



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

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ABSTRACT

In order to determine the impact on company results and employee morale, researchers examined SHRM and HR practises in the PRC. Additionally, the effect of business ownership on the groups was studied. In a sample of Chinese enterprises operating across diverse sectors and locations, there was a noticeable disparity in the rising adoption of strategic human resources management (SHRM) and human resources practices between privately owned firms and SOEs and FIEs. Results in financial performance, operational efficiency, and an environment of mutual respect and collaboration among workers are positively affected by SHRM and HR practises. Alternatively, just one kind of performance indicator demonstrated that ownership type acted as a moderator. Three state-owned telecommunications behemoths in China—China Mobile, China Telecom, and China Unicom—control the vast majority of the market. The Ministries of Information Industry (MII), National Development and Reform Commission (NDRC), and Minister of Finance oversaw a reorganisation effort in May 2008 that resulted in the establishment of the three corporations. Right now, all three companies have the necessary licenses to provide phone and internet telecommunications services from China. There are now only three telecom businesses, since all three received national 5G licenses in 2019. Due to China's 2001 WTO accession, a new regulatory framework was put in place, and foreign companies were granted limited access to the Chinese market.

KEYWORDS: *Chinese telecom industry, firm performance, strategic sales in business-to-business marketing, human resource management.*

1. INTRODUCTION

Human resource management is defined as "the pattern of planned deployments and activities of human resources that are aimed at enabling an organisation to achieve its objectives."

Organisational performance and efficiency are supposedly enhanced when human resource



practises are in line with each other and the firm's strategic objectives. Aligning human resources with the firm's strategy is a key component of human resource management (HRM), which entails specific processes aimed at acquiring, developing, and motivating human capital. HRM focusses on "what" a firm does with its human resources, whereas HR practices address "how" subscribers manage these resources. Both theory and practice in Western literature have shown a link between HRM and financial performance for companies. Research shows that strategic HR practices boost bottom-line and operational results. Additionally, research shows that HR practice bundles may boost company outcomes via a multiplicative effect. This research aspires to add to existing literature by developing and testing a theoretical model of the HR-performance relationship as it pertains to China. The study's authors speculate that an organization's human resources policies and processes could serve as a key differentiator. A company's "HR practises" are the routine actions it takes to boost its employees' knowledge, skills, and morale. These practices benefit the firm because they encourage the development of its most valuable resource: its employees and the abilities they bring to the table. Due to their prevalence in Western multinational organisations, these HR practices are typically referred to be "mainstream" or "best" in the literature. The common practice is to view these techniques as packages rather than as separate routines. Cohesion among them is key to effectiveness; for example, compensation, performance evaluation, and promotion procedures that reduce employee turnover should accompany comprehensive training. An organization's performance is correlated with its consistent HR practises, according to a large body of studies. There was almost a 20% increase in China's telecom sector from 1997 and 2002. There has been more investment in network infrastructure by Chinese fixed line and telecom providers in the last several years than by certain operators in Western Europe combined, according to estimates. With a population of over 1,300,000,000, China has the largest mobile and



fixed-line network in the world. China received its official membership in the World Trade Organisation on December 11, 2001. The door to international telecommunications businesses has been slowly expanding since then (Boon et al., 2018).

2. BACKGROUND OF THE STUDY

Prior to 1994, China Telecom, which is the operational branch of the Ministry of Telecommunications and Posts (MTP), was responsible for providing telecommunications services. The Chinese government introduced a new competitor, China Unicom, in 1994, marking the formal start of the reforms, despite criticism from other ministries and angry consumers. The competition between China Telecom and China Unicom was just too much for China Unicom. Following a reorganisation of ministerial responsibilities in 1998, the MII assumed responsibility for the MTP's functions. There were two primary methods in which the MII reorganised the state monopoly, rendering it ineffective. After the first restructuring in 1999, fixed-line, mobile, and satellite operations were established inside China Telecom. Despite the establishment of China Phone and China Satcom to supervise the telecom and satellite sectors, China Telecom has continued to preserve its monopoly on fixed-line services. Following a second wave of reorganisation in 2002, China Telecom was divided in half, with the southern and northern regions assuming separate responsibilities for the various activities of the firm. While the southern area of China held 70% of the networks when it founded China Telecom (CT), the northern region kept 30% when it formed China Netcom (CNC). The MOR's telecoms branch also founded China TieTong at the same time as the 2000 separation. Dense Wavelength Division Multiplexing, Asynchronous Transfer Mode, and Synchronous Digital Hierarchy (SDH) were among the technologies used to construct the nation's optical network, which extends over 2.2 million km.



