Investigating the effect of human resource planning (HRP) on the quality of services of Melli Bank via the mediating variable of employees' service behaviors

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Abstract: This study aims "to investigate the effect of HRP on the quality of services of Melli Bank using the mediating variable of employees' service behaviors." The research method was descriptive and of correlational type. The research population consisted of all employees and customers working in Ilam's Melli Banks, and the number of employees was 352. Using Cochran table, 163 employees were selected for the study sample, and 384 customers were selected given the infinity of the population. Data collection tool was a standard questionnaire, which its reliability was obtained 0.967 by using Cronbach's alpha, which confirms the reliability of the study questionnaire. Finally, the data sets were analyzed by using SPSS software. Results showed that there is a significant relationship between HRP and quality of services with service behaviors. In addition, there is a significant relationship between employees' service behaviors and quality of services.

Key words: Human resource; Human Resource planning; Quality of services

1. Introduction

An organization success depends on its employees. The competitiveness and survival of an organization depend on having appropriate people working in appropriate jobs and appropriate times. HRP or recruitment planning focuses on the supply and demand of workforces (Khastar, 2009). According to human resources' scholars, we should emphasized on and give special attention to the HRP strategy as a tool which directly plays role in achieving the organization's goals. Because the scholars are on the belief that in order to be success in achieving both organizational and personal goals of every employees, managers will be able to have the right people at the right time and right place through HRP (Abdul Rahim Zumrah, 2014). Basically, HRP systematically predicts the future supply and demand of employees in organizations (Rajaratnama, 2014). HRP refers to the effort that predicts the company's future in terms of environmental demands, and provides the situations to employ human resources for implementing and meeting the demands (Porvadi, 2013). The interesting point is that HRP that contains absorption, development and separation of people, is in the scope of all managers' responsibilities (not only human resource unit) (Amiri, 2008). One of the main strategies of the service organizations in gaining competitive advantages and improving performance is to pay attention to the quality and quality management issues (Wohng & Raymond, 2010). Challenges such as increased competition in service industries as well as the increasing customers' demands and expectations have led the service organizations to choose the strategy of providing superior quality of services, in order to remain competitive and become successful (Kandampully, 2012).

Today, quality of services has become a differentiating factor and indeed the most competitive weapon for the leading service organizations. Leading service organizations always continue to attempt in order to maintain their superior quality, gain customers' loyalty and improve their performance (Zeithaml, 2004). Therefore, quality of services improvement through improved employees' performance is one of the suitable ways for organizations to be more competitive. However, services are intangible cannot be standardized (Namasivayam, 2011). Because of this feature, evaluation of quality of services is mainly a subjective issue and largely depends on the customers. In addition, the intangibility of services means that what is important in assessing the quality of services for customers is how these services are provided. In other words, quality of services largely depends on the behavior of employees with customers. (Hosseini, 2010). Another concept influencing on the organization performance that has been emphasized by many researchers and managers, is practices of human resource management. However, most previous studies in this field have neglected the role of

employees' service behavior in the quality of services perceived by costumers. Morrison (1996) suggests that HRM practices of a company can create an environment in which the customer-oriented behavior develops in employees, and of course, these behaviors of employees in turn affect the quality of services (Sazvar, 2011).

Therefore, this study aims to answer the following questions:

1-Is there a relationship between HRM practices and quality of services perceived by customers?

2- Is there a relationship between HRM practices and quality of services via the mediating variable of employees' service behaviors?

2. Theoretical Principles Research

2.1. Human Resource Planning

HRP is a process that ensures an organization to have the right type and number of human resource in the right place and in the right time and to be able to effectively and efficiently perform their tasks, and to achieve the overall objectives of the organization (Nagendra and Deshpande, 2014). Generally, HRM was introduced as an expertise since the beginning of 1925, and large companies and different government offices established departments and organizations under this title. The efforts of academicians to communicate with executives through publishing useful articles on the introduction of the importance and HRM techniques, caused the expertise to be known as a profession, which in turn led to the expansion of activities related to the human resource management (Umamaheswari J.La, 2014).

