

Quantitative analysis of HRM components: A case Study in Public Sectors

*Roopali Bajaj, ** Shalini Sinha

*Professor, Faculty of Management, VNS Group of Institutions, Bhopal;b.roopali007@gmail.com,

**Professor; NRI, Bhopal;sinha.pummy@gmail.com

Abstract

This study aims to conclude the main findings from the research carried out by both primary and secondary research of the study of some Human Resource (HR) components in Public Sectors. The study tries to find the crucial HR components which are going to affect the Employee Relationship in an organization and the quantification of those components especially in Public Sectors. The quantification shows that some components are negatively related and they need to be seriously attended and some are positive but if paid more attention can benefit PSUs on improved level.

Key Words: Human Resource Management, Employee Relation, PSUs , Quantification.

Objective

The objective of this study was to explore the status of Employee Relationship Management as it exists in various PSUs, to understand the relationship of ERM with its determinants in the organization studied. The study has discovered and established that status of ERM in the state PSUs is not very good; measures of HR practices are not being implemented as they should be.

Introduction

There has been a marked shift in Employee Relations in Indian context with transformation from a closed regulated economy to open globalized economy commitment in the principles and philosophy of managing people. There are changes in many areas including market, technology compensation and workplace governance hence there is need to improve Employee Relations in organizations. The focus of the study was to explore the status of ERM as it exists in various PSUs and for this it was important to know the significance of HRM in organizations. Since Human beings are different from any resources as they have not only physical attributes but mental attributes as well and is a complex dynamism therefore it needs to be handled carefully. No organization achieves success without human resources as in this world of globalization organizations need to have competitive advantage and this is possible only through the specialized skills and knowledge that the employees possess. The other resources can be managed in this era of modern world but specialized skills and knowledge are major strengths of organization. Therefore, HRM is important for increasing productivity and efficiency for an organization.

For an organization to perform better, it is necessary that the complex dynamic Human Resource shares a good and healthy relationship as every individual is different and have different working styles. Few years back the employees used to have trade unions in organization so that they share harmonious relationship but gradually the collectivism could not work and individuals desire that organization should recognize their potential individually, also the workforce culture which involved all types of employees like men, women, retired people, students, handicapped etc. needed different attention hence the Industrial Relation gradually declined and a new concept called Employee Relationship have emerged which covers relationship between management and workers, between coworkers, between supervisor and subordinate or any members of management. Thus it is essential for any organization to have healthy relationship be its employees, supervisors, employer or peers as it motivates employees to perform at their best and enhance the productivity of the organization.

In India where a major part of economy is shared by Public Sector Undertakings, it is important to know the status of Employee Relationship Management as it constitutes a large number of workforces and therefore there are many issues related to Human Resources. Public Sector Enterprises have major role to perform in an economy.

The central part of Indian PSUs is a large part consisting of various PSUs and Madhya Pradesh is having 23 PSUs run by the government of Madhya Pradesh (M.P.). The M.P. PSUs were established in the same period as of Central PSUs with the objective of providing basic amenities and other facilities to the public for their welfare and betterment. It is been revealed that PSUs in M.P. share and contribute a major part of investment in

the economy but still they are neglected for some issues like finance, managerial etc.

HRM practices in Indian Organization is not very encouraging especially in PSUs therefore the operative functions like Compensation Management, Role of Top Management, HRD and Human Relations need to be focused and monitored both qualitatively and quantitatively. Therefore the study chose the above aspects to determine status of ERM through these HRM functions in M.P. PSUs. The PSUs were chosen on basis of lottery system and approximately 50 percent of PSUs were selected for the study out of 23 PSUs. The 10 PSUs chosen were having different perception regarding the different issues of ERM. The researches reveal that the operative functions of HRM lead to satisfaction of employees in an organization. This can be achieved if the employers provide employees healthy conditions and better environment. Employers should take care of the needs of the employees and this can be understood by HRM practices like Training, Job satisfaction, Job Rotation, Participative Management, Performance Appraisal and Career Planning for their employees. Satisfied employees can contribute more towards Employee Relations and hence ERM status can be understood by equating ERM to satisfaction of employees where satisfaction is taken as proxy variable. ERM in Public Sectors of M.P. is explored in this way through this study.

