

CHAPTER I

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Human resource management is a strategic and coherent approach to the management of an organization's most valued assets – the people working there, who individually and collectively contribute to the achievement of its goals.

The importance of human resource management has increased because management can achieve the organizational objectives only with the co-operation of the people working in the organization. Without the efficient use of human resources, management can never accomplish organizational objectives. Therefore, creating and maintaining a motivated workforce is the central responsibility of the management.

Research of human resource management provides an understanding of practices, policies that are successful and those which are not, what changes are necessary and in what area of Personnel management. Management needs information on employee job satisfaction in order to make sound decisions, both in preventing and solving employee problems. Typically surveys are used by management to study the perceptions, attitudes and behaviour of employees. It is the procedure through which employees report their feelings towards their jobs, work environment and other aspects of their employment and environment. Today human resource managers want to know answers to questions like how to have satisfied employees, so that they can be retained in an organization and on one side the employee turnover can come down and on the other side satisfied employees can keep customers satisfied too, especially in the Service Industry. In the education sector, the central role is played by the teachers and lecturers to the better performance of the institutions. For the success of entire educational system depends on the teacher's quality, capability and satisfaction with the working

environment. It's a teacher who can keep the customer i.e., the students fully satisfied and the positive word of mouth about the institution can go a long way in increasing the credibility of the Institution.

Job satisfaction is the satisfaction one feels while doing the job. Job satisfaction is a complex and important concept for human resource managers to understand most employees do not believe their work is being properly rewarded. Nor do they believe that their companies are doing enough to attract high quality performers, train them, or manage them effectively. In fact no organization can successfully achieve its goal and mission unless and until those who constitute the organization are satisfied in their jobs.

Organisations develop human resource policies that genuinely reflect their beliefs and principles and the relationship between management and employees, or they may merely devise policies that deal with current problems or requirements. Several theoreticians have argued that the human resources of the company are potentially the only source of sustainable competitive edge for organisations (Becker and Gerhart 1996; Ferris, Hochwarter, Buckley, Harrell-Cook and Fink 1999; Pfeffer 1994; Wright and McMahan 1992). Pfeffer (1998) advocates that a human resource system helps create a workforce whose contributions are valuable, unique, and difficult for competitors to imitate. A plethora of academic research conducted at the organisational level also suggests that human resource practices affect organisational outcomes by shaping employee behaviours and attitudes (Arthur 1994; Huselid 1995; Tsui, Pearce, Porter and Tripoli 1997).

Whitener (2001) indicates that employees interpret organisational actions such as human resource practices (Delery 1998; Settoon, Bennett and Linden 1996; Ostroff and Bowen 2000; Wayne, Shaw and Linden 1997), and the trust worthiness of management

(Eisenberger, Huntington, Hutchison and Sowa 1986; Settoon et al. 1996) as an indication of the personified organisation's commitment. They reciprocate their perceptions accordingly in their own commitment to the organisation. Researchers like Eisenberger et al. 1986; Hutchison and Garstka, 1996; Settoon et al.1996, Shore and Tetrick 1994; Shore and Wayne 1993; Wayne et al., conducted research which is rooted in social exchange theory and has revealed that employees' commitment to the organisation derives from their perceptions of the employers' commitment to and support of them. In this regard, a useful framework in which to visualize commitment behaviour is to view them as components of fair exchange between a company and its employees. This approach to motivation postulates that employees and the organisations are involved in an exchange relationship (Pinder 1984).

Employee attitudes and behaviors (including performance) reflect their perceptions and expectations, reciprocating the treatment that they receive from the organisation. In their multilevel model linking human resource practices and employee reactions, Ostroff and Bowen (2000) depicted relationships suggesting that human resource practices are significantly associated with employee perceptions and employee attitudes. Studies by Tsui, Pearce, Porter and Tripoli (1997), found that employee attitudes (specifically employee commitment) were associated with the interaction of human resource practices and perceptions.

