

An Empirical Investigation into Human Resource Development Practices in Public Telecom Organisations in Saudi Arabia

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Abstract: With the advent of globalization and technological advancement, the Saudi Arabia has the largest and fastest growing market for telecommunication products and services in the Middle East. Since the human resource is the most important and indeed an essential imperative for an organization to prosper and grow, their development is certainly an issue of concern for the management of any organization who retain them. The present study was aimed to analyse some of these HRD practices which can help the public sector telecom companies of Saudi Arabia to combat the future challenges on the basis of these variables: Quality of Work Life and Welfare Measures, Organizational Development, Training and Development, Performance Appraisal and Rewards and Participative Management. The present study brings out the fact that appropriate HRD Practices provide an essential springboard for enhancing the Satisfaction and Commitment of the employees in the Telecom Industry. Appropriate Practices in HRD are subjective. What is best for one company may not be best for another. 'Appropriate practices are not a set of discrete actions but rather a holistic approach to management. Thus, to study the appropriateness of the HRD Practices, an attempt was made to identify those HRD practices that are prevalent in the Telecom Sector.

Keywords: Commitment, participative, performance, quality, telecom

INTRODUCTION

Human resources play an active role in the modern economic scenario of any country and their development in the organizational context is a process by which the employees of an organization are helped in a continuous and a planned way to:

- Acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles.
- Develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development processes.
- Develop an organizational culture in which supervisor-subordinate relationships, team work and collaboration among sub units are strong and contribute to the professional well-being, motivation and pride of employees (Rao and Abraham, 1986).

According to Arthur and Boyles (2007), "HR practices refer to how an organizations HR programs are implemented for and experienced by lower-level employees and managers. Thus, HR practices capture the potential for variation in employees' perceptions and experiences of an HR program based on the quality

of the HR program implementation. (HR programs are defined as the set of formal HR activities used in the organization)". Saudi Arabian society has been through an unusual transformation from the simple nomad life to the present modern life it's living today. This transformation required a lot of efforts, plans and policies during the last century to form a man who is changeable and participating in changing environment. The efforts for developing and preparing the human resources come at the head of these efforts, in particular, since the establishment of the five year plans in the year 1370 A.H. accordant to 1970 A.D. Since these efforts were the first step to create opportunities for the participation of Saudis in the development process (Al Asmari, 2008).

Presently, Saudi Arabia, with its vast resources especially human resources, is going to be one of the most important beneficiaries, provided adequate preparations are made through elaborate training programmers for human resource development to turn the jam-packed millions from liability to assets. The research study investigates the relationship between HRD practices and employees' performance that exists in the public sector telecom industry in Saudi Arabia. A case study of Saudi Telecom Company (STC) has been done and the survey questionnaire technique has been employed to retrieve the responses of 150 employees working in the organization. The study has brought out

the existing HRD practices and employees' performance in to picture and offered suggestions to improve the pace of such practices wherever they need improvement.

REVIEW OF LITERATURE

HRD encompasses the development oriented activities of the organization. For an individual to perform productively, the climate prevailing in the organization needs to be conducive for his development. Various research studies have been conducted to determine and analyze the factors affecting the HRD prevailing in organizations.

Stating the importance of human resource development Rao (1989) said that the shift from manufacturing to service and the increasing pace of technological change are making human resource the key ingredient to the well-being and growth of an industry. He further observed that the objective of maintenance of harmonious employer-employee relations is not only to find out ways and means to solve conflicts or to settle differences but also to secure the unreserved co-operation between the employee and the employer. Congenial relations between the employer and the employee are highly essential not only in the organized sector but also in unorganized sector as human resource is quite a significant resource whosoever it is.

Venkata Ratnam (1999) in a Note on Human Resource Development Climate, made a study based on the responses of 132 executives of a large PSU and concluded that early identification of human resource potential and development of their skill represent two major tasks of human resource development. This can be achieved only when a conducive HRD climate prevails. The study found the existence of favorable HRD climate in the organization. Rohmetra (1998) studied HRD climate and satisfaction in State Bank of India (SBI) and The Jammu and Kashmir Bank Ltd. (JKB) and found that HRD climate was much higher in SBI than in JKB. Comparative analysis of the attitudes of employees towards the prevailing development climate revealed that employees in SBI held a much favorable attitude towards the development practices than that in JKB. Consequently, the satisfaction level of employees in SBI is higher than that in JKB.

