

THE EFFECT OF HUMAN RESOURCE ON FUNCTION OF OIL PRODUCTION (CASE STUDY: KURDISTAN OIL DISTRIBUTION COMPANY)

Ata MohamadiMalgharni

Department of accounting, Islamic Azad University, Sanandaj Branch, Kordestan, Iran

Fereidoon Yasami

M.A of Business Management, College of Sanandaj, Islamic Azad University, Sanandaj Branch, Kordestan, Iran

Abstract

This research is about to recognition of relationship between human resource and financial function of oil production distribution company organization, the Social statistical is composed of all members of oil production distribution company organization of region (237 members), basis of Cochran formula 157 persons selected as statistical sample, the research is done by description method and in manner of confederacy. The collecting information tools were questionnaires that were distributed between respondents after estimating importance and constancy. Statistical examinations were calculated and analyzed in confederacy coefficient of Pearson and searching Regression with ways that searched, result of examination showed that between the three cases of human resource means (knowledge experience and members skill) and financial function of company there is a direction and meaningful relationship. The result of Regression research on Regression model says that related case is affected by knowledge, skill and experience.

Key words: human resource, experience, knowledge, skill, financial function.

Introduction:

Human resource is the only organization which can change itself, and also change or adjust the other production organization, which makes a situation for producing new and forming economic progress, Human resource as the best kind of intangible asset that consist storing the knowledge of organization members which is about Competencies and attitudes of employees. (Beigi and fetrs2009:81) Edinson and Malonedefined the human resource as mixed knowledge, skill and the ability of individual employees to doing their tasks. Bontis says that human resource is confederacy of organization in searching solvable problems. (Bontis2002.435) on the basis of Schultz idea (1971), education is an important tool for improving production also he knows and says that investing on human resource is an important case. (Schultz1992) human resource is the productive wealth, skills and knowledge in the work environment (United Nation of New York 1997). Pitter hoots (1998) introduces the Human resource as factor of time, experience, goals and abilities of the family individuals who may be involved in the production process. In most cases, the success of an organization depends on the people who have a higher level of competencies, in such circumstances these

people become a valuable assets for the organization. In other words, human resource must be considered as one of the produce factors that have a high added value for the organization and society. (The question of searching) Overall, in definition that considered by researcher, human resource is the storing knowledge of the organization that is presenting by the employees of the organization.

In past, commercial organization used financial cases as an assessment tool, till Johnson and Kaplan In the early 1980s, After evaluation of management accounting systems, identified many of the inefficiencies of this information for evaluating organizational performance which these kind of inefficiencies was a result of Increasing organizational complexity and The market competition; Financial indicators, does not give an accurate report about the cost of processes, products and customers, and they just focus on the control of sector process rather than the whole system. Financial indicators cannot identify Quality costs in an accurate and appropriate way and just encourage more products. (seiednaqaviet al.) (1931:55-56)

according to this fact that the organization function has so many different forms, and many of researchers paid attention just to financial forms, so it is necessary to focus on financial result (Wou Lin, 2009-790). The results of many searches made clear that human resource has an effect on organization function; and the research results of Bontis et al. (2000) show that human resource has a great effect on financial organ. Chen et al. (2004), also in their research made clear that human resource has a high level effect on value creation and the basis of sustainable competitive advantage. Searching result of Linet al. (2012) show that human resource has a high affect on financial function of organization in case of higher knowledge and size of that organ. The researches of Beigi and Ftres (2009), has presented an affirmative relationship between human resource and financial function. So this search wants to focus on all cases of experimental case and human resource in Kurdistan Oil Company is paid attention in relationship with the function of company organization and questions of that. So according to these said information the most important questions that this search has is below:

1. How does financial function of oil production Distribution Company act?
2. How many human resources in oil production Distribution Company?
3. Does human resource have an effect on the function of oil production Distribution Company?

