

The Psychological Influence of Human Resource Management Practices on India's Public Sector Enterprises

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Abstract

Human Resource Management (HRM) in the public sector establishes that HRM is a major influence on different sectors to change in a positive way. Implementation of HRM in the public sectors of India will improve the institutional policies and organisational growth which will help them to improve their position in the market in a global context. In this digital era, the HRM process has been improvised over time and all these have impacted the employees and also impacted the organisation growth of public sectors in India. Thus, in this study, the researcher has discussed all the necessary aspects of HR management in the public sector of India and how HRM practice in the public sector improves the working quality of organisations to establish a better understanding of the research study. Besides that, to improve the quality of the research **secondary qualitative data** has been collected from authentic sources such as newspaper articles, journals and many other resources and **thematic analysis** has been done throughout the study to improve the quality of the research study.

Keywords: HRM practices, private sectors, organisational growth, institutional management

1. Introduction

The bureaucratic and management models of public sectors and their activity are compared to discern the ways in which the employment and organisational issues are conceptualised in every model to improve their organisation's growth in the global market. The changes in the public sector over the past two decades had a significant impact on employees of public sector organisations in India. The central focus of HRM is to manage people who are associated with the work frame, maintain the working process of the organisation, manage the employee-employer relationship, and maintain the working environment and many others to improve the working quality of the organisation.

Implementation of HRM principles in the public sector, however, displaced the traditional model of personnel administration; apart from that it has many other positive impacts on organisational growth. The HRM in an organisation provide advanced strategies to cope with the competitiveness of the outside world to improve the organisational position in the global market but with the constant shift in strategies sometimes affects the business negatively. The implementation of HRM in public sectors has positively improved the organisation's working process and has also improved the position of the organisation's position in the global market. Thus, in this study, all the necessary information about HRM in the public sectors of India has been evaluated in a detailed manner by the researcher of this study to establish a better understanding of the study and provide an effective research study for further studies.

1.1 Rationale of the study

The success of organisations depends on the efficiency of the workers and employees and also depends on their job satisfaction levels. Job satisfaction is directly related to an employee's performance and productivity and the HRM

helps to maintain them to improve the organisation's growth rates and promote their products in the global market. In the 19th century, the improvement of the employees in the work firm was a key issue of the private sector in India. In recent times, employment in the private sector has increased over time which has improved the productivity of private organisations in India. On the other hand, as employee engagement has increased over time it created a chaotic situation in the chaotic organisation and managing them was hard but the implementation of HRM in those private forms has managed all the problems of the employees and positively improved their working process as well as the organisation's position in the global market.

There are some HRM issues in private firms in India such as **financial constraints, retention of skilled workforce, lack of knowledge about HR management, poor pay, inability to recruit** and many others. Apart from that, lack of employee consultation, lack of top management support, and lack of ethics and attitudes of employees regarding their work have been seen in the private organisation which can be marked as HIRM issues of the probated organisation. The market size of the Indian HR technology market was around 1.1 billion dollars in 2021 and in the same year, the HR technology market hired advanced technology for around 480 million U.S. dollars (Sun, 2022). In this study, all the perspectives of HRM practices in the private firms of India have been evaluated in a detailed manner by the researcher of this study.

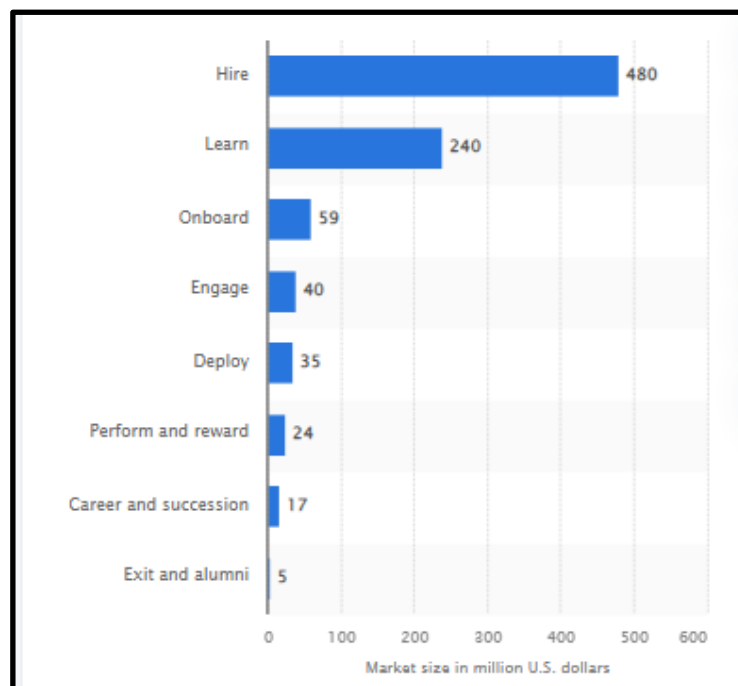


Figure 1: The market size of HRM technology in India in 2021
(Source: Sun, 2022)

