

The effect of privatization on productivity of bank employees (Case study: Mellat Bank branches of Kohgiluyeh and Boyer-Ahmad)

Khodakaram Karami, Maziar Sabery *

Department of Management, Yasouj Branch, Islamic Azad University, Yasouj, Iran

Abstract: Privatization of state enterprises the changing atmosphere of firms operating in a way that preserves the original tissue activity, only the changed environment and market conditions that affect the performance of the firm and incentives and mechanisms for private sector landlords are making in the firm. The new space, with the use of incentive mechanisms and tools to private sector leverage profitability through the interaction of market forces, to minimize production costs and maintain optimal performance levels. This study has a cross-functional nature and is the cross-sectional survey to assess the impact of privatization on bank employee's productivity (Case Study: Bank Mellat and Boyer-Ahmad Province Kohgiluyeh). The population of this study consisted of all directors and employees of the Bank of Kohgiluyeh and Boyer Ahmad, who conducted research in the census. Gauges research, privatization and performance of the questionnaire were used. To measure the content validity of the method and its reliability, Cronbach's alpha was calculated to determine (the amount of which was estimated to 83/0). In order to test the normality of data, Kolmogorov-Smirnov test was used and data analysis was done through one-sample t-test. The results showed that the privatization of the ability of employees, employee motivation, organizational support, understanding staff, staff credentials compromised environmental impact assessment and feedback to staff.

Key words: *Privatization; Productivity; Employee performance evaluation*

1. Introduction

Privatization is a process by which the market mechanism's efficiency is revived, the government's economic activities is undergone a big question, and consequently, the government decides to limit the scope of its activities and assigns the ownership of some of its economic units to the market mechanism. Enhancing efficiency, efficiently allocating the resources, utilizing the companies' financial resources, reducing the government's interference in economy, providing competitive atmosphere for long-term investment, acquiring new management techniques, gaining access to capitals and technology, and ultimately, the distribution of wealth and income are considered to be the main important objectives which capitalization pursue.

1.1. Theoretical background and review of literature

Attending to the privatization process in the developing countries indicates that these countries, like developed industrial countries, in some specific periods of their economic growth, require the interference of government. During this period, the governments provide welfare for the society and create the required field for the social stability and security, which is itself the pre-requisite for attracting investment. In most developing countries,

due to weak economic structure, the governments are unable to establish the privatization policies and appropriately encourage the private sector. According to the experts' viewpoints, lack of appropriate grounds for privatization in Iran makes the implementation of privatization regulation difficult.

Efficiency is one of the key concepts in the economics of a country which shows how to utilize the productivity elements in production cycle. Improving efficiency has influential effects on the major economic, social, and political phenomenon in society, including reducing inflation, increasing the level of social welfare, increasing the level of employment, and enhancing the competitive ability of a country. At present, almost all developed countries and most developing countries, make investments in order to enhance the efficiency in the national, regional, sectional, organizational and even individual levels. They consider this development due to their correct views they hold towards this issue.

The international changes in the economic and social fields, such as the dramatic changes in technology, economic globalization, existing of international exogenous shocks, from one hand, and the economic and political developments, such as young structure and population growth, increasing the general awareness and their expectations in order to have more social and economic welfare, are the cause of creation of changes in the third millennium. Furthermore, implementing the fourth

* Corresponding Author.

economic development program resulted in reduction of government involvement, increasing the status of private section, especially private investments in economic activities. Generally, developing the private section in each country is possible either through providing more capacities (investment for establishing new organizations), or properly applying the existing capacities (Sedghi Sigarchi, 2009). Therefore, considering the important role of banks in the country's economy and regarding the privatization process of banks, this study tried to investigate the effects of privatization on employees' efficiency in banks.

2. The research hypotheses and conceptual model

The current study has one main hypothesis and three sub-hypotheses as follows:

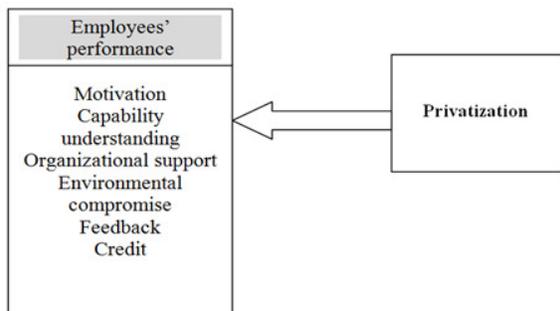
2.1. Main hypothesis

Privatization has relationship with employees' efficiency in Mellat Bank of Kohkiloye and Boyer Ahmad.

