

# A model of enhancing human resource flexibility through value creation among education department employees in Razavi Khorasan province in Iran

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## Abstract

The education department is a social institution that plays a fundamental role in social administration and the sustainable development of countries. Thus, its continuous growth and survival can be guaranteed by promoting human force flexibility and moving toward value-creating approaches. The present applied and developmental study presented a structural model of enhancing Human Resource (HR) flexibility by creating values in the General Department of Education in Razavi Khorasan Province. The research was a descriptive survey in terms of the data collection method and followed a mixed (quantitative-qualitative) approach. The statistical population of the qualitative phase consisted of 20 academic and education administration experts selected by purposeful sampling. The population of the quantitative phase included 700 administrative experts and managers, 248 of whom were selected by Cochran's formula as samples. Structural Equations Modeling (SEM) was used for data analysis. The results showed that evaluating the dimensions and components of HR flexibility through a value-creation approach was statistically significant ( $p < 0.01$ ). The cognitive flexibility dimension enjoyed the highest factor loading and coefficient of determination. Functional flexibility, behavioral flexibility, skill flexibility, communicational flexibility, ethical flexibility, and learning flexibility fell into the subsequent ranks, respectively. Among the value creation components, strategic superiority had the maximum factor loading, and the administrative dimension of organizational innovation received the highest value of the coefficient of determination.

Keywords: structural model, flexibility of human resources, value creation of human resources  
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## 1 Introduction

Today, the Human Resource Management (HRM) domain undergoes numerous environmental pressures to change. Economic transformations, globalization, internal diversity, and the demand for new technologies pave the way for the foundation of new organizations where HR movements are completely novel in some directions [1]. We can assert that technology and talent management are two primary drives for HRM transformations in the 21st century. Talent management is vaguely defined; however, a simple conceptualization is to predict the HR needs to develop

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organizational plans and attain goals. Other HR researchers believe that transformations in these areas arise from globalization, diversification of generations, and interest in innovation and sustainability expansion [2]. These new opportunities and challenges influence the HR future. Nonetheless, various factors contributing to these changes are rooted in the economic transformation of the world, globalization, and internal and technological diversity and pave the way for the genesis of new approaches in human resources [4]. In the modern world of business, empowerment is recognized as an intervening mechanism for organizational growth and development. Psychological empowerment enhances employees' intrinsic motivation and self-efficacy. Many drivers play roles in employee empowerment and can influence their occupational performance [14].

One of these factors is flexibility, which is a suitable approach to responding to environmental uncertainty. Organizational flexibility is recognized as the enterprise's dynamism in response to any changing competitive environment and can produce a sustainable competitive advantage [5]. Flexibility refers to one's openness to drivers, a personality trait that is of different degrees in various individuals and indicates the type of reaction to new experiences [8].

Every organization benefits from various resources, such as innovation capacities, individuals, technology, and financial affairs. These resources can be effectively employed by flexible management through the assessment of flexibility plans in several respects and their selection and implementation toward value creation for organizations [7]. Indeed, flexibility promises a competitive competence in the global economy to organizations, such that HR flexibility is now one of the most paramount managerial tools for moderation, conflict removal, and adaptation to labor market transformations and new production technologies. Furthermore, one of the most crucial challenges ahead of HR experts is to prove the contribution of these resources to organizational value creation. With the advent of knowledge organizations in a knowledge-based economy, the contribution of human capital to organizational value creation has overtaken physical and structural capital and justified heavy investments in human resources for their conversion into the main parameters of competitive advantage. Since efficient and value-creating human forces are counted as the most valuable resource of every organization, the major share of investments is focused on human resources, which are fundamental in raising the competition capacity of innovation and acquiring competitive advantage for organizations. These resources pave the way for improving organizational competencies due to their magnificent characteristics in creating values out of scarcity and hard imitation [6].

