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The model of strategic management of HR competency; The mediating role of competency approach related to organizational strategic orientation and human resource management system

Davoud Hossein Pour- *Assistance professor, faculty of Allameh Tabataba'I University, Tehran, Iran*
Shaghayegh Kermanshahi[1]- *Ph.D. student of human resource management, Allameh Tabataba'I University, Tehran, Iran*

Abstract
This study intends to propose a modern model in the field of human resources (HR) strategic management through designing human resources' competence framework. Based on this strategic orientation of organization on human resources management system has been investigated considering the mediating role of competence approach in Central Bank of the Islamic Republic of Iran. In order to implement and test assumed model, researcher has proposed clear and measurable indicators for each one of research's concepts and in order to determine the best indices of research through Delphi method and expertise inventory, 30 professors and experts of management and central bank managers were asked about items. Data collection was done based on an inventory with 109 questions and distributing it among random sample of 330 managers and central bank staffs. Analyzing data was accomplished through structural equation modeling and Lisrel software in two sections of measurement and structure. In section of measurement model, technical feature of inventory was investigated and necessary reforms were applied and in structural section, model's structural coefficients were used for investigating research hypotheses. The results of research show significant and positive effect of mediating variable of competence approach on relationship between organization's strategic orientation and human resource management. Based on research results by using efficiency strategy in organization and the mediating role of job-oriented competence approach, traditional human resources management is recommended. Effectiveness strategy has a significant relationship in the effect of future-orientation approach mediating role with strategic human resources management and with selecting creativity strategy and the mediating role of individual-orientation approach; competence-oriented human resources management is suggested.

Key words: *competence, strategic orientation, competence framework, competence-based human resources management*

1.Corresponding Author, Tel: 0912 291 11 33 , Email Address: Sh.Kermanshahi@yahoo.com

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1.Introduction

Human resources management has been formed since a long time ago with accepting the vital role of human resources in realizing organization's goals and competitive advantage with the aim of implementing required actions and policies in order to realizing from management duties which is in relation with some aspects of staffs' activities such as recruitment, training, performance evaluation, etc. During years have been greatly changed and developed that the most important one is moving from traditional management of staffs affairs to human resources strategic management and in other word strategic and sustainable administrating the most valuable property of organization (Armstrong, 2002). Therefor it can be expressed that human resource is the most important competitive advantage for each organization and managers have to be aware that how they should deal with this strategic factor and learn more effective use of this competitive advantage.

In recent decades some trends such as technological change, the growing trend of globalization, the rapid pace of change in the market, the growing importance of knowledge capital and increasing degree of change (Roswell and others, 1998) justify the need to modern approach of competence-oriented human resources management. The function of competence-based human resources management is the most useful method in order to lead HR through concentrating all human characteristics in this condition (Davis and others, 204, 52). Due to this, HR management custodians are expected to be expert in the field of effective use of human talent inside their organization in order to realizing competitive management. They have to newly sensitive toward vast range of human capabilities, join HR efforts with strategic goals and create coherence and integration among different activities of HR in a way that people can be persuaded to realize ideal results.

HR management traditional concept although is still important but it doesn't address individual differences, the differences that through them superior executives, people who are most of the time more efficient than others in job titles, education and equal experience, are created.

Therefor requiring reinvestment on HR is felt. So that it concentrates on identifying brilliant characteristics of individual and then on creating a link among all HR activities. Describing and explaining jobs and finding people to put them in organizational chart box aren't HR management goal anymore. But the goal is realizing huge jumps in productivity and competitive advantage through unleashing the power of the best executives, discovering their personal characteristic and features and entering those features into all aspects of HR. Although evident part of competencies such as knowledge, skill, observable behavior are paid attention in traditional and strategic approach of HR, but yet their competencies aren't summarized in the evident level and include all personal traits, interests, beliefs, staffs' attitudes which is very important in executing effective work that this important issue is considered in competence-oriented HR management approach.

In fact the approach based on competence let organizations to consist staffs with their strategic goals fast (Moint, 2003). So because of vital role of competence in organization, the rate of organization's competence approach effectiveness in investigated either due to organization's strategic direction or HR management system.

Research hypotheses

Main hypothesis

Competence approach affects the relationship of organization strategic orientation with HR management system significantly.

1.First sub-hypothesis: Job-based competence approach has a significant effect on the relationship between efficiency strategic orientations with traditional HR management system.

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Research variables	Cronbach's alpha	Combined reliability	Variance average
Organization's strategic orientation	0.915	0.863	0.642
Competence approach	0.889	0.780	0.620
HR management system	0.894	0.811	0.609

Table 1. Evaluating reliability and validity of research constructs

2.Second sub-hypothesis: Future-based competence approach has a significant effect on the relationship between effectiveness strategic orientations with strategic HR management system.

3.Third sub-hypothesis: Individual-based competence approach has significant effect on relationship between creativity strategic orientations with competence-based HR management system.