2.2. The sub-hypotheses

1. Privatization has relationship with employees' capability in Mellat Bank of Kohkiloye and Boyer Ahmad.
2. Privatization has relationship with employees' motivation in Mellat Bank of Kohkiloye and Boyer Ahmad.
3. Privatization has relationship with employees' organizational support in Mellat Bank of Kohkiloye and Boyer Ahmad.
4. Privatization has relationship with employees' understanding in Mellat Bank of Kohkiloye and Boyer Ahmad.
5. Privatization has relationship with employees' credit in Mellat Bank of Kohkiloye and Boyer Ahmad.
6. Privatization has relationship with employees' environmental compromise in Mellat Bank of Kohkiloye and Boyer Ahmad.
7. Privatization has relationship with employees' evaluation and feedback in Mellat Bank of Kohkiloye and Boyer Ahmad.

The conceptual model of current study is depicted in the following figure:



3. Data analysis

3.1. Normality of operating result (Kolmogorov test)

The obtained results showed that there was a significant level of privatization, employees' efficiency and its dimensions which was bigger than 0.05. Therefore, privatization, employees' efficiency and its dimensions had normal distribution. In order to test the normality of data, distribution parametric test with higher accuracy was used.

Table 1: Findings of Kolmogorove test

Variable	Significance	Normality results
Motivation	0.062	Normal
Capability	0.072	Normal
Understanding	0.083	Normal
Organizational support	0.071	Normal
Environmental compromise	0.062	Normal
feedback	0.054	Normal
credit	0.072	Normal
Privatization	0.122	Normal

Main hypothesis: Privatization has relationship with employees' efficiency in Mellat Bank of Kohkiloye and Boyer Ahmad.

In order to examine the correlation between privatization and employees' efficiency, Pearson correlation coefficient was used. In this study, the relationship between these two factors was confirmed and the correlation was $r = 0.877$. Therefore, as shown in Table 2, there was a positive and significant relationship between privatization and employees' efficiency

Table 2: The result of Pearson correlation test for main hypothesis

Employees' efficiency		
0.877	Pearson test	Privatization
0.000	Sig.	
172	Frequency	

First sub-hypothesis: Privatization has relationship with employees' capability in Mellat Bank of Kohkiloye and Boyer Ahmad.

In order to examine the correlation between employees' capability and privatization, Pearson correlation coefficient was used. In this study, the relationship between these two factors was confirmed and the correlation was $r = 0.860$. Therefore, as shown in Table 3, there was a positive and significant relationship between employee' capability and privatization.

Table 3: The results of Pearson correlation test in first hypothesis

Employees' capability		
0.860	Pearson test	privatization
0.000	Sig.	
172	Frequency	

Second sub-hypothesis: Privatization has relationship with employees' motivation in Mellat Bank of Kohkiloye and Boyer Ahmad.

In order to investigate the correlation between privatization and employees' motivation, Pearson correlation coefficient was used. In this study, the relationship between these two was confirmed and the correlation was $r= 0.911$. Therefore, as illustrated in Table 4, there was a positive and significant relationship between privatization and employees' motivation.

Table 4: The results of Pearson correlation test for second sub - hypothesis

Employees' motivation		Privatization
0.911	Pearson test	
0.000	Sig.	
172	Frequency	

Third sub-hypothesis: Privatization has relationship with employees' organizational support in Mellat Bank of Kohkiloye and Boyer Ahmad.

In order to discover the correlation between privatization and employees' organizational support, Pearson correlation coefficient was used. In this study, the relationship between these two factors was confirmed and the correlation was $r= 0.841$. Thus, as shown in Table 5, there was a positive and significant relationship between privatization and employees' organizational support.

Table 5: the results of Pearson test for the third sub-hypothesis.

Organizational support		Privatization
0.841	Pearson test	
0.000	Sig.	
172	Frequency	

Fourth sub-hypothesis: Privatization has relationship with employees' understanding in Mellat Bank of Kohkiloye and Boyer Ahmad.

