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# THE INFLUENCE OF HUMAN CAPITAL MANAGEMENT PRACTICES ON THE JOB PERFORMANCE OF EMPLOYEES

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## **ABSTRACT:**

*This study focuses on the operations of human capital management (HCM), which include training and development, hiring and selection, and performance assessment. The research investigates the link between employee performance and the bottom line of the Indian telecom business. An examination of the ways in which the human resource policies and processes in India's telecom business influence employee production is our primary objective. In the research activity that was indicated before, surveys serve as the foundation. Participants in the research include individuals who are employed in the public sector as well as the commercial sector of India's telecommunication infrastructure. In the process of conducting interrogations, the primary objective is to collect data. We were able to make use of descriptive statistics, correlation analysis, and regression analysis by our sample consisted of 272 individuals. Taking everything into consideration, the findings lend credence to the notion that human resource management strategies are significant and essential in influencing employee performance. To achieve this goal, it is possible to combine the process of examining their previous work to establish trust and confidence with training and development programs that aim to expand their knowledge and capabilities. Employees can perform their jobs more effectively when they are able to execute all these tasks, either individually or in combination. There is a substantial correlation between human capital management methods and employee performance as well as the practices themselves.*

**Keywords:** Human capital management (HCM), Employee performance, Telecom industry (India), Training and development, HR policies and processes.

## **1. Introduction:**

Employee performance is crucial to a company's success nowadays. Employee performance is a dependable measure of a company's success since workers are its most valuable resource. Human resource management

and organizational psychology prioritize employee performance [33]. Employees are a company's most valuable asset since they may boost or hurt its reputation and finances ([11]). Workplace culture, organizational regulations, professional growth and learning opportunities, and employer-employee relationship affect job performance perception [2]. Multiple methods can boost workplace efficiency. High employee performance is essential for competitive success, yet bad performance may be disastrous. According to [47], employees' satisfaction, productivity, and attendance may be used to evaluate their performance. Under normal limitations and resources, humans can achieve this [23]. Over the past decade, many studies have examined workplace productivity. This is due to human capital's growing strategic value. Skilled labor turns financial capital, machines, processes, and materials into a product or service. Firms need training programs that focus results to be competitive in the present unstable economy [28].

According to reference [27], training is crucial to success. Educationally preparing people for specialized fields helps them adapt to their circumstances. Study areas are important to researchers because they have a function beyond discovery. Several studies stress the importance of training programs. Currently, training affects worker productivity. They also claim that an organization's staff development success has elevated training. Due to technological advances and organizational changes, firms have increasingly realized that employee skill and aptitude affect performance. Staff development and training have increased due to this trend [5]. Square brackets surround 40. In the early stages of a systematic process like recruiting and selection, both sides share information and discuss their expectations. As noted in [4], the association recruits and classifies productive people. HCM is crucial since it draws significant human resources to the firm, achieving its core goal. Research [23] shows that recruiting processes benefit people and companies.

A performance evaluation system can guide employee advancement toward company goals [7]. Effective management, a safe workplace, and fair pay can help workers meet management's morale and productivity goals [26]. Belief, instrumentality, and valence underpin expectation theory. Belief is the idea that hard work will pay off. Instrumentalism incorporates performance evaluation and performance-based rewards. Valence is how people appreciate rewards. As said, extrinsic incentives motivate people to work hard and innovate when their pay is directly tied to their performance [34].

## **2. Literature Review:**

### **a) The relationship between training and development and employees' job performance**

Training often bridges the gap between labor performance and expectations. Management of training is crucial to strengthening human resources [55]. Employees and employers must be connected, and studies [45] and [16] stressed the importance of employee participation in growth and training. Development entails teaching individuals to improve their abilities and prepare for future performance and competitive challenges in the company environment [16]. Training and development programs provide workers new skills to compete in the modern job. These initiatives also encourage creativity in employees, improving workplace performance.

User's text is "[11]". Includes empirical data from past research showing a substantial positive association between training and other HRM activities and job success. One of the main goals of this function is to set

training program criteria. The position involves strategic planning and critical evaluation of function execution [44]. Training is deliberate exercise [37]. Training increases ability, knowledge, and competency, which improves work performance. According to [29], training ensures job performance. Different firms use different training methods depending on their demands. (1) It can incorporate organizational goals, techniques, and tangible and monetary assets. (2) This integration meets business needs. (3) It's customized for training groups. Organizational growth depends on several things. Training is necessary to boost workplace efficiency.