Research methodology

Using Piazza model of research process (Danaei fard and others, 2009: 3), research main orientation is functional and quantitative. Also among three environments of library, field and experimental according to presence of investigator in organizational environment, research is field one in order to researching and collecting data and analyzing information. Since the goal of research is describing the relationships among latent variables, this important case has been done through survey strategy and acquiring information about group attitude from population members with answering questions about subject. In order to collect data and required information, an inventory was designed with 107 questions based on Likert five degree dichotomy and were distributed among 330 random samples of whole population of 2416 people of central bank. To investigate the reliability of inventory, PLS method has been used. in this method indicator reliability is used (Reward and Huff, 1988).

Indicator reliability is also calculated with evaluating load factors through calculating the value of one construct's indicators' correlation with that construct. Cronbach's alpha and combined reliability (CR) more than 0.7 have also been used for more confidence of constructs' reliability.

In order to evaluate inventory's validity, AVE criterion (average variance extracted) has been used that the results of this criterion for aspects of three variables of research have been shown in table 1. The criterion value for AVE acceptance is 0.5. As it is clear in table, all values of AVE related to constructs are more than 0.5 and confirms that convergent validity of current questionnaire is acceptable.

Using Lisrel software in this level, confirmatory factor analysis was utilized for evaluating research measuring models. Lisrel output results values are shown in table 2. As it can be seen P-value is equal to 0.000, RMSE statistic is 0.068 and the ratio of Chi-square (2522.2) to freedom degree is also 935 which is less than 3. The other results of Lisrel output also showed that the value of CFI is 0.95, value of calculated Z is more than 0.96 and values of GFI and IFI have been obtained equal to 0.93 and 0.95. Based on these outputs all three main constructs of research has acceptable fitness.

Research findings

In order to confirm research hypotheses we will refer to obtained output of t coefficients in figure 2. The relationship between variable of strategic orientation and HR management system has been evaluated under the influence of mediating variable of competence approach in form of structural model part that are clear in figure 1 and 2, as it can be seen the relationship between three main constructs of

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Indicator name	Permitted limit	Obtained value
X2/df	3 and less	2.19
NFI	0.9 and more	0.94
NNFI	0.9 and more	0.96
IFI	0.9 and more	0.95
CFI	0.9 and more	0.95
GFI	0.9 and more	0.93
RMSEA	Less than 0.08	0.069

Table2. model fitness indicators

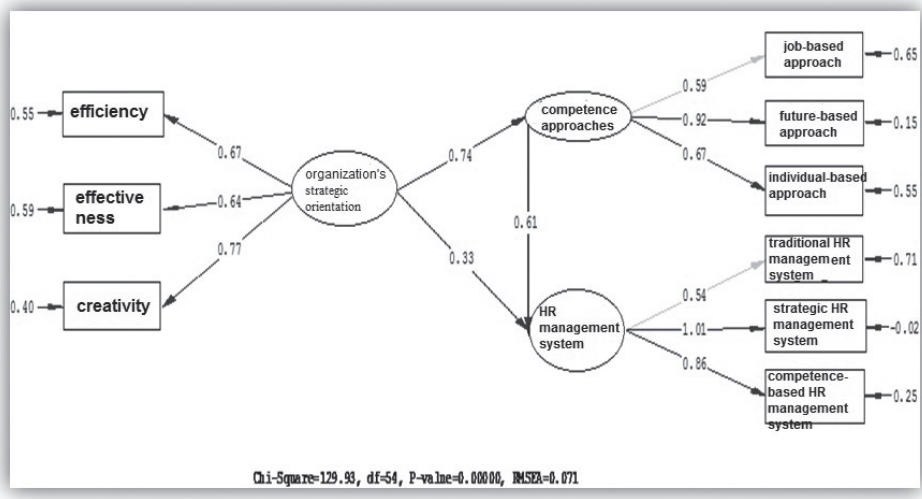


Figure 1. structural equation modeling of research conceptual model

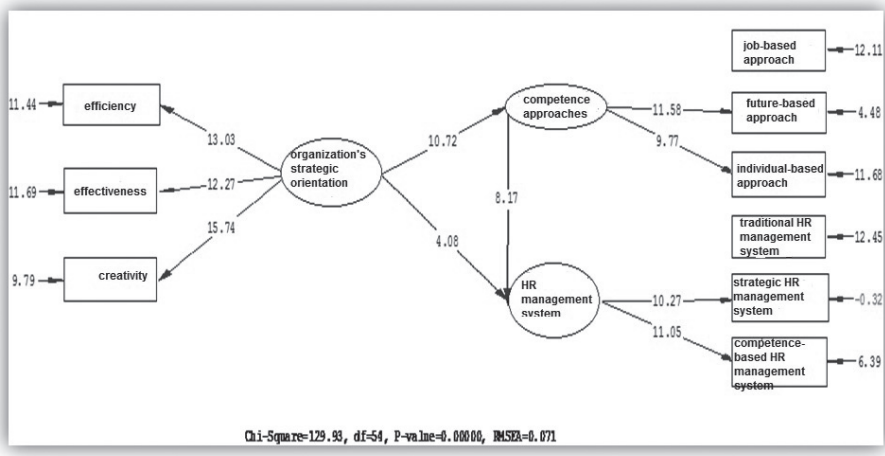


Figure 2. structural equation modeling of research conceptual model (coefficients significance)

research is direct and significant, causal coefficients of paths among three main constructs of research show the 33% direct, positive and significant effect of strategic orientation on HR management system. Indirect effect of strategic orientation also on HR management system is 45% through mediating variable of competence approach.

