



HUMAN RESOURCES-GOVERNMENT SECTOR VS PRIVATE SECTOR

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ABSTRACT

Human resources, the most important assets of an organization, needs to be managed properly as all other assets are useless without human mind and efforts. Development of human resources will lead to better standard of living, increased literacy rate, more innovations and hence will eventually lead to the growth in the economy and the development of the nation. Generating more employment opportunities will reduce the crime rate too. India has less women labour force which needs to be increased by creating awareness among people about the rights and freedom of women. The paper explains the concept of human resource management and International human resource management and challenges faced by them. It highlights the human resources in Indian, Japanese and European context, and differentiates between Government sector and Public sector in India in terms of Human Resource Management and job opportunities.

KEYWORDS : Human Resources, Workforce Diversity, Brain Drain, Poaching**Meaning**

Human Resources: People at work at different levels and departments of the organisation plus their inherent abilities, acquired knowledge and skills as exemplified in their talents and aptitudes.

Management: Management consists of the interlocking functions of creating corporate policy and organizing, planning, controlling, and directing an organization's resources in order to achieve the objectives of that policy.

Human Resource Management: Human Resource Management is that part of management process which develops and manages the human element of the enterprise considering their resourcefulness in terms of total knowledge, skills, creative abilities, talents, aptitudes and potentialities for effectively contributing to the organisational objectives.

International Management: International Management may be defined as managing the various business functions and co-ordinating them with parent company's overall strategy. It is a process of accomplishing the global objectives of the procurement, allocation and utilization of the human, financial, intellectual and physical resources of the firm within and outside the national boundaries.

International Human Resource Management: International Human Resource Management is concerned with the human resource problems of Multi-national firms in foreign subsidiaries with the unfolding of HR issues that are associated with the various stages of Internationalization process. IHRM is the process of procuring, allocating and effectively utilization of Human Resources in an MNC while balancing the integration and differentiation of HR activities in foreign locations.

Human Resources in Indian context

India, with a population of 1299 million+ has a vast diversity in people, customs, traditions, beliefs, values and cultures. Human Resource Management deals with managing the workforce diversity because a highly-diversified crowd with different mindset and ideologies is observed in an organization, so it becomes the responsibility of an HR Manager to create a conducive environment in the organization for the motivation and development of employees.

According to the **World Migration Report 2018** published by the International Organisation for Migration, the United Nations migration agency, "India has the largest diaspora in the World with over 15 million migrants from India living abroad." This is a challenge for Indian Government so as to retain their talent.

"Our assets walk out of the door each evening. We have to make sure that they come back the next morning" – by N.R. Narayana Murthy

Human Resources in Japanese context

- Lifetime Employment:** This means remaining on the payroll but not necessarily remaining in the same job or same workplace for the duration of one's working life.
- Seniority based pay and promotion:** Employees have largely been recruited from school levels or university graduates rather

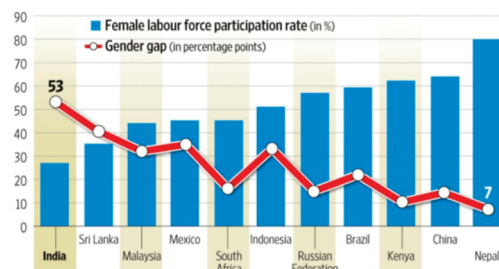
than experienced worker trained by other companies. Training is designed to perform as well as developing skills. Regular pay increases and career advancements are provided on the basis of age and length of the service provided to the company.

- In-House Trade Unions:** Unions comprising all employees in the company regardless of job or occupation reflects the principle of Loyalty, The corporate family and Obedience.

Human Resources in European context

- Culture and legislation:** Culture and legislation includes public funding of labour market programmes, social security provisions, more state intervention in the economy.
- Pattern of Ownership:** Public ownership is still generally more prevalent in the European countries than USA.
- Trade Union Involvements and Consultative Arrangements**
- International strategies normally followed by European firms**

- Re-Engineering:** Business process reengineering (BPR) is the practice of rethinking and redesigning the way work is done to better support an organization's mission and reduce costs. Reengineering starts with a high-level assessment of the organization's mission, strategic goals, and customer needs.
- Re-Structuring:** Restructuring is the corporate management term for the act of reorganizing the legal, ownership, operational, or other structures of a company for the purpose of making it more profitable, or better organized for its present needs. Other reasons for restructuring include a change of ownership or ownership structure, demerger, or a response to a crisis or major change in the business such as bankruptcy, repositioning, or buyout. Restructuring may also be described as corporate restructuring, debt restructuring and financial restructuring.
- Downsizing:** In a business enterprise, downsizing is reducing the number of employees on the operating payroll. Some users distinguish downsizing from a layoff, with downsizing intended to be a permanent downscaling and a layoff intended to be a temporary downscaling in which employees may later be rehired.
- Decentralization:** Decentralization is the process of distributing or dispersing functions, powers, people or things away from a central location or authority.

