

Role of Human Resource Management Policies and Practices on Employee's Performance: A Case Study of Jordan Telecom Group

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ABSTRACT

Managing human resources is a very challenging task as compared to managing technology or capital and therefore, for its effective management, organization requires effective HRM policies. These practices and policies aim to improve employee's attitudes by shaping their behaviors and skills. HRM policies and practices maintain a good fit between the values of the organization and the individual employee by providing adequate opportunities for training and development; developing an equitable compensation system that rewards high performance; recognizing employees' contributions and efforts in the performance appraisal phase; and providing employees with appropriate interesting and challenging assignments. Taking this into cognizance, the present research has been conducted to examine the impact of HR policies and practices on the performance of employees in Jordan Telecom Group. Data was collected through questionnaires designed on five point likert scale. The sample size of the study is 174 employees. Simple linear regression was used as the statistical tool for analysis. The findings highlighted that there is a significant impact of HR policies and practices on the performance of employees in the company under study.

Keywords: HR policies, Regression, Jordan telecom and Employee's performance.

INTRODUCTION

Human Resource Management is the process of hiring and developing employees so that they become more valuable to the organization. HRM is composed of the policies, practices, and systems that influence employees' behaviour, attitude, and performance (Tzafrir, 2005). It is the function of organization that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training (Huselid, 2015). Effective human resource management enables employees to contribute productively and effectively to the overall company direction and achieving the organization's goals and objectives. Presently, human resource management is moving away from traditional personnel, administration, and transactional approach, which are increasingly outsourced (Tessema & Soeters, 2006). HRM is now expected to add value to the tactical utilization of employees. The new role of HRM involves strategic direction and HRM metrics and measurements to demonstrate value (Medlin, & Green, 2009).

HRM now focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion. In startup companies, HR's duties may be performed by trained professionals. In larger companies, an entire functional group is typically dedicated to the discipline, with staff specializing in various HR tasks and functional leadership engaging in strategic decision making across the business (Qureshi & Ramay, 2006). To train practitioners for the profession, institutions of higher education, professional associations, and companies themselves have created programs of study dedicated explicitly to the duties of the function. All the global companies are focused on retaining the talent and knowledge held by the workforce by lowering the employee turnover as new hiring entails a high cost and increases the risk of the newcomer not being able to replace the previous person (Collins & Clark, 2003).

Human resource policies are the systems of codified decisions, established by an organization, to support administrative personnel functions, performance management, employee relations and resource planning (Hsu & Leat, 2000). Each company has a different set of circumstances, and so develops an individual set of human resource policies. These policies and practices are involved in carrying out the 'Human Resource (HR)' aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labour relations (Macky & Johnson, 2004). In this study, recruitment and selection, training and development, rewards and recognition, and performance appraisal have been taken to measure their impact on the performance of employees in Jordan Telecom Group.

Jordan Telecom Group

Jordan Telecom Group is the principal telecommunications services provider in the Kingdom of Jordan. It was established on 1st January, 1997. Its headquarter is located in Amman, Jordan. It is responsible for the administration of the basic telecommunications infrastructure which forms the base of Jordan's telecommunications services industry. It was privatized on 23 January 2000. After privatization, Jordan's government owned 60% shares whereas the remaining 40% of the group's shares were owned by JITCO Investment Group, a holding company consisting of Orange (88%) and the Arab Bank (12%). The Jordan Telecom Group (JTG) owns the following telecommunications companies:

LITERATURE REVIEW

Ramesh (2005) observed that the success of an organization depends to a large extent on the existence of a favorable HRD climate meaning thereby openness, team spirit, trust, autonomy, cooperation, integrity, recognition, participation, fair compensation, counseling, problem solving, valuing the assets, and respect for the individual. **Shahzad, Bashir, & Ramay (2008)** in their research paper entitled, "*Impact of HR practices on perceived performance of university teachers in Pakistan*" found that empowerment, job rotation, employee participation, merit-based promotions & performance-based Pay and Grievance handling procedures, were positively correlated with teacher's job satisfaction in Pakistan. **Bowra (2010)** investigated the relationship between the employee performance and compensation, performance evaluation, and promotion practices in the banking sector of Pakistan. The findings indicated that the performance evaluation and promotion practices are significant but the compensation practices are not significant. **Zamir & Rizvi (2013)** examined the effect of human resource practices on the employee job satisfaction and organizational commitment. The sample size was 145 employees of the pharmaceutical companies in India. The findings indicated that there is a significant impact of human resource practices on the employee job satisfaction and organizational commitment. **Khan (2015)** in the research titled, "*An empirical analysis of HR policies on the performance of employees in banking industry: A case study of State Bank of India (SBI)*" examined the impact of human resource policies on the performance of employees in State Bank of India. The sample size was 100 employees of SBI bank. Data was collected through questionnaires designed on a five point Likert scale and analyzed with the application of multiple regression. The findings highlighted that there is significant impact of HR Policies on the performance of employees.

