



THE CORRELATION BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES, STRATEGIC SALES IN BUSINESS-TO-BUSINESS MARKETING, AND FIRM PERFORMANCE: EVIDENCE FROM THE TELECOMMUNICATIONS SECTOR IN CHINA.

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ABSTRACT

During China's economic transitioning year, strategic human resource management emerged as a new field of study. This research aims to evaluate the current landscape of strategic human resource management studies conducted within the framework of China's mainland and to provide directions for future studies in this area. The most important part of strategic HRM is looking at the links between HRM and company success. This study looked at articles published in high-profile academic journals in English and Chinese. This study asserts that there have been substantial theoretical debates in the literature surrounding strategic human resource management studies carried out in China. Furthermore, Chinese research has added to previous models by identifying additional mediating and moderating variables. This study's author recommends that, in light of recent methodological developments, future research on the topic pay more attention to China-specific issues that may have significant organizational implications. The strategic components of HRM and entrepreneurial activity inside organisations have been two of the most prominent subjects for study publications since the beginning of strategy literature. Strategic human resource management's (SHRM) effect on company output has been the subject of copious research. Substantial study in recent studies has focused on the effects of third variables on this connection. The relationship between EO and human resource practices has also been the subject of much research in recent years. The substantial influence of an entrepreneurial mindset on the relationship between SHRM and company success is the primary focus of this study.

Keywords: *Management of human resources, commercial strategy, the Chinese telecom industry, business results.*

1. INTRODUCTION

Human resource activities, such as recruiting, training, and retention, have recently come under scrutiny from a wide range of academics and companies. Human resource management scholars



have looked to a resource-based viewpoint to help them understand the impact of strategic HRM strategies on company success. The increasing strategic focus in HR has helped businesses see that their employees may be a source of long-term competitive advantage. A lot of different parts of an organisation have been trying to get their strategies, plans, and processes in line with the company's strategy ever since strategic management became popular. Strategic HRM emerged when companies sought to integrate HR policies and procedures with overarching business objectives, and HRM is one of these areas. A large body of research shows that strategic HRM practices have a positive effect on company performance. According to previous research, effective HR policies improve company success by increasing productivity, decreasing employee turnover, and increasing sales and profitability (Udriyah & Azam, 2019). The proliferation of literature on strategic management in recent years has made entrepreneurial orientation a hot issue in academia. Modern businesses are always adapting to the changing business landscape by enhancing their products, services, and operational processes. Entrepreneurially focused businesses are those that put an emphasis on corporate entrepreneurial behaviour to achieve this goal. One way to tell whether a company has an entrepreneurial spirit is if it regularly introduces novel products and services, processes, concepts, and technologies, and actively promotes R&D. One of the main objectives of strategic HRM research is to investigate the effects of strategic HR practices on the performance of companies. The bulk of prior research, however, does not include mediators to explain the link between SHRM and business performance, with the exception of recent studies. Using an entrepreneurial mindset as a mediator, this study will look at the connection between SHRM and company performance. Although there is growing evidence, the literature on the topic of how HRM practices relate to corporate entrepreneurship is still in its infancy. The entrepreneurial activities might be negatively affected by insufficient performance assessment and



compensation systems. Furthermore, some other research have shown that HRM policies and practices might influence entrepreneurial efforts inside organisations. The main objective of strategic HRM was to align HR strategy with business objectives. Further, prior research has shown that HRM functions are affected by company business strategy. Consequently, if companies choose for entrepreneurially focused approaches, HR's role in accomplishing strategic goals becomes crucial. Investigating how an entrepreneurial mindset mediates the connection between strategic HRM and company success is the overarching goal of this study. The researcher begin by outlining strategic HRM and reviewing the literature on its relevance to company success. Secondly, the researcher take a look at the components of an entrepreneurial mindset. Lastly, the researcher look at the wide links between SHRM, entrepreneurial attitude, and company performance and formulate ideas about it. As a last step, the research methodology, data analysis results, managerial implications, conclusions, and suggestions for additional study are highlighted (Dewi et al., 2019).

2. BACKGROUND OF THE STUDY

There hasn't been any change to the 16.3% of GDP that comes from business groups in Kenya since 2004 (Ulfah et al, 2019). Globalization, insufficient infrastructure, investor and consumer needs that are always changing, the country's fast changing environment, and competition for new products and services are just a few of the challenges that these businesses encounter. Consequently, firms have substantial challenges when trying to enhance their performance over time by lowering costs, raising quality, and differentiating their products and services. Over the last decade, the country's market has been very volatile. To stay ahead of the competition on a



global scale, companies need to identify and assess environmental elements, as well as devise strategies to meet changing customer needs. The 2009 Kenya Economic Development Report states that corporations in Kenya account for 25% of the workforce and produce over 16.3% of the GDP. Along with the potential tax benefits, the sector also ranks high among Kenya's employers. The most successful corporations in the world, according to this study, are the driving force behind the economy of the world's wealthiest countries. These companies need to adjust to the increasingly urgent needs and issues of the global market if they want to remain competitive on a global and local scale (Doa et al., 2019).