Importance and necessity of research:

There are various ambiguities about organization performance. So that, so many researchers say that, the performance can be affected by many elements, like: organization culture, social funds humanity, Productivity, ways of managers thinking, methods of conflict resolution. Human resource, also, is a key for improving the economy of society and is an important and necessary fund that organization helps in progressing of economy and by this point; we can compare it with funds and skills of members. Doing each expense in education and improving that itself, is a longtime fund that organization can use it for a longtime. The reason for this is that in the today's Changing and highly competitive environment just with the help of creative and innovative human resources, which can achieve a competitive advantage. Consequently, organizations must become as learning and dynamic organizations so their employees with abilities that exhibited have ability to adapt to changes in their competition. From this view this search is necessary. The performance evaluation (evaluated factors and evaluation methods) for many years is a challenge to researchers. according to this fact that the organization function has so many different forms, and many of researchers paid attention just to financial forms, so it is necessary to focus on financial result (Wou Lin, 2009-790). According to this point that disclosure of human resource and its relationship with financial performance is very important, therefore, in the first place it is necessary to gathering enough knowledge about the human resource and its impact on financial performance, and then based on the resulting data the necessary actions must be done. So this

search must search human resource on oil production distribution on company organization and search that relationship with financial function. So according to these said notes funds must be affected.

1-6. (describing the searching terms)

1-6-1 financial function:

Financial function is examined according to advantage of that Card. in this card, which searches the economical result. So that in past systems it can examine fund and advantage of that.

2-6-1 searching independent indignation: (human resource)

Human resource Edinson and Malon describe human resource as complex knowledge skill, capacity of members in doing their rules. Bontis describes human resource as collective capacity in extracting the best solvable problems (Bontis, 2002.435). In all the description which the searcher knows, human resource is the storage of organization knowledge that members show and consists of.

Cases of knowledge, skill and experience and described below:

Number	subject	searchers	subject	year
1	the relationship between pieces of fund thought with financial function and boors bazaar in Egypt	Maditinos Co- members	The results of search show that it is not a relation between thought fund and financial function and share market and the only relation of human resource is with owners of share bazaar.	2011
2	Searching thought fund with a great advantage	Ze'gahl, AnisMaaloul	The result of exams show that thought fund has an affirmative relations with economic function and financial function but about advantage, market only in technology has relations and only in used fund (physical and financial, has negative relation with economic function but has affirmative relation with advantage of bazaar and financial function)	2010

3	Searching relationship between thought fund and result of company finances	Tan et al.	Between thought fund and financial result in future, companies have affirmative relations, second, affect of thought fund is different in financial results	2007
4	Searching organ management on knowing fund thought	Bontis et al.	Human resource and thought, have a great and high affect on	2000
5	Estimating thought fund a new model and experimental study	Chen et al.	Estimating thought fund a new model and experimental study management organization knowledge	2004
6	Showing human resource and organ function: affect of adjustment in organization knowledge	Lin and 12 Co-workers	Showing human resource and organ function: affect of adjustment in organization knowledge	6

Research theoretical framework model:

Now with collecting ideas and finding of experimental researching, we can present research theoretical framework model. Research theoretical framework is the conceptual model is based on theoretical relationships between factors and variables affecting on research topic which is derived from research literature, such as human resource and financial function. Human resource consists of three cases (forms): (co-workers skills, co-workers knowledge, and co-workers experience) and financial function which is below.

