IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE JORDANIAN TELECOM SECTOR

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Abstract - Studies on HRM practices at different levels have been an area of interest for researchers for several decades because of the expansion of the industries and innovative practices which enable an organisation to retain and utilise the Human resource effectively. As the 21st century has seen a tremendous growth in the service sector especially the telecommunication industry where the service providers were growing it is crucial for the organisations to retain and care for their employees and to improve their competitive advantages. Hence this study Jordanian Telecom Sector major to identify the impact of HR practices(Training, jop design and employee participation) on employee performance. Samples were collected using questionnaire from 100 employees in order to test the hypothesis. Regression analysis was done using SPSS to find out the impact of independent variables on employee performance. It was found that there was a significant relationship and impact of training and compensation plans on employee performance whereas employee participation had less impact on employee performance.

Keywords - Human Resource Management, Training, Jopdesign , Employee Participation

I. INTRODUCTION

Impact of human resource management practices on organizational performance has been a widely researched area for years. Results of studies, from developed countries to developing countries, have been time and again showing that HR practices have significant impact on organizational performance (Delaney &Huselid, 1996; Katou&Budhwar, 2007; Sing, 2004; Tzafrir, 2006). But unfortunately, very insufficient numbers of studies have been conducted in this area among the developing countries. To augment the contemporary knowledge base of HR practices of developing countries, this study has been undertaken in a Telecom Malaysia.

Telecommunication industry has seen massive structural transformation in terms of technological development which has made the industry to be highly competitive. The industry is the fifth largest and fastest growing industry worldwide (Hawken, Lovins, &Lovins, 2010). The industry takes a significant role in the world economy (Porter, 2000). The industry estimated revenue in 2008 was $3.85 trillion and the service revenue of the global telecommunications industry was estimated to be $1.7 trillion in 2008 and this is expected to reach $2.7 trillion by 2013 (Tedjokusumo&Setyorini, 2011). The telecommunications industry can be categorized into two sectors, service and manufacturing sector (Tan, 2002). The industry also faces a lot of challenges as a result of technological change and customer demands.

The Malaysian government has a vision of becoming a developed country by year 2020 (Vision 2020), and Malaysian government has embarked on deregulation of some of the industries in the country which telecommunication is not an exemption (Gentzoglanis, 2007). Gone a the days when Telekom Malaysia Berhad held the monopoly over the telecommunication services in the country which was ended in 1992 as a result of the government deregulation as a strategy to achieve vision 2020 initiative. Presently, there are four telecommunication services providers in Malaysia to serve the 28.85 million Malaysian populations as at December 2011 (Data from World Bank, 2012). At that same time, there were 4.3 million main line telephone services in use as at second quarter of 2009 and 28.545 million mobile cellular user as at second quarter 2009, internet users, 16.902 million, internet-dial up, 3.86 million as at 2008 and internet — Broadband is 2.115 million users as at second quarter 2009 (Malaysian Communication & Multimedia Commission, 2012). In view of this, understanding the human resource practices that will improve employee performance and also contribute to their retention is serious issue as employee turnover will be high as there is high demand for their services. Human resource practices are organizational tools that can be used to attract and retain the best brain in order to achieve organization objectives. In this scenario, this research examined the impact of certain HR practices on employee performance as case study of Telekom Malaysia.

Research objective:

The main purpose of the study was to identity the impact of HR practices on Employee performance.

Literature review:

The impact of human resource management on the performance of a company has come into limelight and as such it has become an area that requires paying more attention to in the field of (HRM). According to few studies, some human resource practices will have

a positive impact on a company's performance while numerous researchers suggest that more conceptual and practical approach is important on these works (Delery& Shaw, 2001; Von Krogh, Ichijo, & Nonaka, 2000; Wright & Boswell, 2002). Although, recently employees in an organization are seen as the most important asset possessed by an organization however, their impact are felt by only a few organizations (Davenport &Pruzak, 2000; Schein, 2006; Syed-lkhsan& Rowland, 2004).

