

## DESIGNING A MODEL FOR HUMAN RESOURCES MANAGEMENT TO REDUCE LABOR TURNOVER BY PROVIDING STRATEGIC FLEXIBILITY: AN ANALYTICAL STUDY IN THE BAGHDAD ELECTRICITY DISTRIBUTION COMPANY

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### ABSTRACT

This research sought to identify the level of the application of human resources management in the sites sampled by the study, to reveal the nature of the relationship between human resources management in its dimensions and the strategic flexibility of the company, and to determine the level of the influence of human resources management in reducing labor turnover in the company sampled by the study. The Baghdad Electricity Company was a study population and it was taken. The researchers used a stratified random sample of 106 from the original community. The researchers used the SPSS program to test and analyze the data. The questionnaire was adopted as a tool for collecting the data. The study reached a set of conclusions, the most important of which is that the human resources department informs about anything that happens within the company by explaining its causes, goals, and encouragement. On implementation in order to reduce the resistance to it. There are some failures of the company's senior leaders in influencing on the employees and directing their behavior towards achieving common goals and urging them to work in a team spirit and encouraging them to innovate and continuously improve, which may affect their level of performance. Meanwhile, the researchers presented a set of recommendations to the study community regarding the problems they suffer from in relation to the variables of the present study. The most important of which is continuing to empower the human resources in the General Electricity Distribution Company of Baghdad, in particular, increasing the allocations for the employees of that company to complete higher specialized studies or to participate in international training courses. It is directed towards holding seminars, conferences and other introductory contributions on the importance of environmental and social aspects and the importance of preserving the natural resources for future generations, as well as calculating the company's work turnover rate periodically so that it is fully aware of its situation.

**Keywords:** Human resources management, Designing and modeling, Analytical study, Electricity distribution

## **INTRODUCTION**

Human resources management is considered one of the most important functions of management because of its focus on the human element, which is considered the most valuable resource of management and the most influential in productivity at all. Human resources management and development are considered an essential pillar in most organizations as it aims to enhance organizational capabilities and enable companies to attract and qualify the necessary competencies. And, it is capable of keeping pace with current and future challenges. Human resources can contribute strongly to achieving the organization's goals and achieving profits.

Over the past thirty years, strategic management has become a field of administrative research and practice, and during the period of the development of the strategic research process, various models and conceptual frameworks have emerged that are competitive on the one hand, and complementary to each other on the other hand. These models have helped organizations succeed in relatively stable environments, but their effectiveness has become limited in the field of preparing business organizations to respond to the requirements of the changing environment.

Based on the above, the Iraqi institutions, the subject of the current study, are today in dire need to adopt the approach of strategic flexibility, due to the economic, political and social transformations taking place in the Iraqi environment, and the repercussions of these transformations on the competitive environment at the local and global levels in the present and future. The response of this type of financial institutions to internal and external changes is linked to the extent of their ability to determine the appropriate type of strategic maneuver in dealing with the circumstances and variables they face. This is in addition to providing the necessary resources.

Job turnover, or what is known as employee turnover, can be defined as the movement of employees and workers in the organization during a certain period of time. This movement includes employees leaving the organization, whether of their own volition, dismissal, or transfer by the organization itself, or even for compelling reasons, such as deaths or retirements. By force of law, and the employees joining it, i.e. those newly appointed, transferred to it, or old employees returning to it.

### **The first section: Research Methodology:**

#### **First: The research problem:**

As a result of the developments taking place in the current era, the era of technology, which has transformed various countries of the world, especially developing countries, including the Arab countries and Iraq as part of it, in defining the extremely important role that the companies and business sectors play towards

society in all economic, social and environmental aspects, with a transcendent view that is based and focused on achieving continuity and profitability.

The research problem can be clarified by asking the following main question: How can a human resources management model be designed to reduce the labor turnover through strategic flexibility? In the Baghdad Electricity Distribution Company, to answer the main question, the following sub-questions must be asked: What is human resources management and what are its indicators? What is reducing the labor turnover and what are its dimensions? What are the requirements for strategic flexibility? What is the relationship between human resources management and reducing labor turnover?