2.2. Importance of HRP

Merta (2014) writes about the importance of HRP, which facilitates some of the basic processes within an organization:

- Continuous planning facilitates the continuity of leadership and ensures that if managers leave the organization without planning, no disruption is created in the daily operations of the organization or the disruption is minimized.
- Availability of employees and their set of skills will facilitate the strategic planning in future.
- Examining the job requirements and employees' capabilities, and understanding the changes, facilitate the trends of workforce in market.
- Determining employees' needs in response to the strategic planning facilitate the resource allocation and budget planning.
- Through determining the set of skills to obtain the required strategic objectives as well as future career success within it, the organization facilitates the growth and expansion of employees (Merta et al., 2014).

2.3. HRP process

HRP has three fundamental steps:
A. Examining and predicting the human needs of organization,
B. Examining and evaluating the human resources available in organization,
C. Comparing the needs and the available human resources.

A. Examining and predicting the human needs of organization

The need for human resources in any organization is varying, and if the organization's strategy is to deploy, develop, retain the status quo, and shrink itself etc., is will be undoubtedly effective on the quantity and quality of the human resources required for that organization. To predict the workforce needed for the organization, various quantitative and qualitative methods are present. Some of the qualitative methods are expert judgment and Delphi technique and some of the quantitative ones are the trend analysis and simulation. The supply prediction methods are divided into two categories of deterministic and probabilistic methods. In deterministic methods, loss and displacement of human resource is calculated for a given period and through this, the available human resource is considered as the supply of human resources from inside. In probabilistic methods, the changes are predicted based on the frequency of their possible occurrences. Probabilistic methods are only used in large organizations with large geographical distribution, and they are not used for relatively small organizations where their human resource changes are not significant (Arslana et al., 2013).

B. Examining and evaluating the human resources available in organization

Examining and evaluating the human resources available in organization are performed using the two fundamental tools of available skills and available management. Available skills are non-management employees' experiences, talents and educations, and available management contains information about organization's managers and supervisors, which meet the organization talents (Nagendra and Deshpande, 2014).

C. Comparing the needs and the available human resources

The final step addresses to the comparison of the human resource needs of the organization in the future and its current situation. The results of this comparison are among the following:

- Workforce balance: i.e. available human resource is equal with the amount required for organization in future. Here measures such as development and training, improvement of skills and increasing the capabilities of employees in order to hold the balance are performed.
- Shortage of workforce: i.e. available human resource is less than the amount required for organization in future. Here a measure such as recruitment from internal and external sources is performed.

- Excess of workforce: i.e. available human resource is more than the amount required for organization in future. Here, measures such as early retirement, redemption, and a reduction in working hours are performed to modify and cut workforce (Gholamzadeha and Jalali, 2013).

2.4. Objectives and advantages of HRP

- To decrease human resource costs using the prediction of being shortage or excess of human resources and correction of unbalanced mix of forces.
- To provide the basis for education planning for employees.
- To improve personal planning processes.
- To provide the tools necessary for effective evaluation of human resources according to the objectives and strategies of the organization.
- To determine the policies and strategies to attract, select and train the human resources required in order to achieve organizational objectives and plans.
- To adapt various activities of employees with organizational objectives and strategies (Lewis et al., 2012).

2.5. Quality of services

According to Vargas (2004), quality is the set of activities, processes, actions, and interactions, which are provided for the costumers in order to resolve their problems. The term "service" also contains a range of personal services to the service as a product. According to Lovelock services are a kind of economic activity which creates value for customers with the outcome of creating the desired change in the service recipient or on the behalf of him/her in particular places and times. Cutler suggests that service is a result the customers expect. Service is an activity or benefit one part offers to the other part, which is intangible and does not belong anything. The result may be a physical or immaterial product.

Sasser and Gerald (1978) say: services are intangible and instable products, which their production and consumption are occurred simultaneously.