In order to examine the correlation between privatization and employees' understanding, Pearson correlation coefficient was used. In this study, the relationship between these two factors was confirmed and the correlation was $r= 0.799$. Therefore, as shown in Table 6, there was a positive and significant relationship between privatization and employees' understanding.

Table 6: The results of Pearson test for fourth sub-hypothesis

Employees' understanding		Privatization
0.799	Pearson test	
0.000	Sig.	
172	Frequency	

Fifth sub-hypothesis: Privatization has relationship with employees' credit in Mellat Bank of Kohkiloye and Boyer Ahmad.

In order to discover the correlation between privatization and employees' credit, Pearson correlation coefficient was used. In this study, the relationship between these two factors was confirmed and the correlation was $r= 0.750$. Therefore, as illustrated in Table 7, there was a positive and significant relationship between privatization and employees' credit.

Table 7: The results of Pearson test for fifth sub-hypothesis

Employees' credit		Privatization
0.750	Pearson test	
0.000	Sig.	
172	Frequency	

Sixth sub-hypothesis: Privatization has relationship with employees' environmental compromise in Mellat Bank of Kohkiloye and Boyer Ahmad.

In order to examine the correlation between privatization and employees' environmental compromise, Pearson correlation coefficient was used. In this study, the relationship between these two factors was confirmed and the correlation was $r= 0.801$. Therefore, as shown in Table 8, there was a positive and significant relationship between privatization and employees' environmental compromise.

Table 8: The results of Pearson test for sixth sub-hypothesis

Environmental compromise		Privatization
0.801	Pearson test	
0.000	Sig.	
172	Frequency	

Seventh sub-hypothesis: Privatization has relationship with evaluation and feedback in Mellat Bank of Kohkiloye and Boyer Ahmad.

In order to examine the correlation between privatization and evaluation and feedback, Pearson correlation coefficient was used. In this study, the relationship between these two factors was confirmed and the correlation was $r= 0.780$. Therefore, as shown in Table 9, there was a positive and significant relationship between privatization and evaluation and feedback.

Table 9: The results of Pearson test for seventh sub-hypothesis

Evaluation and feedback		Privatization
0.780	Pearson test	
0.000	Sig.	
172	Frequency	

4. Path analysis of research model

In order to have a path analysis of the sub-hypotheses, the regression was applied. In this

technique, using beta standard, the direct influence of dependent variable on independent variable is analyzed. According to the regression analysis (Table 10), we can claim that, in significance level of 0.05, the privatization has influence on the employees' efficiency and its dimension including motivation, capability, understanding, organizational support, environmental compromise, feedback and credit with the rate of 0.512, 0.432, 0.549, 0.498, 0.452, 0.396, 0.386, respectively.

Table 10: Regression analysis test results

factors	Sig.	T	Beta-Standard
Motivation	0.000	3.263	0.512
Capability	0.000	2.484	0.432
Understanding	0.000	3.109	0.549
Organizational support	0.000	3.221	0.498
Environmental compromise	0.000	3.112	0.452
Feedback	0.000	3.235	0.396
Credit	0.000	2.171	0.386

5. Discussion and conclusion

The current study aimed to study the ever-existing relationship between privatization and employees' efficiency. The findings obtained from data analysis were as follows:

- Taking the strategic leadership by the organizations' managers
- Enhancing the human recourse professionals' level of knowledge in order to make them capable to align the human capitals with the organization strategies
- Identifying the employees' characteristics in order to discover their weak and strong points
- Providing the employees with services and allowing them to participate in the organization's policies and decisions
- Recognizing the employees' values and perspectives and paying attention to them
- Creating performance evaluation system in order to compare the employees' performance with performance standard and doing action to punish and reward
- Designing instructional programs for the employees in order to help them improve
- Eliminating traditional and hierarchical conventions in order to facilitate the communications between the managers and employees, and the employees with each other and creating a team-working structure in order to share their knowledge
- Identifying the strategic businesses in the organization which the organization's goals achievement depend on their effective implementation
- Choosing the business path for the careers in the organization

Facilitating communication between the levels of paymen and employees' rewards according to their

level of competency and performance in the organization.

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