Higher Education

Higher education is an essential social as well as economic infrastructure for all Nations alike. It provides the appropriate and useful skilled human power for industry, for science and technology, for creation of basic social (education, food, shelter, health, and nutrition) and economic (agriculture, energy, water, transport, communication)

infrastructure and for better social and administrative governance. India has one of the largest higher education systems in the world.

“The role of education in general and of tertiary education in particular, is now more influential than ever in the construction of knowledge economies and democratic societies. Tertiary education is indeed central to the creation of the intellectual capacity on which knowledge production and utilization depend and to the promotion of the lifelong-learning practices necessary for updating people’s knowledge and skills”(World Bank, 2002). The management of human resources is thus becoming a key challenge for higher education institutions worldwide. Complex academic communities need appropriate HR management procedures, as well as national policies, which support the institutions in recruiting, motivating and retaining qualified staff.

Like other organizations, institutions of higher education are challenged by their constituents to operate responsibly. Winston, 1992 conclude that to a large extent, public trust regarding higher education is based on the expectation that institutions will follow sound administrative practices and consequently utilize available resources in the most efficient and effective manner. Although controversies surround the notion of efficiency and effectiveness in higher education, few disagree with the appropriateness of following sound administrative procedures that potentially can prevent undesirable turnover.

Miller, 1996 propound that the ultimate decision to remain with an organization is largely determined by an employee’s level of commitment to the organization. Previous research by Mathieu & Zajac, 1990 and Steers, 1977 indicates a positive correlation between an individual’s level of commitment to an organization and the intention to stay. Simply stated, committed employees are less likely to leave an organization voluntarily. Research by Hom & Griffeth, 1995 and Lee & Mowday, 1987,

also shows that an individual's commitment to an organization can be significantly influenced by organizational activities. Saks & Ashforth, 1997 say that to be more specific, an organization's management practices can influence an employee's level of commitment to the organization.

Systems In Oman's Higher Education Institutions

Education sector is the main task for any country to progress and develop and the focal point for this development is the availability of quality teaching staff to deliver their programs and courses. The education system of the country represents and reflects its social strength, cultural and moral values. The Higher Education sector in Oman has grown rapidly over the past nearly three decades since the establishment in 1986 of the first Higher Education Institution (HEI) in the country – Oman's premier university, Sultan Qaboos University. The total number of students enrolled in Higher Education in Oman in the academic year 2011-12 approximated 116,806 students. The number of private Higher Education Institutions grew from one college in 1995 to five private universities and three new private universities planned to be established in the near future. In addition, on the government side, there are currently six Colleges of Applied Sciences managed by MoHE (Ministry of Higher Education), seven Colleges of Technology under the jurisdiction of the MoM (Ministry of Manpower) and sixteen Institutes of Health Science under MoH (Ministry of Health). There are private HEIs and these are designated as Colleges or University Colleges.

HR Practices In Oman's Higher Education Institutions

In the Middle East (including Oman), some of the main attractions for job seekers in higher education institutions are relative job stability and good additional benefits. At the same time, salaries are not considered attractive, which leads to the need

to hold multiple positions. Studies show that this is actually the only region in which most countries report an effective decrease in salaries over the past 10 years due to inflation growing faster than salaries. Recruitment requirements are relatively stringent and often more detailed and comprehensive than in other regions. The Oman Academic Accreditation Authority (OAAA) has launched its Quality audit activities which determine the components of major management systems including HRM and has played a major role in modernizing the HRM practices in Oman.

