

Effect of Human Resource Planning on Organizational Performance of Telecom Sector

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Abstract

Human resource planning is one of the growing areas of academic research. Organizations regard its human resource as their core competency because it would lead towards better organizational performance. This research focuses on effect of human resource planning on the organizational performance. Objective of this research is to determine key determinants of formal human resource planning that contributes towards performance in the telecom sector. The data collected from top managers, middle level managers and the first line HR managers of 50 offices including head offices and regional offices of 160 questionnaires including some interview and open ended questions based on the measures of performance and Human Resource Planning. The results from the factor analysis on HRP measures selection, training, and incentives and the organizational performance measures which are job satisfaction, efficiency, employee motivation and technology constitutes significant and a positive relationship with other. As modern HR practices are implemented in telecom sector and companies would spend more on Human Resources, it would lead towards High performance achievement.

Keywords – Human Resource Planning, Telecom Sector, Organizational Performance, Selection, Training and Incentives

Paper Type– Research Paper

1. Introduction

1.1 Human Resource Management

Human resource management is a set quantity of work in an organization that focuses on the management of staffing, giving direction to the people who work in the organization and issues related to the people such as hiring, employee motivation, remuneration, communication, wellness, safety administration and training. Human resource management also focuses on the personal management and organizational development. It is mandatory for every organization to have a formal human resource department in their organization and now a day's human resource management is seen strategically by the top management.

1.2 Major Issues and Problems of HRM in Telecom Sector

The human resource management practice has been changing rapidly in telecommunication sector of almost all over the world. Results of those practices compel managers to have sufficient reasons to be aware of the employee behavior and methods which can enlarge their performance. That is why we are taking the telecommunication sector as its focal point of research as the work on HR issues in UK is very low. The value of human resource management is fully accepted up till now among the telecom sector of UK. Wright, P. M. and Gardner, T. (2003)

It is realized that there is a big cause to check the availability of modern human resource practices and its influence on the organizational performance in UK. Telecom sector of UK includes mostly the federal structure of work; the employees are very much outfitted with modern techniques of working on computers. Human Resource Planning is considered as the primary debate among the policy makers that to invest in workforce will bring them good results in terms of performance. The significant tools of HRP like selection, training, benefits/incentives, and employee

promotion makes HR of telecom companies more strong than any other sector in UK.

1.3 Human Resource Planning

“The process by which organization find that it has the right people, who are capable of completing those objectives that can help the organization to reach its objectives.” (Guidelines on HRP). Human resource planning was introduced because at previous times there was no suitable system of managing people within the organization and certainly while following the human resource management, top managers realized that the efficiency of work has increased and certainly there were some techniques and processes developed which can increase the organizational performance, then gradually the whole layout of human resource management was made and it was concerning the staffing needs, its demand and supply.

1.4 Rationale of the Study

During the last five years, there has been an enormous increase of major multinational telecom companies in UK. In addition to this, there has been a realization that the true strength of an organization lies with its human resources. It is considered that how well an organization is equipped with the tools and techniques of the art of hiring the best people, and developing and retaining them, determines which organization is going to lead the market. This has led to a tremendous demand for specialists in Human Resource Management who can help organizations achieve these objectives.

1.5 Statement of the Problem

In this research we will identify those determinants that can improve the organizational performance like selection criteria, hiring, training, and giving benefits and if they would follow those tools of human resource planning it would be easy to manage employees and in return it will increase the organizational performance.

1.6 Objectives of the Study

The basic objective of this study is to measure the basic determinants of Human Resource Planning which can progress the organizational performance in the ‘telecom sector’. Major focus was first to check the continuation of formal human resource planning and identifying the variables which can increase the organizational performance among the following public sectors of UK:

Furthermore it has some sub-objectives which are as follows:

- To help the telecom sector in managing their staffing problems.
- To ensure effective utilization and maximum development of human resources
- To ensure respect for human beings
- To achieve and maintain high morale among employees

1.7 Significance of the Study

Human resource planning has its real significance in the telecom sector as it is a key driver towards building and maintaining organizational performance in UK. The performance of HRP in telecom sector of UK has improved and with licensing to most of the MNC’s from developed countries introduced the modern practices in UK. So this research will absolutely give a positive path towards making telecom sector HR competitive as compared to other sectors, as we will check that the telecom sector has an effect on their organizational performance by following the modern practices of HR.