1.2 Limitations of the study

The study on the “*Influence of human resource management on public sector enterprise of India*” relies on qualitative data. Due to a shortage of funds, the researcher was unable to collect quantitative data. The primary quantitative data collection can be beneficial for the study to get more reliable and authentic statistics which may help to enhance the effectiveness of the study. The respective research study was also conducted in a limited time which affects the whole research and data collection and analysis process along with its outcome. This limitation can be mitigated through proper planning and time management. Future researchers should be aware of these limitations in their work to improve the quality and increase the reliability and validity of the research.

2. Literature Review

HRM is the backbone of any organisation as HRM has a different important role in the organisation. HRM in the public sector is concerned with recruiting, developing, training and managing employees to achieve the organisational goal more effectively. The majority of Indian public sector enterprises nowadays use data analytics tools to evaluate the performance of individual employees which is a crucial task for HRM. The HRM team of any organisation ensures the organisation has the right people with the right skills to meet organisational goals and achievement effectively. The HRM involves recruiting the workforce, formulating job descriptions, and developing recruitment strategies to encourage and attract qualified candidates towards the organisation and help the organisation to achieve organisational goals. Effective human resource management strategies in public sector enterprises are also important to enhance employee engagement and improve job satisfaction among employees by providing them valuable and good salary packages and other opportunities which help the company to achieve their goals more effectively. A survey in India shows that a huge number of employees prioritise job satisfaction which signifies that HRM has a huge role in enhancing job satisfaction among employees (**India-briefing.com, 2020**).

Human resource management is an essential aspect of any organisation but HRM has different factors that affect HRM practices in a positive and negative way. The accomplishment of technology, availability of good talent, work environment and training and development programs are the key factors that can affect human resources management in a positive and negative way. In India nowadays “artificial intelligence” (AI) becomes a standard tool for HR recruiters which help them to find a better candidate to enhance the productivity of the organisation (India-briefing.com, 2020). Human resource management in public sector enterprises of India provides good policies and strategies that help the organisation to get a competitive advantage which is essential for improving the organisation's position in the competitive Indian and global market. HRM practices in private organisations in India provide employment contracts, providing maternity and paternity leave, establish a positive work environment, termination of employment, and prevent sexual harassment at the workplace, gratuity and provident funds, the adaptation of digitalisation in the organisation and many others to improve the profitability of the organisation.

An effective HRM process is also important to enhance the productivity and performance of the employees as it focuses on useful strategies, recruitment, and employee engagement for the individual organisation. In order to fulfil the requirement of implementation of effective HRM practices in any organisation, the management team need to keep in mind the corporate social responsibilities and they also need to focus on the performance management of the employees to enhance organisational productivity and reliability among the consumers which is essential for any business. The primary objective of HRM is to perform an effective recruitment process and increase employees' productivity to enhance organisational performance. The HRM also helps to create a suitable working environment and provides employees with different opportunities to enhance their motivation towards their job which is essential for any organisation to achieve their goals and objectives effectively.

3. Methodology

3.1 Research philosophy

Research philosophy is an important and essential part of research methodology as it constructs the ways in which the researcher is able to think about the phenomenon of the research study to conduct a proper research paper with reliable knowledge about the research topic. The **interpretivism** philosophy is based on the assumption of the researcher about the real and social structure of the research topic which helps to improve the research quality. In this study, the interpretivism research philosophy has been followed to have an insight view of the social structure of the research study.

3.2 Research approach

The research approaches provide different strategies for the researcher in which they assemble the research study by collecting data and analysing the gathered data by interpreting it. The **inductive** approach in the research methodology suggests ways in which the researcher can collect data and analyse it to draw the conclusion of the research study by going through the specific to the general information that is gathered as the study materials of the

research topic. Thus, the inductive research approach is best suited for this study as it helps the researcher in analysing the gathered data in a systematic way by going through every detail of the gathered information to improve the quality of the research about the phenomenon of the study.