Davidescu et al. [3] reviewed the literature on human capital value creation and discovered that this type of capital created intellectual assets in the organization with the help of organizational and communicational capital. Intellectual assets promote the strategic capacities of organizations and lead to organizational value creation. The present study is significant since a review of the research literature on HR value creation and studies on public values showed that the effect of organizational HR on public value creation and the impact of HR flexibility on HR value creation were not profoundly examined. Simply stated, no specific study has probed the concrete effect of HR flexibility on its public value in the Education Department of Razavi Khorasan province in Iran. Hence, with respect to what was mentioned earlier, this study answers the following questions:

1. What are the dimensions and components of HR flexibility and value creation in the Department of Education of Razavi Khorasan Province?
2. What is the model of enhancing HR flexibility through the value creation approach among the Education Department employees of Khorasan Razavi?

## 2 Theoretical framework and research background

Flexibility is rooted in post-modernistic and resource-based theories and includes an organization's capacity to react to the transformations of the business environment effectively and correctly and predict the impact of these changes on organizational goals [16]. It refers to the extent to which the human resource of an organization benefits from the necessary behavioral skills and models to make the best decisions in a competitive environment and the degree to which an organization exploits the most commensurate HRM functions to manage these resources optimally [18]. Hence, a flexible employee is one who can work on various tasks and mobilize new careers and jobs with the minimum cost in various conditions and in the shortest time [11]. On the other hand, it is also tied to employees' capacities to develop extensive skills in the future [10].

Value creation means an approach an organization adopts against all stakeholders, especially customers, and considers the customer the axis of all its activities and processes. In this respect, the organization is engineered in a way that all offered products and services meet the needs and demands of the customer. HR value creation indicates that all activities of the HR units and authorities create positive achievements for the main stakeholders, including employees, line managers, customers, and investors [2].

Value creation is not just a financial statement. All profit, charitable, educational, military, and religious organizations attempt to create values. Indeed, these institutions should create values for beneficiaries, consisting of customers, shareholders, employees, and all members of society, to survive; otherwise, they will lose the competition [15].

Hisham and Ahmad [6] developed a framework to investigate correspondence and flexibility in the strategic management of human resources in telecommunication enterprises in Jordan. They revealed that the strategic flexibility of Jordanian telecommunication companies would result when they rely on novel and sustainable resource management approaches to maintain competition in their dynamic and fast-changing business environments.

Davidescu et al. [3] investigated job flexibility, job satisfaction, and job performance and their impacts on sustainable HRM among Romanian employees. Their results showed that if genuine HRM redesigning faced challenges in encompassing the concept of sustainability, it was indispensable to accentuate a mix of flexible employee, time, and place development to enhance employee job satisfaction and organizational performance.

Huang et al. [7] examined the interrelationships of the HR flexibility strategy, organizational citizenship behavior, and organizational performance in the ecotourism industry. Their findings revealed the positive and significant effects of the HR flexibility strategy on organizational citizenship behavior, organizational citizenship behavior on organizational performance, and HR flexibility strategy on organizational performance.

Luu [12] probed the relationship between authentic leadership and customer service performance by considering the contributions of job creation and HR flexibility. The main purpose of his study was to investigate the role of authentic leadership in reinforcing customer-oriented organizational citizenship behavior and service recovery performance among sales employees. The survey respondents included the employees and managers of the sales sectors of pharmaceutical companies in Vietnam. The results displayed that HR flexibility moderated the relationship between authentic leadership and citizenship behavior.

Najafi et al. [13] examined HR value creation and organizational creativity and innovation in insurance enterprises. Their study delved into the effect of HR value creation on organizational innovation and creativity at two individual and organizational levels. The findings revealed that creativity relatively mediated the relationship between HR value creation and organizational innovation, and HR flexibility significantly impacted creativity individually and organizationally.