India needs more women workforce

Source: World Development Indicators

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India has made a progress in reducing its gender gap over the last decade, rising from 98th to 87th in the World Economic Forum's Gender Gap Report 2017.

According to World Bank-India Development Report 2017, "India ranks 120th among 131 nations in Women Workforce."

Reasons for low women workforce in India

- **Illiteracy:** A possible reason could be illiteracy that women are not educated and lacks in skills and hence remain unemployed because most of the corporate jobs and teaching jobs require educational qualifications as their prime most eligibility criteria and failing that is what keeps the women not working and not earning.
- **Less agricultural jobs:** Due to the technological advancements in the agricultural sector, the requirement of the labour force in rural areas is reduced. Less job opportunities give rise to more unemployment among women labour force in agricultural sector in rural areas.
- **Marital issues:** Women, when get married, have to migrate to husband's city and hence need to resign from their current jobs. Sometimes the in-laws family do not allow her to work outside considering the pride issues. Although, nowadays people have become aware about the rights and freedom of women.
- **Maternity issues:** During pregnancy, women have to take long maternity break from their workplace, and mostly have to resign from their jobs to take care of their children. Families also pressurize to leave the job and perform their maternal duties properly.
- **Security issues:** Considering the cases of sexual harassment at the workplaces, a question of security of women is being raised and this is the reason why most of the women do not prefer to take late night shift working hours. To balance the workforce diversity and to reduce the gender gap in service sector, a more safe and secure environment is needed.
- **Exploitation:** Generally, it is considered that women are exploited more than men at workplaces considering the male chauvinism of bosses and the male dominated society of India. That is why there is less female labour force participation in India.

Government Sector vs Private Sector

The mighty Government of India is one of the largest employers in the nation. For the year 2016-17, population in India was estimated to be 1.32 billion+ and about 2.15 crore+ government employees were estimated currently working in India including both state government employees and central government employees, excluding the defence personnel.

1. **Job security:** In the government sector, the chances are very slim that any employees will be retrenched or dismissed due to restructuring or downsizing, although during long slumps or economic depressions large scale retrenchment also hits this sector. Moreover they get frequent increments.

In the private sector however, job security is more based on performance. Private companies also prefer employees that fit in with the company's culture, vision and mission and will without hesitation get rid of employees who don't make the grade. If employees want a pay increase they have to work for it and salary increases are based on the individual's performance as well as the profit margin the company showed for that financial year. Even if you perform well, the changes are that if the company goes through a slump and budget cuts have to be made even top performers are at risk. Obtaining job security in this sector entails hard work, good networking and effective communication.

2. **Job Growth:** In the government sector, job security makes the employees lazy in their job. They are not willing to learn the new technologies and advancements. The individual growth of an individual in terms of skills and talent ceases in this sector.

In the Private sector, the fear of losing job keeps the employees updated and more efficient in their jobs. They are more creative and innovative and the individual growth is more in the private sector.

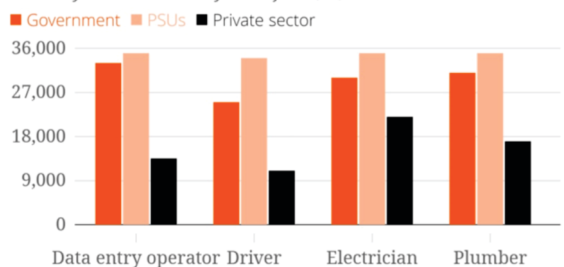
3. **Job Benefits:** Government jobs are known to be better for retirement benefits providing their employees a solid pension

plan. Government employees also get other benefits in their employment lifetime like banking privileges, with often better loan schemes, travel perks and housing allowances that private employees may or may not chance upon.