Objectives of the Study

1. To examine the impact of recruitment and selection policy on the performance of employees in Jordan Telecom Group.
2. To find out the effect of training and development policy on the performance of employees in Jordan Telecom Group.
3. To investigate the impact of rewards and recognition policy on the performance of employees in Jordan Telecom Group.
4. To evaluate the impact of performance appraisal policy on the performance of employees in Jordan Telecom Group.

Hypotheses of the Study

Ho₁: There is no significant impact of recruitment and selection policy on employee's performance.

Ho₂: There is no significant impact of training and development policy on employee's performance.

Ho₃: There is no significant impact of rewards and recognition policy on employee's performance.

Ho₄: There is no significant impact of performance appraisal policy on employee's performance.

Research Methodology

Simple random sampling was applied to collect data with the help of a well designed questionnaire. The sample size is 174 employees working in Jordan Telecom Group. The study used four HR policies namely recruitment and selection policy, training and development policy, rewards and recognition policy, and performance appraisal policy as independent variables whereas employee's performance is taken as dependent variable. All these variables were rated on five-point Likert scales in a structured format with the verbal statements 'strongly disagree' and 'strongly agree' anchor to the numerals 1 and 5 with response options ranging from strongly agree to strongly disagree. The questionnaire was pre-tested several times. The data collection period was three months since August, 2017 to October, 2017. Moreover, simple linear regression was used to analyze the results through Statistical Package for the Social Science (SPSS) 20 version.

Table 1: Sample Size of the Study

Questionnaires	Total	Percent
Distributed	300	100
Rejected	126	42
Accepted	174	58

Source: Primary Data

Hypothesis Testing

Hypothesis 1

Ho₁: There is no significant impact of recruitment and selection policy on employee's performance.

Ha1: There is a significant impact of recruitment and selection policy on employee's performance.

The impact of recruitment and selection policy on employee's performance has been measured by applying linear regression. The independent variable is recruitment and selection policy and the dependent variable is employee's performance. The null hypothesis is that there is no significant impact of recruitment and selection policy on the employee's performance and the alternative hypothesis states that there is a significant impact of recruitment and selection policy on the employee's performance.

Table 2: Correlation Matrix

Model-1	Variables	R & S	EP
Pearson Correlation	R & S	1.000	0.119
	EP	0.119	1.000
Sig. (1-tailed)	R & S	-	0.554
	EP	0.554	-
N	R & S	174	174
	EP	174	174

R & S: Recruitment and Selection Policy

EP: Employee's Performance

Source: Output of SPSS_20

Pearson correlation coefficient measures the strength and the direction of a linear relationship between two variables. Table 2 shows the coefficient of correlation between the recruitment and selection policy and employee's performance is 0.119 which indicates a very low and positive relationship between them.

Table 3: Regression Analysis

Model	R	R Square	Adjusted R Square	Standard Error
1	0.119	0.014	0.014	1.2134

Source: Output of SPSS_20

Table 3 shows the values of correlation, R square, and standard error. R square shows the amount of variation in one variable (employee's performance) that is accounted by another variable (recruitment and selection). The value of R square is 0.014. It means 01.4 percent variation in employee's performance is explained by the recruitment and selection and the rest of the variation ($1-R^2$) is an unexplained variation in employee's performance due to variables that has not been considered in this model.

Table 4: Regression Coefficients- Recruitment and Selection

Model-1	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
Recruitment and Selection	0.083	1.954	0.119	41.541	0.547

Table 4 shows the values of regression coefficients, standard error, significant value, and t value. A standardized beta coefficient gives a measure of contribution of each variable to the model. A larger value indicates that a unit change in the predictor variable has a larger impact on the criterion variable.

The value of unstandardized beta coefficient is 0.083 which is an indication of positive impact of recruitment and selection on employee's performance. Neither this impact is strong nor statistically significant as the significant value is 0.547 which is more than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is accepted and it can be said that there is no significant impact of recruitment and selection policy on the employee's performance.

Hypothesis Testing

Hypothesis 2

Ho₂: There is no significant impact of training and development policy on employee's performance.

Ha₂: There is a significant impact of training and development policy on employee's performance.

The impact of training and development policy on employee's performance has been measured by applying linear regression. The independent variable is training and development policy and the dependent variable is employee's performance. The null hypothesis is that there is no significant impact of training and development policy on the employee's performance and the alternative hypothesis states that there is a significant impact of training and development policy on the employee's performance.