2.5.1. Quality attitudes

Quality issues had numerous developments in the past fifty years, and different attitudes to the quality are formed in these developments. Each of these attitudes sees the quality concept from a special perspective and states a special interpretation for it. There are at least five different attitudes to the quality.

The first attitude to quality is defined as the ability to meet the customer need. This definition was first expressed by Edwards (1968) and then by juran and monir (1988). In this attitude, the customer need and respond to it are the axis for the orientation of organization and hence is called the customer-oriented quality.

The second attitude to quality is expressed in terms of production. In this attitude, quality benchmarks with the compliance of the product with a design or specification. The definition of quality by Gilmore (1974) reflects this attitude.

The third attitude to quality can be considered as a product-oriented attitude. In this attitude, quality is the amount of valuable features of a product. Leifler and Kouzmin presented this interpretation in 1982 and placed the quality as driven by the product specifications.

Another attitude to quality states an abstract concept of the perceived quality. Pirsig and Meisinger (1982) know quality independent of product specifications or a subhective perception, but they are on the belief that people easily recognize the quality wherever they see it.

The fifth attitude to quality that is presented by Broh and Hartmann (1982), defines quality as the level of utilities of a product with a suitable price (for costumer) and the acceptable cost (for producer) (Ghaffarian and Jahangir, 2011).

3. Literature review

- Lepmets (2012) in a research entitled "the framework to measure the expansion of IT quality of services through a systematic literature review" addressed the quality of services issue. Customer satisfaction is a result of continuous improvement of quality of services. The productivity and maximization of service business value in companies have been increased. Decision-making in this period of quality of services in current situation is measurable based on the qualitative features of services. This paper aims to describe IT services and its high-quality features.

- Jayavardhna and Raymond (2012) have pointed out in his article that quality of services is a thing that has attracted both managers and researchers' attentions, simultaneously. In this paper, a kind of psychometrics assessment of quality of services has been proposed and the implications of this construct have been evaluated. An approach has been used through research literature and in-depth interviews, which explains the conceptual framework and the set of created ideas and face-to-face quality of services. A postal survey has been taken from costumers and 36% of the questionnaires have been returned and subsequently analyzed. Data analysis has been conducted through factor analysis and structural equation model. The structural results have shown four factors that are remarkable in the face-to-face quality of services. These four dimensions are: competence and skill, politeness, friendliness and competitiveness. The quality of this type of services is directly related to the customer satisfaction and perceived quality of services, and is indirectly impact on the customer loyalty.

• Goldschmidt and Chang (2011) in a paper developed a conceptual model, through literature review in the field of organizational behavior and market research in the field of management and services, by which they measured the effect of organization size on the customer satisfaction. They have suggested that the effects of organizational size on customer satisfaction are both direct and through job satisfaction. In this paper, the indirect effect has been more emphasized, since it is an issue that has not been cited in the literature. They have also tested their model in an empirical case and concluded that being large or small of organization or company affect its customer satisfaction.

4. Research hypotheses

4.1. Main hypothesis of the research

There is a significant relationship between HRP, service behavior, and quality of services of Melli Bank.

4.2. Sub-hypotheses of the research

• There is significant relationship between HRP and quality of services of Melli Bank.
• There is significant relationship between service behaviors and quality of services of Melli Bank.
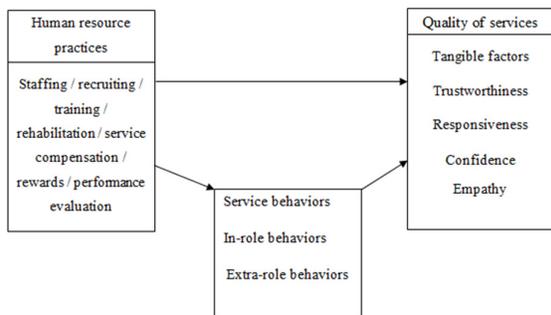• There is significant relationship between HRP and service behaviors of Melli Bank.

