



## A Comparative Analysis of Dimensions of Public and Private Organizations on their Employees' Satisfaction

### KEYWORDS

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**ABSTRACT** Organizations depend on people for their survival and growth. In a similar way, people need organizations. Along with salary for survival of themselves and their families, they also want to gain recognition and achieve status or to test and stretch their capabilities. This study aims at making a comparative assessment of employees of private vs public organizations on the degree of satisfaction perceived by the employees on socio-economic and political factors, social factors and economic factors affecting HRD. Significant difference was found between the two types of organizations' personnel.

### INTRODUCTION

People are the real assets of an organization if treated well, they can take organization to commanding heights. They employ physical, financial and human resource in order to achieve the goals. These goals have no meaning unless people understand the underlying philosophy, translate them into concrete action plans and put their heart while realizing the targets. Organizations, thus depend on people for their survival and growth. In a similar way, people need organizations. Along with salary for survival of themselves and their families, they also want to gain recognition and achieve status or to test and stretch their capabilities. To meet these multifarious needs, people and organization join hands.

Human Resource Management is concerned with the effective use of people in achieving organizational and individual goals. HRD is a positive concept in human resource management. It is based on the belief that an investment in human beings is necessary and will invariably bring in substantial benefits to the organization in the long run. It aims at overall development of human resources in order to contribute to the well being of them employees, organization and the society at large. In short, HRD aims at helping people to acquire competencies required to perform all their functions effectively and make their organization do well.

There are a number of critical factors affecting the employment relationship that further affect how organizations need to manage their employees. The term "environment of business" refers to the aggregate of conditions, events and influences that surround and affect it. Socio-economic and political factors are also among them. Social factors include age, gender, ethnicity education etc. Differences in these social factors creates workforce diversity in the organization.

The sources of individual variation are complex, but they can generally be grouped into two categories; those over which people have little or no control and those over which they have some control. Individual characters over which a person has little or no control include biologically determined characteristics such as sex, age, certain physical attributes as well as the family and society into which he or she is born. These factors exert a powerful influence on individual identity and directly affect how a person relates to others. In the second category are characteristics

that people can adopt, drop or modify during their lives through conscious choice and deliberate efforts. These include work background, income, marital status, military experience, geographic location and education.

To survive and prosper in an increasingly heterogeneous society, organizations must capitalize on employee diversity as a source of competitive advantage. Managing employee diversity is not a passing fad. Employee diversity can improve organizational functioning by stimulating greater creativity, better problem solving, and greater system flexibility. In a heterogeneous group with a broader and richer reservoir of experiences and cultural perspectives, group think shrinks.

Economic factors being a part of socio-economic factors as a whole include economic growth, interest rates, inflation, exchange rates, globalization etc. These factors affect the HRD process a whole or in parts. Being in the era of globalization joint ventures, mergers, acquisition etc. are not big thing anymore for HR departments to deal with it. It let the companies share talented and diverse employees, intellectual property (such as service process), marketing distribution channels (such as direct sales force) and financial resources. a direct with employee oriented skills of HR online recruitment. It leads to deal with employees oriented skills of HR, such as online recruitment, video interviews, breaking down labor market barriers, communication skills along with dealing stress.

Political factors are also external environments factors like government intervention, tax policy, labor law, environmental law, trade tariffs and political stability, acts of parliaments and associated regulations, environmental and international standards, local governments by and in political factors.

These external environmental factors are lagan and dealt in compliance with the objectives and goals of organization.

### REVIEW OF LITERATURE

S. Jamaledin Tabibi et. al. (2011) stated that the career development path and master plan for education have bilateral relations and these factors relate directly to the factor human resource development activities. Tim Hatcher (2008) said that the impact of politics and power in developing human resources is a product of the changing nature of the global society and workplace and the role of power and politics in this transformation. Richard P. Cincotta and

Robert Engelman (1997) stated that there will be long-term consequences for organizations doing adjustments and successfully coping with stress related to population growth. The authors conclude that the long-term adjustments are based on the natural resources on which present and future societies depend. Rosman Md. Y et.al. (2013) said that external factors that have a direct or indirect impact on HR include economic environment, labour market condition, trade unions, demographic trends and workforce diversity, technology and legal regulations. While in practice, small labour market, undue interference of government and other higher authorities and trade unions are the external factors that affect the role of HR the most.