Table 5: Correlation Matrix: Training & Development

Model-2	Variables	T & D	EP
Pearson Correlation	T & D	1.000	0.799
	EP	0.799	1.000
Sig. (1-tailed)	T & D	-	0.004
	EP	0.004	-
N	T & D	174	174
	EP	174	174

R & S: Training and Development Policy

EP: Employee's Performance

Source: Output of SPSS_20

Pearson correlation coefficient measures the strength and the direction of a linear relationship between two variables. Table 5 shows the coefficient of correlation between the training and development policy and employee's performance is 0.799 which indicates a high and positive relationship between them.

Table 6: Regression Analysis: Training & Development

Model	R	R Square	Adjusted R Square	Standard Error
2	0.799	0.638	0.627	1.0798

Table 6 shows the values of correlation, R square, and standard error. R square shows the amount of variation in one variable (employee's performance) that is accounted by another variable (training and development). The value of R square is 0.638. It means 63.8 percent variation in employee's performance is explained by the training and development and the rest of the variation ($1-R^2$) is an unexplained variation in employee's performance due to variables that has not been considered in this model.

Table 7: Regression Coefficients: Training and Development

Model-2 Training and Development	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
	0.552	1.4128	0.799	13.508	0.002

Table 7 shows the values of regression coefficients, standard error, significant value, and t value. A standardized beta coefficient gives a measure of contribution of each variable to the model. A larger value indicates that a unit change in the predictor variable has a larger impact on the criterion variable. The value of unstandardized beta coefficient is 0.552 which is an indication of positive impact of training and development on the employee's performance. This impact is strong and statistically significant as the significant value is 0.002 which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can be said that there is a significant impact of training and development policy on employee's performance.

Hypothesis 3

Ho₃: There is no significant impact of rewards and recognition policy on employee's performance.

Ha₃: There is a significant impact of rewards and recognition policy on employee's performance.

The impact of rewards and recognition policy on employee's performance has been measured by applying linear regression. The independent variable is rewards and recognition policy and the dependent variable is employee's performance. The null hypothesis is that there is no significant impact of rewards and recognition policy on the employee's performance and the alternative hypothesis states that there is a significant impact of rewards and recognition policy on the employee's performance.

Table 8: Correlation Matrix: Rewards & Recognition

Model-2	Variables	R & R	EP
Pearson Correlation	R & R	1.000	0.954
	EP	0.954	1.000
Sig. (1-tailed)	R & R	-	0.000

	EP	0.000	-
N	R & R	174	174
	EP	174	174

R & R: Rewards and Recognition Policy

EP: Employee's Performance

Source: Output of SPSS_20

Pearson correlation coefficient measures the strength and the direction of a linear relationship between two variables. Table 8 shows the coefficient of correlation between the rewards and recognition policy and employee's performance is 0.954 which indicates a high and positive relationship between them.

Table 9: Regression Analysis: Rewards and Recognition

Model	R	R Square	Adjusted R Square	Standard Error
3	0.954	0.910	0.910	1.1875

Table 9 shows the values of correlation, R square, and standard error. R square shows the amount of variation in one variable (employee's performance) that is accounted by another variable (rewards and recognition). The value of R square is 0.910. It means 91 percent variation in employee's performance is explained by the rewards and recognition and the rest of the variation ($1-R^2$) is an unexplained variation in employee's performance due to variables that has not been considered in this model.

Table 10: Regression Coefficients: Rewards and Recognition

Model-3 Rewards and Recognition	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
	0.876	1.008	0.954	-3.456	0.000

Table 7 shows the values of regression coefficients, standard error, significant value, and t value. A standardized beta coefficient gives a measure of contribution of each variable to the model. A larger value indicates that a unit change in the predictor variable has a larger impact on the criterion variable. The value of unstandardized beta coefficients is 0.876 which is an indication of positive impact of rewards and recognition on employee's performance. This impact is strong and statistically significant as the significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can be said that there is a significant impact of rewards and recognition policy on employee's performance.

Ho₄: There is no significant impact of performance appraisal policy on employee's performance.

Ha₄: There is a significant impact of performance appraisal policy on employee's performance.

The impact of performance appraisal policy on employee's performance has been measured by applying linear regression. The independent variable is performance appraisal policy and the dependent variable is employee's performance. The null hypothesis is that there is no significant impact of performance appraisal policy on the employee's performance and the alternative hypothesis states that there is a significant impact of performance appraisal policy on the employee's performance.

Table 11: Correlation Matrix: Performance Appraisal

Model-2	Variables	PA	EP
Pearson Correlation	PA	1.000	0.828
	EP	0.828	1.000
Sig. (1-tailed)	PA	-	0.000
	EP	0.000	-
N	PA	174	174
	EP	174	174

PA: Performance Appraisal Policy

EP: Employee's Performance

Source: Output of SPSS_20

Pearson correlation coefficient measures the strength and the direction of a linear relationship between two variables. Table 11 shows the coefficient of correlation between the performance appraisal policy and employee's performance is 0.828 which indicates a high and positive relationship between them.

