# THE RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES AND STRATEGIC SALES IN BUSINESS-TO-BUSINESS MARKETING AND FIRM PERFORMANCE: EVIDENCE FROM TELECOM INDUSTRY IN CHINA

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## **ABSTRACT**

Researchers analysed SHRM and HR practises in the PRC to see how they affect business outcomes and the morale of workers. The impact of company ownership on the associations was also investigated. There was a significant gap in the increasing adoption of strategic human resources management (SHRM) and Human resources practices across SOEs and FIEs and privately held firms in a sample of Chinese companies operating across different industries and regions (POEs). SHRM and HR practises have been shown to have immediate positive impact on financial performance, operational effectiveness, and the climate of cooperation and respect among employees. In contrast, ownership type was shown to be a moderating factor in just one sort of performance indicator. China Telecom, China Unicom, and China Mobile are three state-owned telecommunications giants that control most of the market in China. In May of 2008, the Ministry of Information Industry (MII), the National Development and Reform Commission (NDRC), and the Minister of Finance oversaw a reorganisation initiative that resulted in the foundation of the three firms. As of right present, all three businesses have obtained permits provide the corrected and phone telecommunications services from China. With receiving national 5G licences for all three in 2019, there are currently just three telecom firms. A new regulatory framework was implemented because of China's entrance toward the WTO in 2001, and international businesses were only permitted restricted market access.

**KEYWORD:** Human Resource Management, Strategic Sales in Business-To-Business Marketing, Firm Performance, Telecom Industry in China.

#### INTRODUCTION

HRM is described as "the pattern of planned human resource deployments and activities designed to allow a company to accomplish its objectives." It has been stated that organisational efficiency and performance are improved when human resource practises are compatible with one another and with the firm's strategic objectives. Human resource management techniques are the precise procedures

targeted at the acquisition, development, and motivation of human capital, while HRM is connected to HR's alignment with the firm's strategy. To put it another way, HRM is concerned with "what" a company does with its HR, whereas HR practises pertain to "how" such resources are handled subscribers (Tan & Nasurdin, 2018). The literature in the West has proven the theoretical and empirical connection between HRM and business success. Strategic human resource techniques have been found to improve both financial and operational outcomes. There is also evidence that HR practise bundles have a synergistic influence on business results. The current study seeks to broaden the body of work by creating and evaluating a theoretical model of the HR-performance connection specific to the People's Republic of China. HR policies and procedures, according to the researchers, may be a significant source of differentiation for an organisation. As a term, "HR practises" is used to describe a group of regular methods that businesses use to improve their workers' education, competence, and inspiration. These procedures enrich the business since they foster the growth of the company's most asset: its people and the skills they possess.

In the literature, these procedures are referred regarded be "mainstream" (Lepak et al., 2019) or "best" HR procedures since they are so often used by major corporations in Western nations. These methods are more often seen as packages than as individual procedures. Effectiveness depends on cohesion among them; for instance, thorough training should be accompanied with remuneration, performance assessment, and promotion processes that decrease worker turnover. There is a substantial body of literature demonstrating a link between HR practises that are consistent within an organisation and that organisation's success. From 1997 and 2002, the growth rate of China's telecom industry was around 20%. According to estimates, Chinese fixed line and telecommunication providers have spent more on network infrastructure over the last several years than certain western European operators put together. China has the biggest mobile and fixed-line network in the world in terms of network capacity and customer base due to its 1.3-billion-person population. On December 11, 2001, China formally joined the WTO. Since then, the country's telecom services market has been steadily opening to foreign companies.

## **BACKGROUND OF THE STUDY**

For many years before to 1994, telecommunications services were supplied by China Telecom, the operational arm of the Ministry of Telecommunications and Posts (MTP). Despite pressure from the other ministries and irate customers, the Chinese government launched a new rival, China Unicom, in 1994, which marked the official start of the reforms. China Unicom just did not have an opportunity while competing against China Telecom. The MTP was abolished in 1998 after a ministerial restructuring, and its duties were taken up by the MII. The MII reorganised the ineffective state monopoly in two major ways (Marwat et al., 2018). There were three distinct divisions of China Telecom after the first restructure in 1999 (Fixed-line, mobile and satellite). Despite the creation of China Phone and China Satcom to