#### **Second: The importance of research:**

1. The study of human resources management is one of the most recent studies to the best of the researcher's knowledge, as it examines the degree of the application availability of human resources management in reducing the work turnover in government institutions.
2. Human resources management is based on confronting obstacles, exploiting opportunities, and solving problems through innovation and keeping pace with development.
3. Strategic flexibility in government institutions is extremely important for innovation and novelty, which makes them a pioneer in their field and their superiority over competitors.

#### **Third: Research objectives:**

1. Identifying the level of application of human resources management in the sites studied.
2. Revealing the nature of the relationship between the human resources management and its dimensions and the company's strategic flexibility.
3. Determining the influence level of human resources management in reducing labor turnover in the company sampled by the study.

#### **Fourth: Research hypotheses:**

1. There is a statistically significant correlation at the significance level (1%) between human resources management practices and reducing work turnover.
2. There is a statistically significant correlation at the significance level (1%) between human resources management practices and strategic flexibility.
3. There is a statistically significant influence relationship at the significance level (1%) between human resources management practices and reducing labor turnover.
4. There is a statistically significant influence relationship at the significance level (1%) between human resources management practices and strategic flexibility.

**The second section: The theoretical Framework of the Research:****First: What is human resources management (HRM)? And what are its practices?**

Before delving into knowing what human management is, it is necessary to look at the beginnings of the emergence of human resources, as its first beginnings were the formation of the unions of craftsmen groups in order to improve their working conditions, as these unions were the first pavement for what is called TRADE UNION, and a greater role has emerged for the concept of human resources management. More so at the end of eighteenth century, as at that time there was no direct contact between employees and owners of money because the owners of money were busy with financial matters, which led to the appointment of managers to play this role. As a result of technological development, the role of trade unions appeared which had an effective impact on the work environment. The Personnel Administration emerged and remained in this role until the late sixties of this century, after which the human resources have now become an essential part of organizations. It has expanded to become a whole department for human resources instead of a single employee, and it has a competitive role in achieving the organization's goals and profitability. Human resource management is "the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to achieve individual, organizational and social objectives" (Lahiti, 2023, 50).

**The most important practices of human resources management are:**

**A) Hiring:** Hiring an individual company or department requires a number of basic steps. Hiring managers must first determine how many new employees the budget can support, then find and interview qualified candidates, and finally make selections and negotiate the compensation (Delaney; 2022, 969).

**B) Compensation and Benefits Management:** Human resource management professionals need to determine that the compensation is fair, meets industry standards, and is high enough to attract people to work for the organization. Compensation includes anything an employee receives for his or her work (Seeck; 2022, 944).

**C) Training and Development:** Once one spends the time of hiring new employees, it is required to make sure that they are not only trained to do the job, but that they also continue to grow and develop new skills in their jobs. This leads to increased productivity of the organization. Training is also a key component in motivating the employees. Employees, who feel they are developing their skills, tend to be happier in their jobs (Zheng, 2019, 112).

**Second: Labor turnover**, also known as employee turnover, refers to the rate at which employees leave and are replaced within an organization. This rate is typically measured over a specific period of time, such as a month or a year, and

can have a significant impact on an organization's overall performance, productivity, and morale. High turnover rates can be costly for companies, as they often result in increased recruiting and training expenses, as well as decreased employee engagement and satisfaction. As HR professionals, it is important to monitor and address employee turnover in order to maintain a healthy and productive workforce (Bender, 2022, 48). Among the reasons for turnover are:

- 1) Work overload:** When employees feel burdened by their work responsibilities, companies may notice an increase in the rate of employee turnover. This is because they may become desperate and unproductive, and sometimes, they may lose interest in the job. One can check the workload of all employees to ensure that work is allocated evenly. If not, one asks people to take over some tasks for those who have more work to finish (Kurdi, 2022, 39).
- 2) Insufficient recognition:** Organizations that value the presence and contributions of their employees are likely to have a low employee turnover rate. The opposite is also true. The lack of employee recognition can lead to low employee morale and decreased productivity, which may cause increased employee turnover. Managers, who consistently provide feedback and appreciation for good work, are more likely to retain their team for a long time (Ahmed, 2020, 72).
- 3) Bad company culture:** If a company does not have a culture conducive to growth, it may have a negative impact on its employees. When people do not work under a positive culture, they can become stressed and dissatisfied with their jobs. This is usually ideal for any company because it increases the employee turnover, and as a result, the hiring top talent may become increasingly expensive and difficult if they gain a bad reputation. The company may proactively work to improve the company culture and ensure that it supports its employees (Al Dhaheri, 2021, 53).
- 4) Insufficient growth opportunities:** The modern workforce prioritizes the learning and development opportunities when joining a new company. If there is a lack of such opportunities, new employees may not join, and the existing employees may want to leave for a company that can provide them with growth opportunities.
- 5. Dissatisfaction with one's job:** Dissatisfaction with one's job leads to a poor performance, which may ultimately lead to employee leaving the organization. Some ways to prevent the employee turnover due to the job dissatisfaction include having a clear work structure, giving employees clear goals and objectives, and giving employees clear rewards for excellent job performance. It is also important to have a good communication with employees (Molog, 2022, 80).

### **Third: What is strategic flexibility? And what are its types?**

Strategic flexibility as a dynamic organizational capability can enable organizations to fully leverage their combined key resources and provide

competitive advantage in uncertain conditions. It helps an organization adapt to environmental disturbances through positive changes and is generally treated as an independent variable to influence the innovation and organizational effectiveness. Organizations should have these capabilities to rapidly disseminate knowledge and reallocate their resources according to changing circumstances to meet the market demands. Strategic agility covers not only the scope, but also the speed and subject matter of variation within and between companies. Scholars have found that the strategic flexibility enhances the innovation (Abdul, 2020, 39). Strategic flexibility is a company's ability to adapt to the business environment. When the business environment varies, it raises uncertainties and risks. Hence, resilient companies seek to overcome these challenges by adapting their strategy. The goal is to make its strategic competitiveness relevant and maintain the competitive advantage (Al-Ziadi, 2022, 43). The most important types of strategic flexibility are:

**A. Marketing flexibility:** Marketing flexibility is simply when one has a carefully thought-out marketing strategy and plan, but the plan is flexible. This could be having a secondary content to use in a specific situation, repositioning the campaign to explore an emerging opportunity, or allocating part of the marketing budget to pay for anything that needs to change during the strategy (Suman, 2023, 513).

**B. Production flexibility:** Production flexibility can be defined as the amount of response (or ability to adapt) to any future change in product design, including new products and derivatives of existing products (Al-Shahbandi, 2022, 68).

**c. Competitive Flexibility:** Competitive flexibility represents the ability to respond and adapt to unique and changing the customer needs. Environmental requirements allow organizations to compete in local and global markets that are characterized by high competitiveness, through diagnosing environmental changes, setting competitive prices, and reducing production costs. Competitive flexibility can be the ability of organizations to develop new products and services in a shorter period than competitors to gain market share (Xiu, 2022, 39).

### **The third section: The Practical Aspect of Research:**

**First: The research population and sample:** It is one of the formations (Ministry of Electricity) in the Republic of Iraq, its location and main center - Baghdad Governorate, and it has branches (Al-Rusafa, Al-Karkh, Al-Sadr, Al-Anbar, and Diyala).

**The company's objectives:** They aim to contribute to supporting the economy in the field of delivering electrical energy to all subscribers, controlling the electrical system, and collecting its wages in a way that achieves the objectives of development plans. The researchers chose a stratified random sample of 106 individuals from the original population for research:

## Second: Testing the correlation hypotheses:

**Correlation for the first main hypothesis:** It states that there is a statistically significant correlation between human resources management in its dimensions and labor turnover.

