

## “A Comparative Study Of Employee Development Practices Within The Indian Public And Private Telecom Organizations: With Special Reference To Pune City”

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### ABSTRACT:

Organizations today in telecom sector are facing increasingly fierce competition, demanding customers, economic pressures, and financial crises. To be effective, they must reduce costs, improve product and service quality, and respond quickly to new opportunities in the marketplace; but these results in compromising profit margins & average revenues. Moreover, the sector is largely regulated by TRAI & National Telecom Policy-94, 99 & the recent 2011. Therefore to sustain organizations in Telecom needs to transform into better organizations. This calls for adoption of employee development practices as a new age business driver that help in achieving desired performance and thereby business goals.

The research article attempts to carry out a comparative study of the extent of various employee development practices implemented in the public sector telecom organizations vis-à-vis private sector and also to understand the preference of the employee development implemented in the concern sector.

**Keywords:** *Employee Development, HR Interventions and Public and Private Telco's.*

### Introduction:

Organizations face multiple challenges and threats today-threats to effectiveness, efficiency, profitability, challenges from turbulent environments, increased competition, changing customer demands and constant challenge to maintain congruence among organizational dimensions such as technology, strategy, culture and processes. Keeping organizations healthy and viable in today's world is a daunting task. Individuals in organizations likewise face multiple challenges-Finding satisfactions in and through work, fighting obsolescence of one's knowledge and skills, maintaining dignity and purpose in pursuit of organization goals and achieving human connectedness and community in the workplace.

The Indian Telecommunication Sector is a classic example of these challenges. Organizations today in telecom sector are facing increasingly fierce competition, demanding customers, economic pressures, and financial crisis. To be effective, they must reduce costs, improve product and service quality, and respond quickly to new opportunities in the marketplace; but these results in compromising profit margins & average revenues. Moreover, the sector is largely regulated by TRAI & National Telecom Policy-94, 99 & the recent 2011.

The key in building up a capable telecommunications operation is adequate Employee Development. Employees are the intellectual capital of any organization. Human resource is undoubtedly the most challenging and dynamic capital in an organization. They are the contributors to the intellectual capital, social capital and emotional capital of an organization; there by being the most important instruments behind every success or failure. The success or failure of the organization depends on employees' performance. Therefore, organizations are investing huge amount of money on employee development.

### Need for the Study:

Within the services sector, Telecom Industry is considered to be of vital importance to a developing economy like India, since there is a dearth of adequate resources in the other sectors. The importance of telecom sector in economic development is enlarged due to the importance of communication for development, its role in bridging the urban rural divide, large investments attracted by the sector and along with wide based, employment opportunities generated in the sector.

It has become imperative for telecom organizations to undertake initiatives for continuous development of employees since an employee as a human resource plays vital role in effective organizational development and subsequently in transforming the organization for efficiency, effectiveness and productivity. This need can be particularly strong in the service sector where Human Resource is the key to delivery and productivity. Hence, the researcher contemplates that management of organization should understand which Employee Development Practices yield best results in helping the organization achieving its designated.

**Review of Literature:**

The best practice in case of Human Resource Management (HRM) refers to high performance work practices (e.g. training, recruitment and selection, compensation, performance appraisal, industrial relations) that may, in turn, have an impact on firm performance and ultimately on the competitive advantage of the organization (Huselid, 1995). These HR Practices that are regarded as Best HR Practices can be termed as substantial drivers for employee development.

Employee development activities are very important for the employees as the activities are performed, it indicates that organization cares about their employees and wants them to develop (P.Antonacopoulou, 2000; Waheed, 2011). Employee Development is aimed to develop the abilities of an individual employee and organization as a whole.

In the survey Society for Human Resource Management (SHRM) and Catalyst; Esen & Collison (2005), have defined employee development as improving employee competencies and skills over the long term through a variety of methods such as mentoring, coaching and succession planning (Collison, 2005).

The process of employee development plays a vital role in developing or let losing their employees through training and organizational development with the purpose of increasing their performance.

Employee development behavior can be quite diverse in form, and can include things like (1) job-related courses, programs and reading, which includes visiting on-site development centers, college courses that are related to the job, on-the-job training, non-college courses or training programs, and job-related reading; (2) non job-related courses, programs and reading, including visiting a development center to work on a non-job-related learning package and developmental reading that is not related to the current job; (3) feedback and assessments, including performance and development reviews, psychological assessments, assessment center feedback, 360° feedback and informally seeking performance feedback; (4) job experience, which includes job enlargement, job rotation, transfers, promotions and employee exchanges; (5) relationships, which includes mentoring and peer relationships; (6) career planning activities, including attending a career or personal development fair, and updating written records of development plans and achievements; and (7) work-related development, including participating in work groups to consider particular issues, personal projects, being seconded to other departments or positions, taking on roles additional to normal duties, visiting suppliers, customers or dealers to gain a wider understanding of the business, challenging task assignments and special projects or task forces (Maurer H. R., 2009).