### 3 Method

The present research was applied and developmental in terms of its purpose and mixed given its methodology. All dimensions and components identified in the Delphi cycle were selected for item formulation in the quantitative phase, which consisted of two steps. The first step included library studies, through which the researchers investigated the dimensions and components of HR flexibility and HR value creation by examining and analyzing theoretical foundations. In the next step, interviews and questionnaires followed by a Delphi approach were used for data collection. To categorize, complete, and confirm the data collected from the literature and identify and develop the Delphi panel, the researchers used nonprobability sampling and a mix of purposive and judgmental methods and selected 20 experts consisting of university faculties with Ph.D. degrees in management and minimally ten years of experience in teaching HR-associated courses in Farhangian, Ferdowsi, and Allameh Tabatabaei universities and executive specialists with related education and working experience in the HR sector of the Department of Education. The statistical population of the quantitative phase was 700 experts and managers based on the information received from the Official Affairs Sector of the Education Department of Razai Khorasan. In this phase, the sample size was determined at 248 by Cochran's formula. The SPSS software and Partial Least Square Structural Equations Modeling (PLS-SEM) were used for data analysis.

In this study, Content Validity Ratio (CVR) and Content Validity Index (CVI) were measured to quantify the content validity: The CVR was then calculated using the following formula.

$$CVR = \left( \frac{n_e - N/2}{N/2} \right)$$

The minimum acceptable value for CVR according to the views of 10 experts is 0.62. CVI calculation was done by the following formula:

$$CVI = \frac{n_i}{n}$$

where  $n_i$  represents the number of experts that scored the item as 3 or 4; and  $n$  represents the total number of expert's panel members.

The value of AVE and CR was calculated based on the following formula:

$$AVE = \frac{\sum_{i=1}^n L_i^2}{n}$$

$$CR = \frac{(\sum_{i=1}^n L_i)^2}{(\sum_{i=1}^n L_i)^2 + (\sum_{i=1}^n e_i)}$$

### 4 Results

After three rounds of holding expert panels with interview participants in the qualitative phase, the researchers could identify and finalize four dimensions and 57 components for HR value creation and seven dimensions and 48 components for HR flexibility. During the sessions, the experts were asked, 'In your opinion, what are the dimensions and components of HR value creation and HR flexibility? They were also required to state their (for and against) perspectives based on a five-point Likert scale of very low (1), low (2), moderate (3), high (4), and very high (5). The content validity of the test was examined in two ways: First, a minimum Content Validity Ratio (CVR) of 0.37 was acceptable according to the number of experts evaluating the questions (20 individuals). Thus, the questions with CVRs of < 0.37 were omitted due to lacking acceptable content validity. Likewise, Waltz and Bausell's method was employed to examine the Content Validity Index (CVI), for which a minimum value of 0.79 was acceptable. An item was omitted if its CVI was below 0.79. Table 1 presents the Cronbach alpha and Composite Reliability (CR) of HR value creation dimensions.

Table 1: Examining reliability of HR value creation dimensions

<b>Factor</b>	$\alpha$	<b>CR</b>	<b>AVE</b>
Growth	0.90	0.94	0.44
Superiority	0.92	0.96	0.45
Organizational reputation	0.92	0.93	0.42
Client satisfaction	0.91	0.89	0.41

Table 2 provides the Cronbach alpha and Composite Reliability (CR) results for HR flexibility dimensions.

Table 2: Examining reliability of HR flexibility dimensions

<b>Factor</b>	$\alpha$	<b>CR</b>	<b>AVE</b>
Skill flexibility	0.93	0.91	0.57
Functional flexibility	0.89	0.91	0.50
Behavioral flexibility	0.92	0.89	0.66
Communicational flexibility	0.81	0.87	0.57
Cognitive flexibility	0.95	0.91	0.71
Ethical flexibility	0.90	0.94	0.69
Learning flexibility	0.93	0.92	0.54

Question 1: What are the dimensions and components of HR value creation and HR flexibility in the Department of Education of Razavi Khorasan?

The value creation variable was examined by the four dimensions of organizational growth, strategic superiority, organizational reputation, and client satisfaction. The organizational growth dimension involves the components of talent management, efficacy, efficiency, profitability, organizational commitment, organizational benefit, organizational culture, authority delegation, friendly atmospheres, leadership, performance measurement, employee management, education and development, employee knowledge management, employee occupational enrichment, financial rewards (to human forces), and a support and encouragement system (for superior thoughts of the organizations). The strategic superiority dimension encompassed the components of HR strategies (aligned with the macro goals of the organization), fostering internal talents, absorbing external talents, organizational strategy and structure, justice (in HR processes), succession planning systems, innovation, expertise, service provision, intellectual competencies, managerial capacities, developing managers' capabilities, employee empowerment, improving the communication channels of managers and employees, creating opportunities for (employee) progress, and creativity (creative human forces).

