

# Impact of Employee Productivity Analysis on Service Quality Telecom Industry

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**Abstract-** With the emergence of concept of enhanced profits within existing setup, it is mandatory to study the impact of employee productivity analysis on the Service Quality. Now a days this analysis is becoming an integral part of every industry especially Service Related. In Telecom Industry, employee productivity analysis is playing a vital role while judging the Profitability of business as well as Services to be offered. This paper discussed the Positive as well as Negative Impacts of Employee Productivity Analysis on Service Quality in Telecom Industry with respect to Indian Market.

**Index Terms-** Employee Productivity Analysis , Service Quality and Employee relations

## I. INTRODUCTION

Telecom Industry is gaining an important role in development of the Indian Market. In the current cost optimization scenario, it has become essential to put focus on the factors contributing to the same. Employee Productivity is one of the key areas where all the industries are now concentrating. The biggest challenge is doing the same is to be achieve the balance between Profitability and Service Quality. In Telecom Industry with new technologies emerging every day, Telecom Operators needs to cope with the same and need to build on the existing setup also. Productivity Analysis is mainly confined to judge the performance of the employees with optimum resource utilization. Due to Human Element involvement in the Productivity Analysis it has direct impact on the Service Quality as well. In Telecom Industry, Service Quality is the agreement done by the Service Provider with the Customer to offer best and time bound services at all the instances and anywhere.

## II. EMPLOYEE PRODUCTIVITY ANALYSIS

Organizations commonly regard profits as a key measure of their success. Using profits as a measure may seem to imply that the organization will benefit more if costs such as salaries and depreciation for capital reinvestment are reduced. However, lowering salaries to increase profits tend to lead to conflicts in relationship between employees and management. Minimizing capital investment often has a negative impact on the efficiency of operations, and eventually affects profits. Therefore, increasing profits by reducing such expenses is only short term measure. The only viable way to increasing profits in a sustainable manner is to increase the economic pie or value added through higher productivity. This can be done with better

cooperation from employees, higher investment in capital, and optimal use of capital. In return for employee's efforts, organization should share the additional wealth generated in the form of higher wages and improved benefits. This will reinforce and encourage them to further improve their performance. To sum up, productivity is key to sustaining profits in the long sun. Productivity is a measurement or calculation between inputs and outputs. Inputs are the amount of time and effort spent working, while outputs are the results. If the outputs are equivalent to the inputs, the worker is considered productive. Productivity gains are vital to the economy because they allow us to accomplish more with less. Capital and labor are both scarce resources, so maximizing their impact is always a core concern of modern business. Productivity enhancements come from the technology advances such as computers and internet, supply chain and logistics improvements and increased skills levels within the workforce. Productivity is directly linked with employee morale. When employees are happy at the work they have more motivation, which increases productivity. Poor morale causes employee to be disengaged. A study done by the Corporate Executive Board says that because employee engagement is down there has a 5% decrease in the productivity. If employees are not given the proper resources to do their jobs easily and efficiently, their productivity will suffer. Some more behaviors which hinder the employee productivity are Micromanagement i.e. Micromanaging and peeping to every minute thing an employee does will lower his confidence and thus disinterest him, Closed room meetings for long hours i.e. Having meetings without scheduling and exceeding the time of scheduled meeting , will change the day planned by the employee, Irrational thinking i.e. Irrational though and unrealistic , poorly defined goals and objectives without logic will again hinder the productivity. QuoStar Solutions, a technology consulting services, states that innovative technology is one way that employer can boost productivity. Having automated, electronic processes for certain task can free up employee time so that they can maximize their efficiency with other tasks. Some important elements to hike the productivity are Strong defined goals and objectives, Motivation, Employee Engagement, Strategic Rotation, Humanly Human resource practices, Refresher Sessions, Innovating and strong technology with proper resources. In addition to this having ICARE Attitude will increase productivity and is the key to success for an employee and an employer. I- Integration, C- Collaboration, A- Accountability, R-Responsibility, E-Excellence. Productivity Analysis is a prerequisite for improving productivity. As Peter Drucker, who is widely regarded as the pioneer of modern management theory, said "Without productivity objectives, a

business does not have direction. Without productivity analysis, a business does not have control.”