For knowing the satisfaction of employees it was important to know the HRM operative functions and the study found these variables like Compensation Management, Role of Top Management, HRD and Human Relations functions crucial in M.P. PSUs. Thus through satisfaction of employees ERM status could be evaluated and for this various statistical tool like Chi square test, ANOVA test and SPSS software to know the value of these determinants in quantitative terms. The questionnaire was prepared for both employers and employees and distributed

to know their response and was analyzed in quantitative terms for employees and in qualitative terms for employers. The perception of employees was statistically quantified through tables, graphs and charts.

The results were put in tables and question by question approach was used to analyze the results through graphs, tables, charts, MS Excel, and different statistical tools. The correlation table shows the effect of various variables of HRD and Human Relations on satisfaction of employees where Performance Appraisal was found to be negative in the chosen 10 PSUs. Regression analysis proved that Performance Appraisal needs a lot of improvement in chosen PSUs along with Motivational measures and Participative Management.

As the literature review suggests implementing HR practices in PSUs to enhance the productivity and effectiveness of the organization, the study was assured that the research carried out was successful as well as valid. The results show that components of ERM are divided into two variables for statistical relationship which are discussed below.

- **Dependent Variable: Employees Satisfaction**
- **Independent Variable: HRM functions:** HRD (Training, Job satisfaction, Job Rotation, Participative Management, Performance Appraisal, Career Planning and Development) ; Human Relations (Motivational measures, Grievance Redressal and Disciplinary procedure)

The above variables give the idea about ERM as it could be evaluated either qualitatively or quantitatively. To know ERM status HRM operative functions are chosen and categorized under satisfaction and HRM functions so that statistical tools can be used for findings relationship between satisfaction and HRM function

Correlation Analysis (Table of Correlation)

	Satisfaction	Training	Motivational Measures	Performance Appraisal	Carrier Planning & Development	Job Rotation	Participative Management	Grievance Redressal
Satisfaction	1							
Training	.517**	1						
Motivational Measures	.196**	.176**	1					
Performance Appraisal	-.156**	-.032	-.154**	1				
Carrier Planning &	.369**	.317**	.634**	-.190**	1			

Development								
Job Rotation	.454**	.408**	.247**	-.123**	.356**	1		
Participative Management	.229**	.270**	.290**	-.032	.339**	.290**	1	
Grievance Redressal	.368**	.365**	.147**	-.080	.366**	.324**	.250**	1

** Correlation is significant at the 0.01 level (2-tailed).

*Correlation could also be significant at 0.05 level but the results were proved only on 0.01 level.

Analysis of Correlation Table

- Inter correlation results indicated a positive correlation with training which justifies significant positive correlation ($r=0.517$) was found that if, organization is ensuring time to time training for their employees' increases the **satisfaction** and ensures team work, provide them time to time capacity building training and give them power to take part in decision making.
- Motivational Measures indicated a significant positive correlation ($r=0.196$) justifies that proper emphasis on Human relations of the PSU is motivating and increases **satisfaction** for the employees' to work.
- Performance Appraisal was found to be negatively correlated with employees satisfaction ($r = -0.156$), which meant that to enhance the satisfaction of employees of PSUs performance appraisal system of the organizations should be up to the mark, because with a poor performance appraisal system none of the employees will reach to a better **satisfaction** level regarding their job.
- Career Planning & Development also showed a positive significant correlation ($r= 0.369$) be further strengthened as career planning and development has primarily taken into consideration by giving time to time promotion the overall employees **satisfaction** of an organization can be achieved.
- Job Rotation was found to be significant positively related with employee ($r=0.454$) which means change in job structure, job design and job grouping which leads to change in employee skill, knowledge, aptitude. This change in employee will maximize employee efficiency and overall employee's **satisfaction** can be achieved.
- Participative Management was found to be positively related ($r=0.229$) with employee's **satisfaction** which means if more and more employees participate in various activities of the organization it will lead to improving quality of work life of employees through participation