Table 12: Regression Analysis: Performance Appraisal

Model	R	R Square	Adjusted R Square	Standard Error
4	0.828	0.685	0.685	1.3457

Table 12 shows the values of correlation, R square, and standard error. R square shows the amount of variation in one variable (employee's performance) that is accounted by another variable (performance appraisal). The value of R square is 0.685. It means 68.5 percent variation in employee's performance is explained by the performance appraisal and the rest of the variation ($1-R^2$) is an unexplained variation in employee's performance due to variables that has not been considered in this model.

Table 13: Regression Coefficients- Performance Appraisal

Model-4	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
Rewards and Recognition	0.754	1.117	0.828	19.909	0.008

Table 13 shows the values of regression coefficients, standard error, significant value, and t value. A standardized beta coefficient gives a measure of contribution of each variable to the model. A larger value indicates that a unit change in the predictor variable has a larger impact on the criterion variable. The value of unstandardized beta coefficients is 0.754 which is an indication of positive impact of performance appraisal policy on employee's performance. This impact is strong and statistically significant as the significant value is 0.008 which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can be said that there is a significant impact of performance appraisal policy on employee's performance.

Major Findings

1. The impact of recruitment and selection policy on employee's performance has been measured by applying linear regression. The value of R square is 0.014 which means 01.4 percent variation in employee's performance is explained by the recruitment and selection and the rest of the variation ($1-R^2$) is an unexplained variation. Besides, the value of unstandardized beta coefficient is 0.083 and the significant value is 0.547 which is more than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is accepted and it can be said that there is no significant impact of recruitment and selection policy on the employee's performance.
2. The impact of training and development policy on employee's performance has been measured by applying linear regression. The value of R square is 0.638 which means 63.8 percent variation in the employee's performance is explained by training and development and the rest of the variation ($1-R^2$) is an unexplained variation. The value of unstandardized beta coefficient is 0.552 and the significant value is 0.002 which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can be said that there is a significant impact of training and development policy on employee's performance.
3. The impact of rewards and recognition policy on employee's performance has been measured by applying linear regression. The value of R square is 0.910. It means 91 percent variation in employee's performance is explained by the rewards and recognition and the rest of the variation ($1-R^2$) is an unexplained variation. The value of unstandardized beta coefficients is 0.876 and the significant value is 0.000 which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can be said that there is a significant impact of rewards and recognition policy on employee's performance.
4. The impact of performance appraisal policy on employee's performance has been measured by applying linear regression. The value of R square is 0.685. It means 68.5 percent variation in employee's performance is explained by the performance appraisal and the rest of the variation ($1-R^2$) is an unexplained variation. The value of unstandardized beta coefficient is 0.754 and the significant value is 0.008 which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can be said that there is a significant impact of performance appraisal policy on employee's performance.

Table 14: Summary of Hypothesis Tested

No.	Hypotheses	Results
1	There is no significant impact of recruitment and selection policy on employee's performance.	Accepted
2	There is no significant impact of training and development policy on employee's performance.	Rejected
3	There is no significant impact of rewards and recognition policy on employee's performance.	Rejected
4	There is no significant impact of performance appraisal policy on employee's performance.	Rejected

CONCLUSION

Human resource management is that branch of management which is responsible to attain maximum individual development, desirable working relationship between employers and employees, and employees and employees and effective molding of human resources as contrasted with physical resources. Human resource management involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the organization. All the management decisions and practices that directly affect or influence people-planning, acquiring, retaining (controlling turnover), developing or training, performance appraisal, compensation, safety and health, family and work life. HRM has a wide range of functions and areas of responsibility. HRM Practices include ensuring a good fit between the values of the organization and the individual employee by providing adequate opportunities for training and development; developing an equitable compensation system that rewards high performance; recognizing employees' contributions and efforts in the performance appraisal phase; and providing employees with appropriate interesting and challenging assignments. These practices and policies aim to improve employee's attitudes by shaping their behaviors and skills. The present research has been conducted to examine the impact of HR policies and practices on the performance of employees in Jordan Telecom Group. The study used four HR policies namely recruitment and selection policy, training and development policy, rewards and recognition policy, and performance appraisal policy as independent variables whereas employee's performance is taken as dependent variable. All these variables were rated on five-point Likert scales in a structured format with the verbal statements 'strongly disagree' and 'strongly agree' anchor to the numerals 1 and 5 with response options ranging from strongly agree to strongly disagree. Simple random sampling was applied to collect data with the help of a well designed questionnaire. The sample size is 174 employees working in Jordan Telecom Group. The questionnaire was pre-tested several times. The data collection period was three months since August, 2017 to October, 2017. Moreover, simple linear regression was used to analyze the results through Statistical Package for the Social Science (SPSS) 20 version. The findings highlighted that there is a significant impact of HR policies and practices on the performance of employees in the company under study.

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