

Measuring Human Resource Functions: A Comparison of Public Sector and Private Sector Organisations

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Abstract

Present study is an attempt to assess gap, if any, between the current service level HR practices and desired service level HR practices in two different categories of business organizations- public sector and private sector organizations. Data was collected from the employees of public sector and private sector organizations. Questionnaire method was used to collect responses from the respondents. A current level HR practices index was computed by adding all the items of the questionnaire. Statistical technique t-test was used to analyse the data. Result of t-test showed both organizations differ significantly on the current level HR practices. Further, it was found that public sector and private sector organizations differ significantly on HR dimensions – Strategic HR, Human Resource Planning, Training and Development, Safety, and Industrial Relations. However, no difference was observed between the two groups on HR dimension- Recruitment.

Introduction

One of the most valuable resources of an organization is the human resources. They are the initiators and controllers of all major activities. Therefore, management of human resources is equally important like that of marketing management, production management, financial management and operational management. The purpose of human resource management is to establish and maintain sound relations at all levels of the organization and to secure the effective use of personnel by ensuring such conditions of employment as well as to attain for these personnel, social satisfaction which they tend naturally to seek within their working environment (Dudeja,2000). Major functions of a HR department are selection and recruitment of human resources; planning of its human resources; organizing training and development programmes for its employees; appraising performance of the employees; analyzing work related behavior;

wage and salary administration; compensation management; maintaining industrial relations, creating safety work environment; collective bargaining; and performing legal duties. It is responsibility of the HR department to develop competent workforce who can convert challenges into the opportunities. HR departments act as the facilitators for meeting the challenges faced by the employees. In an age of cost effectiveness, HR department plays crucial role in optimum utilization of human resources with improved productivity. The department undertakes different activities to create a network of committed, satisfied and motivated workforce. It also has significant role in creating an employee friendly and conducive atmosphere. The department makes policies and ensure their honest implementation. Policies are made to execute day to day activities of the organizations. The functions of HR department is not confined to a particular department. Rather, across the organization it has significant roles to play. It is evident that many activities are undertaken by the HR department. These activities need continuous evaluation. Quantitative methods are rarely used to evaluate HR functioning of an organization. It is ,therefore, essential to asses current service level of HR functions offered by the HR Department. Is it satisfactory ? Is it delivering the services as desired ? There are several such questions arise in the mind of the researchers. Present study, therefore, is an attempt to find out the extent of delivery of HR functions by the public sector and private sector organizations. Further, it is aimed at comparing both public sector and private sector in terms of their delivery of HR functions.

Review of Literature

Measurement of human resource functions of the business organizations are not much researched so far. Thus, the area has wide scope to undertake further researches. Some researchers undertook researches which have direct or indirect relevance relating to the topic. Findings of such studies are presented. According to Bonadio(2009), HR leaders are constantly seeking to improve insight into workers effectiveness. The challenges has been enablement and empowerment. The key findings are importance of strategic cross –functional metrics, and the need for a single, fully –connected people management platform to drive continuous workforce and business improvement. Cooke(2007), emphasized workplace strategies as the integration of human resource and technological capabilities. Farh et.al.(1995) identified major social and economical trends that directly affect the management of human resources and discussed the key implications of these trends with regard to personnel planning, recruitment and selection, training and compensation. Garavan et. al .(2004) examined the concept of HRD from the individual, organizational and community/societal levels of analysis. The paper highlights both the distinctiveness and usefulness of each level of analysis, identifies tensions within and between them, and outlines differences in underpinning assumptions, characteristics of HRD provision and delivery of HRD interventions. By adopting this approach, the authors drew the attention to

variations in meaning, intent, content and practice with implications for developing both the theory and practice of HRD.