3.3 Research Design

Research designs provide the necessary tools and techniques to the researcher that are needed while conducting the research study. The *exploratory* research design is a research method that explores the research questions and establishes a better understanding of the research topic by answering all the answers to the research questions. In this study, an exploratory research design has been followed as it helps the researcher in conducting the research study in a proper way by exploring all the answers to the research questions.

3.4 Inclusion and exclusion criteria

Inclusion and exclusion criteria filter the gathered information to improve the quality of the research study and provide an effective research study. Through the inclusion criteria, the researcher has gathered information from authentic and reliable sources such as newspaper articles, journals and many others. Through the exclusion criteria, the researcher has excluded all the information that is not in the English language and also some information that is published before 2018. Apart from that, the researcher has excluded information from doctoral papers, conference papers, advertisement sources and many others.

3.5 Data collection and data analysis

Data collection is an essential part of the research method as it provides strategies for the researcher in which the pieces of information about the phenomenon of the study will be gathered. The secondary data collection method is collecting data from previously available sources such as newspapers, journals and other sources. In this study, secondary data collection has been followed and gathered data has been analysed in the thematic analysis as the gathered data has been divided into different themes to interpret the data in a proper way. Apart from this. The study has followed all the ethical principles and maintained all the ethical considerations to conduct a proper research study.

4. Results and Discussion

4.1 Role of Human Resource Management in the public sector

Human resource management is an important part of the organisation and it plays a critical role in the public sector, which includes government organisations, public institutions and non-profit organisations. Human resource management in the public sector is concerned with recruiting, developing, training and managing employees to achieve the organisational goal more effectively. The key role of HRM in the public sector is for ensuring that the organisation has the right people with the right competencies and right skill sets to meet organisational goals (Abdeldayem and Aldulaimi, 2020). The HRM involves identifying the recruitment of the workforce, designing job descriptions and developing recruitment strategies to encourage and attract qualified candidates and that is essential for public sector enterprises in India. Besides, HRM in public sector enterprises is responsible for providing employees with training and development programmes that enhance job employee performance and prepare employees for future responsibilities. HRM also plays a critical role in managing the employee's relationship with the management team and helps to resolve different conflicts in the organisation which is essential for the betterment of the organisation. Considering this, HRM in Indian public sector enterprises also plays a vital role to enhance employee engagement, and job satisfaction among the employees and providing different benefits packages to the employees which help the organisation to grow in the competitive business environment.

4.2 Factors that are affecting HRM in India

“Human Resource Management (HRM)” is the most remarkable feature of any organisation that requires an impactful employee management process. There are some factors that affect HRM practices to make the employees as well as the organisation attempt towards success.

- *Accomplishment of technology:*

Implementation of HR technology has great power and is identified as the most useful factor that affects HRM. In this modern world, a collaboration of modern technology is required essential as it helps to turn every HR function into an automotive way. The efficiency and productivity of the organisation can be increased in a positive manner.

- *Availability of good talent:*

Due to having good talent, HR can use the available resources in a perfect way to gain profits. In addition to that, in taking effective decisions for employee well-being and organisational development HR needs to practice good talent to improve skills and knowledge.

- *Work environment:*

In any business organisation, the work environment is an important element that can influence productivity and also encourage any activity in a positive way. Developing the HRM process in a better way, the conventional office environment is highly essential as it helps employees to increase their interest to implement HRM perfectly.

- *Training and development:*

Training and development programs are the most crucial requirements to boost employee engagement and increase efficiency. In order to continue practicing and participating in training sessions, HRM can provide win-win solutions to the organisational obstacles to make a beneficial outcome.

4.3 Identification of key HRM practices in private organisations in India

Good Human Resource Management provides good policies to gain competitive advantages in the global market which impactfully improves the organisational position in the global market. The establishment of HRM in the private sector in India has widely improved the organisation's position in the market and also positively manages employee engagement in the organisation. However, there are some key HRM practices in the private organisations of the country such as ***providing employment contracts, termination of employment, providing maternity and paternity leave, establishing a positive work environment, preventing sexual harassment in the workplace, gratuity and provident funds, the adaptation of digitalisation in the organisation*** and many others to improve the workforce of the company.

Providing contracts with laws for the employees will help the HR team of the organisation to build a positive work frame and improve the quality of the workforce of the company. On the other hand, providing maternity and paternity leave will help the HR team to maintain employee engagement in the workforce. Apart from that, providing a safe working place for women employees is much needed for any organisation and providing strict laws to prevent sexual harassment in the workplace will help the HR team maintain the trust of the employees working in the organisation (**Kumar, 2019**). Thus, all these key HRM practices help to maintain the private working firms of India and improve their position in the global market.

