

Human Resource Management (HRM) Practices

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Abstract—Human resource management (HRM) practices are a process of attracting, motivating, and retaining employees to ensure the survival of the organization. This study examined the level of effectiveness and efficiency in the conduct of the HRM practices of Long Hope Communication Co., Ltd. and the problems encountered in implementing human resource practices. The study utilized descriptive- quantitative methods to provide an in-depth understanding to the Human Resource Management (HRM) practices to the 90 employees and eight (8) managers of Long Hope Communication Co., Ltd. The results of the empirical study suggest that human resource management practices are effective in maintaining the productivity of the employees which implies that the company is invested in training their employees, providing opportunity for promotion, positive feedback, clarity of information of designation to whom the employee reports to and opportunity for employees to be responsible with the quality of their work. Further analysis however indicates that the conduct of Human Resource Management (HRM) practices of Long Hope Communication Co., Ltd. is moderately efficient which implies that the employees perceive the management to lack in providing opportunities for employees to be promoted, to be appraised, and to participate in the administration tasks. The major problems encountered by the management and employees in the implementation of HRM practices are: lack of interest of employees; lack of management support; and lack of involvement of employees in decision making. In brief, HRM practices of Long Hope Communication Co., Ltd. could still be improved to effectively and efficiently maintain the productivity of the employees.

Index Terms—Human resource management (HRM), training, career planning, compensation, performance appraisal

I. INTRODUCTION

Recently, majority of researchers and practitioners have recognized the importance of human capital as one of the most important part of any firm because organizational goals can be achieved through them. Employees are considered to be the key resource of a company to gain competitive advantage over the competitors. Companies rely on skilled workers to be productive, creative, and innovative, and to provide high quality customer service. As cited by Mensah (2014) Ref. [1], businesses sustain and increase competitive advantage through strategic management of human resources which is dependent on the quality and efficiency of its employees (Barney, 1991; Khan 2010)

[2], [3]. According to Lochhead and Stephens (2004) Ref. [4], replacing workers is very costly, training new employees are less secure and finding skilled employees can be difficult. Cascio (2006) [5] also concedes that the expense incurred in recruiting, selecting and training new employees is high as it exceeds 100% of the annual salary of the position being field.

In today's talent based global economy, organizations have to acquire, develop, and accordingly manage world-class human resource management competencies and practices if they wish to survive and compete (Alshaikhly, 2017) Ref. [6]. Investing in Human Resource Management (HRM) could yield long-term financial benefits for organizations as employees would prefer to stay in the company rather than move to other companies or competitors if they are motivated (Schaufeli & Bakker, 2002 and Bakker, & Demerouti, (2008) Ref. [7], [8]. Employees are motivated if there is work engagement which could be induced by HRM practices such as training and development, performance feedback, social support, and supervisory coaching (Klein, 2014) Ref. [9]. Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization. The responsibilities of a human resource manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work. Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees (Human Resource Management, n.d) Ref. [10]. The key role that human resource management (HRM) plays in determining the survival, effectiveness, and competitiveness of business is as critical as gaining profit. HRM practices have helped support any company's business strategy and provide services the customer values. Human resource management (HRM) is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical to achieving competitive advantage. Alshaikhly (2017) [6], investigated the impact of human resource management practices on employees' satisfaction to 302 employees of Jordanian telecommunication companies, and found that there is a significant impact of human resource management (planning & recruitment, training programs, compensation and performance appraisal) on employees' satisfaction. The result also showed that the compensation variable has the most impact on employees' satisfaction. Another study conducted by Mensah (2014) Ref. [1], highlights the fact that HRM practices such as compensation, work-life balance and employee

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engagement are vital to employees and indeed influence employee retention. Compensation is imperative for the employees as it offers a sense of security, autonomy and improved self-worth that could lead to employee commitment and productivity (Dockel et.al, (2006) and Mathis & Jackson, (2004)) Ref. [11], [12]. In a study conducted by Frye (2004) [13] as cited by Hassan (2016) [14], the result shows that there is a positive relationship between compensation and employee performance. Compensation strategies play a significant role in recruiting and retaining employees.