The organizational reputation dimension includes the components of organizational creditability, organizational vision, stakeholder perceptions, organizational identity, organizational brand, social responsibility, environmental conservation, reliability, working environment, product/service diversity, and product/service quality. The client satisfaction dimension involves the components of improving products/services, the quality of products/services (above customers' expectations), reducing costs for customers, recognizing customers' expectations, trust (attracting customer trust), brand personality, customer benefits, improving communication channels with customers, polling customers, and customer's perspective on the profitability of products/services. Furthermore, the HR flexibility variable encompasses the seven dimensions of skill flexibility, functional flexibility, behavioral flexibility, communicational flexibility, cognitive flexibility, ethical flexibility, and learning flexibility. The components and indices in every dimension are examined separately. The skill flexibility dimension involves the components of management attitude and capacity (to develop adaptation and flexibility at the organizational level in certain conditions), propagation of flexibility culture, employee education (to apply the flexibility skill in certain conditions), organizational atmosphere and structure, the rewarding process (flexibility in the compensation system), reorganizing (individuals with new skills), fastness and easiness (in acquiring a new skill), discipline management process, teamwork (flexibility in accomplishing individual tasks collectively), the role of leadership, creativity (taking suitable steps spontaneously), employees' job satisfaction, and employing and recruiting flexible individuals. Functional flexibility includes employee socialization (in accepting new employees), complex job responsibilities (ability to accomplish various tasks), job rotation (flexibility for occupational displacements), ability to coordinate with environmental changes, fastness in carrying out new activities, employee versatility and multi-functionality, contingent behavior (different advisable behaviors), and creating new attitudes (not adhering to standard procedures). The behavioral flexibility dimension subsumes the tolerance threshold (high tolerance threshold and flexibility to stressors), ability to face new transformations, attendance time in the workplace (capacity to accept changes in worktimes), and learning from mistakes. The communicational flexibility dimension embraces the ability to use verbal skills (speaking slowly with a friendly voice) and nonverbal skills (body language, privacy determination, eye contact, touching, appearance, and clothing). The cognitive flexibility dimension involves the components of perceiving difficult situations (as controllable), the ability to create alternatives (several alternative solutions), reduced substitution cost and time, the ability to perceive the replacement (for a work event), ability to solve problems, and the capacity to transfer attention and thought (simultaneously thinking about different aspects of a topic). The ethical flexibility dimension encompasses accountability, honesty, modesty, respect, appreciation, service provision, truthfulness, justice/impartiality, sympathy, and the ability to make decisions (differentiate between right and wrong). The learning flexibility dimension embraces the components of willingness and efforts to learn, orientations to group participation, sharing implicit knowledge, goal-setting, perseverance, and openness (tendency to use others' experiences).

Question 2: What is the model for enhancing HR value creation through the flexibility approach?

There are two reflective measurement models, i.e., HR value creation and HR flexibility, in this research. The confirmatory factor analysis results were examined for HR value creation and flexibility. The standard error was estimated by the bootstrap method, and the model was recreated with 500 repetitions. The reliability of the measurement models was assessed by the examination of factor loadings, for which the fit coefficients encompassed values of  $\geq 4$ . The factor loadings were above 0.40 and significant on their corresponding constructs in all intellectual capital indices. The  $t$  values of  $> 2.58$  were significant at the 0.01 level. The factor loadings were  $> 0.40$  and significant on their corresponding constructs in all HR flexibility indices. The  $t$  coefficients of  $> 2.58$  were significant at the 0.01 level. After investigating the fit of the measurement models, we examined the structural relationships of the HR flexibility model with the value creation approach. There are several indices for evaluating structural models. Path coefficients and the significance levels of  $t$  among model constructs indicate the validity of relationships. These coefficients are compared with critical values at the 95% and 99% confidence levels and include the 1.96 and 2.58 coefficients. The path coefficient of value creation on HR flexibility equaled 0.774, which was significant at the 0.01 level ( $2.58 < 22.515$ ). Structural models are acceptably fit when they can predict indices associated with endogenous variables, for which three values of 0.02, 0.15, and 0.35 indicate poor, moderate, and strong prediction fit. The investigation of the indices revealed that the model fit was above the average. After examining the fit of the measurement models, we investigated the structural relationships of the HR flexibility model with the value-creation approach.