4.4 Positive impact of HRM development in influencing performance management

HRM development process on organisational productivity is highly remarkable as it is applicable to enhance productivity. HRM development is an effective function that focuses on useful strategy, employee encouragement, recruitment, and keeping competitiveness for the individual organisation. There is a positive connection between HRM practice and organisational commitment. In order to fulfil the requirement of implementation of effective HRM practice in the organisation, “corporate social responsibility (CSR)” has a great role to be played (**Hee and Jing, 2018**). “Performance management” refers to the process of setting measurable and clear objectives for work which can help HR to fulfil them by implementing the right business strategy. However, the “performance management” process is identified as an important “managerial and human resource tool” that can be proven effective by the influence of the HRM development process.

In this regard, depending on the HR development process, executing strategies, and ensuring employee performance can be possible to record to influence overall performance management or the specific organisation. Therefore, HR plays a vital role in implanting organisational practices to manage the performance management process. In addition to that, setting the organisational goal and providing an effective strategy to meet the goal also depends on the HRM development process. Identifying and praising the exceptional talent of the employees in HR can keep the employees motivated to chive the potential goal in the given time to manage the competitiveness of the organisation against the existing competitive business market in India.

4.5 Contribution of HRM practices in achieving organisational success and strategies

HRM has a critical role in achieving organisational success as it attracts, motivates and retains a talented and productive workforce. HRM practices have a significant impact on improving employee engagement, job satisfaction and organisational performance. The recruitment and hiring process is an important part of any organisation and the HRM team plays a crucial role in this process. Indian public sector enterprises use different technologies to blacklist CV fraudsters and emphasise background checks which is an important task of HRM (**India-briefing.com, 2020**). Performance management of employees is a vital task for any organisation to increase its productivity which is essential for achieving organisational success. The HRM helps to create a positive working environment for the employees and provides them with opportunities in the organisation to enhance their productivity which is an essential aspect of achieving organisational success (**Saeed et al. 2019**). A survey conducted in India by “Randstad”, a human resource consulting firm shows that around 46 per cent of employees prioritise work-life balance in their job, which signifies HRM has a huge role in enhancing job satisfaction among the employees of public sector enterprises in India (**India-briefing.com, 2020**). In order to improve the contribution of HRM in achieving organisational goals, organisations are required to invest in employee development to ensure that employees have the essential skills and knowledge to perform their jobs effectively and the organisation also need to evaluate regularly and improve HRM practices to ensure that they are effective in achieving organisational goals and objectives.

5. Recommendations

Human resource management is an important part of any organisation to enhance organisational performance and achieve organisational goals effectively. Public sector enterprises of India widely rely on HRM for structuring the working environment in favour of employees which is important to increase organisational performance. Here are some recommendations to improve the effectiveness of HRM along with the performance of public sector enterprises in India.

- The HRM team needs to develop strong HRM strategies to ensure different HRM policies and procedures which are essential to reach the organisational goal.
- The organisation is required to include advanced technology in the existing HRM mode to effectively track and identify the issues.
- HRM team has to align business strategies with internal and external factors which helps them to understand what to do and what not to do in the organisation.
- HRM teams also need to hire the right people with the right set of skills as per organisational requirements.
- The management team of the organisation has to be proactive and they need to keep an eye on what competitor companies doing with their HRM.
- HRM also need to evaluate every employee to understand where they need training and after evaluation HRM team need to execute training programmes effectively to give benefits to the employees.

Implementing these recommendations to the public enterprises of India can enhance their productivity, job satisfaction among the employees and business outcomes that help them to achieve wider organisational goals and achievement.

6. Conclusion

Human resource management (HRM) is a critical function in any organisation for managing the most valuable assets of the organisation such as its employees, financial resources and other important resources that have a huge role in the organisation. An effective HRM practice can help organisations attract, retain top talents and create a positive work culture, and drive business outcomes. In order to improve the existing HRM strategies, organisations need to focus on developing comprehensive HRM strategies to hire and retain the right talent for the organisation. HRM team also can implement different technical tools and techniques to evaluate employees' performance which helps them to formulate new HRM strategies for the organisation. Public sector enterprises of India are widely dependent on talented and skilful employees and the HRM team of the organisation can help the organisation to hire skilful and efficient candidates to meet organisational objectives. In a rapidly changing business environment, the ability to effectively manage and develop human capital is essential for every organisation and HRM is only responsible for that.

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