According to Rao, the HRD function has gained a lot of momentum in the last decade. An earlier survey conducted in 1984 indicated that a number of HRD sub-system were being initiated in Indian industry. A detailed questionnaire was developed covering 94 different activities or tasks the HRD staff or those in-charge could undertake in any organization. This questionnaire was administered to 61 HRD staff from public sector and private sector organizations. The questionnaire assessed how well each of the 94 activities/tasks is being performed as perceived by the respondents. Their assessment indicates there are more similarities than differences in the way the HRD function is being performed in both public and private sector organizations. The study also indicates that conducting human process research, mobilising unions and associations to play a role in HRD and effective monitoring of HRD implementation are perceived as being performed inadequately in these organizations. Overall, while HRD function has caught up, it has a long way to go to be near “excellence”. In the words of Chandra Sekhar, human resource planning as a strategic issue of HRM is considered very crucial for repositioning organizations in the context of changing business environment. Further, in response to the ongoing restructuring, human resource planning requires integrating a firm’s strategic challenges with human resource strategies and practices. This study intends to explore the status of human resource plan a large database of public sector and private sector undertakings. HR functions from 57 companies responded the questionnaire which includes scales to measure the extent to which HRP practices are considered in their organizations. On comparing the controlling for the levels of functions of the public sector were found to be more active in their HRP activities than their private sector counterparts. However, the mean variations on HRP activities have not reached the statistical levels of significance indicating HRP orientation and HRP activity profile are global in nature rather than specific type of organization.

Research Methodology

Prime objective of the present research is to study the extent of implementation of HR practices with respect to the current service level and desired service level of HR practices in public sector and private sector organizations.

Specific Objectives

1. To study the extent of current service level of HR practices in public sector organizations.

2. To study the extent of current service level of HR practices in private sector organizations.
3. To compare public sector and private sector organizations with respect to current service level of HR practices.

Hypothesis

Keeping the above main and specific objectives in mind following hypothesis was formulated and tested:

There will be a significant difference between public sector and private sector organizations as regards to current service level of HR practices.

Tools Used for Data Collection

Questionnaire method was used to collect data from the respondents. The questionnaire was developed to measure current HR practices followed in different business organizations. A HR Practice index was computed by adding the score of all the twenty statements. Each statement is rated with a five point scale i.e. strongly disagree(1), disagree(2), neither agree nor disagree(3), agree(4), and strongly agree (5). The minimum score is $1 \times 20 = 20$ and the maximum score can be $5 \times 20 = 100$. Thus, the total scores ranges from 20 to 100 points. Minimum score is $1 \times 20 = 20$ and maximum score is $5 \times 20 = 100$. For the present study ,

Desired Level of HR Practices has been considered as $= 4 \times 20 = 80$ score.

Excellent Level of HR Practices has been considered as $= 5 \times 20 = 100$ score

Sample

Random and convenient sampling technique was used in this research to collect data. A total of 100 respondents were contacted from the population. Out of 100 respondents, 50 are from public sector and 50 are from private sector organizations.

Research Design

Data were collected from one hundred employees drawn from public sector and private sector organizations. For testing the differences on present HR practices between employees of public sector, and private sector, the sample was divided as below:

Public sector= 50

Private sector= 50

Current Service Level of HR Index: The index is computed by adding the score of all twenty statements of the questionnaire. That is, current service level of HR index = $Q1+Q2+Q3+Q4+Q5+Q6+Q7+Q8+Q9+Q10+Q11+Q12+Q13+Q14+Q15+Q16+Q17+Q18+Q19+Q20$. Here Q1 refers to statement no 1 in the questionnaire and Q2 refers to statement no 2 and likewise. The mean score of a group on current services level HR practices index has been computed on the basis of the responses given by the respondents of the same group. One group is compared with other group on the basis of the score obtained by each group. Maximum score and minimum score of the scale are 100 and 20 respectively. Desired level services of HR has been calculated as 80 points (as $4*20=80$). The score above 80 is excellent i.e. the current HR services offered is excellent.

t- test was used to observe difference of means between the public sector and private sector organizations.