The results in Figures 1 and 2 display that the path coefficient of value creation on HR flexibility equals 0.774, which is significant at the 0.01 level ( $2.58 < 22.515$ ). Likewise, one of the indices confirming the relationships in the structural model is tied to the significance of the path coefficients. According to Figures 3 and 4, the path coefficient of value creation on HR flexibility equals 0.774, which is a positive value and indicates the direct relationship between these two variables. The path coefficient of organizational growth on HR flexibility equals 0.221, which is also positive and implies a direct association between these two variables. The path coefficient of organizational superiority on HR

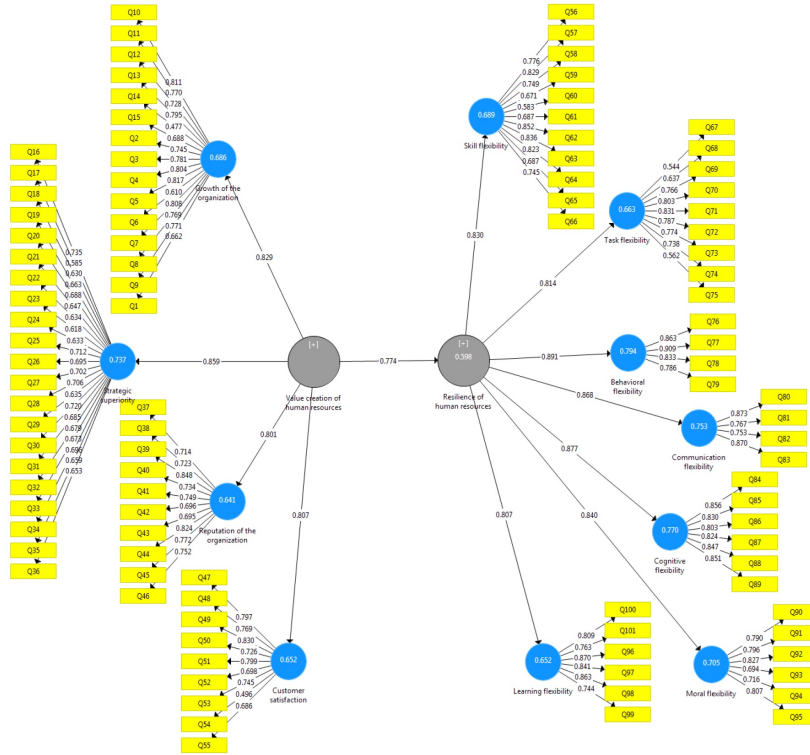


Figure 1: Standard path coefficients of HR value creation with flexibility

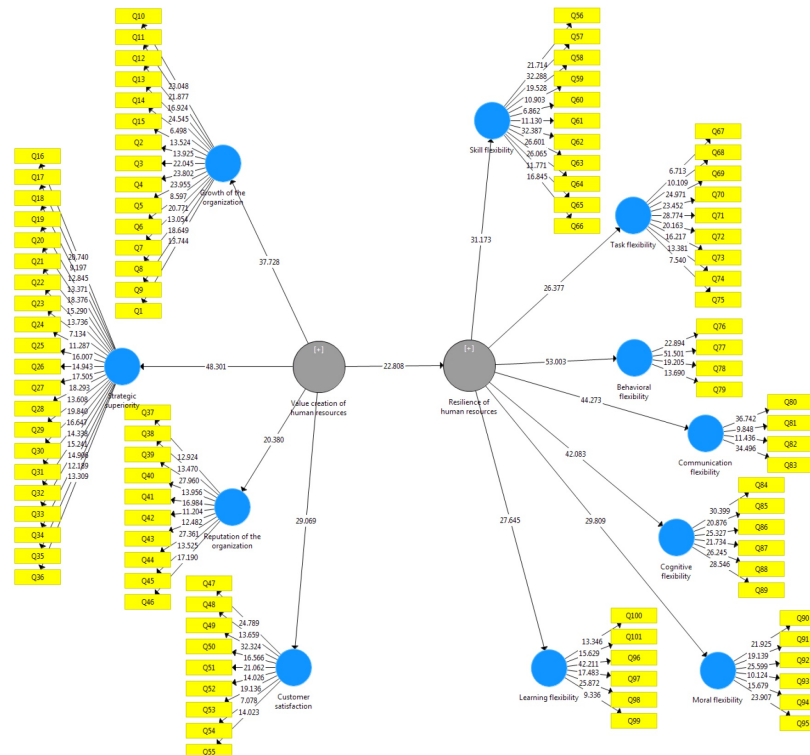


Figure 2: Standard path coefficients of value creation dimensions with flexibility

flexibility equals 0.207, which is positive and indicates a direct relationship between these two variables. The path coefficient of organizational reputation on HR flexibility equals 0.232, which is also positive and denotes the direct interrelationship of these two variables. Finally, the path coefficient of client satisfaction on HR flexibility equals 0.267,

which is a positive value and implies that these two variables are directly related.