The literature strongly supports this event. Organizational success [52] and worker advancement [39] have been studied. Company performance and employee performance are strongly correlated. Worker competence and performance improve quality [26]. This exercise also increases workers' ability and expertise to handle increasingly difficult tasks. All research linking training programs to employee growth have proven this [36]. Improved performance benefits both the person and the company [39]. Training reduces disparities and improves performance [52]. Several academics have proven [52] and agreed on job-training to improve workers' advancement by resolving training shortcomings and raising benchmarks. The evidence shows that firms might benefit from training when employees lack desire and fail to meet expectations. This helps people get the knowledge, skills, and character traits needed to achieve their goals. It is well known that workers follow task-related quality standards. Remember that this is insufficient and that staff must adapt and improve to meet task needs. Instead of putting off performance gaps and skill shortages, companies should create and implement new training programs. Researching the viability of a contingency model for transfer-oriented training interventions may help create training settings that improve learning transfer. Along with examining training types, trainee selection, evaluation tools, and selection criteria, crucial tasks include identifying training requirements, creating and executing training programs, facilitating knowledge transfer, and assessing program benefits [42]. Effective training programs that evaluate task demands favorably can enhance staff members' abilities and work attitudes. Its 38th duty is one of several. Thus, production expenses are controlled. Knowing their supervisors appreciate their efforts may reassure workers. Because of this, employees are very proud of their work. Continuity helps people improve, making the workforce more skilled [17], [10]. User's text is "[3]". A company should develop a comprehensive training program to improve personnel skills, cooperation, communication, and decision-making. By doing this, the company may fulfill its aims more efficiently. The association between training programs and employee growth has been proven in all empirical investigations [36]. Improved performance benefits both the person and the company [39]. Studies have shown that recruiting and choosing personnel has a bigger influence on managing staff in small and medium-sized businesses than other operational components of HCM [9].

H1: A strong correlation exists between training and development and employees' job performance.

#### **b) Recruiting, hiring, and workers' productivity**

Staff performance is affected by hiring [48]. Thus, not using the best recruitment method may lead to absenteeism, poor performance, and delays. Our major objective at HRM is to hire the appropriate

individuals, thus recruiting and selection are vital to every project. [50]. Scholarly publications regularly discuss people and selection. [32] emphasized HR management approach recruiting and selection. Recruiter and applicant employ particular strategies to identify the best prospects while obeying business regulations. Every business relies on HR recruiting and selection. These principles are essential for hiring great employees. HCM system quality depends on these two activities. [12] means 12. According to [12], the selection and recruitment process seeks to provide a diverse pool of candidates for available positions.

Every business relies on HR recruiting and selection. These principles are essential for hiring great employees. HCM system quality depends on these two activities. [12] means 12. According to [12], the screening and recruiting procedure seeks talented applicants. Corporate productivity, employee loyalty, and work satisfaction increase with recruiting and selection (source: [49]). Systematic staffing and selection needs task analysis, job explanation, and person definition [35]. These tactics motivate interviewers and aid staffing decisions. Foot and Hook's three-stage recruitment process was widely accepted by second edition "Human Resource Management." writers. Primary steps include job analysis, job description, and individual needs. A good selection and staffing procedure allows the organization and applicant assess job criteria and compliance. Staffing and selection firms choose better applicants. Wrap 31 in square brackets. Selection is the methodical selection of qualified applicants for company roles. The investigator defines recruitment and selection as picking candidates from a pool who meet employment criteria.

According to several audits, small and medium-sized firms' recruiting and selection teams struggle to locate qualified candidates. Square brackets protect 35. Many job seekers avoid these industries. Since small businesses employ, medium-sized businesses have obstacles [46]. Several government programs encourage small and medium-sized firms to hire graduates. A supervisory body in Turkey helps medium-sized enterprises pay fresh graduates temporarily. Small and medium-sized enterprises struggle to acquire skilled staff who can fulfill their goals [18]. He said the lack of a structured hiring process makes things worse. The selection and staffing process should involve case recording, job analysis, job description, individual needs, and advertising. He argues a good selection process involves hiring devoted people, acquiring information, reviewing qualifications, and judging vocation. Selection criteria for selection committee and interview questions streamline hiring. HR managers can increase job role-candidate alignment by hiring the best candidates for departmental openings [53].