3. PURPOSE OF THE RESEARCH

Strategic human resource management may help businesses improve their methods of workforce planning and talent management. By projecting future talent needs and developing strategies to attract, develop, and retain exceptional talent, researchers may reduce recruiting costs, increase productivity, and improve employee retention. Strategic human resource management also boosts productivity and cuts down on manual labour by reducing the need for administrative tasks to be automated via technology. In addition, it helps researcher discover ways to save costs and optimise resource allocation by using data-driven decision-making methods and efficient people analytics.



4. LITERATURE REVIEW

Human resource management's effect on business outcomes has been the subject of an explosion of studies since the 1990s. Human resource management (HRM) lays a premium on organisational strategies that inspire workers to give their all. To that end, the researcher defines human resource management as an organised framework for maximising the potential of an organization's people to achieve its objectives. Using people to achieve organisational objectives was the definition of human resource management. Human resource management entails fostering an individual's character and competence in order to help them reach their own goals while also contributing to the company's overall objectives. Human resource management is described as the policies, processes, and systems that influence the attitudes, behaviours, and performance of employee. But it's critical to define the limits of HRM procedures. Human resource management procedures are primarily classified into five areas: hiring and selection, training, performance reviews, job analysis and description, and compensation. Human resource management methods were characterised as procedures for hiring new staff, evaluating and compensating existing workers, encouraging employee input, and providing ongoing education and development opportunities. Among the many tasks that go under the umbrella of human resource management are training, performance evaluations, compensation, benefits, incentives, and job analyses. Staffing, developing human resources, compensation and benefits, health and safety, employee and labour relations, etc. are the five basic functions of human resource management, according to Mondy. Pawan included the following HRM practices: compensation and benefits, hiring and selection, development and training, health and safety, and job expansion or contraction. In light of the above, this study suggests six core HRM tasks. Company output, product quality, manufacturing



cost, product timeliness, and manufacturing adaptability should all improve with the use of these principles. The six HRM practices include employee security, HR planning, training and development, cooperation, compensation and incentives, and performance assessment. The term "training and development" describes the amount of time employees spend receiving official training. Companies may either rely on employees learning new skills via natural selection and socialisation or invest heavily in official training programs. Whether it's clinical, technical, or more nebulous abilities like leadership, collaboration, or interviewing, training is all about honing those talents. It clears that training has the potential to impact performance in two ways: first, by improving relevant skills and abilities; and second, by increasing workers' satisfaction with their current job and work environment. A wide variety of training methods are available, including classroom instruction, self-study, mentoring, team building, literacy programs, and more (Maghfuriyah et al., 2019).

5. RESEARCH QUESTION

- How might a company's performance in China be improved by increased sales?

6. Research Methodology

Quantitative research refers to studies that examine numerical readings of variables using one or more statistical models. The social environment may be better understood via quantitative research. Quantitative approaches are often used by academics to study problems that impact particular individuals. Objective data presented in a graphical format is a byproduct of quantitative research. Numbers are crucial to quantitative research and must be collected and analyzed in a



systematic way. Averages, predictions, correlations, and extrapolating findings to larger groups are all possible with their help.

Research design: In order to analyse quantitative data, SPSS version 25 was used. The direction and severity of the statistical association were determined using the odds ratio and the 95% confidence interval. researchers reported a statistically significant level at $p < 0.05$. To identify the primary features of the data, a descriptive analysis was used. Data acquired by surveys, polls, and questionnaires, or by modifying existing statistical data using computing tools, is often assessed mathematically, numerically, or statistically using quantitative methods.

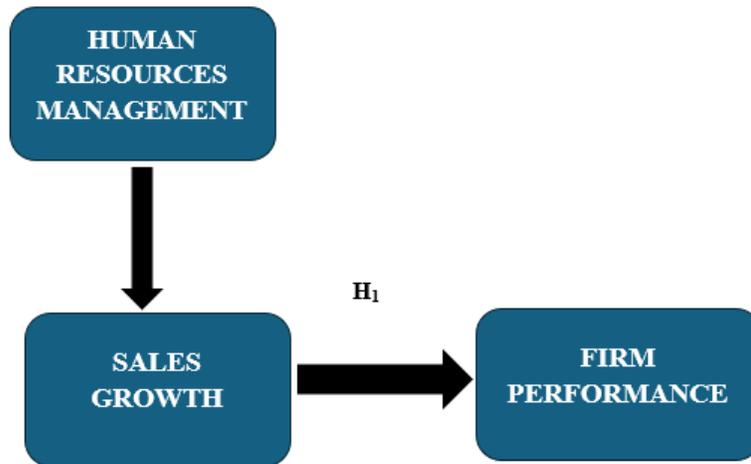
Sampling: After pilot research with 20 Chinese Researcher, 862 Rao-soft pupils were included in the final Investors. Male and female Researcher were picked at random and then given a total of 921 surveys to fill out. A total of 761 questionnaires were used for the calculation after 735 were received and 26 were rejected due to incompleteness.