Based on 81 large manufacturing public sector firms and 56 private sector firms, a study has been conducted to compare HR practices adopted by them. The study gives focus on the structure of HR department, the role of HR function in corporate change, recruitment & selection, pay and benefits, training & development, employee relations and HR strategies. The study end up with the result stating the gap between Indian private and public sector HR Practices are significantly different. In terms of compensation and T &D, Indian Private Sector firms have adopted more rational approach as compared to the public sector (Boyne, 2004).

The literature review helped to narrow down the search for wide range of employee development practices that are included as a part of study. These include:

1. Training & Development
2. Education
3. Coaching & Mentoring
4. Career Planning
5. Job Rotation
6. Performance Assessment
7. Employee Involvement
8. Autonomy
9. Compensation Management

**Research Objective:** To carry out comparative study of employee development practices in public and private sector telecom organizations.

**Hypothesis:**

**H<sub>01</sub>:** There is NO significant difference in the extent of implementation of employee development practices adopted by the Public and Private Telecom Organizations.

**H<sub>a1</sub>:** There is a significant difference in the extent of employee development practices adopted by the Public and Private Telecom Organizations.

**Research Methodology:**

- Geographical Area: Pune City.
- Population: Employees of Public & Private Sector Telecom organizations functioning in Pune City.
- Sampling Frame: List of employees working in Public & Private Telecom Industry.
- Sampling Method: Purposive Sampling
- Sample Size: 210 Executives and 40 Managers (Educational & Psychological Measurement, 1970; Krejcie, Robert V, Morgan, Daryle W.).
- The total number of respondents was divided into the following sub-groups –
 

Managers	Mid level Managers & AGM's (40)
Executives	JTO, S.D.E, Dept Executives (210)

**Statistical tools:** Chi-square test and Computation of indices such as Average Agreement level

**Data Analysis & Discussion:**

A structured questionnaires was designed for collection of data from sample respondents in the sub-groups namely executives and managers. The questionnaire was developed to study primarily the extent of implementation of Employee Development Practices adopted by Public and Private telecom organizations in Pune City and then secondly to understand the level of agreement and map the preference of implemented employee development practices in the concern sector through employee feedback.

The analysis of received data is carried out by two approaches:

**Approach 1: Regular Contingency Table and Chi-Square test for association**

Here, count of different responses is presented in 2 x 5 contingency table & Chi-square test is applied to investigate the extent of implementation of ed practices in general & association of agreement with Telecom Sector.

**Table 1: Extent of Employee Development Practices Implemented & Chi-Square Value**

Sr. No.	Employee Development Practice	Type of Organization	To Great Extent	To Some Extent	Not at all	P-value
1	Training & Development	Private	115	10	0	$9.95 \times 10^{-37}$
		Public	15	110	0	
2	Education	Private	42	083	0	$6.95 \times 10^{-11}$
		Public	02	119	4	
3	Coaching & Mentoring	Private	70	55	0	$5.17 \times 10^{-55}$
		Public	0	0	125	
4	Career Planning	Private	17	98	10	$6.79 \times 10^{-37}$
		Public	02	11	112	
5	Job Rotation	Private	032	093	000	$4.90 \times 10^{-21}$
		Public	106	019	000	
6	Performance Assessment	Private	110	015	000	$1.94 \times 10^{-20}$
		Public	038	087	000	
7	Employee Involvement	Private	106	019	000	$5.71 \times 10^{-27}$
		Public	020	083	022	
8	Autonomy	Private	113	012	000	$1.54 \times 10^{-51}$
		Public	000	006	119	
9	Compensation Management	Private	098	27	0	0.065
		Public	109	16	0	

**Approach 2: Average Agreement Level is computed**

As it is known that there are variety of employee development practices & its implementation in different organization. Depending upon, the implementation in different organization, experience and observation, employee has their perception about it in terms of agreement level. In the present study, about 32 statements on 9 different Employee Development Practices were subjected through questionnaire to the respondents, in order to receive their agreement level as Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree. The Table 4.37 gives the break up of 32 statements according to the 9 Employee Development Practices identified.