regulate the phone and satellite businesses, China Telecom has retained its monopolies on fixed-line services. In 2002, after a second round of restructuring, China Telecom was split in two, with the northern and southern regions each taking responsibility for different aspects of the company's operations. China Netcom (CNC) was formed by the northern region, which retained 30% of the networks, while China Telecom (CT) was formed by the southern region, which kept 70%. Simultaneously with this 2000 double-split, the MOR's telecommunications division established China TieTong. Dense Wavelength Division Multiplexing (DWDM), Asynchronous Transfer Mode (ATM), and Synchronous Digital Hierarchy (SDH) (DWDM) technologies were used to construct the country's 2.2-million-kilometre-long national optical network. Several submarine cables connected the country to other countries, most notably the United States, Russia, Germany, and Japan. The government-run oligopoly in the Chinese telecom sector has replaced the previous government-run monopoly.

The Ministry of Industry and Information, the National Development and Reform Commission, and the Minister of Finance all revealed their third reorganisation plan and released three third-generation mobile service licences in May of 2008. Challenges on diminishing landline consumers, too quick a rise in mobile companies, poor profit services, and huge discrepancies among the carriers are all issues that telecom operators in China must contend with because of the country's rapid development and intense competition. To expand 3G enterprises and comprehensive telecom services while avoiding monopolistic and overcompetitive conditions, the third revolution saw the consolidation of the six primary telecom providers into three. Organisational performance has become more important in the new global economy as a means of guaranteeing success. Thus, performance is crucial for every business and is a major focus area for academics (Imran et al., 2019). Employee output is also critical to the success of an organisation. The researchers state that the most significant factors in determining employee performance are ineffective HRM strategies. In addition, human resource management approaches have shown a strong correlation between employee engagement and productivity. The outlook and choices of the staff also play a role in determining the organisation's performance, along with the size and type of the firm. As better HRM practises are known to lead to better employee performance, many companies include HRM practises into performance evaluations. According to the researcher, an organisation is only as good as its personnel. Organisations that are successful understand that HRM practises are the single most important element in determining employee productivity. The success of an organisation is proportional to the efforts of its employees. There have been several studies that have looked at how HRM practises affect organisational performance (Cho et al., 2018).

LITERATURE REVIEW

## Management Techniques for Human Resources

HRM strategies are defined as an independent but interconnected set of actions used to find, train, and retain competent workers (Tangthong et al., 2019). HRM practise is a broad term that encompasses a large variety of interconnected but distinct responsibilities, functions, and policies pertaining to an organisation's human capital. Human resource management (HRM) is a set of procedures for finding and cultivating talent, as well as keeping talented people in place, as stated by Tan and Nasurdin (2018). Human resource management practises are also seen as a set of interrelated policies and processes that ensure a company's human capital helps it achieve its commercial goals (Hee & Jing, 2018). Human resource management methods are used for evaluative purposes. Increasing HRM processes in this time of intense competition may help workers perform better (Caliskan, 2019). An employee's full commitment to the work and enthusiasm for its ultimate success are shown in such an action. Requirements of employee performance were also identified as means of compensation, periodic assessments of work, and procedures related to advancement and hiring. According to Alagaraja and Shuck (2020), performance evaluations may be complemented by on-going education and coaching for workers. using five HRM techniques to measure how HRM affects individual and organisational performance. The five HRM practices were recruitment and selection, appraisal of workers' efforts, advancement and training, communication with workers, and compensation and recognition. Outside the four sections included in this study professional and organisational growth; compensation and benefits; employee performance; and work-life balance guidelines other HRM practises were not examined.

## HRM and Company Performance in China

Through a comprehensive poll of HR managers across China, it was discovered that strategy role of HR is essential for joint ventures' commercial success (JVs). Researchers in China with a focus on joint ventures and completely owned foreign subsidiaries discovered evidence of the beneficial impact that high-performance Hr activities and the degree of HRM strategic integration on firms' performance. Also, they discovered that HR practises did not predict success as well as HRM strategy integration. Yet, the study found that global corporations' HR departments performed poorly (MNCs). The HR managers in all these organisations blamed the poor performance on the HR departments' inability to take strategic action (Osman et al., 2018). The researchers also noted that HR managers from all forms of ownership are beginning to make strategic decisions, but it remains to be seen how well they can integrate the HR function. In 2012, the Chinese firm Huawei Technologies overtook Ericsson, a Swedish company, has grown to become the industry's dominant supplier of network and communications infrastructure. In the same year, there have been 1.01 billion phone users and around 284.3 million fixedline phone customers in China. With over 989 million internet users and over 1.62

billion mobile phones, China's telecom industry is expected to generate about \$100 billion yuan (\$15.52 billion) per month by 2021.