Data and Measurement: A questionnaire survey functioned as the primary data collection instrument for the investigation. The survey had two sections: (A) General demographic information and (B) Responses on online and non-online channel factors on a 5-point Likert scale. Secondary data was collected from several sources, mostly focusing on internet databases.

Statistical Software: The statistical analysis was conducted using SPSS 25 and MS-Excel.

Statistical Tools: To grasp the fundamental character of the data, descriptive analysis was used. The researcher is required to analyse the data using ANOVA.

7. CONCEPTUAL FRAMEWORK



8. RESULT

❖ Factor Analysis

One typical use of Factor Analysis (FA) is to verify the existence of latent components in observable data. When there are no easily observable visual or diagnostic markers, it is common practice to utilise regression coefficients to produce ratings. In FA, models are essential for success. Finding mistakes, intrusions, and obvious connections are the aims of modelling. One way to assess datasets produced by multiple regression studies is with the use of the Kaiser-Meyer-Olkin (KMO) Test. They verify that the model and sample variables are representative. According to the numbers, there is data duplication. When the proportions are less, the data is easier to understand. For KMO, the output is a number between zero and one. If the KMO value is between 0.8 and 1, then the sample size should be enough. These are the permissible boundaries, according to Kaiser: The following are the acceptance criteria set by Kaiser:



A pitiful 0.050 to 0.059, below average 0.60 to 0.69

Middle grades often fall within the range of 0.70-0.79.

With a quality point score ranging from 0.80 to 0.89.

They marvel at the range of 0.90 to 1.00.

Table1: KMO and Bartlett's Test

Testing for KMO and Bartlett's

Sampling Adequacy Measured by Kaiser-Meyer-Olkin .867

The results of Bartlett's test of sphericity are as follows: approx. chi-square

df=190

sig.=.000

This establishes the validity of assertions made only for the purpose of sampling. To ensure the relevance of the correlation matrices, researchers used Bartlett's Test of Sphericity. Kaiser-Meyer-Olkin states that a result of 0.867 indicates that the sample is adequate. The p-value is 0.00, as per Bartlett's sphericity test. A favorable result from Bartlett's sphericity test indicates that the correlation matrix is not an identity matrix.



Table: KMO and Bartlett's

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.867
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.968
	df	190
	Sig.	.000

As this demonstrates, claims made in order to conduct a sample are legitimate. Researchers used Bartlett's Test of Sphericity to verify that the correlation matrices were relevant. According to Kaiser-Meyer-Olkin, a sample is considered acceptable when the result is 0.867. According to Bartlett's sphericity test, the p-value is 0.00. The correlation matrix does not equal an identity matrix, as shown by a statistically significant result from Bartlett's sphericity test.

❖ **Independent variable**

Human Resource practices

Human resource management is an idea that came to China in the 1990s as an outside influence. There is a growing trend among domestic firms to be more strategic in their human resource management, but many still rely on traditional personnel management methods that lack HR capability and strategic planning. The primary function of human resources departments in state-owned enterprises is to carry out the employer's (the state's) policies regarding employee relations. Human resources managers in private domestic companies often act as administrators who carry



out directives from upper management. In fact, one common complaint levelled against Chinese family-owned businesses is that their management isn't up to scratch. Typically, the owners run the show and make all the calls with little input from the staff. Many people believe that the most Western-style, methodical approach to human resource management is found in multinational corporations (MNCs) that receive funding from outside sources. Relationship management in the workplace is heavily influenced by Chinese culture. Both collectivism and paternalism are cultural traits that have an impact on management styles and employee conduct on the job. The majority of the younger generation working in China's cities are the "only-child" of their families, a consequence of the one-child policy that was in place from 1980 until the 2010s and was imposed by the government to control population growth. This has led to a shift in work ethics and expectations as China undergoes economic development and becomes more receptive to the influence of foreign cultures, helped along by information and communication technology. According to Prowse, Sales turnover is high because young workers are less loyal to their employers, more aggressive in asserting their rights and interests, less patient in the face of adversity, and more focused on succeeding. To a similar extent, in response to increased competitive pressures, businesses have grown more cost oriented. Work intensity (as measured by stress and hours worked) and the rise of nonstandard employment, which is defined by precarious employment, diminished social security, and limited opportunities for professional growth, are indicators of this (Rachmawati et al., 2019).