The country was connected to other countries by a network of undersea cables, which included the US, Russia, Germany, and Japan. In China's telecommunications industry, the government-run oligopoly has superseded the earlier state-run monopoly. In May of 2008, the Minister of Finance, the National Development and Reform Commission, and the Ministry of Industry and Information announced the third reorganisation plan, and three licenses for third-generation mobile services were granted. As a result of the country's fast expansion and fierce competition, telecom operators in China face challenges such as dwindling landline customers, an overabundance of mobile businesses, underwhelming profit offerings, and large disparities across carriers. Consolidation of the six main telecom providers into three occurred during the third revolution in an effort to grow 3G companies and complete telecom services without creating monopolistic or too competitive circumstances. The productivity of a company's employees is equally important to its success. The research found that the absence of effective HRM strategies had the greatest impact on employee performance. There is a robust relationship between engaged employees and increased output, according to human resource management theories and practices. The viewpoint and decisions of the workforce, together with the firm's size and type, influence the organization's success. Many companies incorporate HRM practices into performance evaluations because it is well-established that these practices improve employee performance. An organization's value is directly proportional to the calibre of its employees, claims the study. Successful businesses know that human resource management practises are the most critical factor in deciding how productive their employees will be. An organization's success is directly related to the level of effort put in by its employees(Platis et al., 2019).

3. LITERATURE REVIEW



❖ **Methods for Human Resource Management**

Strategies for human resource management include a variety of interconnected actions used to find, train, and retain talented workers. Numerous internal and external processes are involved in human resource management (HRM), which focusses on an organization's employees and their growth. The goal of human resource management (HRM) is to identify, develop, and retain an organization's most valuable assets, its people (2018). A company's human capital helps it accomplish its commercial objectives via human resource management practises, which are a collection of interconnected policies and procedures. Evaluation is the main function of human resource management techniques (Khosravi et al., 2019). Employees may be able to perform better if HRM procedures are increased during this period of fierce competition. Such an activity demonstrates an employee's complete dedication to the job and their excitement for the project's successful completion. Compensation, regular job evaluations, and policies about promotions and hiring were all included as performance requirements. Continuous training and instruction for employees could supplement performance reviews. To determine how HRM affects organisational and personal production, we will use five different methodologies. The five HRM practices were as follows: hiring and selection, performance reviews, career development, open lines of communication, and rewards and recognition. No HRM practises were considered beyond the four areas included by this study: organisational and professional development, pay and benefits, employee performance, and work-life balance policies (Phuong, 2020).

❖ **Human Resource Management and its impact on Chinese Businesses' Success**

Human resource management's strategic function is critical to the economic success of joint ventures (JVs), according to a nationwide survey of Chinese HR managers. Evidence of the



positive effect of high-performance HRM activities and the degree of HRM strategic integration on company performance was found by Chinese researchers focussing on overseas subsidiaries and joint ventures. Human resource practises were also shown to be less predictive of success than HRM strategy integration. Despite this, the research indicated that MNCs' HR departments were underperforming. Researcher found that human resources managers across all of these companies placed the responsibility for low performance on their departments' failure to implement strategic initiatives. It is also unclear how well HR managers across different ownership models are able to integrate the HR function, however the researchers did notice that they are starting to make strategic judgements. Huawei Technologies, a Chinese corporation, surpassed Ericsson, a Swedish one, in 2012 and has since developed into the industry's leading provider of communications and network infrastructure. In the same year, China had 1.01 billion mobile phone users and around 284.3 million landline phone subscribers (Imran et al., 2019).

