

Research Paper

Management



Evaluation of HR Practices in Public and Private Sector Enterprises: A Comparative Study

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ABSTRACT

Of late, it is realized that sound HRD strategies are essential for contentment of the employees on the one hand and organisational effectiveness on the other. Though organisational effectiveness depends on three dimensions –Technical, Conceptual and Human but that organisation which are superb in developing human capital can have competitive advantage in the market. Rational HRD practices have become a key factor in improving operating efficiency and if executed properly tremendous success can be achieved in the field of employees performance and organisational growth.

Keywords : Dimensions, Effectiveness, Growth, Contentment.

INTRODUCTION;

In the pace of economic development of a nation, role of public and private sector is inevitable. Both the sectors are expected to achieve the 'Commanding Heights' in country's structural index but inefficiencies of various kinds have become the 'Hallmark' of the public sector with result its present status has shrunked and its survival is challengeable. Though, there are multiple factors responsible for successful functioning of different enterprises in these sectors for giving flip to country's growth story but rational approach to follow sound HR function is vital among other things. History is witness that success, viability and effectiveness of all type of organisations, irrespective of their sizes and area of functioning depends largely upon better responses of the employees. This is, of course very much possible provided good HR index should be followed by the organisations. In fact, belongingness and loyalty of the employees toward the organisation could further be strengthened if at all they are fully contented and solaced with prevailing HR strategies of the organisation. Inadequacy of any kind in formulation as well as implementation of sound HR index not only tend to lead to lower satisfaction among the human factor but also encourage behaviour that often prove detrimental and dysfunctional to organisational objective which brings complete fiasco. In the present paper an attempt has been made to depict the prevailing trend, variation and impact of HR functions on the behaviour of the employees on the one hand and functioning of the enterprises in both public and private sectors in the state, on the other. In the end certain suggestions have also been made to rationalise and improve the prevailing HR structure being followed by the public sector enterprises.

RATIONALE FOR THE STUDY: The basic premises underlying the impact of HRD practice are:

1. In the age of high technology, people are still the most important asset for the organisation
2. HRD practices are positively linked with performance of the employees.
3. Act and performance of the employees can support the organisation mission, goals and strategies.

PROBLEM STATEMENT: Based on the above explanation, there is ample justification to study the relationship between responsible HR functions and economic output of the public and private organisations.

REVIEW OF LITERATURE: Many researchers have done their studies on the impact of perceived HR practices on employees performance and propounded that responsible HR functions are strongly associated with better employees performance. Shefali Rekh, 1994 amplified that in the present scenario the spiralling pay scale is the best tool to catch holds the best human talent. Alka, 2000 in her study outlined sound wage and salary structure as key tool for enhancing the performance of the employee on the one hand and productivity of the undertaking on the other. Cooke 2007 was of the view that work place strategies should be framed by keeping into view human resource and technological capability for better business result. Bowra, 2012 indicated that performance evaluation and promotion practice are significantly related with performance than compensation and other monetary reward. Other major contribution to the study is by Reddy and Chandra , 2011 and they concluded that employees not always favoured to the incentive plans but also toward other parameters of HR functions like healthy working environment comprising of close relationship, proper information sharing etc. Pallabi and Mishra, 2011 suggested that an innovative HR practice must include rational steps for recruitment and selection, reward sharing, training and promotion for getting maximum out of minimum. Frye, 2004 argued that compensation is key factor in HR matrix which develops the belongingness of the employees in organisational performance. Heywood, 2005 in his study investigated that performance of the employees can be enhanced by complementary human practices like formal training, better pay structure and promotion etc. Kumar, 2000 in his study propounded that attractive HR policies are pertinent for the existence of organization. He further emphasised that for bringing fruitful result these policies should be professionally thought of and strictly implemented.

OBJECTIVES OF THE STUDY: Following are the underlying objectives of the study.

1. To study the extent of prevailing HR practices in the both public and private sector enterprises.
2. To study the desired level of HR functions in the both the sectors.
3. To study the gap between present and desired level of HR strategies in both the sectors
4. To suggest the measures to improve HR practices for betterment of the employees and organizations.

HYPOTHESES OF THE STUDY: Keeping in view above mentioned rationales and objectives in mind, the study attempts to test the following null hypotheses.

1. There is no significant difference between current HR practices of public and private sector organisation.
2. There is no significant difference between expected level of HR services in both the sectors.
3. There is no significant difference between current and desired level of HR functions in both the sectors.