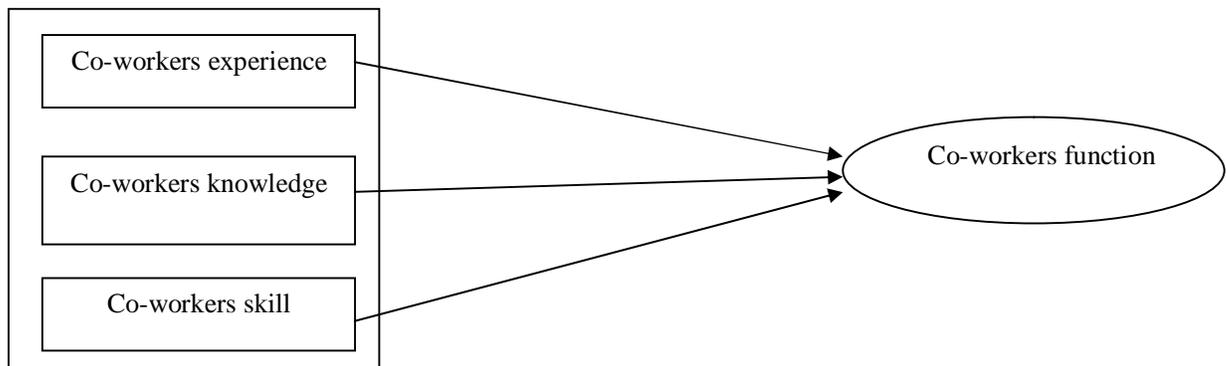


Diagram 3.2: The research conceptual model

Research hypothesis:

The basic hypothesis:

Human resource has an effect on financial function of oil production Distribution Company of Kurdistan.

Subsidiary Hypothesis:

Co-workers skill has an effect on financial function of oil production distribution company organization of Kurdistan. Co-workers experience has an effect on financial function of oil production distribution company organization of Kurdistan.

Researching area:

1-7-1: researching area in terms of subject:

The subject of this paper is researching about the affect of human resource on financial performance of oil production distribution company organization of Kurdistan.

1-7-2: researching area in terms of time:

This research In terms of Time began in November 2013 and has been done in April 2014.

1-7-3: researching area in terms of place:

In terms of place this research is done in oil production Distribution Company of Kurdistan.

1-8: researching method:

The method of this research is Survey Method which is a branch of description searching. The Survey Method is a branch of scientific /social researchesandbecause we want to research about the relationships between dependant and independentvariables, so its type is a study on association and field.

Statistical society and example volume:

Statistical society and this searching consist of all members and co-workers of oil production Distribution Company of Kurdistan in year (2013)and 237members. Example volume in this search with using of Cochran formula (157) is examined.

1-9: Method and tools for collecting information:

Attentive information is about productive study also the third section and doing of that, from environment way and being of researcher in area with using request technique. Related information is in fourth section and fifth section that consists of searching information and getting results from there.

1-9-1: Searching normal hypothesis with being human resource indignation

According to begin normal of that exam (k-s) if more incorrect, much of the number of zero is result.

And if less incorrect, one is the hypothesis

Table 4.12: The results of normality test of the variable data distribution of human resource

<i>Result</i>	<i>Done hypothesis</i>	<i>Much of</i>	<i>Meaning surface</i>	<i>Indignation</i>
<i>It is normal</i>	<i>H0</i>	<i>0.05</i>	<i>0.098</i>	<i>Knowledge</i>
<i>Normal</i>	<i>H0</i>	<i>0.05</i>	<i>0.098</i>	<i>Skill</i>
<i>Normal</i>	<i>H0</i>	<i>0.05</i>	<i>0.098</i>	<i>Experience</i>

Because the Significant level is bigger than 0.05 we have the zero hypotheses,that means the SAI variable frequency distribution of human resource has normal distribution. So, certain in being normal are a great hypothesis to search the relation between financial function and human resource.

2-2-4- searching testing hypothesis:

A: the basic hypothesis:human resource has an effect on oil production Distribution Company of Kurdistan for testing this hypothesis we use the meaningful test of r Pearson. The results say that, in meaningful surface sig (0.000) indignation of human resource and financial function with (r.883) has relationship. And we can search that the much of haring relationship with 2 indignations is every so important.

The kind of confederacy is direct (affirmative) and it is meaningful and also (sig=0.000) is less than alpha (a=0.05) that says the relation between 2 indignation is meaningful So the basic searching hypothesis (which is not permanent) is done, in result according to these results we can say that human resource affect the financial function, directly and how the human resource is more, oil company of Kurdistan has a better financial function.