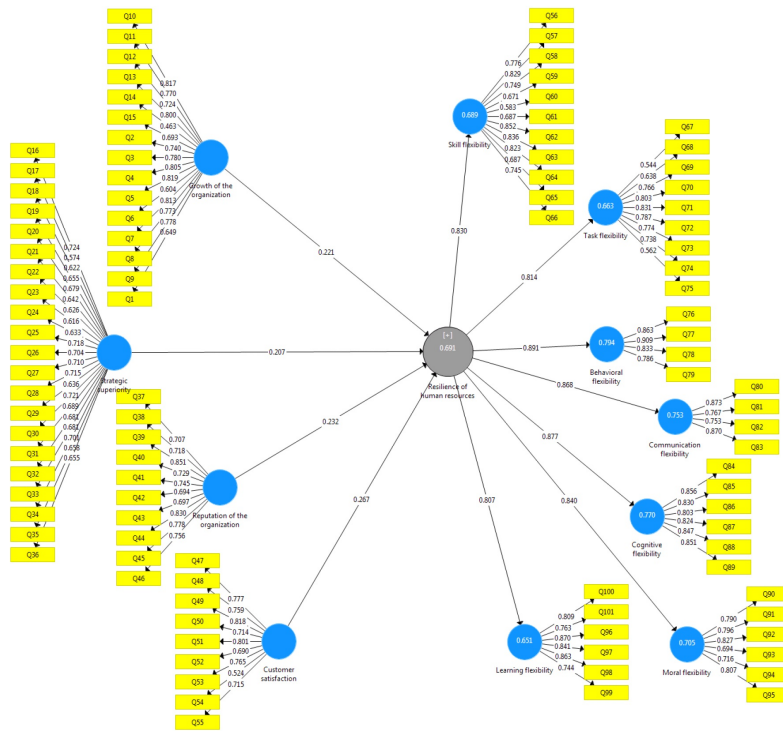


Figure 3: Significance of path coefficients of value creation with flexibility

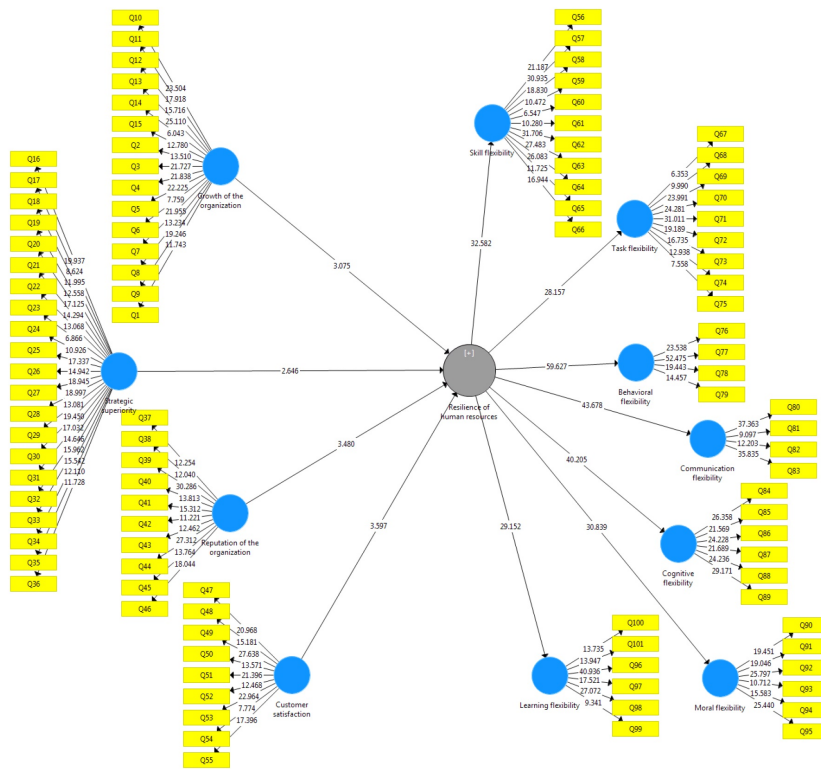


Figure 4: Significance of path coefficients of value creation dimensions with flexibility

## 5 Discussion and conclusion

The present study aimed to enhance HR flexibility among Education Department employees' of Razavi Khorasan province with a value-creation approach. In this regard, the dimensions and components of HR flexibility and HR value creation were identified and ranked. The originality of the research was to present components for the HR flexibility and HR value creation variables with an educational approach for the Department of Education of Razavi Khorasan. The purpose was to benefit from the financial, equipment, and human resources of this organization with a specialized educational perspective, promote internal and external competencies, and establish strategic bonds among these resources in order to create innovations, overcome challenges, and face transformations ahead of the Department of Education. In this respect, the viewpoints of university faculties on education were received, and the research questions were answered. The results showed that HR flexibility, with desirable indices, involved seven dimensions, including skill flexibility, functional flexibility, behavioral flexibility, communicational flexibility, cognitive flexibility, ethical flexibility, and learning flexibility. In the meantime, the cognitive flexibility dimension possessed the highest factor loading and coefficient of determination. Afterward, functional flexibility, behavioral flexibility, skill flexibility, communicational flexibility, ethical flexibility, and learning flexibility lie in subsequent ranks. Bodru and Ayne [1] investigated the relationship between HR flexibility and HR value creation among employees in private schools in Michigan state and found that the functional dimension had the highest