**Table 2: No. of statement on ED Practices**

Sr. No.	ED Practice	No. of statements
1	Training & Development	2
2	Education	2

3	Coaching & Mentoring	4
4	Career Planning	4
5	Job Rotation	4
6	Performance Assessment	5
7	Employee Participation & Involvement	3
8	Autonomy	4
9	Compensation Management	4

In order to compare, opinion about employee development practices in two sectors, average of average agreement level (AAL) is computed for all Employee Development Practices based on the statements presented in the questionnaire. Sector wise average AAL, is sorted in decreasing order so as to obtain the ranking of Employee Development Practices as perceived by Respondents.

The qualitative & subjective agreement levels are assigned the values as shown below:

**Table No.3: Value Assigned to 5 point likert scale**

Sr.No.	Agreement Level	Value Assigned
1	Strongly Disagree	-1.0
2	Disagree	-0.5
3	Neutral	0
4	Agree	0.5
5	Strongly Agree	1.0

Thus, agreement level is negative for disagreement & is positive for agreement. Using the frequency or count for each agreement level, average agreement level (AAL) is computed.

Agreement Level	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Agreement Value	-1.0	-0.5	0	0.5	1.0
Count	f <sub>1</sub>	f <sub>2</sub>	f <sub>3</sub>	f <sub>4</sub>	f <sub>5</sub>

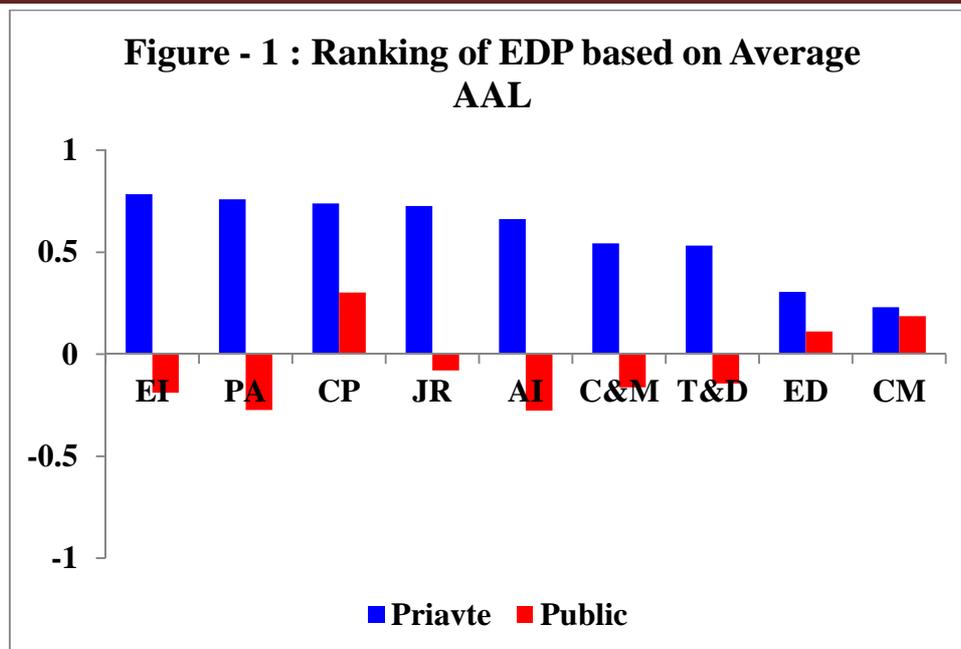
$$AAL = \frac{-1 \times f_1 + (-0.5 \times f_2) + 0 \times f_3 + 0.5 \times f_4 + 1 \times f_5}{f_1 + f_2 + f_3 + f_4 + f_5}$$

It can be easily seen that the AAL will range between -1 and +1.

The corresponding data is of ranking of employee development practices through Average AAL is computed in Table 4 and presented in Figure No.1 through Multiple bar graph

**Table No.4: Ranking of ED Practices**

PRIVATE			PUBLIC		
Rank	EDP	Average AAL	Rank	EDP	Average AAL
1	Employee Involvement	0.784	1	Career Planning	0.302
2	Performance Assessment	0.759	2	Compensation Management & benefits	0.186
3	Career Planning	0.740	3	Education	0.112
4	Job Rotation	0.726	4	Job Rotation	-0.079
5	Autonomy	0.663	5	Training & Development	-0.144
6	Coaching & Mentoring	0.544	6	Coaching & Mentoring	-0.162
7	Training & Development	0.532	7	Employee Involvement	-0.189
8	Education	0.306	8	Performance Assessment	-0.273
9	Compensation Management & benefits	0.231	9	Autonomy	-0.277