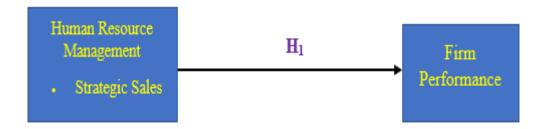
#### RESEARCH METHODOLOGY

Researchers performed a comprehensive cross-sectional investigation. A single point in time's worth of data was all that was required because of the cross-sectional design. As a result of the limited time and resources available, the researcher opted for a quantitative approach. Using Rao-soft, a sample size of 610 was determined; 700 questionnaires were sent; 676 replies were received and analysed; and lastly, 11 items were deemed inadmissible because of inadequate data. There were 665 people included in the study. For the survey, we choose some people at random to call. Expert conditions were used for the study. The study venues were chosen depending on the accessibility of the research team. The study's analysis relied on information gathered from interviews and surveys. In the following sections, we will discuss the methodology and rationale of this survey. To foresee how their brand's equity and their organisation's size will grow, respondents first completed a set of market control questions. Rao Soft's final sample size estimate was 610 participants.

To get an accurate, read on people's thoughts and opinions, surveys often use a grading system based on the Likert scale. It is common practise to offer respondents the option of picking "strongly agree," "agree," "did not react," "disagree," or "strongly disagree" in response to a statement or inquiry. Assigning numerical values to the different answer categories is common practise; in such cases, the numbers themselves must be specified for the purposes of the research at hand. For instance, a value of 5 would indicate very strong agreement, a value of 4 would indicate moderate agreement, and so on.

Motivation, or "the inner drive that motivates one to decide to act," is what pushes a person to take the initiative to do something. There is a widespread failure on the part of managers to recognise the role that inspiration plays in ensuring the fulfilment of their organisation's overarching objective and aim. When employees are content in their jobs and feel respected, they provide their very best efforts. Good things happen when people are inspired to work hard, and that inspiration spreads to others around them.

**CONCEPTUAL FRAMEWORK** 



## **RESULTS**

#### **FACTOR ANALYSIS**

Factor Analysis is often used to confirm the latent factor structure of a set of measurement items (FA). Latent (or unseen) factors are believed to be the root cause of the scores on the visible (or measured) variables. The approach of accuracy assessment is model based. Modelling of causal relationships between observable events, unseen causes, measurement error is its main area of interest.

A Kaiser-Meyer-Olkin (KMO) Method may be used to determine if the data are appropriate for factor analysis. To determine if they were sufficiently sampled, all model variable along with the entire model are assessed. The statistics quantify any common variance among many different variables. The data will generally be more acceptable for factor analysis the lower the proportion is.

KMO returns numbers in the range of 0 and 1. The sample is deemed adequate if KMO's value is in the range of 0.8 and 1.

The sample is inadequate if KMO's is less than 0.6, and remedial action is needed. You'll have to use your best judgement among 0.5 and 0.6 since some authors use the value 0.5 for this.

• KMO Near 0 indicates that the total of correlations is small relative to the size of the partial correlations. To rephrase, extensive correlations pose a serious challenge to component analysis.

Kaiser's cutoffs for acceptability are as follows:

Kaiser's cutoffs for acceptability are as follows:

A dismal 0.050 to 0.059.

• 0.60 - 0.69 below-average

Typical range for a middle grade: 0.70-0.79.

Having a quality point value between 0.80 and 0.89.

The range from 0.90 to 1.00 is really stunning.

Table 1: KMO and Bartlett's Test

KMO and Bartlett's Test <sup>a</sup>					
Kaiser-Meyer-Olkin Measure	.915				
Bartlett's Test of Sphericity	Approx. Chi-Square	4951.165			
	df	196			
	Sig.	.000			
a. Based on correlations					

This demonstrates the validity of assertions for sampling purposes. To further verify the relevance of a correlation matrices, Bartlett's Test of Sphericity was performed. Kaiser-Meyer-Olkin Sampling Adequacy Value is 0.915. The p-value for Bartlett's sphericity test was determined to be 0.00. Bartlett's test of sphericity showed that the correlation matrix isn't an identity matrix, with a significant test result.