Staphit (2009) stated that the policy decisions and practices concerning the HRD are made in compliance and view of not only internal factors but of also external environment factors come as precursor to the organization's Strategic Management. The general, external environment consists PEST-NG factors, i.e. Political and Legal, Economic and Labour, Socio-cultural, Technological, Natural and Global forces, which are mostly uncontrollable by the organization management, and yet critical to the organization's performance, success and outcome. Murzidah Ahmed Murad et. al. (2011) said that diffusion of innovation research is supported in Malaysia, external factors should be included as principal determinants of technology adoption. Malaysian manufacturing companies should comprehensively understand external environment factors before making decisions on technology adoption.

**Data Collection**

Sample included 100 employees from private banks and 100 employees from public banks. Five point questionnaire of Likert type was used to assess the perception of employees regarding dimensions like socio economic, political, social and economical.

**Result, Analysis & Interpretation**

**HYPOTHESIS-1:** There is no significant difference in the perception of public and private bank employees regarding socio-economic and political factors affecting HRD.

GROUP	Mean	S.D.	SEd	't' value
PUBLIC SECTOR	67.2	13.75	2.75	7.93
PRIVATE SECTOR	45.4			

Result is significant at 0.01 level and the hypothesis is rejected. Effect of an open economy and globalization provides employees of different social, economic and cultural background; and challenge for HR department to deal with different economic environment and governmental policies. This is being catered in private sector banks with more professionalism than public sector. Training and development programs are being absorbed by the employees of private sector banks with more efficiency in comparison to public sector banks because of hire and fire system in private sector banks.

**HYPOTHESIS-2:** There is no significant difference in the perception of public and private bank employees regarding social factors affecting HRD.

GROUP	Mean	S.D.	SEd	't' value
PUBLIC SECTOR	129.44	10.67	5.01	7.87
PRIVATE SECTOR	90			

Result is significant at 0.01 level and the hypothesis is rejected. Employees represent different, cultural, religious, gender, ethnicity etc. and come from different (far or less) locations; managing them in the diverse conditions is a challenge for HR department. As depicted by mean difference in public sector banks this is being used as an asset to stimulate greater creativity and better problem solving approach. But in private sector banks it is not being capitalized to much extent, which have created a kind of neutral attitude rather than being positive to admit the diversity in using this human resource to increase the efficiency of services being provided.

**HYPOTHESIS-3:** There is no significant difference in the perception of public and private bank employees regarding economic factors affecting HRD.

GROUP	Mean	S.D.	SEd	't' value
PUBLIC SECTOR	129	6.61	4.16	11.05
PRIVATE SECTOR	83			

Result is significant at 0.01 level and the hypothesis is rejected. Globalization and other economic factors like interest rates and inflation are being catered by the HR department of public sector banks very amicably to utilize their human resource and oblige their employees, in fact they are doing it so well because most of the public sector banks are perceived as more secure by public for investment rather than private Banks which are product of globalization (in the form of joint ventures, mergers, acquisitions etc.) and may not be so reliable. Mostly public sector banks are doing their business in the country, employees get all perks which are meant for government employees hence environment prevailing in the public banks are not so strict and employees get more satisfaction because of free environment in comparison of private sector employees where the environment is quite stiff and too systematic to allow people to take break or relax much.

**HYPOTHESIS-4:** There is no significant difference in the perception of public and private bank employees regarding political factors affecting HRD

GROUP	Mean	S.D.	SEd	't' value
PUBLIC SECTOR	127	10.22	4.08	7.84
PRIVATE SECTOR	95			

Result is significant at 0.01 level and the hypothesis is rejected. In any country government and its policies are the main regulating authority for the legislations related to tax policy, labor law, trade restrictions, national and international standards etc.; besides this political stability is also a major factor. Private sector banks being driven mostly by the open market and globalization factor, take decisions for their employees very much in compliance with above said factors but their immediate boss have more say in their matters as compared to public banks. They have to be heard nor action may be taken against employees. Employees' salaries are also lesser than in public banks. No employee can raise his voice against it. He may leave if he wants but will not get better salary than in public sector banks. In public sector banks, RBI rules just as in private banks and politics cannot shuffle the financial laws or standards. Satisfaction is greater in public sector as people

also feel safer from political pressures. There have been cases of politicians getting legal punishment because of frauds in banking functions.

#### Conclusion.

A private bank works as well as public bank but their interest rates, their tax cut etc is much higher than public banks hence people prefer public banks for all their transactions rather than private bank. Next once employed in public banks employees get good money, lots of perks etc, because of which they can lead a comfortable lives. Hence perceptions of public bank employees are more positive as compared to private bank employees.

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