4. **Job Life balance:** Long hours and no weekends are usually a private sector trend. Since job preferences are directly related to job growth, the work culture promotes a certain level of competition, often unhealthy, to keep up the pace. Government jobs are relatively relaxed, but at the same time falling back on development opportunities.
5. **Job Salaries:** It is a myth that private jobs pay more than government jobs. The reality is that government jobs have quite competitive entry-level salaries. The pay commission revisions have managed to elevate public sector salaries to well within the status of lucrative private sector salaries.

Salaries for various professionals in India after 7th Pay Commission in Government sector, Public sector Undertakings and Private Sector

Monthly salaries at entry-level jobs (Rs)



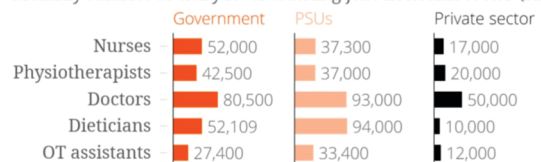
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Data: IIM-A study commissioned by the government

Source: IIM-A study commissioned by the Government

Salaries are comparatively higher in the government sector and public sector undertakings as compared to private sector. The monthly salary given by Public Sector Undertakings to Data entry operator, Driver, Electrician and Plumber (entry-level jobs) is highest in the bar. Although Government sector is also providing high salaries but slightly less than PSUs and Private sector is paying less to employees.

Monthly salaries at entry-level teaching jobs in health sector (Rs)



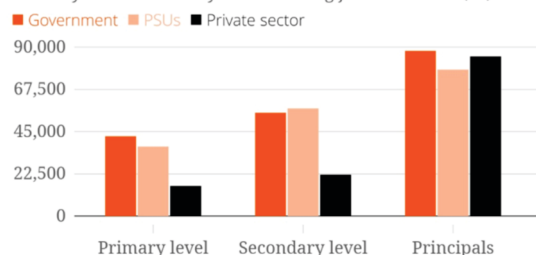
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Data: IIM-A study commissioned by the government

Source: IIM-A study commissioned by the Government

In the health sector, doctors are paid the most in the government sector as well as the private sector. For the nurses and the physiotherapists, the highest salary is in government sector and for the doctors, dieticians and OT assistants; the highest salary is in Public Sector Undertakings. However private sector is paying the least monthly salaries in the said professions.

Monthly salaries at entry-level teaching jobs in schools (Rs)



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Data: IIM-A study commissioned by the government

Source: IIM-A study commissioned by the Government

In the teaching profession, for the primary level teachers and the secondary level teachers, government sector and PSUs are paying almost similar and private sector's salaries are much lower. But for the

Principals, Private sector is paying more than PSUs.

Overall, Government sector employees earn much more than Private sector employees and government job is more secure and hence most preferable sector for youth in India.

Challenges

1. **Brain Drain:** Brain drain is a term for a significant emigration of educated or talented individuals. A brain drain can occur at national level when an individual migrate to another country and at organizational or industrial levels when an employee switch to another organization or industry, generally people do this for better salaries, incentives and upward mobility. Everyone wishes for a better standard of living and better work environment.
2. **Poaching:** Employee poaching is an unethical practice of aggressively recruiting talented employees from competitors. Employee poaching often happens in the IT sector because of high demand technical skills. To overcome this challenge, companies use to make non-poaching agreements with each other, but this practice do not take place any more.
3. **Workforce Diversity:** An HR manager faces the challenge of managing workforce diversity, i.e., the increasing heterogeneity of organisations with the inclusion of employees from different groups such as women, physically disabled persons, retired defence personnel, backward classes, ethnic groups, etc.
4. **Empowerment of Employees:** Empowerment involves giving the employees more information and control over how they perform their jobs. Various techniques of empowerment range from participation in decision-making to the use of self-managed teams.

Conclusion

Human resources are the lifeblood of the business organizations. It is very important for an HR Manager to keep the employees motivated and updated. Huge workforce diversity prevails in India as diversity is based on the religion, race, caste, language, etc. and it needs to be recognized and managed. In India, there is less female labour force participation due to many reasons like Illiteracy, security issues, marital and maternal issues; so an HR Manager has to keep these things in mind and make the organizations safe to work and provide better work environment. Youth has many job opportunities in Government sector as well as private sector, there are different advantages and disadvantages in both the sector; so an individual need to analyse all the facts and choose accordingly due to his personal interests. Although Government employees earn much more than private sector employees and have a rather secured job with many benefits. Individual growth is more in private sector but exploitation is also there in the private sector.

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