There has been an increase in the experimental studies that examines the influence of some practices of (HRM) on performance of employees (Becker &Huselid, 2006; Bowen &Ostroff, 2004). One can come across various HR practices that can influence the performance of an organization on their own or when merged with others. However, the result cannot be easily interpreted (Ahmad & Schroeder, 2003). In order to examine the influence of HR practices on performance of employees, which is also related to organizational growth, it may be necessary to recognize the HR practices that are recommended by Pfeffer (1998) in which the literature explains that one can expect its influence on employee performance.

Training and Employee development

Training is done to create change by initiating a new employee into the culture of the organization. It involves new employees acquiring new skills or improving their skills in order to implement change that is needed by an organization. Training is not sufficient enough to motivate work force. But, it is an important tool that an organization can use to achieve its long term goals (Laird, Holton III, & Naquin, 2003).

Training given to employees is done as an agreement to maintain culture of the organization and also to be productive which in turn will result in earning reward and awards. Training also plays an important role in employee performance as the skills acquired during the training will be the major part of the employee life-cycle in an organization (Cardon & Stevens, 2004). Training as a tool will help an employee to upgrade his knowledge and technicality and improves his performance in the organization (Castilla, 2005). Training plays an important role in motivating employees to take part in organized projects, to willingly support programs that will improve the organization and to do their best in order to see that organizational goals are achieved (Bolman & Deal, 2011). When employees are trained, it will be easy for organizations to achieve their set goals (Linderman, Schroeder, Zaheer, & Choo, 2003).

H 1: There is a significant relationship between training and development practices and employee performance.

Employee Participation

Tata and Prasad (2004) Pointed out that employee will be more committed to the organization as a result of team work and decentralization of decision making, with active participation, employees will feel like a part of the organization and this will have a positive impact on the organizational performance. Working together as a team and making joint decisions is of utmost importance at this point in order to be able to achieve the set objectives of the team and the organization as a whole. According to Pfeffer, 1998; Wagner, 1994; Yeatts and Hyten, 1998; Singer and Duvall (2000) a number of studies have established that success of high-performance HRM practices depend on decentralization and self-managed team. Jayaram et al., (1999) also establish that a team that is decentralized can positively influence time and flexibility, which are two dimensions of performance. In another study by Collins and Clark (2003) it was observed that human resource processes and procedures play important role in terms of allowing organization to take competitive advantage and ensure bringing HR practices and organizational performance closer, using employee network procedure of high level management practices.

H3: There is a significant relationship between employee participation and employee performance.

Population:

Therefore is almost impossible for this study to conduct survey on all the company's employees. Hence, this study adopted a convenient sampling method to select sample from the total population to conduct the research. The sample size for the study was 100 employees employed in Jordanian Telecom Sector. The respondents were chosen based upon their willingness and convenience to respond to the survey and the sample size was arrived after rejections on incompletion.

Data analysis:

The data gathered was analysed using the statistical analysis software. The Statistical Package for Social Sciences (SPSSwas used to analyse the data collected. The SPSS software was used to perform descriptive statistics such as correlation analysis, regression analysis, and to compare the differences in the regression coefficient. Pearson's Correlation Co-efficient was adopted for data analysis approach. The method was used to test the relationship between HR practices and performance of employees.

Hypothess testing:

HI: There is a significant relationship between training and development practices and employee performance.

Model	SumofSquares	DF	M	F	Sig.
1 Regression	6.002	1	6.002	8.667	.004[a]
Residual	69.253	100	.693		
Total	75.255	101			

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std.Error	Beta	T	Sig.
1 (Constant)	1.476	.374		3.952	.000
Training	.303	.103	.282	2.944	.004

Dependent Variable: Employee Performance
Independent variable: Training
In the ANOVA table, the significance was found to be 0.004.

