

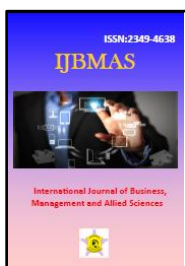
**INTERNATIONAL JOURNAL OF BUSINESS, MANAGEMENT
AND ALLIED SCIENCES (IJBMAS)**
A Peer Reviewed International Research Journal

**An Empirical Study on Human Resource Challenges in Telecom Sector
With Specific Reference to BSNL, India**

Aditya Bhargava¹ , Dr. Harsh Purohit²

¹Ph.D Research Scholar, Banasthali Vidyapith, Rajasthan, India

²Dean, FMS – WISDOM, Banasthali Vidyapith, Rajasthan, India



ABSTRACT

Human Resource is no longer a back-end activity. It has become imperative that effective human resource planning is perfectly aligned to an organization, whether big or small, service or manufacturing, to achieve its objectives. The expression 'Human Resource Management (HRM)' is a relative recent title for all aspects of managing people in an organization. Many industries have either become sick or closed, are struggling for survival, in view of aggressive competitive scenario. One of the main reasons is that the managements of these industries have not managed their employees effectively. The need of the time is to have properly harnessed and devoted team of employees. Studying of mass of literatures on the HR challenges provided us an idea for studying the nature of HR practices and key factors and challenges for HRM in a public sector telecom company with specific reference to Bharat Sanchar Nigam Limited (abbreviated BSNL), India.

This research paper is related to such kind of routine HR challenges which are usually confronted in this organization as well as similar organizations.

Keywords : Human resource management, HR Challenges, BSNL

Introduction

In the present scenario Human Resource Management (HRM) is rapidly becoming prominent. HRM is being practiced both in the private and public sector have become an important strategic tool used by organizations for creating and retaining competitive advantage. Organizations have also started recognizing that the competitive advantage can be gained only through managing human resources but it is critical fact that today almost all the organizations including manufacturing industry is suffering from various human resource (HR) challenges.

The concept of Human Resource challenges for industries refers to the internal and external challenges related to the routine framework of the industry. Without winning the HR challenges it would be difficult for the organizations to survive in the present competitive world.

The most important HR challenges for the industry are adherence to the best practices and devising the best model of recruiting and retaining competent and capable employees who would carry the mandate of the organization. Industries are continually involved to overcome from HR challenges by referring the past studies and other scientific methods but the major issue is that the empirical research done in this area is limited. And without a clear definition of the key ingredients that make up 'HR Challenges', it would be hardly possible to develop a comprehensive framework that could be

used to measure its determinants, let alone apply this concept in practice. There are several researchers also have been argued that HR challenges affect overall performance and growth of the industries. (Bhargavaet al., 2011, Agarwal and Ramani 1976, Kumar and Sushmita 2011, Mamoria and Mamoria 2010).

Telecom industry of India has floated to reach a size of Rs 4000 billion at a growth rate of over 30% and produced career opportunities for about 15 million populations during the period. To be specific about the growth of the industry, this industry was projected to create direct employment for 2.9 million people and for 8 million indirectly, according to a report. In the past couple of years, there have been vast changes in the equipped technologies in telecom industry by way of modernization and computerization of technology, resulting in huge shift from labour-intensive landline trade to capital-gain new technologies. (Das et al., 2001, Gopinath et al., 2001)

Productivity of costly physical assets owned by BSNL in respect of exchanges, buildings, and machines etc. for carrying out its core business of providing communication services to individuals, corporate and government is largely dependent on effective human resource management. (Das et al., 2001, Gopinath et al., 2001)

BSNL is facing a heavy competition from private Indian cellular operators and the basic phone (Landline) service providers. This has led to an increased pressure on margins due to decreasing tariffs likely on call rates, data and also on the user retention and attainment which is going to deepen with the joining of more and more new telecom operators in India in the coming years.

These heavy changes, in turn, require a totally new and systematic approach to human resource planning. By taking the case of BSNL, researcher have tried to discuss, in the light of statistical data analysis of the firm, some of the possible ways that can be designed to deal with increasing problem of human resources. The study assumes importance as it goes into the various aspects of intricacy of human beings and how the employees are attracted, engaged, nurtured, developed and retained in an organization. . (Das et al., 2001)

Literature Review

MEANING OF HR CHALLENGES: There are various human resource (HR) challenges existing in almost every type of organization. Different researchers from the human resource perspective reported different types of HR challenges. For instance, Bhargavaet al., (2011), in their paper, considered 'employee retention' as one of the major HR challenges exists in almost every kind of organization. They reported that 85% of the organizations confirm the fact that it is more difficult to retain talented individuals nowadays as compared to several years before. While Agarwal and Ramani (1976) stated that managing trade union has been becoming difficult for the HR of organizations. They also mentioned that trade union leaders are found to be conflict slanting and always think on their own benefits and don't believe in the policy of adjustments. Thus, dealing with trade unions within the organization has also become an important challenge for HR managers.