RESEARCH APPROACH: A comprehensive literature review was carried out on HR strategies and policies. Then, two well reputed private sector manufacturing enterprises along with public sector enterprises were selected based on judgemental sampling technique to carry out the study. A questionnaire based on five point likert scale was prepared. The questionnaire was consisting of selected HR functions which were then compiled into 5 main strategies having direct link with the ability and willingness of the employees to work and contribute toward organisational growth. Secondary data have been collected from books, journals, magazines, various internet sites and from research reports which had been presented in the form of review of literature.

RESEARCH TOOL: Following research tools have been used for interpretation of the data collected.

1. Employee profile
2. Mean
3. Standard deviation
4. Coefficient of variance
5. Comparative analysis on the basis of responses of the employees.

DATA ANALYSIS AND INTERPRETATION : Present study is based on the information collected from respondents selected from both public and private sector enterprises. Table 1 depicts the profile of the employee selected for the study. The main objective of this table is to give a brief outlining about sample design. Total 225 employees have been chosen on the basis of stratified random sampling technique in which 115 are from public sector and 110 are from private sector. Table under reference depicts that majority of the employee selected for the present study are male. Among the four main strata prepared, workers and clerks are in equal number (70), followed by supervisors (50) and managers (35). Majority of the employees are graduate. There are 50 employees who are having post graduate degrees. Remaining 75 employees are matriculate and 10 are under matric.

Table 1. Profile of the employee selected.

S. No.	Sector	Number of respondents	Percentage to total
Sector			
1.	Public	115	51.11
2.	Private	110	48.89
	Total	225	100
Gender.			
1.	Male	195	86.67
2.	Female	30	13.33
	Total	225	100
Designation			
1.	Managers	35	15.55
2.	Supervisors	50	22.22
3.	Clerks	70	31.11
4.	Workers	70	31.11
	Total	225	100
Education qualification.			
1.	Master	50	22.22
2.	Bachelors	90	40.00
3.	Matriculate	75	33.33

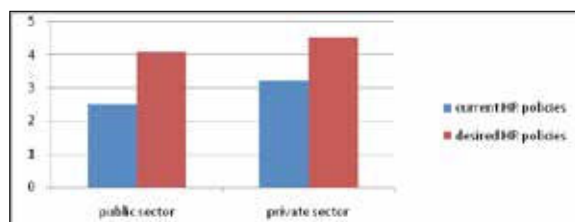
4	Under matric	10	4.44
	Total	225	100

In Table.2 mean score of the respondents about prevailing HR index have been presented. Collected data shown in the table indicates that mean score of all the employees on current HR index in private sector is on higher side (3.2) whereas mean score of their counterparts working in public sector is on the lower side (2.5). It was found that employees in private sector are in better position as they are getting good chunk of HR services. Despite the fact that they are in better position they still have expectations about improved HR function which can easily be judged from the mean score about desired level of HR functions (4.5). It is pertinent to note that though public sector employees have little less expectation towards the HR function but prevailing gap is signal that there is need to bring improvement on the priority basis so that they could not be lured by other other employers.

Table 2. Mean score about current and desired HR functions in both the sectors

Sectors	Respondents	Mean Score Current HR functions Desired HR functions
Public sector	115	2.5 4.1
Private sector	110	3.2 4.5

Figure 1. Gap in Current and desired HR practices in both the sectors



Summary of Standard Deviation and Analysis of Variance for testing the mean difference in HR functions both in public and private sector have been depicted in Table 3 and Table 4. Study shows a significant difference of variance in responses of the employees selected from two different sectors. It can be inferred from the study that there is a difference in prevailing HR functions in public and private sector organisations. Present study support the hypothesis that there is a significant difference in present as well as desired level of HR practices in both the sectors.

Table 3. Trend of variation in current HR functions in both the sectors

S.No	Sector	Standard deviation	Coefficient of variance
1	Public	17.80	14.58
2	Private	20.44	15.83

Table 4. Variation in desired HR functions in both the sectors

S.No	Sector	Standard deviation	Coefficient of variance
1	Public	20.82	10.68
2	Private	22.87	16.26

CONCLUSION:

According to present study there is gap in prevailing HR services and desired HR services provided to both public and private sector employees. The study further depicts that principle of equity is not followed with the result the employee are not satisfied from their employers. Though the position is less serious in private sector as gap worked out between present and expected level of HR services is small but still there is need that the matter should be taken care off..

SUGGESTIONS:

Sound and rational human resource management practices are pivotal for success of any of the organisation. Though or-

ganizations are run by combination of human and material resource but of course it is the contentment of human factor which makes sure the effective utilization of other resource which than contributes in the growth index of the organizations. According to the findings, private sectors undertakings are providing better HR services than public sector undertak-

ings that is why private sector undertakings are shining where as many of public sector undertaking are shrinking as few are at the verge of closure. Albeit there are numerous other factors that can be responsible for this situation but better HR practices are paramount among others for facing hyper competition.

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