1.8 Hypotheses

As this research is investigative in nature and the researcher had to check the availability and existence of Human Resource Planning and some of its tools in the telecom sector of UK, there are some hypotheses which we developed:

Alternative Hypotheses:

- H1: HRP has a significant relationship with employee motivation
- H2: HRP has a significant relationship with technology
- H3: HRP has a significant relationship with efficiency
- H4: HRP has a significant relationship with job satisfaction

2. Literature Review

2.1 Human Resource Management

Now a day's the Human Resource management is considering one of the most important tools for all HR specialists and to gain high performance and achievement. In past HRM there was not much value that employees treated as labor only, and then managers realized that by proper management of staff they can gain efficient control on staffing progress. But as the businesses changed their thinking of taking into considering employees as an expense and find out that if Human Resource practices are follow than those employees can bring a positive change in the organization in terms of profitability, success and growth in the market (Steven J. 2008).

2.2 Role of Human Resource Planning in Telecom Sector

Huselid (1995) stressed that by adopting best practices in selection and inflow of best quality of skill set will be inducted, will add value to skills inventory of the organization. He also stressed on significance of training as balance of selection practices through which the organizational culture and employee behavior can be aligned to produce positive results.

Wright et al (2003) have argued that an employee will exert discretionary effort if proper performance management system is in place and is supported by compensation system linked with the performance management system. Job definition is 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). Ichniowski (1995) while observing productivity of steel workers have found that complementary HR practice System effects workers performance. Collins (2005) in a research of similar nature targeting small business have found that effective HR practices impact employee outcomes significantly (employee outcomes used by them were different than ours).

2.3 Effect of HRP on Organizational Performance:

Organizational performance can be measured through financial stability and productivity, but when we have to relate human resource planning with the organizational performance, than we consider some of other variables like efficiency and effectiveness, employee motivation, job satisfaction, trust on employees (cho, Woods, & Mayer, 2005)

Human resource planning is surrounded by three basic level practices which can increase the organizational performance:

- 1) To increase the knowledge, skills and abilities among employees.
- 2) To enhance their empowerment like giving them employment security and organize some participation programmes for employees.
- 3) To give them motivation through both incentive means like giving them compensation and benefits, and also

through internal promotion like promoting them with their job status. (Yongmei, James, David, & R, 2007).

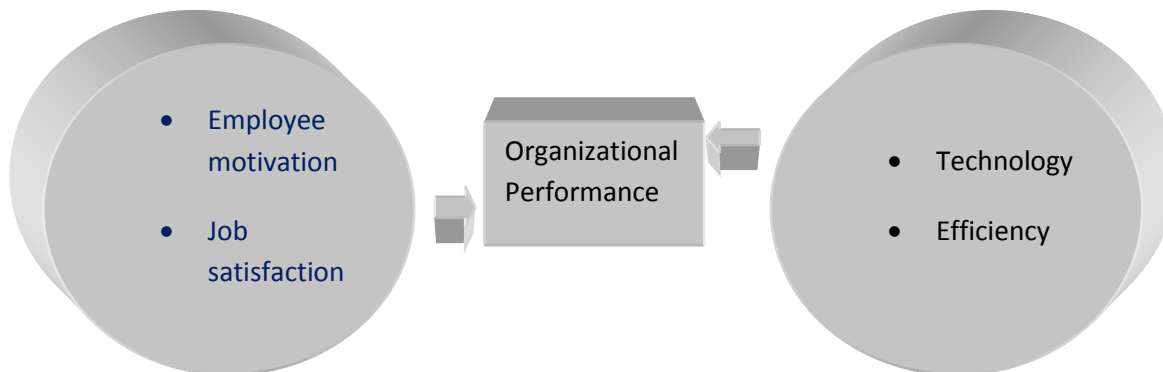


Figure 2.4.1 factors of HR affecting Organizational Performance

3. Methodology

3.1 Kind of Research

This research is about human resource planning in telecom sector, and find out different ways how can help to increase the organizational performance of telecom sector of UK. For this purpose we had checked firstly the field of human resource management and its planning, whether the modern practices of human resource management are following by the telecom sector of UK or not. We also checked the effect of determinants of HRP like selection, training and incentives on the measures of organizational performance like efficiency, job satisfaction, employee motivation and technology in the telecom sector of UK.

3.2 Variables

As this research is about the measurement of organizational performance so for this purpose we have two variables of the research which are follows.

3.2.1) Dependent Variables

In this research dependent variables are organizational performance measures such as efficiency, employee motivation, job satisfaction and technology.

3.2.2) Independent Variables

As this research is based on qualitative data, so there are some independent variables, which are the basic determinants of human resource planning such as selection, training and incentives.