## **TEST FOR HYPOTHESIS**

Economically speaking, a company's performance is a measure of how well it employs its people and material resources to meet its goals. The effectiveness of a company's production and consumption procedures are important factors in evaluating its success. Human Resources Management (HR) is the practise of proactively creating and maintaining an atmosphere conducive to work and personal growth. Depending on the firm and the sector, its responsibilities may vary, but in general, it deals with issues like recruiting, salary and benefits, employee development, and communication. Strategic selling entails establishing a well-thought-out strategy for locating and courting potential customers. With strategic selling, businesses highlight the problems their product helps consumers solve.

Based on this literature review, the researchers hypothesized the following to examine the link between Strategic Sales and Firm Performance.

H01: There is no significant relationship between Strategic Sales and Firm Performance.

H1: There is a significant relationship between Strategic Sales and Firm Performance.

Table 2: ANOVA test H1

ANOVA							
Sum							
	Sum of Squares	df	Mean Square	F	Sig.		
BETWEEN GROUPS	39935.307	218	3991.631	2374.867	.000		
WITHIN GROUPS	145.093	446	1.631				
TOTAL	40080.390	664					

In this study, the result is significant. The value of F is 2374.867, which reaches significance with a *p*-value of .000 (which is less than the .05 alpha level). This means the "H1: There is a significant relationship between Strategic Sales and Firm Performance." is accepted and the null hypothesis is rejected.

## **CONCLUSION**

As China is a transitioning economy, the researchers looked at how SHRM and HR practises affect business performance there. By comparing these impacts, the researchers did not find that overseas enterprises were superior to domestic ones. Employment practises in POEs are increasingly influenced by market forces (Abdalkrim, 2020). Moreover, the researchers contributed to the body of knowledge by developing a model that considers the employee relations environment as a key result in addition to the traditional measures of business success. The researcher findings so far provide reassurance to Chinese business leaders that SHRM and other standard HR practises do, in fact, improve company success.

The results of the research indicate that the performance of the staff is satisfactory. There is a mean performance rating of 3.977 out of 5 possible points. Tumbuan and Simanjorang (2018), who performed research like this one, found that high employee performance was a crucial factor in the success of their organisations. The team's success depended on everyone's ability to work together effectively. Workers need clear instructions if they are to accomplish their goals. In addition, Platis, Reklitis, and Zimeras (2019) found that employee performance was a significant obstacle since it was connected to efficiency, quality, knowledge management, money, and the growth and development of the organisation. It's also evidence of advanced education and training. In terms of training and growth, the mean score is 3.920.

According with prior research by Nassazi (2018), this study found that investing in staff's education and growth has positive results for the company's bottom line and the bottom lines of HR managers, the company's top brass, and the government at large. However, previous research by the researchers suggested that a more advanced degree of training and development was improve workers' output. Secondly, it demonstrates very generous pay and perks. Compensation and benefits received a mean total score of 3.923. This research is in line with that of the researchers, who found that higher pay led to greater employee loyalty to the company and, in turn, more productivity on the job.

#### LIMITATION

It is important to recognise the article's limitations. In the first place, survey research is prone to common method bias since the data comes from the same respondent. Collecting data from two respondents on important factors helped reduce this bias to some degree. These findings might be triangulated with the addition of more data from other informants. Second, human resource management (HRM) could be seen differently by multinational corporations (MNCs) and small and medium-sized enterprises (SMEs). Some local Chinese businesses may use a more restrictive definition of HRM than is common in the West., which might introduce bias into comparisons between businesses. Thirdly, the data may have been flawed due to its cross-sectional character, which might have skewed inferences about the direction of causation. High-performing businesses should devote more resources to human resources and adopt more innovative HR policies (Hameed Abdul & Mohamed Shaik, 2019). To further understand these interconnected processes, it would be helpful to conduct future studies utilising a longitudinal methodology. The research indicates that ownership does not significantly influence business results. The mediators between SHRM and organisational performance need further study and HR practises and business success. It's also possible that categorising Chinese companies based on their "ownership kinds" doesn't provide a whole picture of the effects of ownership, since enterprises in China are in varying phases of reform at any one time. Company operations and results may also be affected by other organisational factors that are connected to ownership. Instead of relying just on ownership kinds as proxies, future research should isolate these crucial features and assess their influence.

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