Khan (2004) emphasized on the challenges posed by the sophisticated consumer of tourist product which call for the development of human resources and expertise in tour and travel business. He argued that the employees of tourism organizations are in constant touch with the national and international tourist which requires the adequate education and training to deal with them tactfully.

Goyal (2004) concluded that human resources play an important role in development and growth of any organization and for that matter of any economy.

Among all the factors of production only human resources are living beings and have unlimited capacity and potentials. Such capacities and potentials of human beings can be developed for the benefit of an organization by applying proper strategies. Human beings are not only an active factor of production in itself, but also activate other inactive and inert factors of production like money, materials, machines and methods. In this present age of globalization, survival and growth of any organization depends on the proper development of its human resources. Rodrigues (2005) opined that a well-trained and a well-educated human resource contributes directly to the development of a country and to improves the knowledge, abilities, aptitude and the values of human beings, organized HRD practices should be followed by the organizations.

Srimannarayana (2008) assessed the extent of HRD climate prevailing in Indian organizations. He derived the conclusion that a moderate climate prevails in organizations understudy (59.61%) and more favorable HRD climate was in manufacturing sector (62.39%) than in service and IT sectors. Rao (2009) carried out a study on HRD climate in the Thermal Power Station of Vijayawada in Andhra Pradesh and stated that the HRD is a process which helps to develop and identify the keen potential of human force. He further suggested that the management in an organization should be generous and should also support their work force emotionally so that it will help the employees to work better and enable them to exhibit their knowledge and skills in a cohesive manner. Subramani and Akbar Jan (2011) focused on the importance of the efficiency of human resource in the success of any organization in their published research study. The authors emphasized their work over the study of organizational climate in IT industries of Chennai, they suggested improving the organizational climatic conditions to match the requirements of the organizational development.

Khan and Tarab (2012) carried out a study to explore the HRD Climate in the private sector telecom Industry of India and also to find out the relationship between HRD Climate and Employee Development. The findings of the study exposed that there exists a positive relationship between the climate of the organization and the development of employees. Javed *et al.* (2012) observed the relationship between three HR Practices i.e., (Training and Development, Rewards, Recognition) and the employee job satisfaction in the public sector organizations of a developing country, Pakistan. They traced the recognition, training and development as a key source of employee job satisfaction in public sector organizations of Pakistan but rewards do not have any significant impact upon employee job satisfaction. Sasirekha and Ashok (2013) analyzed the need for converting human resource into human asset is

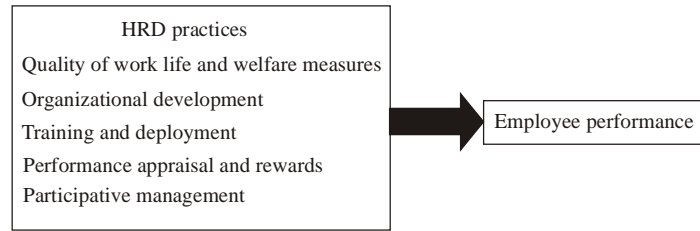


Fig. 1: Proposed research framework

gaining mammoth importance in organizations in the present day competitive world. This conversion results in the growth of organizations and the country as well. This is possible only if the employees of an organization are satisfied with their organization. That is, the HRD climate prevailing in the organization must be satisfactory to the employees.

Research gap: The foregoing review of literature clearly brings into light that a number of studies have been put forward by several authors regarding the HRD practices at different levels of management in organizations and to value the significance of human resource among other resources of production. HRD Climate and general practices of HRD had been studied in Pharmaceutical Industry, Institutes, Public Private Organizations, Hospitals, Garment Industry in different regions, areas around the globe but no study has been conducted in Public Sector Telecom Companies in Saudi Arabia. This provides at the disposal of the Researchers to assess the research gap for the present construct. Due to that reason, the present study has been designed to look forward towards the analysis of HRD practices followed by the only the only public sector telecom company in the entire Kingdom, namely, Saudi Telecom Company (STC) on the basis of its role and contribution in the growth and development of Saudi Telecom Industry.

Objectives of the study:

- To study the perception of employees about HR practices of the Telecom Industry of Saudi Arabia.
- To determine whether HR practices mediate the employee performance.

RESEARCH METHODOLOGY

The target population of this study consists of employees of STC in Saudi Arabia and the size of the sample is 150 respondents. A well designed questionnaire was used for collecting data. The questionnaire consists of two parts: first part of the questionnaire was containing information of the dependent variables: Quality of Work Life and Welfare Measures, Organizational Development, Training and Development, Performance Appraisal and Rewards and Participative Management and second part was containing questions regarding employee performance.