Hassan (2016) Ref. [14] also researched the impact of Human Practices on employees' performance in the textile industry in Pakistan and the study revealed a significant relationship between HRM practices (Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement) and employee's performance. The study revealed that employee's performance can be increased by giving employees an opportunity to make effective decisions. Empowering employees could also contribute to the success of the organization as it saves time in decision making, lowers the gap between subordinates, and encourages a strong sense of teamwork among employees.

According to a recent study conducted by the German Chamber of Commerce in China in collaboration with Watson Wyatt, human resource will remain the biggest challenge (HRM, n.d) Ref. [10]. One issue of companies is how to attract and retain a committed, productive workforce in turbulent economic conditions that offer opportunities for financial success, but can also turn sour, making employees expendable. Forward-looking business capitalize on the strengths of a diverse workforce. Sustainability and employee retention depends on ethical and responsible business practices, including management of human resources. Another important issue is how to meet financial objectives through meeting both customer and employee needs. To meet the sustainability challenge and remain a profit-gaining entity, companies must engage in human resource management practices that address short-term needs but eventually ensure the long-term success of the firm. In relation to this, this study is set to determine the level of effectiveness in maintaining productivity of the employees and level of efficiency in the conduct of the Human Resource Management (HRM) practices of Long Hope Communication Co., Ltd.

Long Hope Communication Co., Ltd. is a national state-owned high-tech enterprise and its registered capital is RMB30,000,000 Yuan. There are nearly a hundred people in the company, among which the title of a senior professional post occupies 20% and all technicians have a college degree. The company's main service is on computer integration of information system, software development, weak current system integration of intelligence building, security and protection project, design of communication project, service of development and technical consultation. The company has eight function departments, which are the chief engineer's office, financial department, marketing department,

system design department, software development department, engineering department, technical support and service department. The company however does not have a reasonable performance appraisal and bonus incentives mechanism so as a result some employees chose to leave.

The management of Long Hope Communication Co. Ltd. recognizes that like other global organizations, it has to address needs of its human resources. A comprehensive understanding of the problem of human resource management that exist on the Long Hope Communication Co. Ltd. value its employees and uses human resource practices to support its business strategy but it also seeks out evidence that their human resource practices have a positive impact on their business and supports the companies mission. By analyzing the problems under the guidance of the theories in human resource management, strategies to optimize performance in Long Hope Communication Co., Ltd. shall be realized, maximized and further developed.

As a general manager assistant in Long Hope Communication Co., Ltd. and a researcher, this paper is helpful to address problems in the human resource department of the company. This paper could help improve job satisfaction and employee retention that would decrease employee turnover of the company. The present study could also contribute theoretically to research on HRM. Despite the high likelihood that HRM practices have beneficial effects on employee engagement, little empirical evidence exists that focuses specifically on influence of HRM practices on job satisfaction and employee retention. This study is set to determine the level of effectiveness and efficiency in the conduct of Human Resource Management (HRM) practices of Long Hope Communication Co., Ltd. in terms of training, career planning, compensation, performance appraisal, job definition, and employee participation of Long Hope Communication Co., Ltd. in maintaining the productivity of the employees.

II. METHODOLOGY

This study utilized descriptive- quantitative methods to determine the level of effectiveness in maintaining productivity of the employees and level of efficiency in the conduct of the following (HRM) practices of Long Hope Communication Co., Ltd. along training, career planning, compensation, performance appraisal, job definition and employee participation and the problems encountered in implementing human resource practices. The descriptive research involves direct investigation, analysis and description of problem as free as conceivable from unexplained assumptions, aiming at greatest intuitive presentations (Cooper and Schindler, 2014) Ref. [15]. The sample population of the study was comprised of 90 employees and eight (8) managers of Long Hope Communication Co., Ltd. Long Hope Communication Co., Ltd.'s employees are comprised of general manager, deputy manager, assistant to general manager, technical support manager, construction operation and maintenance personnel, project management personnel, engineering

personnel, and marketing personnel. The researcher applied triangulation method in this research. Questionnaire, interview and literature review were used in this study. To gather the data for interpretation, analysis, and presentation purposes, a survey questionnaire prepared by the researcher that was adapted in the study of Hassan (2016) was utilized in the study to elicit response on the level of effectiveness of the Human Resource Management (HRM) practices.