### Results & Discussion:

The responses of the survey helped to come with the findings regarding the extent on employee development practices implemented in both Public & Private Sector:

- i. Training & Development is practiced to a great extent in private sector and to some extent in public sector.
- ii. Formal Education is provided to some extent in both sector through encouragement & sanctioned leave. This is subjected to the willingness of employees.
- iii. Coaching and Mentoring and Autonomy are the employee development practices implemented in Private Organization to a great extent. On the contrary it is not at all implemented in Public Sector.
- iv. Career Planning is practiced to some extent in private organizations and not at all in public organizations.
- v. Job Rotation, Performance Assessment and Employee Involvement is practiced in public sector organization to a great extent and in private sector to some extent only.
- vi. Compensation Management is practiced in both public & private organizations to a great extent.
- vii. The chi-square test reveals that the p-value is less than 0.05, hence it can be concluded that the perception of each of the first eight employee development practices is different in both the sector. This may be due to the fact that the culture in both the sectors are different and thereby the importance as given to each of the practice differ significantly except for compensation management.

### viii. Private Sector Study:

The Private Sector Study reveals that, Employee Involvement is the highest ranked employee development practice. It can be further inferred that the employee involvement is expected in Problem Solving, Decision Making, Innovation & generation of new ideas which according to Public Sector respondents is highly neglected Employee Development Practice.

It is further seen that Performance Assessment is the second rated employee development practice in Private Sector. In fact, Performance Assessment is a periodic and rigorous practice in which Performance is assessed on the basis of target. Job rotation, Autonomy and coaching & mentoring is the other employee development practices implemented in the private sector.

In conclusion, it is found that Employee Involvement, Performance Management, Career Planning, Job Rotation and Autonomy are found to be the maximum implemented employee development practice in Private Telecom Sector based on the agreement level of respondents.

### ix. Public Sector Study:

In Public Sector, Career Planning, Compensation Management, Education, Job Rotation and Training & Development are considered to be widely adopted employee development practices.

Career Planning is pointed out to be the highest ranked employee development practices. The Comparative study reveals that Performance Assessment is also the most neglected practice in Public Sector because the concept of Self-appraisal is widely accepted in Public Sector. Self-Appraisal is not periodic but it is annual and is not focused on target.

It is seen that Compensation Management is the least rated by the respondents in Private Sector; whereas, it is the second one in Public Sector. Thus, it is seen that the extent of implementation of Employee Development Practices adopted in Private & Public Sector are different. This disproves the hypothesis  $H_0$  & accepts  $H_{0a}$  i.e. **“The extents of implementation of Employee Development Practices are different in Public and Private Telecom Organizations**

#### **Suggestion:**

This research study reiterates the need to integrate people related dimensions of implementation of selective high performing employee development practices for successful organizational transformation.

Public sector organizations need to focus on employee development practices such as Training, Coaching & Mentoring, Performance Assessment, Employee Involvement and Autonomy and implement the same to a great extent in the organizations.

Performance based appraisal in the form of 360 Degree is suggested for implementation in the public sector since there is a dearth of a rigorous performance assessment tool. Performance gap identification and application of key performance indicators are the necessity for transforming public sector organization.

On the basis of performance gaps and key performance indicators, adequate training programmes are required to be organised imperatively in the public sector telecom organization. Regular training need assessment is required to be undertaken and employee opinion on the same are required to be considered in public sector.

Career Planning is the one major area where private sector organizations are required to gear up. The research study advocates that Organizations must largely invest in employee development to obtain the desired result through each adoption of employee development practices.

#### **Conclusion:**

The environment in which organizations operate is increasingly turbulent in an era of global, national and regional competitiveness. But, paradoxically, that competition is a part of rapidly mélange of competitiveness and interdependencies. Alliances, mergers and acquisitions are all common in the current Indian Telecom Industry. The highly competitive, turbulent business environment calls for the creation and delivery of superior customer value. In order to meet customer expectations and deliver superior value, many firms are required to undertake significant transformations by developing employees, culture and processes.

Employee development will be a major player in assisting organizations to shift to and sustain this new paradigm and transform effectively for the future. The employee development practices are nothing else but HR or Change interventions. These interventions are extremely powerful and are aimed to unleash the human spirit and human capability in the workplace.

The study highlights that the perception of employees towards each of the identified employee development practices is different.

The employee development practices can be used effectively in the form of change interventions that can result in developing an organization in any other irrespective sector

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