The questionnaire used was of multiple-choice and 5 point likert-scale (5-highly satisfied to 1-highly dissatisfied) was used. Linear Regression test was used to analysis the data by using SPSS 19 version.

Sample: The sample for this research consists of leading Telecom Company of Saudi Arabia i.e., STC. HR Managers, Executives and Administration related officers are included in the sample for this research. Simple random sampling has been utilized in order to avoid any biasness. A total of 180 employees (respondents) from the company were drawn but for the only 150 were made to apply the test.

Limitations of the study: Despite all the earnest attempts made by the Researchers to elicit all required data on HRD practices in public sector telecom companies in Saudi Arabia, it is subject to certain limitations due to the fact that the data is based on individual opinion, which may bring in some bias. Undoubtedly, the responses have been collected from the employees of both the organization working at managerial and non-managerial level, but the study has been conducted in some selected cities due to constraint of time. Moreover, the sample size is confined to the responses of 150 employees only; therefore, the conclusions drawn cannot be generalized for all the regions of Saudi Arabia. In addition to this, most of the respondents were reluctant in expressing their opinion freely without any hesitation and showing lack of interest in responding. This has its own impact to certain extent over the validity of the conclusions drawn. Further, the opinion of some of the employees turns out to be influenced by their peer employees or superiors which might lead to their neutral response to a large extent for several statements.

Significance of the study: The Researchers feel that this research project will certainly throw light upon various aspects where the top level management in telecom companies in public sector needs to work out. The dimensions chosen for study would cover almost all aspects of HRD practices in these organizations. Figure 1 depicts the five HRD practices which have an important impact on employees' performance. The findings and conclusions of the study would be of great help in whipping out some of the undesirable issues that are likely to crop up in the implementation of such HRD practices.

Table 1: Reliability of the instruments

Variable	Cronbach's alpha	No. of items
Quality of work life and welfare measures	0.770	9
Organizational development	0.769	9
Training and development	0.807	4
Performance appraisal and rewards	0.767	4
Participative management	0.777	6

Hypotheses generation: Hypothesis refers to the assumptions made about a population which may or may not be true and which is to be tested on the basis of evidence from a random sample.

Null hypothesis: There is no significant difference in the perception of employees regarding HRD in STC.

Alternate hypothesis: There is significant difference in the perception of employees regarding HRD practices in STC.

Following hypotheses have been generated in context with the theoretical framework:

- H1:** The effective use of basic HRD practice (Quality of Work Life) leads to high level of employee performance.
- H2:** The effective use of basic HRD practice (Organizational Development) leads to high level of employee performance.
- H3:** The effective use of basic HRD practice (Training and Development) leads to high level of employee performance.
- H4:** The effective use of basic HRD practice (Performance Appraisal and Rewards) leads to high level of employee performance.
- H5:** The effective use of basic HRD practice (Participative Management) leads to high level of employee performance.

Reliability test: Alpha Reliability values were calculated for all the variables involved and they are mentioned in the Table 1:

Data analysis: Linear regression was carried out for the testing of the hypothesis involved in the research. In this section only the main table is required to understand the results from the linear regression procedure, assuming that no assumptions have been violated.

The first table of interest is the Model Summary table. Table 2 provides the R and R² value. The R value is 0.772, which represents the simple correlation. It indicates a high degree of correlation. The R² value indicates how much of the dependent variable, "Quality of Work Life", can be explained by the independent variable, "HRD". In this case, 86.2% can be explained, which is very large.

It is disclosed that 86.2% variation in Employee Performance is due to HRD practices and only 13.8% is due to some other factors. The P value is 0.023 i.e., less than (0.05) which means that Hypothesis 1 is supported.

Table 3 provides the R and R² value. The R value is 0.522, which represents the simple correlation. It indicates a quite good degree of correlation. The R² value indicates how much of the dependent variable, "Organizational Development", can be explained by the independent variable, "HRD". In this case, 60.6% can be explained, which is a good percentage.

It is disclosed that 60.6% variation in Employee Performance is due to HRD practices and only 39.4% is due to some other factors. The P value is 0.031 i.e., less than (0.05) which means that Hypothesis 2 is supported.

Table 4 provides the R and R² value. The R value is 0.951, which represents the simple correlation. It indicates a high degree of correlation. The R² value indicates how much of the dependent variable, "Training and Development", can be explained by the independent variable, "HRD". In this case, 90.4% can be explained, which is very large.