4. 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. In assessing the statistical connection, the odds ratio and 95% confidence interval were used to ascertain its direction and magnitude. The researchers proposed a statistically significant criterion of $p < 0.05$. A descriptive analysis was used to ascertain the primary components of the data. Data collected via polls, surveys, and questionnaires, or changed by computer tools to preexisting statistical data, is often subjected to mathematical, numerical, or statistical assessments using quantitative approaches.

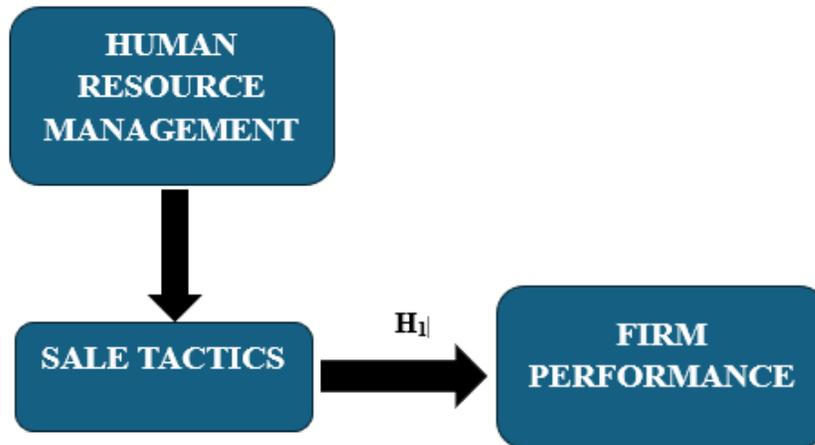
Sampling: : After pilot research with 35 Chinese Researcher, 987 Rao-soft pupils were included in the final Investors. Male and female Researcher were picked at random and then given a total of 1011 surveys to fill out. A total of 786 questionnaires were used for the calculation after 749 were received and 37 were rejected due to incompleteness.

Data and Measurement: A questionnaire served as the primary data gathering tool for the study. 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 acquired from many sources, mostly online 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.

5. CONCEPTUAL FRAMEWORK



6. RESULT

❖ Factor Analysis

One typical use of Factor Analysis (FA) is to verify the existence of latent components in observable data. When there are not easily observable visual or diagnostic markers, it is common practice to utilize 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 dismal 0.050 to 0.059, subpar 0.60 to 0.69

Middle grades often range from 0.70 to 0.79.

Exhibiting a quality point score between 0.80 and 0.89.



They are astonished by the range of 0.90 to 1.00.

Table 1: KMO and Bartlett's Test for Sampling Adequacy Kaiser-Meyer-Olkin measurement:

.973

The outcomes of Bartlett's test of sphericity are as follows: Approximately chi-square degrees of freedom = 190 significance = 0.000

This confirms the legitimacy of claims made just for sampling purposes. To determine whether the correlation matrices were statistically significant, the researchers used Bartlett's Test of Sphericity. The sample is enough if the Kaiser-Meyer-Olkin value is 0.973. The p-value from Bartlett's sphericity test is 0.00. The correlation matrix does not constitute an identity matrix if Bartlett's sphericity test yields a positive result.

Table 1: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.973
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.968
	df	190
	Sig.	.000

The overall importance of the correlation matrices was also validated by Bartlett's Test of Sphericity. The Kaiser-Meyer-Olkin sampling adequacy is 0.973. By using Bartlett's sphericity test, researchers found a p-value of 0.00. A significant test result from Bartlett's sphericity test demonstrated that the correlation matrix is not a correlation matrix.



❖ Independent variable

Human Resource Management

Human resource management (HRM) encompasses the processes of finding, interviewing, recruiting, and ultimately leading an organization's workforce. Management of human resources is more often referred to as HR or HRS. The human resources department of a company or organisation is responsible for draughting, implementing, and overseeing policies that deal with personnel and the way the firm interacts with them. Although the term "human resources" first appeared in the early 1900s, it wasn't until the 1960s that it became commonly used to describe an organization's whole staff. Human resource management entails overseeing employees with an eye towards them as valuable assets to the organisation. Workers are sometimes referred to as human capital in this context. Maximising return on investment while lowering risk is the goal of human resources, just like any other asset. (Tapanainen et al., 2022).