factor loading and impact factor. They proposed that job rotation could facilitate employees' adaptability to transformations and critical situations. Furthermore, an investigation of the relationship between HR flexibility and HR value creation has revealed that the ethical dimension is of utmost significance [9]. In the present research, HR value creation included four dimensions and 57 components, and strategic superiority enjoyed the highest factor loading and coefficient of determination. This result is in line with the findings of the study by Taghizadeh et al. [17] concerning the high significance and coefficient of determination of strategic superiority relative to the other value-creation components. Ketkar and Sett [10] investigated the direct relationship between HR value creation and HR flexibility. They emphasized the significance of strategic superiority among the value creation components and asserted that learning and innovative organizations engrossed their attention to fostering internal and absorbing external talents. The results of this research conformed to the findings of the study conducted by Domínguez-Falcón et al. [4] concerning the dimensions of HR value creation and flexibility. Hence, with regard to the results, managers undeniably attend to formulating HR strategies that are in line with the macro goals of the organization since the outcome of such attention is innovation, expertise, and succession planning at the organizational level. Due to undertaking the responsibility of training the students of the future generation, the Department of Education needs highly flexible employees, experts, planners, and managers that can create value. Human resources maintain human, structural, communicational, and innovative capital in the organization, and human forces are engaged in knowledge and information absorption and exchange and organizational learning with higher motivation and integration.

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