H2: There is significant relationship between b) Recruiting, hiring, and workers' productivity.

### **c) Employee's job performance and their performance review**

The effectiveness of any performance evaluation system depends on the individuals' capacity and selective perception involved in its implementation, as well as the business's belief that performance assessment practice is linked to its goals. The number 25 is [25]. Performance assessment has been found to promote individual and organizational success [1]. Performance evaluation improves workplace productivity, according to [30]. An organization's performance assessment system gathers data on its employees and motivates both the company and its employees to achieve a common goal. Poor performance appraisals lower employee morale and promote attrition. References are [1] and [43]. A Malaysian university study

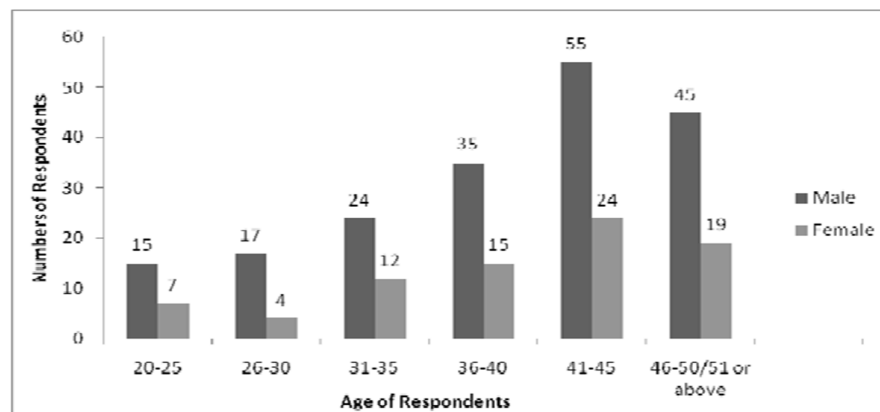
found that workers occasionally overestimated their talents [41]. Due to prejudices, evaluations often cause prejudice.

As mentioned in reference [44], the potential benefits of establishing this performance assessment system cannot be completely grasped without appropriate policy frameworks to address the effects or variables that precede the system. An ideal performance measuring system may benefit an industry, while an unstructured one may not. Employee evaluations rely on responses, favorable or negative. If employees misbehave during performance reviews, the company may suffer. Managers who use performance assessment methods may demoralize employees and drive away skilled workers who are not given the right feedback. Management using performance assessments boosts productivity and performance. They demonstrate proper employee observation. Progress appraisal can boost worker engagement and productivity [7, 8]. Performance evaluations that are straightforward and well-managed boost workplace commitment and satisfaction. Performance assessment systems work best when workers care about the company's success [24]. Square brackets surround 52. When human capital management aspects like salary, training, and professional advancement are balanced, firms and employees will build performance assessment systems, increasing productivity naturally.

H3: There is significant relationship between employee's job performance and their performance review.

### 3. Methods:

The dependent variable is employee productivity, whereas the independent factors are training and development, recruiting, and performance assessment. The research samples Indian government and commercial telecoms personnel. Data is obtained through interrogations. Due to time and budget restrictions, the sample size was 272. A poll included 198 women and 119 men. Participants aged 21–51 and older were surveyed. Figure 1 shows the gender-segregated survey respondents' ages. From high school to master's and doctorate degrees, respondents had diverse educational backgrounds. However, the study focuses on grades 1–4.



#### 3.1 Data Presentation & Statistical Analysis

Initially, the data was imported into SPSS 20, which is a statistical software commonly used in social science research. The objective of this study was to establish if there exists a link between employee job performance and three independent variables: training and development, recruiting and selection, and performance evaluation system. Regression analysis was utilized for this investigation. In addition, we

employed Pearson's correlation coefficient to examine the relationship between the independent and dependent variables. Table 1 presents a detailed examination of the data.