❖ Factor

Sale Tactics

A sales technique is an activity with a purpose: to gain the confidence of prospective consumers so that they may make an informed purchase. There are tried-and-true strategies that work in each business, but there are also risky ones that can drive clients away.

What salespeople call "tactics" are the deliberate approaches and strategies they use to close deals with potential clients. From first contact to final sale, these strategies address every step of the buyer's journey (Bô Ké, 2021).



❖ **Dependent Variable**

Firm performance

If a company isn't performing up to par, it could run into money problems and other problems. A common cause of financial issues is leverage, which firms often use to their advantage to benefit from tax savings and the leverage effect. This strategy increases the company's equity and return on equity, but it also increases the risk of bankruptcy. Yet, decisions made about working capital, particularly those concerning inventory and receivables, have a direct impact on operational cash flows. Many factors in China influence the company's performance. Government and market-based economies, stock market fluctuations, limited investment capital expenditure, and high debt-related expenditures are all part of this. Blair and Christine claim that these problems can hinder companies' ability to turn a profit and remain in operation (Dang, 2020).

❖ **Relationship between firm performances and Sales Tactics**

According to many studies, sales strategies used by B2B companies are becoming more data-driven and centred on upper management. Although there has been significant progress in examining the strategic rather than operational components of sales, such as the conceptualisation of sales strategy, there has been a dearth of empirical studies that examine the impact of sales strategy on performance. Research on sales strategy is mostly theoretical or based on anecdotes. Susan Holak, Mark Parry, and Michael Song provide several hypotheses to account for the discrepancies in the association between sales ratio and firm performance, building on an enlarged version of Rogers's basic innovation-adoption paradigm. Researchers found that certain industry



and business parameters greatly affect the sales performance connection when they analysed data from organisations in their development and maturity phases. Managers may also influence how an increase in sales spend affects the firm's performance by changing several firm-contingent elements. While a larger sales budget may boost gross margin in certain scenarios, it may have the opposite effect in others(Dung & Anh, 2019).

H₀₁: There is no significant relationship between Sales tactics and Firm performance.

H₁: There is a significant relationship between Sales tactics and Firm performance.

Table 2: ANOVA test H₁

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	39588.620	215	5655.517	611.212	.000
Within Groups	492.770	533	5.356		
Total	40081.390	748			

The outcome of this investigation is noteworthy. The F value is 611.212, attaining significance with a p-value of .000, which is below the .05 alpha threshold. This means the “*H₁ There is a significant relationship between Sales tactics and Firm Performance.*” is accepted and the null hypothesis is rejected.

7. CONCLUSION

China is a nation going through an economic revolution, and this research looked at how SHRM and HR practises affected business success there. The researchers did not discover that foreign firms were better than local ones by comparing these effects. Market forces are having a greater impact on employment practices in POEs. The researchers also added to what is already known by



creating a model that includes the employee relations environment as a critical outcome alongside more conventional metrics for company performance. Chinese corporate executives may rest easy knowing that SHRM and other conventional HR practises contribute to their companies' performance, according to the study that has been conducted so far. It seems that the staff is doing an adequate job, according to the study. The average score for performance is 3.977 on a 5-point scale. High employee performance was a critical component in the success of their businesses. The capacity of the team members to collaborate efficiently was crucial to their achievement. If workers are to achieve their objectives, they need explicit directions. Because it was associated with money, quality, knowledge management, efficiency, and the development and expansion of the business also discovered that employee performance was a major barrier. Plus, it shows that the researcher put in the time and effort to get its degree. The average score is 3.920 on the training and development scale. This study's findings that companies, HR managers, executives, and the government all benefit financially when they engage in their employees' professional development and education. Nonetheless, the researchers' earlier findings indicated that employees' performance was enhanced by a higher level of training and development. Additionally, it showcases very excellent compensation and benefits. Compensation and benefits as a whole received a 3.923. The results were in line with previous research showing that paying workers a higher income made them more loyal, which led to greater output (Duong et al., 2019).

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