In order to come up with reliable conclusions, the data gathered was analyzed in a more scientific manner. Weighted Arithmetic Mean was used to determine the level of effectiveness of the Human Resource Management (HRM) practices in maintaining the productivity of the employees and the level of efficiency in the conduct of the (HRM) practices. The researcher used a 4-point Likert Scale type questionnaire to gather data. For the interpretation of the weighted mean, the items in the questionnaire were interpreted through the statistical limit in which the qualitative description was used. A 4-point Likert Scale and its interpretation was used to interpret the results of the data gathered from the queries about the level of effectiveness of the Human Resource Management (HRM) practices in terms of training, career planning, compensation, performance appraisal, job definition, and employee participation, of Long Hope Communication Co., Ltd. in maintaining the productivity of the employees and the level of efficiency in the conduct of the (HRM) practices. Table I below presents the Likert scale utilized in this study.

TABLE I. LIKERT SCALE

Rating	Statistical Range	Description	Interpretation
4	3.26 – 4.00	Highly effective/ efficient	The level of effectiveness of the HRM practices and the level of efficiency in the conduct of HRM practices is very high.
3	2.51 – 3.25	Effective/ efficient	The level of effectiveness of the HRM practices and the level of efficiency in the conduct of HRM practices is high.
2	1.76 – 2.50	Moderately Effective/ efficient	The level of effectiveness of the HRM practices and the level of efficiency in the conduct of HRM practices is moderate.
1	1.00 – 1.75	Not Effective/ not efficient	The level of effectiveness of the HRM practices and the level of efficiency in the conduct of HRM practices is low.

III. FINDINGS

Table II presents the results obtained from the primary analysis of the level of effectiveness of Human Resource Management (HRM) practices of Long Hope Communication Co., Ltd. in maintaining the productivity of the employees. The overall result is 2.99.

Compensation is highly effective with the highest weighted mean of 3.88 followed by job definition, performance appraisal and employee participation with weighted mean of 3.00 and 2.88 respectively. The lowest weighted means are 2.81 and 2.54 which pertain to the career planning and training indicators.

The overall result on the level of effectiveness of Human Resource Management (HRM) Practices of Long Hope Communication Co., Ltd. in maintaining the productivity of the employees is effective. The result implies that employees of Long Hope Communication Co., Ltd. are being paid well and they may likely stay with the company. The company also provides a clear understanding on the duties and responsibilities for a particular position of their employees. They value the participation of their employees to take responsibility for quality in terms of carrying out responsibility and provides positive feedback as well as identify areas of improvement of the employees that could result to improved productivity of employees. Moreover, the result infers that organizational assessment of employees on their ability, career goals and needs is effective, because management thought they know their employees.

The management of Long Hope Communication Co., Ltd. invested in training their employees specifically in enhancing their engineering, technical and communication skill that helped in the productivity of the employees in the workplace which implies that the company value their employees as they provide necessary training for employees to able to perform their jobs better and increase productivity. Further analysis however shows that the company could still improve the HRM practices of the company to make it highly effective.

As shown in Table III, the level of efficiency in the conduct of human resource management of Long Hope Communication Co. Ltd. along training, career planning, compensation, performance appraisal, job definition, and employee participation is moderately efficient with an overall weighted mean of 2.10. The highest weighted mean of 2.88 pertains to the indicator on employee participation and the lowest weighted means of 1.78 and 1.54 refer to performance appraisal and compensation. The result implies that Long Hope Communication Co. Ltd. the company could have been using a lot of resources in training their employees especially in skill training like engineering, technical and communication skill. This could mean also that employees perceived that training is very costly. The career planning of employees yields a result of moderately efficient which could mean that employees perceive career planning as important but not a top priority. Employees perceive this human resource practice as one of the least priority. Employees also identified the compensation as one of the human resource's practice of Long Hope Communication Co. Ltd. that is not efficient. Although when it comes to salary, employees believe that the company is moderately efficient which means that they are paid just right-meaning they are paid based on the required payment of the law to the employees. Further analysis however

shows that bonus, fringe benefit, and compensation are not efficient.