3.3 Research Design

We have design this research by conducting a questionnaire in which we include HRP's some constructive information and off course the organizational performance which can help to prove the hypothesis of this research. Secondly we also conducted interviews with top and middle level managers, in which we ask some questions about implementation of human resource planning and some questions based on likert scale as the determinants of HRP

and their constructs like selection, training and incentives.

3.4 Data Collection Tools

The data collection is very important in research as it brings output. So there are two basic data collection tools which can be very helpful throughout this research. And those sources are:

3.4.1) Primary Sources of Data

The Primary source of data is called first hand data which subject collect directly. So In this research's primary sources of data are Questionnaires and Interviews, which help to give the exact format of information and definitely in findings of research.

3.4.2) Secondary Sources of Data

Which data collect from some other sources is known as secondary source of data. In this research secondary sources of data are research articles regarding this topic.

3.5 Sample Size

Among the telecom sector of UK, we visited more than 50 offices including head offices of telecom companies. The data collected from major cities of UK, we made a questionnaire regarding this research topic which was covering almost all of the above mentioned tools regarding human resource planning. That questionnaire was made for 10 top managers which are directly involved in the implementation of Human Resource Planning (HRP). And remaining 50 questionnaires were for middle level HR managers and lower level staff of the Organizations. (V. Haines, 1997)

5. Results and Analysis

In this research, we had checked the effect of formal Human resource planning on organizational performance. In this chapter of his research, we had checked that human resource planning determinants are affecting the performance of telecom sector.

4.1 Quantitative Analysis:

Analysis based on some statistical tools including some HRP variables and some qualitative variables to measure the organizational performance in the results which explain the relationship of one variable with another and those numerical values proves our hypothesis.

We had done qualitative analysis to show the importance of Human resource planning.

Linear Regression Test:

We use linear regression to check the effect of dependent variables with independent variables. As we have four latent factors of organizational performance which are job satisfaction, motivation, efficiency and technology. In regression analysis we took performance measures as dependent variables and the latent factors of human resource planning such as selection, training and incentives these are our independent variables of research.

Relationship of Employee Motivation with Independent Variables:

Table 1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the estimate	Durbin-Watson
1	.461	.212	.197	3.20535	2.967

In the above table the value of R square indicates that total variation in dependent variable employee motivation is explained by the independent variables i.e. selection, incentives, training and the remaining is due to some other factors.

Table 2. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	431.842	3	143.947	14.010	.000
	Residual	1602.789	156	10.274		
	Total	2034.631	159			

The ANOVA table suggests that the relationship of employee motivation with independent variables is highly significant and its value is (.000).

Table 3. Coefficients

Model	Unstandardized coefficients		Standardized coefficients		Sig.	
	B	Std. Error	Beta	t		
1						
	(Constant)	2.678	1.477		1.813	.072
	Selection	-.857	.563	-.110	-1.523	.130
	Incentives	1.544	.257	.431	6.015	.000
	Training	-.203	.271	-.054	-.748	.456

In the above table of coefficient, employee motivation is highly significant with incentives only; its significance level is (.000). As the incentives among the employees in an organization increases, the employee motivation increases. The value of Beta (.431) suggests that there is a positive relationship between employee motivation and incentives.

Relationship of Technology with Independent Variables:

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the estimate	Durbin-Watson
1	.246	.060	.042	.26047	2.504

In the above table the value of R square indicates that total variation in dependent variable employee motivation is explained by the independent variables selection, incentives, training and the remaining is due to some other factors.

Table 5. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.679	3	.226	3.339	.021
	Residual	10.583	156	.068		
	Total	11.263	159			

ANOVA table suggests that the relationship of technology with independent variables is significant at 1% level and its value is (.021)

Table 6. Coefficients

Model	Unstandardized coefficients		Standardized coefficients		Sig.
	B	Std. Error	Beta	t	
1					
(Constant)	2.025	.120		16.869	.000
Selection	-.084	.046	-.146	-1.846	.067
Incentives	-.017	.021	-.063	-.807	.421
Training	.049	.022	.173	2.213	.028

In the above table of coefficient, technology is significant with selection; its significance level is (.067). The selection process improves with the help of improvements in technology. The value of Beta (-.146) suggests that there is a negative relationship of technology with selection. Technology is also significant with training, as technology improves the training process also improves. The value of Beta (.173) suggests that there is a positive relationship technology with training.