Kumar and Sushmita (2011) mentioned that availability of skilled employee is another challenge for HR managers. The most critical issue in HR is finding the right people for the work within the organization and their willingness to compensate adequately for people with relevant experience. This task of providing effective work force is once again a key challenge in front of recruiter and selectors in HR department. They also stated that the quality of service delivery in the microfinance industry depends on person to person contact and relationship. It's quite difficult to maintain the employer-employee relationship without the talented employees. This relationship management is another crucial challenge for HR managers who deal with industrial relations (IR). Mamoria and Mamoria (2010) have also made a successful attempt to study industrial conflicts and relations on various dimensions in Indian environment. They broadly focused on two challenges of labours, i.e. labour relations and collective bargaining. According to them it is being increasingly realized that there would be suitable, sound, honest and effective collective bargaining agent to

represent labour interests which could sort out the differences between the management and the workers and try to improve relationships.

Thomas et al. (2011) expressed about the old and new spaces for discrimination at work and emphasized that organizations are constantly facing the discrimination issues among the employees. This employee discrimination is usually based on sex, race and migration status and can be considered as another crucial HR challenge. While several years ago, Saunders and Chan (2002) investigated that the fast-growth companies faced multiple challenges of HR i.e. involving workers in decision making, creating a healthy working environment, availability of suitable staff, attrition of employees, and developing leadership and management skills in workers of the organization.

SWOT analysis of BSNL:

In a report of NDTV and The Hindu (2015), BSNL is an Indian state-owned telecom company locating headquarter in New Delhi, India. It was incorporated on 15.09.2000 and took over the business of providing of telecom services and network management from the erstwhile Central Government Departments of Telecom Services (DTS) and Telecom Operations (DTO), w.e.f. 01.10.2000 on a going concern basis. It is the largest provider of fixed telephony, largest broadband services provider with more than 60% Market share, and fifth largest mobile telephony provider in India. However, in recent years the company's revenues and market share have plummeted into heavy losses due to intense competition in the Indian telecommunications sector.

BSNL's official website states that BSNL is India's oldest and largest communication service provider (CSP). It had a customer base of 12 crores as of June 2018. It has footprints throughout India except for the metropolitan cities of Mumbai and New Delhi, which are managed by Mahanagar Telephone Nigam Limited (MTNL).

It also states that in the past 24 years, the company has taken rapid strides to emerge as India's leading and one of Asia's largest telecom operating companies. In the past couple of years, there have been vast changes in the operational technologies in telecom by way of modernization and computerization of exchanges, resulting in shifting from labour intensive land-line business to capital intensive new technologies like 3G, Wi-Max, MPLS, Digital Certification, Broadband,

VOIP, IPTV, Wi-Fi and Wi-Max. BSNL faces intense competition from other mobile operators and the basic service providers. This has led to an increased pressure on margins due to reducing tariffs and also on the customer retention and acquisition which is going to intensify with the joining of more and more new operators in the coming years. These changes, in turn, require a completely new approach to manpower planning.

Strengths:

1. Billing transparency and no hidden cost.
 2. Huge infrastructure at a low residual cost.
 3. Zero debt company (unlevered).
 4. Government support.
- Low cost investment.

Threats

1. Increasing competition from private operators.
2. Inertia in adopting innovative marketing strategies.
3. Marketing maturity in basic service segment.
4. Entry of MNCs in Indian telecom market.
5. Local loop unbundling facilitating private operators to share local loop.
6. Decreasing ARPU due to competitive price.

Weaknesses:

1. Lack of experienced technical manpower.
2. Large manpower with high manpower cost.
3. Attitudinal problem due to erstwhile monopoly environment.
4. Inadequate customer support.
5. Inefficiency due to excessive union interference
6. PSU set up - delays in procurement, procedure etc
7. Weak Human Resource Management
8. Poor IT penetration within the organization
9. Graying workforce
10. Absence of segment analysis and STP approach
11. Lack of strategic alliances and collaborations

Opportunities:

- 1.Untouched national/ international markets.
- 2.Can capitalize on PSU status to grade Government's ICT initiative.
- 3.Diversification of business to turn-key projects.

HRM Practices in BSNL: Current issues and Trends

Presenting a general outlook of HRM practices in BSNL is a challenging task, because there are vast variations. India's 2nd pay commission report (2008) mentioned that in public telecom sectors the attraction and retention of high performers have become a challenging task. HR practices and its management have a major role to play in order to achieve professional and competitive HR standards. It calls for building up a culture of change in engagement and retention of employees, who are high performers in the organization. There is a lot to be done by HR in terms of identifying & nurturing talents, creating a performance driven culture and bringing about changes in the mindset of employees at all level so that all of them aim at providing values to customers. The commission also observed that the demand supply equation for talented professionals is growing in India. As a result, both *attraction* and *retention of employees* in telecom sector units have emerged as major challenges for HR professionals. In spite of above, *handling trade unions, availability of skilled employee, attrition of employee, recruitment & selection* also considered as one of the important HR challenges. (Ban et al. 2003, Agarwal and Ramani 1976, CPR 2002)

Objectives of the study: Keeping in view that human resource department and HR policies is one of the weaknesses of BSNL, in this study the researchers have tried to find out the perceptions of HR employees about the key issues and various other issues in HR so that the organization can overcome from these issues and learn how to address in attracting and retaining the talent.