### 3.2 Correlation and regression analysis

We used Pearson correlation to examine the association between HCM approaches and job performance. The authors used Pearson's correlation coefficient. A significantly substantial link existed between HCM practices and job performance. Employee performance is crucial in India's telecom business, as shown by the substantial link between training and development (.635\*\*) and ( $p < .005$ ). The recruiting and selection matrix positively correlates with employee performance in India's telecom sector ( $r = .659^{**}$ ,  $p < .005$ ). In table 2, the correlation coefficient for performance assessment is .658\*\* and the p-value is less than .005, indicating a significant relationship.

Table 3 shows the dependent and independent variables were examined using regression analysis. This chart shows that training and development initiatives may boost telecom performance by 18.9% in India. The association between employee performance and training and development was analyzed using regression techniques, yielding an R<sup>2</sup> value of 0.189. Training & development and employee performance are statistically significant and independent. R<sup>2</sup> of 0.432 suggests that recruitment and selection improvements explain 43.2% of employee performance variance. The regression coefficient supported our hypothesis that India's telecommunications companies' recruiting, and selection methods affect employee performance. When assessed for performance evaluation, India's telecom company workers' job performance increased 43.0%. R<sup>2</sup> was 0.430 after variation correction.

### 3.3 Hypothesis testing

The value of 0.000 is the significance threshold, denoted as  $P < 0.05$ . There will be no change in employee performance of 2.591 points in the absence of professional growth or training. When it comes to labour efficiency, the beta coefficient is 0.372. For every one-unit improvement in training and development, the overall performance will rise by 0.372. The data in Table 3 suggests that the null hypothesis (H<sub>1</sub>) should be rejected since it is statistically significant. Based on the results of the ANOVA, the model's significance level is 0.000. There is a strong correlation between the selection and recruitment processes and employee productivity, as shown by this data.

**Table 1. Cronbach's  $\alpha$  coefficient, composite reliabilities and average variance extracted for each study variable.**

Variable	Mean	SD	Cronbach's $\alpha$
Training & development	3.968	.415	.716
Recruitment and selection	3.914	.505	.743
Performance appraisal	3.905	.425	.751
Employees job performance	4.643	.447	.752

**Table 2.** Correlation analysis.

Variable	TR	SE	PA	EJP
Training & development	1			
Recruitment & selection	.452*	1		
Performance appraisal	.533**	.583**	1	
Employees job performance	.635**	.659**	.658*	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

**Table 3.** Regression analysis model summary.

Variable	B	t	P	r	r <sup>2</sup>
Training & development	.372	7.998	.000	.438	.192
Recruitment & selection	.583	14.39	.000	.659	.434
Performance appraisal	.692	14.34	.000	.658	.432

a. Dependent variable: EJP (Employees' job performance)

The employee's job performance will continue at 1.781 without a selection or recruitment procedure. Recruitment and selection correlate 0.583 with employee job performance. Each recruitment and selection unit improves employee performance by 0.583 units. Table 3 verified H2's relevance. They found a clear link between performance assessments and staff work performance. Zero performance assessment scores indicate 1.363 steady-state labor performance. A one-unit improvement in performance evaluation increases total work performance by 0.692, according to beta coefficient study. Table 3 shows H3 had a significant effect.

#### 4. Discussions

The Indian telecoms business has a very efficient human resource management system, according to considerable research. Based on the findings, the Indian telecoms industry may make several improvements to boost staff productivity. I suggest enhancements for future advancements. Training programs to increase learning and creative ways to evaluate them are essential. The current situation requires reassessing training methods and practices. Management must evaluate recruiting and selection processes to achieve employee performance goals. Any performance evaluation system should encourage growth and efficiency. Equitable performance appraisals for managers and employees boost productivity. Performance evaluation requires result prioritization.

Many researchers fail to grasp departmental activity despite the quantity of questionnaire data. They may have been mostly right in some places and utterly wrong in others. The perspectives of all parties may help explain if this happened. We could not break the inquiry or survey into two pieces due to time and cost constraints. One segment would have covered financial health, the other human capital management. This would have allowed senior executives to comment more. Another survey section made it difficult for the financial performance department to provide secret firm financial data that the administration wanted to keep private.

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