One can note from Table (1) that the correlation coefficient between human resources management and labor turnover reached (0.768\*\*), which is at a strong level, as the calculated (Z) value reached (10.306), which is greater than the tabulated (Z) value of (1.96). This result led to the significance of the correlation value, as it came at a strong level, which means accepting this hypothesis (there is a statistically significant correlation between human resources management in its dimensions and work turnover). That is, the more interest the management of the company under study has in human resources, the less work turnover and the management. The company under study should pay attention to human resources management through recruitment, training, development and compensation, deal with the company's departments and branches as a harmonious entity, establish strategic partnerships with international and Arab companies, adopt a comprehensive research and development method, new methods of dealing, and adopt the approach of reward and punishment from In order to reduce the turnover rate in the company under study.

Table (1): Values of correlation between the dimensions of human resources management and work turnover

Direction of the relationship	The strength of the relationship	indication	Correlation value and significance level		Dimensions of human resources management	Dependent variable									
Positive expulsion	Medium	moral	0.481 **	R	recruitment	Work turnover									
			0.000	Sig											
			5.321	Z											
Positive expulsion	Medium	moral	0.641 **	R	training and development										
			0.000	Sig											
			7.712	Z											
Positive expulsion	Medium	moral	0.598 **	R	Reparations										
			0.000	Sig											
			7.003	Z											
6			Number of accepted hypotheses												
100%			percentage												
** The correlation is at a significance level of 0.01 **															
96 = Sample size															

## Correlation for the second main hypothesis:

It states that there is a statistically significant correlation between human resources management and strategic flexibility.

One can note from Table (2) that the correlation coefficient between human resources management and strategic flexibility reached (0.784\*\*), as the calculated

(Z) value reached (10.714), which is greater than the tabulated (Z) value of (1.96), and this result indicates that the correlation value was significant, as it was at a strong level, which means accepting this hypothesis (there is a statistically significant correlation between human resources management and strategic flexibility). That is, the more the management of the study sample company interest in human resources management, the greater the strategic flexibility. The company's management must pay attention to human resources management through recruitment, training, development, and compensation to obtain the necessary information for future plans, partner with other companies to address the crises they are exposed to, and put forward creative ideas that need strategic decisions in order to enhance the future plans of the company under study.

Table (2): values the correlation between the dimension of human resources management and strategic flexibility															
Direction of the relationship	The strength of the relationship	indication	Correlation value and significance level		Dimensions of the human resources management variable	Mediating variable									
Positive expulsion	Medium	moral	0.535 **	R	recruitment	Strategic flexibility									
			0.000	Sig											
			6.060	Z											
Positive expulsion	Medium	moral	0.659 **	R	training and development										
			.000	Sig											
			8.028	Z											
Positive expulsion	Medium	moral	0.622 **	R	Reparations										
			0.000	Sig											
			7.391	Z											
6			Number of accepted hypotheses												
100%			percentage												
** The correlation is at a significance level of 0.01															
96 = Sample size															

### Third: Testing the impact hypotheses:

To test the effect of the third main hypothesis which states that there is a statistically significant effect of human resources management in its dimensions on work turnover.

$$Y = 1.258 + 0.704Z$$

Where:

Y represents the labor turnover variable.

Z represents the human resources management.

It is clear from Table (3) that:

The calculated F value was (149.390). It is greater than the tabular (F) value (3.94), and accordingly, one can accept this hypothesis (there is a statistically significant effect of human resources management in its dimensions on work turnover), and through the corrected coefficient of determination ( $R^2$ ) of (0.586), it is clear that the management Human resources are 58%.

The calculated (t), for the human resources management variable, was recorded (12.223), which is greater than the tabulated (t) value (1.984), which means that the coefficient, marginal slope for human resources management, is stable and significant.