Results

Present study is an attempt to assess current HR practices followed in public and private sector organisations. Further, attempt has been made to assess gap, if any, between the current service level of HR practices and desired service level of HR practices in the said categories of business organizations.

In table-1, mean scores and standard deviations and t- score public and private sector organizations on current service level of HR practices are presented. According to the results the t-test score is 4.22 which is significant. This finding indicates that mean score of public and private sector as regards to the current service level of HR practices differ significantly. The results indicate that HR services offer by the public sector is better than the private sector organizations. This is evident from the mean scores presented in the table-1. This finding supports the hypothesis that there will be a significant difference between public sector and private sector organizations as regards to current service level of HR practices.

Table-1

Mean Score, Standard Deviation and t-test Score of Public and Private Sector Organisations on Current Services Level of HR.

Type of Organisation	N	Mean	Standard Deviation	t-test
Public Sector	50	71.6	2.22	4.22**
Private Sector	50	69.4	1.87	

Table 2

**Mean Score, Standard Deviation and t-test Score of Public and Private
Sector Organisations on Strategic HR.**

Type of Organisation	N	Mean	Standard Deviation	t-test
Public Sector	50	13.5	1.05	8.2**
Private Sector	50	15.4	1.23	

Table-3

**Mean Score, Standard Deviation and t-test Score of Public and Private
Sector Organisations on Human Resource Planning**

Type of Organisation	N	Mean	Standard Deviation	t-test
Public Sector	50	9.7	.85	9.36**
Private Sector	50	11.4	1.01	

Table-4

**Mean Score, Standard Deviation and t-test Score of Public and Private
Sector Organisations on Recruitment**

Type of Organisation	N	Mean	Standard Deviation	t-test
Public Sector	50	11.2	.91	.562
Private Sector	50	11.3	.86	

Table-5

**Mean Score, Standard Deviation and t-test Score of Public and Private
Sector Organisations on Training and Development**

Type of Organisation	N	Mean	Standard Deviation	t-test
Public Sector	50	17.8	.72	10.86**
Private Sector	50	15.8	1.12	

Table-6

**Mean Score, Standard Deviation and t-test Score of Public and Private
Sector Organisations on Safety**

Type of Organisation	N	Mean	Standard Deviation	t-test
Public Sector	50	7.7	.44	12.98**
Private Sector	50	6.3	.64	

Table-7

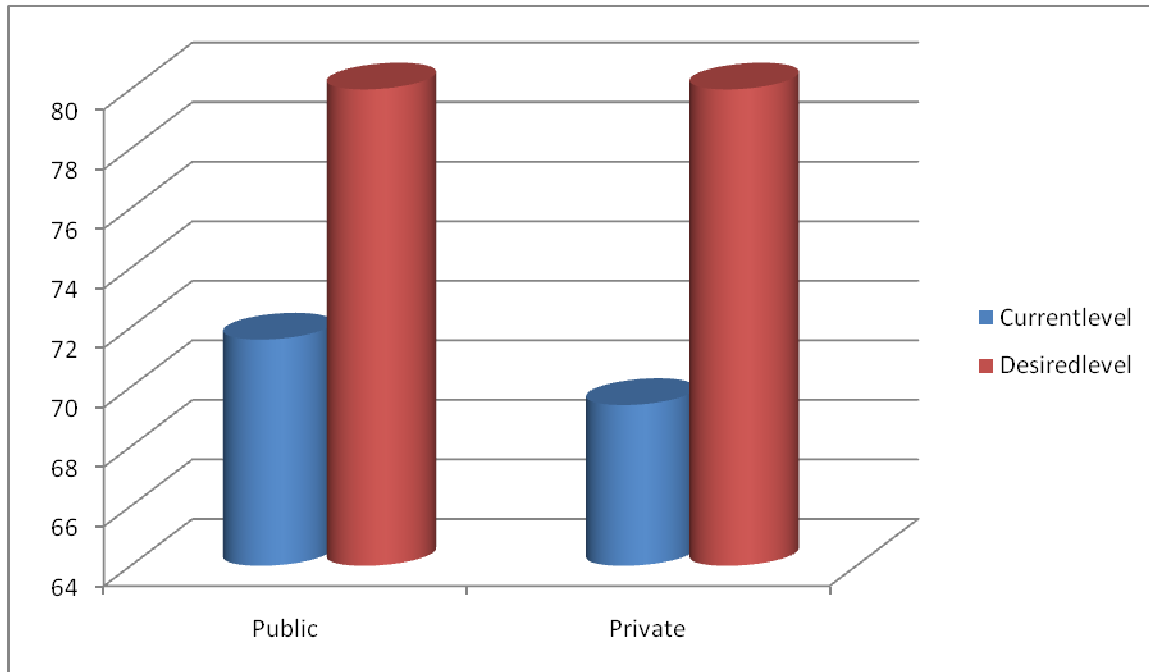
**Mean Score, Standard Deviation and t-test Score of Public and Private
Sector Organisations on Industrial Relations**