Relationship of Efficiency with Independent Variables:

Table 7. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the estimate	Durbin-Watson
1	.649	.422	.411	.58823	2.506

In the above table the value of R square indicates that total variation in dependent variable efficiency is explained by the independent variables selection, incentives, training and the remaining is due to some other factors.

Table 8. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.366	3	13.122	37.923	.000
	Residual	53.979	156	.346		
	Total	93.345	159			

ANOVA table suggests that the relationship of efficiency with independent variables is significant at 1% level and its value is (.000).

Table 9. Coefficients

Model	Unstandardized coefficients		Standardized coefficients		Sig.
	B	Std. Error	Beta	t	
1					
(Constant)	.098	.271		.361	.718
Selection	.959	.103	.575	9.285	.000
Incentives	.138	.047	.180	2.924	.004
Training	-.178	.050	-.220	-3.580	.000

In the above table of coefficient, efficiency is highly significant with selection; its significance level is (.000). The efficiency in an organization improves as the selection process is refined. The value of Beta (.575) suggests that there is a positive relationship of efficiency with selection. Efficiency is also significant with incentives (.004), as more the incentives will be provided to the employees; the more it will bring efficiency in terms of time saving and expenditures. The value of Beta (.180) suggests that there is a positive relationship of efficiency with incentives. Efficiency is also highly significant with training (.000), as more and more will be the training the efficiency among the organization increases. The value of Beta (-.220) suggests that there is a negative relationship of efficiency with training.

Relationship of Job Satisfaction with Independent Variables:

Table 10. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the estimate	Durbin-Watson
1	.214	.046	.027	37.63192	2.353

In the above table the value of R square indicates that total variation in dependent variable job satisfaction is explained by the independent variables selection, incentives, training and the remaining is due to some other factors.

Table 11. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10593.912	3	3531.304	2.494	.062
	Residual	220921.234	156	1416.162		
	Total	231515.147	159			

ANOVA table suggests that the relationship of job satisfaction with independent variables is significant at 10% level and its value is (.062).

Table 12. Coefficients

Model	Unstandardized coefficients		Standardized coefficients		Sig.
	B	Std. Error	Beta	t	
1					
(Constant)	11.829	17.345		.682	.496
Selection	-14.884	6.606	-.179	-2.253	.026
Incentives	-1.985	3.014	-.052	-.659	.511
Training	3.729	3.186	.092	1.170	.244

In the above table of coefficient, job satisfaction is significant with selection only; its significance level is (.026). The value of Beta (-.179) suggests that there is a negative relationship between job satisfaction and selection and the reason is due to tough selection criteria or reference based hiring.

5. Major Findings of the Study

From all analysis shown in the fourth chapter, it can easily be found out that human resource management is compulsory and a strategic component and the modern practices of human resource management (HRM) that can make an organization's employee more capable and distinctive for their work (Fernando Martin, 2005), the purpose of this research was to check the performance of telecom sector and the impact of the determinants of Human Resource Planning on the qualitative performance measures. The practices of Human Resources are their real success as they are following the modern practices and methods of Human Resource Management. We had checked selection, training, and incentives with our performance measures which are having a positive and significant result with each other.

6. Conclusion and Recommendations

Conclusion

From the regression test, the level of significance (.000) confirms that motivation is depicting positive and a significant relationship with incentives. As more and more incentives would be provided to the employees, the motivation level will increase. Secondly, the technology is our second dependent variable with having positive and significant effect on the employee training; the significance level is (.028). This shows that as there will be an up gradation in technology, the easier would be to train people. The third dependent variable is efficiency; its significance level with incentives is (.004). When incentives provided to the employees in an organization, it will increase the efficiency of that organization. Thus it is having a significant and a positive relationship with each other. Selection is also highly significant with efficiency (.000), which interprets if the right criterion to select people is followed in an organization, it will bring efficiency. The last independent factor is job satisfaction; only selection is showing significant (.026) but a negative relationship with job satisfaction. Hence our H0 is rejected but H1 is accepted that Human Resource Planning has significant relationship with organizational performance. As HR practices would improve and companies would spend more on Human Resources, it would lead towards High performance achievement and Human Resource should have to be treated as a strategic component in other sectors of Pakistan.

Recommendations

This research is very helpful for telecom sector in almost all over the world, as the determinants of Human Resource Planning like selection, training, and incentives are having a significant and positive relationship with organizational performance measures which are job satisfaction, technology, employee motivation and efficiency. This research is only based on the qualitative measures of performance, but for future research quantitative measures can also be taken to measure performance.

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