Table (3): Statistical indicators for impact analysis Work turnover Human resources management in Dimensions									
indication	Sig	(t)	(F)	Adjusted (R <sup>2</sup> )	(R <sup>2</sup> )	Dimensions of the human resources management variable			Dependent variable
D	0.000	5.599	31.350	0.224	0.232	2.707 0.354	) $\alpha$ ( ) $\beta$	recruitment	Work turnover
D	0.000	8.519	72.582	0.405	0.411	1.813 0.556	) $\alpha$ ( ) $\beta$	training and development	
D	0.000	7.612	57.948	0.352	0.358	2.532 0.423	) $\alpha$ ( ) $\beta$	Reparations	
(F) value = 3.94 Tabulart value = 1.984 Sample size=96									

### Second: Effect of the fourth main hypothesis using simple linear regression

- To test the effect of the fourth main hypothesis which states that there is a statistically significant effect of strategic flexibility in its dimensions on business turnover.
- $Y = 1.161 + 0.712Z$
- Where:

Z represents the strategic flexibility variable.

It is clear from Table (4) that:

- The calculated F value was (174.573). It is greater than the tabulated (F) value (3.94) at the level of significance (0.05), and therefore this hypothesis is accepted (there is a statistically significant effect of strategic flexibility on business turnover). It is clear from the corrected coefficient of determination (R<sup>2</sup>) (0.623) that the strategic flexibility rate is (62%).
- The value of (t) calculated for the strategic flexibility variable was (13.213). It is greater than the tabulated (t) value (1.984), which means that the coefficient, marginal slope, for strategic flexibility is significant.

Table (4): Statistical indicators for impact analysis Work turnover Dimensions of strategic flexibility in									
indication	Sig	(t)	(F)	Adjusted (R <sup>2</sup> )	(R <sup>2</sup> )	Dimensions of the strategic flexibility variable			Dependent variable
D	0.000	12.129	147.104	.582 0	0.586	1.707 0.588	) $\alpha$ ( ) $\beta$	Production flexibility	Work turnover
D	0.000	9.407	88.492	.455 0	0.460	2.046 .509 0	) $\alpha$ ( ) $\beta$	Production flexibility	
D	0.000	9.263	85.812	.447 0	.452 0	1.670 .579 0	) $\alpha$ ( ) $\beta$	Competitive flexibility	
(F) value = 3.94 Tabulart value = 1.984 Sample size=96									

## **Section Four: Conclusions and Recommendations:**

### **First: Conclusions:**

1. The Human Resources Department informs the employees about anything that happens within the company by explaining its causes and goals and encouraging implementation in order to reduce the resistance to it.
2. There are failures of some of the company's senior leaders in influencing the employees, directing their behavior towards achieving common goals, urging them to work in a team spirit, and encouraging them to innovate and continuously improve, which may affect their level of performance.
3. The clearest answers are the sample of the study about some deterministic models of strategic flexibility. The company's senior management has a clear vision of this model. They focus on efficiency, effectiveness, and enhancing the performance of their company.
4. The company determines the reasons why the company workers want to leave work and search for other job alternatives.
5. The company can influence the decision to leave the employees' performance and reduce the chances of them leaving their work and thus maintain its efficiency by following many methods, including developing human resources management systems through planning, recruitment, performance evaluation, maintenance and motivation.

### **Second: Recommendations:**

1. Continuing the empowerment of human resources in the General Electricity Distribution Company in Baghdad, in particular, increasing the allocations for employees of that company to complete higher specialized studies or to participate in international training courses.
2. Emphasizing that the company continues to pay salaries, incentives, and employee rewards, and this indicates the cost of effort and time, as well as ensuring that the employee benefits are received on time.
3. Moving towards holding seminars, conferences and other introductory contributions on the importance of environmental and social aspects and the importance of preserving the natural resources for future generations.
4. Calculating the company's turnover rate periodically so that one is fully aware of its situation.
5. Paying attention to evaluate the employees' performance at all organizational levels to contribute to increasing workers' motivation and improving and developing their performance, thus improving the performance of employees in the company.

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