It is disclosed that 86.2% variation in Employee Performance is due to HRD practices and only 9% is due to some other factors. The P value is 0.000 i.e., less than (0.05) which means that Hypothesis 3 is supported.

Table 2: H1: The effective use of basic HRD practice (Quality of Work Life) leads to high level of employee performance

Model summary					
Model	R	R ²	Adjusted R ²	F	p-value
HRD practices	0.772	0.862	0.862	1.889E3	0.023
Predictors: (Constant), HRD					

Table 3: H2: The effective use of basic HRD practice (Organizational Development) leads to high level of employee performance

Model summary					
Model	R	R ²	Adjusted R ²	F	p-value
HRD practices	0.522	0.606	0.667	0.694	0.031
Predictors: (Constant), HRD					

Table 4: H3: The effective use of basic HRD practice (Training and Development) leads to high level of employee performance

Model Summary					
Model	R	R ²	Adjusted R ²	F	p-value
HRD practices	0.951	0.904	0.903	0.975235	0.000
Predictors: (Constant), HRD					

Table 5: H4: The effective use of basic HRD practice (Performance Appraisal and Rewards) leads to high level of employee performance

Model Summary					
Model	R	R ²	Adjusted R ²	F	p-value
HRD practices	0.931	0.816	0.867	1.944	0.005
Predictors: (Constant), HRD					

Table 6: H5: The effective use of basic HRD practice (Participative Management) leads to high level of employee performance

Model Summary					
Model	R	R ²	Adjusted R ²	F	p-value
HRD practices	0.906	0.856	0.856	1.839E3	0.000
Predictors: (Constant), HRD					

Table 5 provides the R and R² value. The R value is 0.931, which represents the simple correlation. It indicates a high degree of correlation. The R² value indicates how much of the dependent variable, "Performance Appraisal and Rewards", can be explained by the independent variable, "HRD". In this case, 81.6% can be explained, which is very large.

It is disclosed that 81.6% variation in Employee Performance is due to HRD practices and only 18.4% is due to some other factors. The P value is 0.005 i.e., less than (0.05) which means that Hypothesis 4 is supported.

Table 6 provides the R and R² value. The R value is 0.906, which represents the simple correlation. It indicates a high degree of correlation. The R² value indicates how much of the dependent variable, "Participative Management", can be explained by the independent variable, "HRD". In this case, 85.6% can be explained, which is quite large.

It is disclosed that 85.6% variation in Employee Performance is due to HRD practices and only 12.3% is due to some other factors. The P value is 0.000 i.e., less than (0.05) which means that Hypothesis 1 is supported.

From the results, it is evident that there exists a strong relationship between the variables of HRD practices (Quality of Work Life and Welfare Measures, Organizational Development, Training and Development, Performance Appraisal and Rewards and Participative Management), employee performance. The above analysis corroborates that apt use of HRD practices vindicates to be a mainstay between an organization and its employees. It is not only that the employees perpetuate to be loyal to their organization but they also become more engrossed when they discern and experience the benefits they are acquiring from the organization in requital of their endeavours. Competence development practices, competitive pay structures, timely and meritorious recognition and empowerment with responsibility and thriving work place environ suffice to be pivotal antecedents of employee engagement. Adjunct to that, this engagement facet brings the adherence of employees to the organization, resulting in lowest turnover rates and the above results convincingly support that. The denouement of the discussion is that HRD practices leads to high employee performance.

Concluding observations: From the standpoint of Saudi Telecom Industry, we can draw the following conclusion: Firstly, the employees of the concerned telecom company feel that the HRD practices when used properly direct them to do their job in an efficacious manner. The utilization of competence development practices make the employees have a feel that they are the important part and parcel of the organization and they have been taken care of. With this comes the prospects of promotion within the organization and it also improves the employee professional record. A competitive structure brings the employees in a desirable mental state of contentment and kills negative thoughts which bring any sort of inferiority regarding the job. Recognition of employees by supervisors and managers gives them a sense of realization that their hard work did not go in vain and their efforts have been acknowledged.

Granting employees the authority to make decisions make them accountable for what they do which consequently results in higher level of responsibility shown by the employees. An overall work place policy which includes flexible timings, holidays, job and personal life balance and friendly environment also contributes enormously to employees' productivity and attachment to the organization. Secondly, all these facets of HRD practices mentioned above help in improving employees' performance. Finally, it can be safely deduced that it is the engagement of employees that keeps them passionate and upbeat about their work which eventually exterminate the threats permanently.

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