This can be interpreted as the relationship between training and employee performance is significant. This result proves that there is relationship between employee training and employee performance. This result was in line with the findings from Phillips (2009) in his study the effect of training on teacher performance in secondary education. The study established that there is a relationship between training and employee performance. This result is reasonable in that people get better with better training and additional skills. From the regression table, the regression equation y = b1x1 + A can be expressed as Employee Performance = 0.303 (Training) + 1.476This implies that employee performance will increase by 0.303 for every one unit increase in training. That is, whenever employees are been trained, their performance will increase by 30.3%. The beta coefficient in regression is 0.282 positive. Thus it is evident that training has 28.2% influences on employees' job performance. Hence the hypothesis one was proved to be significant.
H2: There is a significant relationship between Performance Appraisal and employee performance.

Model	Sum Squares	Df	M	F	Sig.
1 Regression	10.981	1	10.981	16.635	.000a
Residual	66.010	100	.660		
Total	76.990	101			

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std.Error	Beta	T	Sig.
1	(Constant)	2.424	.239		10.136	.000

Dependent Variable: Employee Performance
Independent Variable: Performance Appraisal
The value of significant of the model from ANOVA is 0.000. This shows that the relationship between performance appraisal and employee performance is statistically significant. The coefficient value for performance appraisal and employee performance, using the regression equation y = b1x1 + A, will be: Employee Performance = 0.372 (Performance Appraisal) + 2.424. This indicates that employee performance will increase by 0.372 for every one unit increase in performance appraisal The beta coefficient for performance appraisal and employee performance is 0.378. The value of beta indicates the level at which independent variable (performance appraisal) can influence the variations in the dependent variable (employee performance). The higher the value of beta the higher is the influence of independent variable on dependent variable and vice versa. Performance Appraisal has 3 7.8% influences on employee performance. The percentage of influence is moderate. This proves that performance appraisal has moderate influence on employees' performance.

H3: There is a significant relationship between employee participation and employee performance.
Model Unstandardized Coefficients Standardized Coefficients

Independent variable: Employee participation

From the ANOVA Table, the significance in the relationship between employee participation and employee performance is tested. It can be deduced from this result that there is no relationship between the independent variables (Employee Participation) and dependent variable (employee performance). Both the independent and dependent variables are not comparable and fit.
The coefficient value for employee participation and employee performance, using the regression equation y = b1x1 + A which can be expressed as: Employee Performance =
0.026 (Employee Participation) + 3.062. This model estimating that employee performance is expected to increase by 0.026 when employee participation increase by one unit and employee performance is expected to be 3.062 when incentives are zero.

The beta coefficient is positive 0.024. The beta percentage is 2.4% which can be considered to be very low. This proofs that the level of influence of employee participation on employee performance is comparatively low. Hence the H3 was proved to be non- significant.

II. DISCUSSION AND CONCLUSION

This study was undertaken with the basic objective of identifying the impact of HR practices on employee performance at Jordanian Telecom Sector. Three major HR practices were chosen for study after review of literature and conducting a study on HR practices at Jordanian Telecom Sector. Three hypotheses were developed which focussed on identifying the impact of Training, performance appraisal and Employee participation on employee performance. The findings of the regression analysis proved that there was a significant relationship between training on employee performance. It was found that Performance appraisal has moderate influence on the performance and employee participation in decision making has least influence on the performance.

This study results match with Tahir (2006) findings where he revealed that training, compensation and performance appraisal are highly significant in employees' efficiency and effectiveness. Likewise the findings from this research are in line with the results from Singh (2004) where it is revealed that Training and compensation have significant influence on organization and employees' performance. This finding is also relateswith this study results. This study results is also the same with the findings revealed by Sultana et al. (2012) where it is showed that employee training helps to develop organization performance, take a vital role in improving employee performance as well as increasing productivity and eventually helps to place organizations in the best position to face competitive challenges and stay on top.

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