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Conclusion

Organizations determine their strategic path now and future through environment dynamicity and complexity of competitive world. In fact organization's survival in such these conditions depends on correct and strategic selection of macro goals of that organization. among this, strategic intention of organization for being better operational in all levels and organizational units should be aligned with all main functions of organization because one of the most important duties occur in HR unit by HR experts. An option which is able to provide causes of linkages and alignment between organization's strategic orientation and HR management system is identifying different approaches of competence and selecting the most appropriate organizations and staffs' competence model. Based on this mentality, research hypotheses were discussed and were experimented among central bank's managers and staffs that its results are as follows:

-Main hypothesis: competence approach has significant effect on relationship between organization's strategic orientation with HR management system:

Without required competencies, even strategies which are well conceptualized and expressed wouldn't also be successful and perceived. These are competencies that let the concept of strategic be operational (Hit and others, 2005). Especially in order to develop new values, behaviors and relevant roles to these changes, HR managers express these ideal goals in the language of operational and behavioral competence (Vakla and others, 2007: 267). According to existing claims in the literature of competence and standard coefficients, this test's hypothesis is confirmed and the results of statistical analyses showed that 49% of changes in HR management system can be predicted through independent variable of strategic orientation and mediating variable of competence approach. Direct effect of strategic orientation also on HR management system is 33% while its indirect effect increases to 45% by mediating variable of competence approach.

The main idea of this study can be seen in section of sub-hypotheses and since it is where the relationship among constituent parts of each one of research variables is investigated more operational and efficient.

-First sub-hypothesis: job-based competence approach has significant effect on relationship between efficiency strategic orientation with HR management system:

It seems that efficiency strategy that according to theoretical principles includes components such as concentration on the way of job execution, concentration on cost (Sarmad, 2003, Boyatez, 1982; Khaki, 1998 and Venkaterman, 1988) and concentration on inside environment of organization (Hardgeno, 1995 and Deghat, 2007), among different kinds of HR internal approaches, the most relationship is with traditional HR management with characteristics such as concentrating on HR internal processes, attention to organization internal structure and filling organizational positions that this link will be more evident through job-based competence approach that its main concentration is on determining staffs' competence based on explaining existing job, training bureaucratic staff in hierarchical and functional organizational environment (Kordi and Selorajan, 2006). The results of statistical analysis confirms above information in a way that the direct effect of efficiency strategic orientation on traditional HR management system is 0.24 while its indirect effect is 0.31 because of mediating effect of job-based competence approach so it can be concluded that job-based competence approach has significant effect in relationship between efficiency strategic orientation with HR management system.

-Second sub-hypothesis: future-based competence approach has significant effect on relationship between effectiveness strategic orientation with HR management system:

Statistical analysis results confirm this hypothesis in a way that indirect effect between ef-

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fectiveness strategic orientation and strategic HR management system is 0.38 with the presence of mediating variable of future-based competence approach and its direct effect is 0.21. it can be expressed that future-based competence approach has significant effect on relationship between effectiveness strategic orientation with HR management system. Effectiveness strategy according to theoretical principles include components such as achieving goals, realizing strategic stakeholders' expectation (Cample 1977, Robins 1996, Deghat, 2007) and concentrating on organization external environment (Hardengo, 1995). In the field of HR also the emergence of strategic HR management is the best and most appropriate HR approach with strategic view with characteristics such as concentering on external environment to determine HR strategy, creating strategic capability in staffs and strategic link among sub-functions of HR management (Arabi and Feyzi, 2009) that this link will be more evident through future-based competence approach that its main concentration is on determining staffs' competency based on staffs' future job description, training strategic staffs who are able to analyze dynamic environment (Kordi and Selorajan, 2006).

-Third sub-hypothesis: individual-based competence approach has significant effect on relationship between creativity strategic orientation with HR management system:

It seems that creativity strategy that according to theoretical principles include components such as creative organizational systems, creative organizational environment, concentrating on changing existing situation and external environment of organization (Rezaeian, 2006; Dewitt, 2004; Li 2003 and Hardenjo, 1995), have the most relationship with competence-based HR management among all HR approaches. The results of statistical analysis also confirm above information in a way that indirect effect of creativity strategic orientation on competence-based HR management system is 0.39 because of mediating variable of individual-based competence approach and its indirect effect is 0.35, the value of indirect effect is more than direct one so it can be concluded that individual-based competence approaches have significant effect on relationship between creativity strategic orientation with HR management system.

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