Type of Organisation	N	Mean	Standard Deviation	t-test
Public Sector	50	11.5	.67	10.32**
Private Sector	50	9.6	1.17	

When current service level of HR practices and desired service level of HR practices are compared, both categories of organizations showed a clear cut gap between current and desired service level of HR practices. The gap was found more in the private sector as compared to the public sector organizations (Graph-1). Mean score of public sector on current service level of HR practices has been found to be 71.6 as against desired level 80. Similarly the mean score of private sector organizations on current level service of HR practices has been found to be 69.42 as against desired level 80.

Graph-1

Gap between the Mean Scores of Current Service Level of HR Practices and Desired Service Level of HR Practices between Public Sector and Private Sector Organisations.



The results presented in table -2, table-3, table-4, table-5 , table-6 and table-7 show the t-value of public sector and private sector organizations on six HR dimensions like strategic HR, human resource planning, recruitment, training and development, safety and industrial relations. According to the result presented in table-2, a significant difference was observed between the two organizations on the dimension like strategic HR. But the mean score of private sector has been found to be more than the public sector. This finding may be due to the reason that private sector gives more emphasis on strategic HR. It seems such organizations believe it is important for the survival specifically in a highly competitive age. Similarly, significance of difference was observed between the two groups on HR dimension- human resource planning. The t-value has been found to be significant. In order to achieve excellence, private sector has been giving top priority on human resource planning.

This is essential as they are forced to downsize the number of the employees to reduce the cost on human resources. There is no significance of difference between the two groups on HR dimension- recruitment, as the t-value is not significant. It seems both type of organizations are giving equal weightage on training. As per the results presented in table-5, table-6 and table-7, significant difference was found between the two groups on HR dimensions like training and development, safety and industrial relations. The t-values are found to be significant. The findings also show that the mean scores of public sector organizations are higher than the mean scores of private sectors. The findings may be because of the reason that public sector organizations have higher budgetary provision as compared to private sector organizations on training and development.

Conclusion

HR policies refer to the policies relating to personnel, administration and developmental activities. They are formulated aligning with the objectives and goals of the organizations. Apart from these policies some other activities are also undertaken for the development and management of the human resources. They are also undertaken for the effective utilisation of the human resources. HR policies and activities are also vital for every organisation. It includes recruitment, development of human resources, compensation management, maintaining industrial relations etc. Therefore, the HR services offered by an organizations has a far reaching impact in the functioning and administration of the business organizations. The findings in the present study show that both public and private sector organizations are lagging behind the desired level of the HR services offered by them. They need to reduce the gap between the current service level of HR practices and the desire service level of HR practices. This can be done by offering effective HR services to the employees. This way they can build a strong and committed workforce who can effectively face the challenges arising out of cut throat competition.

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