Table 4.13: Test of the relationship between human resource and financial performance

Financial function	Dependant indignation	
	Independent indignation	
0.883	Intensive relation	Human resource
0.000	Meaning fullness	
156	many	

B: Subsidiary Hypothesis:

Subsidiary Hypothesis 1:

Co-workers skill has an effect on oil production Distribution Company of Kurdistan.

For testing this hypothesis according to testing surface of indignation we use Pearson meaningful testing.

These results are below:

Between co-workers skill and financial of oil production distribution company of Kurdistan, we have a meaningful confederacy and direct confederacy because there is a meaningful surface sig (0.0000) less than ($\alpha=0.05$). So we have a meaningful surface (sig=0.000) more skill of members, affirmative financial function of company.

Kind of confederacy between 2 indignations directive means less or more. Confederacy between 2 indignations hypothesis is not permanent.

Table 4.14: Testing the confederacy between coworker’s skill and financial function company:

Financial function company	Dependant indignation	
	Independent indignation	
0.568	Intensive relation	Co-workers skill
0.000	Meaning fullness	
156	many	

Subsidiary Hypothesis 2:

Co-workers experience has an effect on financial function of oil production Distribution Company of Kurdistan.

For testing this hypothesis with attendant to testing indignation we use Pearson meaningful testing. Result are below, between co-workers expert and financial function we have a relationship between meaningful and direct confederacy. So that meaningful surface is done. (Sig=0.000) less than searching alpha ($\alpha=0.05$), so the result is how the number of co-workers are high, the financial function is affirmative. The kind of confederacy is direct means much or less. Confederacy between 2 indignation is moderate (average) ($r=0.731$), so the number 2 hypothesis is not permanent which is done.

Table 4.15: confederacy testing relation between co-workers experience and financial function of company

Financial function of company	Dependant indignation	
	Independent indignation	
0.731	Intensity of relation	Co-workers experience
0.000	Meaning fullness	
156	many	

Subsidiary Hypothesis 3:

Knowledge of co-workers effects on the function of production distribution Oil Company of Kurdistan

For testing this hypothesis, also, attending to comparing surface of indignations, we use meaningful testing of Pearson the results are below:

Between the knowledge of co-workers and the function of production distribution oil company, there is a meaningful and directive confederacy, because there is a meaningful surface (sig=0.000) less than searching alpha (a=0.05) so, all result is higher knowledge of members, financial function is an affirmative. Kind of confederacy between 2 indignations between 2 indignation is average (r=0.775). So Subsidiary Hypothesis of number 3 is not permanent.

Financial function of company	Dependant indignation	
	Independent indignation	
0.775	Intensive relation	Knowledge of members
0.000	Meaning fullness	
156	Many	

The result of inference search:

In inference search section they describe and examine result of the relationship between searching indignation by using testing and Pearson confederacy coefficient and Regression with many indignation of hypothesis the result of testing is below:

Result of basic hypothesis:

Basic hypothesis which is accepted is that human resource effects on financial function of production distribution oil company, the result from meaning testing Pearson r, shows confederacy coefficient (r=0.883) with meaningfulness (sig=0.000) which says affirmative and direct and strong relationship between 2 indignations. So it is the result that human resource, effects financial functions of production distribution oil company and more high human resource, more improving of the oil company of Kurdistan. This finding is with searching result of Linet al. (2012) Maditinos(2011),Zeghal, AnisMaaloul (2010), Mojtahedzadeet al., Amiri (2012), Begi and Ftres(2009), Abasusedghi (2010) and the result is here.

Results of Subsidiary Hypothesis:

Another hypothesis which is accepted is that co-workers experience effects on financial function of production distribution Oil Company. The result is that the meaningful testing (r) Pearson confederacy coefficient with(r=0.731) and meaningfulness (sig=0.000) show the relationship between two indignations (positive and direct) so, the result is that the more experiences, the more positive in function of members. Kind of confederacy is directive means both are reduced. This finding with the research of Lin et al. (2012), Maditinoset al.