Conclusions and future challenges: All India BSNL's executives association (2015) stated that the most important challenge facing HRM professionals in BSNL sector is to apply the current global HR practices in the organization. The majority of the HR professionals in BSNL do not have the required know-how, nor is there enough research output to guide practices. HRM departments, while still struggling with establishing more objective and efficient systems in key HR functions, also have to innovate to handle industrial anxieties to the expectations to survive in the competitive market.

In order to establish effective HRM systems that meet the present and future demands, the following issues have to be addressed in the systematic way:

Retention: As the author discussed in various parts of this paper, the employee retention in similar organization is highly questionable (Wasti, 1998). While attempting to grab the current HRM trends, we must bear in mind that BSNL has social, economic, political as well as cultural characteristics which are distinct from other telecom operators in India. Hence the HR people must implement HR practices keeping in considering employee retention.

Recruitment: As also discussed above, Employment or recruitment is one of the major sources of HRM. Several authors considered recruitment as typical HR challenges. Keeping in view the BSNL as one of the leading public sector, recruitment found to be a major issue. Hence the practice must be adopted in fair manner for the growth of the organization. Anakwe (2011).

Legal and ethical issues: It has found that having multiplicity of unions, Industrial relations, labour relations, workers participations in management, collective bargaining as the tough challenges of Human resources. Hence the human resource department must control these legal issues in the diplomatic way. This is very much required for the growth and success of the organization. Agrawal et al. (2012)

Besides considering above HR challenges, there might be certain more challenges which might not be exists at moment. All in all, HRM is a developing, promising and exciting function in BSNL as well as almost all organization. It is the highly demanding function. Hence, the HR department of BSNL must take measures to base HR practices before applying it.

References:

- [1]. Aditya Bhargava (2011), Dr. D. Baby Moses, Dr. Sunita Dwivedi "Employee Retention in private Sector", *Masterstroke*.
- [2]. Agarwal (1976), Ramani K.V. "Work & Leadership in Trade Unions" *Reading in Personnel Management*, Page 183
- [3]. All India BSNL Executives' Association (2018)<http://www.aibsnleachq.in/>(Retrieved on 20 Jan 2018)
- [4]. BSNL report related to loss (special correspondent) (31 July 2010). Chennai, India: Thehindu.com. (Retrieved on 28 Jan 2018)
- [5]. BSNL's general Information (2018),
- [6]. bsnl.co.in/opencms/export/sites/default/BSNL/about_us/company/MessagefromCMD2014website.pdf (Retrieved on 22 Jan 2018)
- [7]. CPR (2002), Conflict and Labour Markets in Manufacturing: *The Case of Eritrea, Social Development Report Dissemination Notes, World Bank, Washington, DC*
- [8]. DoT puts up roadblock in BSNL's IPO plans (2012). Profit.ndtv.com. 11 June 2012. (Retrieved on 28 June 2012).
- [9]. India's 2nd Pay Commission. (2008) Recommendations of Pay and Allowance for Public Sector Enterprises. New Delhi
- [10]. Kumar N Sudheer, G Sushmita (2011) "HR Challenges in Microfinance Institutions", *HRM Review*, February, 2011
- [11]. Mamoria, CB & Mamoria, S (2009), "Dynamics of Industrial Relations in India", *Himalyan Publishing House, Delhi*, 2009
- [12]. Narendra M. Agrawal, Naresh Khatri, R. Srinivasan (2012), "Managing growth: Human resource management challenges facing the Indian software Industry", *Journal of World Business*, Elsevier
- [13]. Netter Thomas, Beauchamp charlotte, Perthuis Corinne (2011), "Fighting discrimination at work: Progress at risk", *World of Work-The Magazine of ILO*, No. 72, August 2011
- [14]. R. Gopinath, Dr. Shibu.N.S. (2014), *A study on recruitment and selection influencing job satisfaction with special reference to BSNL*, Trichy SSA, Conference Paper
- [15]. Saunders, C., & Chan, Y. E. (2002). Rapid-growth firms: The challenge of managing information technology. *IVEY Business Journal*, January-February.
- [16]. Tapas Das, PratibhaGiri, ReevaVerma&Seshanwita Das (2012), Key factors and challenges for retention of employees in a public sector telecom enterprise: A case study of MahanagarTelephone Nigam Limited, Delhi, *Aima Journal of Management & Research*, May 2012, Volume 6, Issue 2/4, ISSN 0974 - 497
- [17]. Uzoamaka P. Anakwe (2011), Human resource management practices in Nigeria: challenges and insights, *The International Journal of Human Resource Management*, Published online: 18 Feb 2011.
- [18]. Wasti, S.A. (1998), Cultural barriers in the transferability of Japanese and American human resources practices to developing countries: the Turkish case, *International Journal of Human Resources Management*, Vol. 9, pp. 609-31