### III. SERVICE QUALITY

*What is Quality ? ( Quality is free but it is not a Gift )*

The global market is becoming more competitive every day. Companies continually search for new ways to gain an edge over their competitors around the globe. Global competition and deregulation in a number of industries is forcing companies to turn to quality in order to survive. WELCH says” Quality is our best assurance of customer allegiance, our strongest defense against foreign competition, and the only path to sustained growth and earnings.” As per DEMING: Perhaps the most important reason for pursuing quality is that quality pays. Research shows a relationship between quality, market share and return on investment. Higher quality yields a higher return on investment (ROI) for any given market share. Quality also pays in the form of customer retention – customer defections represent a significant cost to the companies. Adopting quality principles strongly correlates to corporate stock and earnings appreciation. Quality is one of the core components of value in the S-Q-I-P model. While price and image are communicators, product and service quality define offering in the value proposition. Factors Influencing Change in Quality Perceptions are Modern communications permits and in some cases encourage customers to shift their patronage from one producer to another, Global Competition has resulted in increased choice and has raised customer expectations of what constitutes acceptable quality, Technology – Marketing is a contest for consumer’s attention and the Internet is now competing for that attention as the number of Internet users worldwide continues to rise. DEMING’s 14 Point Philosophy on Quality is quite exhaustive and thoroughly constructed and says: Constancy of Purpose, Adopt to new Philosophy, Cease dependence on mass inspection, End the practice of Awarding Business on the basis of Price alone, Improve constantly and forever the system of production and service, Institute Training, Institute Leadership, Drive Out Fear, Break Down barriers among Staff, Eliminate Slogans, Exhortations and Targets, Eliminate Work Quotas, Remove Barriers to Pride of Workmanship, Institute a Vigorous Program of Education and Self Improvement, Put Everyone to work on the Transformation.

*What is Service Quality ?*

Customers also form perceptions of quality during the service transaction – how effectively and efficiently the service was delivered and the speed and convenience of completing the transaction. Finally, customers evaluate support activities that occur after the transaction that is post sale services. Thus Service Quality can be defined according to both what and how a product or service is delivered. GRONROOS distinguishes this as Technical Quality and Functional Quality. Technical Quality is concerned with the outcome of the delivered product or service. Customers use service quality attributes such as reliability, competence, performance, durability, etc. to evaluate technical quality. Functional Quality is how Technical Quality is transferred to the consumer. Service Quality attributes such as responsiveness and access would be important in helping the

customer judge the functional quality of the service encounter. Cardinal Principles of Service Quality as ZEMKE RON ( 2002 ) are : Listening precedes action, Reliability is key, Flawless execution of the “basics”, Pay attention to service design, Perform service recovery well, Surprise customers, Practice “ fair play” , Promote teamwork, Internal Service begets external service.

### IV. POSITIVE IMPACT OF EMPLOYEE PRODUCTIVITY ON SERVICE QUALITY IN TELECOM INDUSTRY

Presently Telecom Industry is going through a phase of Business Consolidation in order to enhance the profit margins within existing setup. This effort has encouraged some of the Telecom Companies to give a serious thought on one of the key parameter in enhancing business profitability i.e. Employee Productivity Analysis. With emergence of new technologies every day, every minute, every second, all the telecom companies are requiring the Employees who know Multi Tasking thereby enhancing productivity. This is helping the TELCOS to save the cost on Employee part i.e. they are not hiring the new employees for new work instead they are training the existing teams (depending upon their area of interest, skill sets) to carry out the new work. Several Training Programs like Leadership Development, Work Life Balance etc. Most Positive Impact of this analysis is that TELCOS started finding Leaders within the team only. This gesture has inculcated Sense of Security, Belongingness and Enthusiasm among the Employees. In the initial stages, employees may face difficulty in adopting the same but in the gradual course of time; employees align themselves to the new requirement. Human Resources department is playing an important role in this transition. This is spreading a Positive Wave among the company employees to work harder and with dedication. With this model now liabilities on the TELCOS are also decreasing day by day and thereby increasing the profitability. Overall impact of this enhances the TRUST, OWNERSHIP, and BELONGINESS within the team and whole organization. TELCOS who have adopted this strategy are now emerging as a Business Leader with improved CSAT i.e. Service Quality Parameters.

### V. NEGATIVE IMPACT OF EMPLOYEE PRODUCTIVITY ON SERVICE QUALITY IN TELECOM INDUSTRY

The other side of this analysis has brought a severe impact in Telecom Industry. With this analysis, Companies not doing particularly well adopted the way of JOB CUTTING. Moral Level of the employees gone down drastically thereby directly impacting Service Quality. Companies started to over pressurizing the existing employees impacting their Work Life Balance. Undue Pressure causing high unrest among the employees. Lack of Job Security, Uncertainty about the work is spoiling the overall atmosphere of the organization. The very sad part of this is that the companies are removing the employees by moderating the ratings of the employees in Yearly Performance Appraisal System. Human resources department has to play very important role in overcoming all these negative impacts. HR always acts as a bridge between the employee and the respective

managements. During the discussion with the various employees of such impacted organization it was found that employees were worried about the way in which the ratings are moderated i.e. ratings were not done on the basis of actual work done but on the requirement of that employee in the organization. As per the Employees this situation, in coordination with HR, could be handled in much better and on human grounds. Employees can be asked to leave the Job with some notice period and not on the basis of poor ratings. Thus all such negative impacts can be overcome with the help of Human Resources department and respective departmental heads.

#### VI. CONCLUSION

Thus from the above discussion it follows that Impact of Employee Productivity Analysis on Service Quality is going to play a critical role in the future especially for Service Industry.

Positive Impacts are encouraging wherein Negative Impacts can be worked upon for betterment. This may serve as a guideline for further scope of research.

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