IMPACT OF HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES ON EMPLOYEE PERFORMANCE IN TELECOM SECTOR- WITH REFERENCE TO MTS INDIA

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ABSTRACT
This paper investigates the influence of human resource practices on the employee performance in telecom sector in India. The world of human resource management is changing more rapidly than we can imagine. Recognizing these challenges of the organization has created the need for fundamental advances in human resource management. Through this research study we explored contribution of human resource management practices including selection, training, career planning, compensation, performance appraisal, and job definition and employee participation on perceived employee performance. Results highlighted that all the tested variables are positively correlated but correlation of compensation (0.78) and training (0.66) are highest respectively.

INTRODUCTION
Telecommunication has emerged as a key driver of economic and social development in an increasingly knowledge intensive global scenario, in which India needs to play a leadership role. National Telecom Policy-2012 is designed to ensure that India plays this role effectively and transforms the socio-economic scenario through accelerated equitable and inclusive economic-growth by laying special emphasis on providing affordable and quality telecommunication service in rural and remote areas. Thrust of this policy is to underscore the imperative that sustained adoption of technology would offer viable options in overcoming development challenges in education, health, employment generation, financial inclusion and much else. NTP-2012 is an initiative to create a conducive policy framework to address these issues and to touch lives of all citizens and transform India.

NTP-2012 recognizes that the rapid growth in the telecom sector requires to be supported by an enhanced pace of human capital formation and capacity building. It becomes imperative to put in place an integrated skill development strategy for the converged ICT sector as whole so that there is continuous up-gradation of skills in tune with the technological development. The cornerstone of this strategy is to derive maximal dividend from our young population and their creative abilities. The advent of technologies like cloud computing present a historic opportunity to a new level domestically as well as globally.

It is now commonly accepted that employees create an important source of competitive advantage for firm (Barney, 1991). As a result, it is important that a firm adopts HRM practices that make the best use of its employees. The above trend has led to increase interest in the impact of HRM on organizational performance and a number of studies have found a positive
relationship between so called ‘high performance work practices’ (Huselid, 1995) and different measure of organizational performance.

The impact of HRM practices on organizational performance has emerged as the dominant research issue in the personal/HRM field (Backer and Gerhart, 1996; Dyer & Reeves, 1995; Guest, 1997). Many researchers have pointed out that HRM practices impact on the outcomes such as employee satisfaction, employee commitment, employee retention, employee presence, social climate between workers and management, employee involvement, employee trust, employee loyalty (Edger & Geare, 2005; Paavwe & Richardson, 1997 and Storey, 1989). An increasing body of work contains the argument that the use of high performance work practices including comprehensive employee recruitment and selection procedures, incentive compensation and performance management systems and extensive employee involvement and training, can improve the knowledge, skill and abilities of a firm’s current and potential employee, increase their motivation, reduce their shirking and enhance retention of quality employee while encouraging non-performance to leave the firm (Jones & Wright, 1992).

Mobile TeleSystems or simply MTS India is an Indian subdivision of Russian Mobile Telecommunication Company headquartered New Delhi, India. It provides wireless voice, broadband Internet, messaging and data services in India. MTS India is a subsidiary of Russian conglomerate Sistema and operates across India with over 16 million customers as on 2012.

This study is conducted to examine the impact of HRM practices: Selection, Training & Development, Performance Appraisal, Career Planning, Compensation, Employee Participation and Job Definition on the employee’s performance of MTS India.

REVIEW OF LITERATURE

Human resource policies and practices of an organization are significantly important forces for determining behavior and insolence of employees. Managing HR has many forms of continuation but human resource management practically in organizations is to make use of people and maintain employment relations.

Ramesh T (2005) studied the changes occurring in the field of human resource management in today’s era. In his study, he observed that HR functions are concerned with a variety of activities that significantly influence almost all areas of an organization. The success of an organization depends to a large extent on the existence of a favorable HRD climate a combination of various factors such as openness, team spirit, trust, autonomy, cooperation, integrity, recognition, participation, fair compensation, counseling, problem solving, valuing the assets, and respect for the individual. It is the human intellect, human energy and human inventiveness, which accomplish excellence for the firm. If a company wishes to make purposeful trade– off, it must create radical decentralization and give autonomy to the employees. A good HR leader can always turn the worst to the best because he/she can really get the employees to work and motivate them to perform better.

Zulfqar Ahmad Bowra (2010), conducted a study to examine the relationship and nature of relationship between the employee perceived performance and human resource (HR) practices (compensation, performance evaluation, and promotion practices) in the banking sector of Pakistan. Survey of 235 banking personnel was conducted through personally administrated questionnaire to investigate the impact of HR practices on employees’ perceived performance. The relationship and nature of relationship is calculated by applying the Spearman’s correlation
matrix and multiple regression analysis. The Spearman’s correlation results demonstrate that, the employee perceived performance and HR practices has the positive and significant relationship. The regression results indicate that the two HR practices: performance evaluation and promotion practices are significant but the compensation practices are not significant. Moreover, this study provides help for top-management of banking sector to design or revise their HR policies and make practices to attain high employee performance.