Indian Academics Working In Oman

Indian community is the largest expatriate community in the Sultanate of Oman spread over the entire spectrum of professions. As per the Ministry of Manpower statistics, as of January 2012, the number of Indian expatriates in Oman is 7,18,252 and the number of Indian workers in Oman is 581,832. As per the statistics bulletin for the month of April 2013 by the National Centre for Statistics & Information, as of March 2013 the number of registered Indian workers in Oman has risen to 6,08,635. There are many Indian professionals occupying key positions in Omani government and private sector. Indian nationals in Oman are well-known for their hard work and dedication. Thousands of them are working as doctors, engineers, chartered accountants, teachers, lecturers, nurses, managers, etc. It is estimated that around 2,000 Indian doctors work in Oman in Government hospitals and in clinics in the private sector. Approximately 750-800 Indian lecturers are employed in the public and private colleges in Oman.

HEIs provide human resources which are expected to be equipped with skill and knowledge necessary for society as occupational and citizen. Oman has a young, dynamic and fast-growing higher education sector and has taken a number of steps to provide quality human resources equipped with necessary skills and knowledge to replace

expatriate work force. These steps include imported curricula of western countries, recruitment of native English teachers, recruitment of qualified and experience faculty from all over the world in various disciplines, provision of excellent infrastructure facilities to the students and arrangements of one / two years foundation courses by each HEIs including English language, mathematics and IT to build students basis for advance curricula at university level. It has been observed that despite of various efforts, the quality of education in term of 21st century requirement both in terms of knowledge acquisition and skills seems to be missing and is not up to the desired level.

Need for the Study

Academic staff retention issues have been continuously strained HEIs all over the world. Many exploratory studies have identified that academicians like job hopping and are willing only to stay in their current organizations for less than three years. HEIs are seriously looking into staff retention strategies as administrating turnover is costly to them. Usually turnover cost will be linked to the direct expenses such as cost associated with training and recruitment process and operational downtime due to lack of skilled, knowledge and aptitude of new staff. Guest (1997, 2001) demonstrated that theoretical relationship between HRM practice and employee work relates attitudes remains poorly developed. HRM has been considered a critical factor that affects employees' level of commitment, intentions to leave and amount of job satisfaction (Kerlinger and Lee). The current study is directed to help clarify how employees perceive HRM practice that might impact their attitudes and perceptions. In today's higher education sector which is operating under the forces of various players in its external environment, they need to have employees who are passionate about their work and strive to take their organization to greater heights.

This study aims to measure the perceptions of Indian academicians working in Oman regarding various HRM practices and its impact on them. The strength and impact of organizational culture and communication on facilitating employee engagement is also measured in the scope of this study. This study is relevant in the higher education sector, which plays an important role in the society. The study also provides a comparison among the perceptions of academicians working in the public and private HEIs operating in Oman in terms of organizational culture, organizational communication and various other dimensions. The findings and recommendations of the study are based on the perceptions of academicians working in Oman and for the improvement of HRM practices in Oman.

Motivation for the Study

Higher Education in Oman follows a structured and well developed system of Quality Assurance and the internal systems are audited by Oman Academic Accreditation Authority. Although the higher education in Oman is still quite young in terms of its age and development stage, the systems that are put in place within the HEIs as a result of OAAA's initiatives are substantial and has proven to be very effective as evidenced by OAAA's audit report of HEIs.

The researcher was previously employed in Oman in various capacities such as Lecturer in Business studies, Head of Section (like Assistant Head of the Department) and then later as Quality Assurance Expert with the Ministry of Manpower, overseeing the seven colleges of technology. By virtue of being employed in these capacities and having been a part of setting up and implementing the various quality assurance initiatives triggered the motivation to study the perceptions of Indian academicians reading the various facets of Human Resource Practices in Oman's HEIs.

Purpose of the Study

The aim of this study is to investigate and determine the current human resource practices on the perceptions of Indian academicians. It will examine the relationship between HR practices and retention and further identify the elements of HR practices, which strongly influence the decision for core employees to stay. Results from this study will assist in the development of an effective HRM retention program for organisations. The present research focuses on the area of participation on the development of the performance measures, along with: the use of the performance measures; the fairness perception of the performance measures; the trust between parties in the performance evaluation process. Employee turnover intentions and organisational commitment which are very important strategic tools is for HEIs also focused on.