Fig. 1: Conceptual model of the research

5. Research methodology

This study is a quantitative research and is practical in terms of purpose. In addition, research methodology is descriptive-survey. Two different groups responded to the questionnaire. The first group was employees who responded to the questionnaire related to HRM practices and service behaviors. The second group consisted of costumers who responded to a questionnaire related to the evaluation of the quality of services. This questionnaire consists of 42 questions, four items related to the staffing questions, six items related to the training / rehabilitation questions, four items related to the service compensation / rewards questions, three items related to the performance

evaluation questions, five items related to the tangible factors' questions, three items related to the reliability questions, five items related to the responsiveness questions, four items related to the confidence questions, four items related to the in-role behaviors' questions, and four items related to the extra-role behaviors' questions. The research population consists of all employees and customers working in Ilam's Melli Banks, and the number of employees is 352. In addition, 384 customers were selected given the infinity of the population, and the number of employees sample based on the Cochran table is 163. Validity and reliability of all of them have been tested. In this study, content validity and factor validity of questionnaire questions are examined. For the content validity of this questionnaire, the opinions of experts in this field are used. In addition, the validity of each of these constructs is obtained using Confirmatory Factor Analysis. Cronbach's alpha method is used to investigate the reliability of the tool, which the results listed in Table 1 show that all aspects are of acceptable reliability (greater than 0.7).

Table 1: Aspects reliability

Variables	Number of items	Cronbach's alpha
Staffing / Recruitment	4	0.945
Education / Rehabilitation	6	0.937
Compensation / Rewards	4	0.967
Performance evaluation	3	0.972
Tangible factors	5	0.943
Reliability	3	0.704
Responsiveness	5	0.911
Confidence	4	0.967
In-role behaviors	4	0.945
Extra-role behavior	4	0.937
Total	42	0.967

6. Research findings

The research findings are presented in the two parts of descriptive and inferential statistics. First, the distribution of statistical sample of variables such as gender, age, and education is examined.

Customers

The results of the data analysis indicate that 171 people equivalent to 44.5 of the total sample are male and 213 people equivalent to 55.5% are female. The highest number of respondents in terms of age group was related to the 31-40 years old with a frequency of 181 (48.5%) and then the age group of 41-50 with a frequency of 95 (25.5%), and 87 people (23.3%) were aged less than 30 years old, and finally 11 people equivalent to 2.7% was older than 50 years old. 42 people equivalent to 10.9% had under-diploma degree, 152 equivalent to 39.6% diploma degree, 49 equivalent to 12.8% upper-diploma, 123 equivalent to 19.3% bachelor degree, and finally 18 equivalent to 4.7% master degree.

Employees
Hypotheses normality test

Table 2: Dependent-variable normality test

Significant level	Kolmogorov-Smirnov test	Maximum standard deviation			Normal parameter		Numbers	Variable index
		Maximum negative deviation	Maximum positive deviation	Absolute value	Standard deviation	Mean		
0.211	1.335	-0.125	0.131	0.131	2.2567	14.4810	384	HRP
0.093	0.953	-0.066	0.089	0.089	3.56986	15.5698	384	Service behaviors
0.154	1.092	-0.088	0.135	0.135	2.12651	8.7060	384	Quality of services

6.1. Inferential statistics of research hypotheses' analysis

Table 2: Inferential statistics of research hypotheses' analysis

Hypotheses	Correlation coefficient	coefficient of determination	Adjusted coefficient of determination	Standard error of estimates	Durbin-Watson
There is significant relationship between HRP and quality of services of Melli Bank.	0.932c	0.868	0.867	1.86827	1.770
There is significant relationship between service behaviors and quality of services of Melli Bank.	0.909b	0.826	0.824	6.86840	1.736
There is significant relationship between HRP and service behaviors of Melli Bank.	0.995f	0.991	0.990	1.60565	2.108

6.2. Significance test of model's coefficients

By using regression analysis, we continue to investigate the relationship between dependent and independent variables. The model will be as follows:

$$ya_{it} = \beta_0 + \beta_1 f.s_{it} + \beta2t.e + \beta3a.k + \beta4an.k + \varepsilon_{it}$$

The null hypothesis and the alternative hypothesis for significance are as follows:

$$\begin{cases} H_0 : \beta_1 = \beta_2 = 0 \\ H_1 : \beta_i \neq 0 \quad i = 1,2 \end{cases}$$

$$\begin{cases} H_0 : \\ H_1 : \end{cases}$$

No significant model is present.