❖ Factor

Sales Growth



A product or service's sales growth is the rise in sales over time. It is a benchmark for evaluating a company's success based on its sales revenue. One way to gauge sales growth is to compare them from one period to another, whether that's one year, one quarter, or even one month. As a measure of consumer interest and demand, steady and healthy sales growth is what all businesses aim for. A company's objective should be to boost sales in both units and dollars at the same time. This means the firm is not only making more money, but also selling more units at greater prices. A company's long-term viability may be better gauged by tracking its sales growth, which indicates that demand for the product or service is on the rise. A thorough familiarity with financial statements and other measures of company performance is necessary for the purpose of calculating sales growth. Factors like as economic circumstances, rival actions, technology advancements, new product releases, and more are taken into account by investors and analysts when examining sales growth. They also look at how the firm or its competitors have changed their pricing strategy. The capacity of a business to sell its wares in comparison to its rivals may be gauged by tracking its sales growth. A solid history of increasing sales suggests that the business is doing well and can outperform rivals in terms of profit per sale. If the decline in sales growth is not promptly handled with suitable strategies, it may indicate impending problems (Seneviratne et al., 2019).

❖ **Dependent Variable**

Firm performance

Businesses might face financial difficulties and other issues as a result of poor firm performance. Leverage, which companies exploit to their advantage in order to reap the advantages of tax breaks and the leverage effect, is a typical source of financial problems. Adopting this method raises the return on equity and equity of the company, but it also puts it at danger of going bankrupt. On the



other side, operational cash flows are directly affected by working capital management choices, especially those pertaining to receivables and inventories. There are a lot of elements in China that affect the firm's success. These include the government and market-based economy, stock market swings, restricted capital expenditure for investment, and high expenses connected with debt. According to Blair and Christine, these issues might make it hard for enterprises to make money and stay in business (Nguyen et al., 2019).

❖ Relationship between firm performances and sales growth

The purpose of this study was to analyse the worth of all Indonesian infrastructure businesses registered between 2017 and 2020 according to sales growth, financial performance, and company size. One of the sampling methods employed is purposeful sampling. The Chinese Capital Market for the years 2017–2020 is the source of the survey data. The researcher used the documentation approach for data collection. Multiple linear regression analysis and a t-test were used for statistical testing. Initial tests focused on classical assumptions. This research found that business value is positively affected by profitability and firm size, but unaffected by sales growth and operational efficiency. While sales growth is often the bedrock of a strong innovation strategy, the link between a firm's performance and sales growth expenditure is sometimes poorly understood. Using an expanded version of Rogers's classic innovation-adoption paradigm, Susan Holak, Mark Parry, and Michael Song postulate a number of explanations for the observed variances in the correlation between sales ratio and company success. According to the researchers, who compared data from companies in their development and maturity stages, certain industry and company factors significantly impact the sales performance correlation. On top of that, by adjusting certain firm-



contingent factors, managers may affect the manner in which increased sales expenditure impacts the firm's performance. In some cases, a higher sales budget could increase gross margin, but in others, it might decrease it (Sudari et al., 2019).

- *H₀₁: There is no significant relationship between firm performances and sales growth*
- *H₁: There is a significant relationship between and firm performances and sales growth*

Table 2: H₁ ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	39588.620	320	5655.517	611.212	.000
Within Groups	492.770	440	5.356		
Total	40081.390	760			

The results are significant in this study. The p-value of 0.000 (below the 0.05 alpha threshold) indicates that the F value of 611.212 is almost significant. Thus, it follows that “*H₁: There is a significant relationship between firm performances and sales growth*” is accepted and the null hypothesis is rejected.

9. DISCUSSION

Previous research has laid a solid foundation for future studies by investigating the connection between HRM and sales development. Models describing the mechanism by which HRM affects performance have advanced, but they need empirical testing. The methodological rigor that should



have been included in studies to infer causation has also been neglected. Therefore, meaningful causal conclusions cannot be drawn from the current body of evidence . This research emphasizes the need to exercise great care when drawing such causal conclusions. Upon further observation, operational and financial metrics showed a robust, favorable, and often statistically significant correlation with HRM. Simply said, these findings provide credence to the idea that advanced HRM practices lead to better financial and operational outcomes.

10. CONCLUSION

To prove that HRM has a beneficial effect, previous studies have offered a mountain of data showing a favorable correlation between HRM practices and company success. Researchers should exercise care when drawing causal conclusions from the study's findings since HRM practices are substantially associated with both past and future performance. Our findings do not prove that HRM practices are the cause of a "high performance" organisation, but they do suggest that these practices are present in such an organisation. As a consequence, future research should be properly designed and executed to determine if progressive HRM methods really increase operational and financial performance. An increasingly compelling commercial case for the need of well-managed human resource management will be presented to decision makers by means of such studies (Tarofder et al., 2019).

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