Scope

The respondents of the study were full-time teaching staff only from public and private HEIs. The present research focuses on the areas of HRM, organisational culture, turnover intention, organisational commitment, participation on the development of the performance appraisal measures, along with: the use of the performance measures; the fairness perception of the performance measures; the trust between parties in the performance evaluation process. The study compared the perceptual differences between the public and private HEIs.

Significance

In the ever changing world of human resource (HR), managers are continually facing new challenges and opportunities. With the growing need for flexibility, adaptability and contextual thinking, it is vital for HR professionals to focus on

motivating and developing the employees. According to Entekin (2001), loss of key talent results in the stripping of valuable human capital, critical skills and institutional memory. Organisations not only suffer from lost productivity but also lose the knowledge that these critical employees possess that can be beneficial to the company. High-performing employees know the industry, competitive strengths and weaknesses, products, customers and processes. The information in their heads is a significant part of corporate equity (Guthrie 2001; Hom and Griffeth 1995; Huselid 1995; Oh 1997). Prahalad and Hamel (1990) state that there has also been considerable interest in the management literature concerning the development of core competences in order to enhance corporate competitiveness and performance. Retaining these valued core employees is therefore a strategic issue and a competitive business advantage. Management scholars argue that how employees are managed is becoming a more important source of competitive advantage because traditional sources (product and process technology, protected or regulated markets, access to financial resources and economies of scale) are less powerful than they once were (Lawler 1996; Pfeffer 1994).

Reviewing the current HRM literature, there is to date no empirical study of Higher Education Institutions with regard to their HR practices and their impact on the perceptions of academicians which are related to their organisational commitment and their turnover intention. This raises unexplored issues such as: are these organisational HRM systems call for refinement and the development of a more comprehensive theoretical model of the HRM-retention relationship especially in the HEIs. These unexplored issues will be the focus of this study. Moreover, this research will advance the HRM literature on the emerging trends of the twenty-first century. In order to gain better insights into the process and practices that HEIs utilize various HRM practices and

their impact on perceptions of academicians, the questionnaire for the study was constructed.

Research Objectives

- To identify the HRM factors that influence core employees' decisions to stay;
- To examine the academic staff perceptions regarding performance appraisal system in relation to Human Resources Factors, Organisational Culture Factors, Organisational Commitment and Turnover Intention;
- To examine the differences between perceptions of employees in private and public HEIs.
- To examine the feasibility of establishing the mediation role played between the various factors used in this study.

Hypotheses

- HRM practices mediate the relationship between Performance Appraisal Perceptions and Turnover Intention.
- Organisational Culture Factors influences Organizational Commitment and Turnover Intention.
- The perceptions of Indian lecturers in private and public colleges do not vary significantly.

Limitations

The research like any other empirical study suffers from varied limitations owing to various reasons:

- This study was restricted to only Indian academicians working in Oman
- The required primary data were obtained from the sample drawn from the target population of Indian lecturers working in Oman
- The accuracy of primary data depends upon respondents' attitude and perceptions.
- All the limitations associated with various tools like Percentage Analysis, Descriptive statistics are applicable to this study also.
- The study relied mostly on primary data rather than on secondary data.

Chapter Scheme

- **Chapter 1** provides an Introduction to the study, i.e., Higher Education, Higher Education sector in Oman, Profile of the study area, statement of the problem, objectives of the study, scope and limitations of the study, significance of the study and overview of the chapters.
- **Chapter 2** presents a review of relevant literature and provides conceptual definitions.
- **Chapter 3** outlines the research methodology including the methodology of research, sources of data and tools used for analysis.
- **Chapter 4** consists of two parts. Part-I deals with data analysis and interpretation, and Part-II presents discussion of results.
- **Chapter 5** recapitulates the key findings and provides conclusions as well as recommendations and suggestions for future research.