Table 3: Significance test of model's coefficients

Model		Non-standardized coefficients		Standardized coefficients	t-statistic	Significance level (sig)
		B	Standard error	Beta		B
HRP and quality of services	Y-intercept	-0.758	1.855		-0.409	0.000
	Staffing-Recruitment	1.868	0.134	0.344	13.964	0.000
	Education / Rehabilitation	1.625	0.116	0.332	13.961	0.000
	Compensation-Rewards	1.868	140	0.257	13.336	0.000
	Performance evaluation	1.547	0.137	0.245	11.257	0.000
Service behaviors and banking quality of services	Y-intercept	-4.917	3.510		-1.401	0.000
	In-role behaviors	3.918	0.195	0.621	20.094	0.000
	Extra-role behaviors	3.513	0.224	0.484	15.666	0.000
Program HRP and banking service behaviors	Y-intercept	7.005	1.303		5.376	0.000
	Staffing-Recruitment	1.719	0.115	0.317	14.995	0.000
	Education / Rehabilitation	1.373	0.091	0.280	15.021	0.000
	Compensation-rewards	1.583	0.108	0.262	14.593	0.000

7. Conclusions and suggestions

The research results showed that there is a significant relationship between HRP and quality of services of Melli Bank. In this regard, Juan Jose et al. (2013) showed in a research that the level of salaries has a great relationship with the performance of both managers and employees. In another study, Lepmets (2012) found that there is a significant relationship between employees' perceptions of HRM practices with the customers' perception of the quality. Martin and Alcazar (2011) showed that the employees, who are in direct contact with customers, need to be trained in order to provide high-quality services. The results of these studies are fully consistent aligned with the results of the present study.

It was found that there is a significant relationship between service behaviors and quality of services of Melli Bank. Kenneth et al. (2013) suggested in a research that, compared to the tangible goods, quality of services significantly depends on the behavior of employees who are in contact with costumers and their colleagues. Thus, both in-role and extra-role behaviors, have significant role in determining the level of quality of services. The results of these researches are fully consistent with the results of the present study.

In almost all HRM practices such as job analysis, staffing, recruitment, education, rehabilitation, service compensation, rewards, and performance evaluation, behavioral patterns are of much importance both theoretically and practically. It is how to manage human resources in an organization that shapes the state and situations of the relationships between employee and employer. This in turn affects the employees' behavior. Goldschmidt and Chang (2011) in their study concluded that if employees feel that the organization provides tools to facilitate performance, provides appropriate job opportunities, performs supervision and monitoring positively, then they freely and intensively perform the main duty of the organization, i.e. serving the costumers. Jayavardhna et al (2012) stated that employees' perceptions of HRM practices have a positive impact on employees' behavior. The results of these researches are fully consistent and aligned with the results of the present research.

7.1. Suggestions

Extra-role behaviors of employees affect the meet of quality of services. Therefore, if the bank is able to establish training courses to better communicate with customers for its employees, and use the incentive systems of service compensation, it can expect the employees to be more willing to help the customers, solve their problems, and be responsive to their requests and complaints.

Both in-role and extra-role behaviors have a mediating role in the connection between education and rehabilitation and service compensation / rewards with the assured quality of services. Hence, it is recommended for the bank to pay more attention to the education and rehabilitation of their employees, so can improve their service behaviors. Particularly, managers should pay special attention to the educational needs.

Given the mediating role of extra-role service behaviors in the connection between staffing / recruitment, service compensation / rewards with the empathy dimension of quality of services, if a bank use appropriate methods in recruitment, the salaries and rewards of employees be satisfactory, and managers assess their performance fairly, it makes employees more willing to understand their customers and to give personal attention to them.

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