In terms of performance appraisal, employees thought that the company may not be doing enough in appraising the performance of their employees. Majority of the employees believed that the company is not doing enough in evaluating their skills, reviewing their job performance in their assigned responsibilities and evaluating their achievement and growth. They also feel confused on the scope of their work because they are usually asked to do other things attributed to other departments and they are not given freedom to participate in the admin tasks.

It can be gleaned in Table IV that majority of the managers agree that employees are not interested in upgrading their skills. The management perceived that the communication between the management and employees is not enough when it comes to career options and opportunities with the organization. This could be because there's no enough time for the management and employees to discuss as both the management and employees are busy with their work. The management however acknowledged that there is no enough fringe benefit for the employees which could be perceived as a problem in the company. Not only fringe benefit but also bonus.

Table V presents the problems encountered by the employees in the implementation of HRM practices by Long Hope Communication Co. Ltd. The result could mean that employees do not have enough training. This could be brought about by the excessive cost of training. The table also reveals that majority of the employees subjectively assess their ability, their goals and needs. This could imply that employees may assess themselves very highly in terms of their ability that could mislead the management in conducting career planning for them. The result also shows that employees do not necessarily participate in decision making of the company. The management decides on the direction of the company and do not provide opportunity for the employees to participate. Employees also do not have fringe benefit. The result also suggests that employees perceive that their salary is not enough to sustain their needs.

IV. CONCLUSIONS

The level of effectiveness of Human Resource Management practices along training, career planning, compensation, performance appraisal job definition and employee participation of Long Hope Communications Co. Ltd. in maintaining the productivity of employees is high. However, the level of efficiency in the conduct of Human Resource Management practices is moderate. Majority of the problems encountered by the managers include the lack of interest of employees, insufficient communication of information concerning career options and opportunities with the organization, lack of Fringe benefit and lack of involvement of employees in decision making. On the other hand, the problems encountered by the employees would include the lack of management support, excessive training cost, and lack of involvement of employees in decision making.

TABLE II. LEVEL OF EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES OF LONG HOPE COMMUNICATION CO., LTD. IN MAINTAINING THE PRODUCTIVITY OF THE EMPLOYEES

Indicator	Mean	Qualitative Description
Compensation	3.88	Highly Effective
Job Definition	3.00	Effective
Performance Appraisal	2.88	Effective
Employee Participation	2.88	Effective
Career Planning	2.81	Effective
Training	2.54	Effective
Overall Weighted Mean	2.99	Effective

TABLE III. LEVEL OF EFFICIENCY IN THE CONDUCT OF HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES OF LONG HOPE COMMUNICATION CO., LTD.

Indicator	Mean	Qualitative Description
Compensation	1.54	Not Efficient
Job Definition	2.08	Moderately Efficient
Performance Appraisal	1.78	Not Efficient
Employee Participation	2.88	Effective
Career Planning	2.33	Moderately Efficient
Training	2.00	Moderately Efficient
Overall Weighted Mean	2.10	Moderately Efficient

TABLE IV. PROBLEMS ENCOUNTERED BY THE MANAGEMENT IN THE IMPLEMENTATION OF HRM PRACTICES BY LONG HOPE COMMUNICATION CO., LTD.

Problems Encountered	No. of Respondents	Rank
Lack of employee interest	8	1
Insufficient communication of information concerning career options and opportunities with the organization	8	1
Lack of Fringe benefit	8	1
Lack of involvement of employees in decision making	8	1
Irregular review of an employee's job performance	6	2
Unclear information of the name or designation to whom the employee reports to	6	2

TABLE V. PROBLEMS ENCOUNTERED BY THE EMPLOYEES IN THE IMPLEMENTATION OF HRM PRACTICES BY LONG HOPE COMMUNICATION CO., LTD.

Problems Encountered	No. of Respondents	Rank
Lack of management support	63	1
Excessive training cost	63	1
Subjective assessment of employees on their ability, career goals and needs	63	1
Lack of involvement of employees in decision making	63	1
Lack of fringe benefit.	62	2

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