunities for learning and development to improve their performance. They can also explain the knowledge, skills and behaviors necessary for leadership, management and effective development of human resources.

Planning Organization are presented in Table 5

**Recommendations in line with the results of the second hypothesis**

It is suggested that managers to explain how they effectively lead and develop human resources. They should be able to give examples of how they would appreciate the role of individuals in the organization. They have to be able to explain how they strengthen the sense of ownership and participation by participating human resources in decision-making, both individually and in groups, and can explain how their learning and development needs have been met.

**Recommendations in line with the results of the third hypothesis**

It is suggested that managers can explain the organization's financial investments in terms of financial, time, and other resources in learning development, and state how they can improve the working groups and individuals and organizational performance by employees' development and learning, and provide examples of how their assessment of human capital investment would improve the strategies that the organization has in type of management and development of employees.

**Recommendations for future studies**

- It is suggested that studies to be conducted on the impact of applicability of investment standard on factors such as productivity, organizational commitment, motivation, employee participation, leadership style of managers.
- It is suggested that studies to be conducted on the impact of human resources on productivity such as organizational commitment, motivation, employee participation, leadership style of managers.
- It is suggested that similar study to be conducted in other organizations and with larger population and larger sample.
- It is suggested that the present study be carried out using other standard investment theories.
- It is suggested that the present study to be conducted in neighboring and results to be compared.

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