Nausheen Syeed (2012) explored the potential impacts of high performance Human resource management practices on employee’s job satisfaction. The research hypotheses was tested using sample data collected from 320 employees of 7 telecommunication companies’ in Pakistan. The proposed practices, which were empowerment, job rotation, Employee participation, Merit-based Promotions & Performance-based Pay and Grievance handling procedures, were positively correlated with employee’s job satisfaction. Multiple regression analysis revealed that all the practices except Grievance handling procedures account for unique variances in job satisfaction of the surveyed firm’s employees.

Ruchi Goyal (2012) investigate the influence of human resource practices on the employee job satisfaction and organizational commitment of the pharmaceutical companies in India. The world of human resource management is changing more rapidly than we can imagine. Recognizing these challenges of the organization has created the need for fundamental advances in human resource management. This paper also suggests certain possible solution to the above said problem.

THEORETICAL FRAMEWORK

Selection: Selection is the process of choosing individuals who have relevant qualification to fill existing or projected job opening (Dessler, p. 234). It is the process of assessing candidates and appointing a post holder to ensure that the most appropriate candidate is hired. Successful employee hiring decisions are the foundation of any organization’s success.

Training: The term training is often used causally to describe almost any effort initiated by an organization to foster learning among members. Training is included as high-performance HRM practices (Huselid, 1995; Mac Daffie, 1995; Koch and McGrath, 1996). Firm with superior training programmes may also experience lower staff turnover than firms that neglect employees training and development.

Performance Appraisal: The performance appraisal can be defined as a process, typically delivered annually by a supervisor to a subordinate, designed to help employees understand their roles, objective, expectations and performance success (Snell S & Bohlander G, 2007, p.332).

Compensation: Employee compensation includes all forms of pay and rewards received by employees for the performance of their jobs (Snell S & Bohlander G, 2007, p.378). Direct compensation encompasses employee wages and salaries, incentive-payments, bonuses and commissions. Indirect compensation comprises the many benefits supplied by employers and non-financial compensation includes fringe benefits like free insurance, subsidized lunch etc. intrinsic rewarding jobs, a nice work environment and flexible work hours to accommodate personal needs.
Career Planning: Career planning is a process whereby an individual sets career goals and identifies the means to achieve them. In other words, career planning is a tool that aligns strategy with future HR needs and encourages employees to strive for their personal development (William et al. 1996).

Employee Participation: By increasing employee participation, the firm will benefit from an increase in productivity of the employee due to increased commitment of the employee. Financial participation schemes were more beneficial for the organization than the associated cost (Summers & Hyman 2005).

Job Definition: Job definition is a combination of job description and job specification. It clearly outlines duties, responsibilities, working conditions, and expected skills of an individual performing that job (Qureshi M Tahir 2006).

OBJECTIVE
To examine the impact of HR practices on employees' performance.

RESEARCH METHODOLOGY
The target population of this study consists of employees of MTS India and the size of the sample is 50 respondents. A well-designed questionnaire was used for collecting data from the different colleges. The questionnaire consists of two parts: first part of the questionnaire was containing information of the respondents their demographic and socio-economic background, and second part was containing questions regarding employee performance. The questionnaire used was of multiple-choice and a 5 point Likert-scale (5-highly satisfied to 1-highly dissatisfied) was used. Correlation test was used to analyze the data by using SPSS 14 version.

FINDINGS AND SUGGESTIONS
Out of the 50 survey questionnaires distributed, (52.59%) respondents are male and (47.40%) are female. The majority of the respondents are between 25-33 years old (39.25%). Also, the majority of the participants in work experience in the survey are shown as (32.59%) which has less than 5 years of working experience. Furthermore, (54.07%) of the respondents are married. Most of the respondents acquired the educational level with at least a bachelor degree (48.88%).

There is strong positive correlation between compensation and employee performance (0.78) indicating that, most of people are idealizing compensation as an important factor which is directly correlated with Employees’ performance. All the variables are having positive correlation with Employees performance. Like Training (0.66), Performance appraisal (0.47), Career planning (0.29), Employee participation (0.56), Job definition (0.34), compensation (0.78) and selection (0.62). In nutshell all tested HR practices are having positive correlation with employees’ performance.
Table 1: HR Practices and Employee Performance.

<table>
<thead>
<tr>
<th>HR practices</th>
<th>Correlation Coefficient</th>
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<tbody>
<tr>
<td>Selection</td>
<td>.62*</td>
</tr>
<tr>
<td>Training</td>
<td>.66*</td>
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<tr>
<td>Performance Appraisal</td>
<td>.47*</td>
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<tr>
<td>Compensation</td>
<td>.78*</td>
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<tr>
<td>Career Planning</td>
<td>.29*</td>
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<tr>
<td>Employee Participation</td>
<td>.56*</td>
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<tr>
<td>Job Definition</td>
<td>.34*</td>
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* Significant at 5 % level of significance
Source: Primary data compiled

These results are matching with the findings of Qureshi M. Tahir (2006) where he concluded that all these practices are positively correlated but correlation and effect of selection, training and employee participation in decision making is highest respectively. These results are also matching with the findings of Singh K (2004), he concluded that Training and compensation are having positive effects on organization and employee’s performance. All those organizations who are interested for High growth through increasing employee participation must pay attention on Training, Selection, and Compensation and employee participation for policy development.

REFERENCES