(2011), Zeghal, AnisMaaloul (2010), Mojtahedzade and Amiri (2012), Beigi and Fetres (2009), Abasusedghi (2010) is equal and the result mentioned.

The result of searching number 3 hypothesis:

Another hypothesis which is accepted is that knowledge of co-workers effects on financial function of oil production Distribution Company of Kurdistan. Results from this meaningfulness of r (Pearson), confederacy coefficient ($r=0.775$) and meaningfulness ($\text{sig}=0.000$) shows that indignations. So, the result is that more knowledge of members more positive about financial function of company.

Kind of confederacy between 2 indignation is directive means less or more. This search finding of members named Lin et al. (2012), Maditinoset al. (2011), Zeghal, AnisMaaloul (2010), Mojtahedzadeet al., Amiri (2012), Beigi and Fetres (2009), Abasusedghi(2010) is correct.

The results of Regression search consists of a model. In this model 3 cases (knowledge, experience and members skill) are remained in other words, find model has coefficient (0.782). Say this subject that indignations which remained in this model are 0.78 percent. In this model the most important element that has an intensive affects is members experience and after that dependant indignation is affected by skill of members.

4-5- searching suggestions:

- Allocating the necessary and sufficient to the information and training departments and overseeing the spending behavior.
- Short terms educations in an appropriate time with members who are education a good system.
- Giving information according to read needs in sections
- Activity in teams and relationship with clients towards group activity;
- Educating members leads to doing activities and duties and encouraging them.
- Attending to preventing incorrect elements of funds in case of fund and giving information like: an UN appropriate collection of human resource, human experience, Changing in job sections, shortage of education certification with organization posts and jobs, it makes variety in members and usually not begin unexperienced.

Reference:

- Amiri, abdolreza (2012), searching relationship between human fund and social fund in Sina insurance company. Tehran university thesis.
- Beigi, Toorej and Mohammad Hassan (2009) searching the affect of human fund on function of banking industry. Industrial section of human science in Azad university of Sanandaj. Fourth year number 10. 2009 in winter. 89-81
 - Becker, G.S. (2002). The age of human capital. Education in the Twenty-First Century. Retrieved from the World Wide Web: <http://economics.dlut.edu.cn/uploadfiles/20081106200614853.pdf>, accessed. August 2010.
 - Burud, S& .Tumolo, M. (2004). Leveraging the new human capital: Adaptivestrategies, results achieved, and stories of transformation. Palo Alto, CA : Davies-Bontis, N. (2002).ManagingOrganizational Knowledge by Diagnosing Intellectual Capital: Framing and Advancing the State of the Field, International Journal of Technology Management, Vol. 18, No. 5/6/7/8, pp.433-462.
 - Chen, J., Zhu, Z. and Xie, H.Y. (2004). Measuring Intellectual Capital: a New Model and Empirical Study, Journal of Intellectual Capital, Vol. 5, No. 1, pp. 195-212.
 - Lin .Long-Sheng, Ing-Chung Huang, Pey-Lan Du, Tsai-Fei Lin, (2012). Human capital disclosure and organizational performance: The moderating effects of

knowledge intensity and organizational size, *Management Decision*, Vol. 50 Iss: 10, pp.1790 – 1799

– Lepak, D. P. and Snell, S. A. (1999). The human resource architecture: toward a theory of human capital allocation and development. *Academy of Management Review*, 24, 31-48.

– Martinez, I, Garcia, M.E.(2005). Assessing the quality of disclosure on intangibles in The Spanish Capital Market, *European Business Review*, Vol.17, No.4, and pp: 305-313.

– Maditinos, D, Chatzoudes, D, Tsairidis, Ch, Theriou, T, (2011). The impact of intellectual capital on firms' market value and financial performance", *Journal of Intellectual Capital* Vol. 12 No. 1, 011pp. 132-151.

– Tan, H.P., Plowman, D. & Hancock, P. (2007). Intellectual capital and financial returns of companies. *Journal of Intellectual Capital*, 8(1), 76-95