- Grievance Redressal also has positive significant relationship ($r=0.368$) with satisfaction of employees which gives a clear indication that redressing employees grievances properly and in time by means of well formulated grievance procedure will increase **satisfaction** of employees in the organization

The above table shows that the Satisfaction and different HRM functions in PSUs are statistically related needs more emphasis where the value of correlation is negative. Table of correlation also reveal the relationship between various components of HRM like:

- **Motivational Measures** is negatively correlated with Performance Appraisal ($r= -0.154$) shows if employees are not interacting they are not able to perform in an effective manner which affects their Performance Appraisal negatively. Thus organization need to motivate employees in a better way to work together productively, cooperatively with economic, psychological and social satisfaction
- **Motivational Measures** is positively correlated ($r=0.634$) with Career Planning and Development which reveals that employees are working together for their career and selects career goals and path to achieve the goals both individual and organizational goals.
- **Motivational Measures** is positively related ($r=0.247$) to Job Rotation as more productively, cooperatively, psychologically and socially employees interact they are more acceptable to job structure and job changes.
- **Motivational Measures** is positively related ($r=0.290$) to Participative Management as more cooperation will increase participation of employees in organization.
- **Motivational Measures** is again positively correlated ($r=0.147$) to Grievance Redressal which reveals if organization puts more effort in making employees work together satisfactorily there will be least grievances and so very less redressal for the employees.
- **Training** leads to imparting the employees the technical and operating skills and knowledge and hence

increases satisfaction of employees in performing their work as well as confidence of self appraising and effectiveness and efficiency of organization.

- **Training** is positively related ($r=0.0176$) to Motivational Measures which reveals that if organization is ensuring timely Training for their employees it increases Human Relations which includes programmes like employment, development and compensation and interaction among employees creating a sense of relationship between the individual worker and management, among workers and trade unions and management.
- **Training** is negatively correlated with Performance Appraisal ($r=-0.032$) which means organization needs more and more training of employees as they need more enhancement with requisite job skills and knowledge and hence are not in a position to get appraised in their performances
- **Training** is positively related to ($r=0.317$) to Career Planning and Development which shows planning of career and implementation of Career plans by means of continuous Training, education and acquisition of work experiences is effective.
- **Training** is significantly correlated to Job Rotation ($r=0.408$) means more Training gives more provisions for Job Rotation and employees are more acceptable to change in Job design, Job structure and Job grouping.
- **Training** is positively related to Participative Management ($r=0.270$) which means training helps employees to participate in decision making and helps them to unfreeze their attitudes and engage in demonstrating skills which the employee values at high rate. This clearly means providing an opportunity to the employee for achievement from work through better training
- **Training** is also positively correlated with Grievance Redressal ($r=0.365$) which means enhancing the skills and knowledge to an employee will reduce grievances in the organization.
- **Performance Appraisal** is negatively related ($r=-0.190$) to Career Planning and Development which means putting more effort in appraising employees will lead to better Career Plan and an employee can better deal with jobs that are held during his working life.
- **Performance Appraisal** again negatively correlated ($r=-0.123$) with Job Rotation and again employees of the organization should be better appraised for a better job change and design.
- **Performance Appraisal** is negatively correlated ($r=-0.032$) with Participative Management shows employees should be given an opportunity to be appraised to participate more and more in decision

making as they are never appraised so do not feel the openness in participating.

- **Performance Appraisal** is negatively correlated ($r=-0.080$) to Grievance Redressal means definitely appraising the employees will reduce Grievance against organization and other employees too.
- **Career Planning and Development** is positively related ($r=0.356$) to Job Rotation ensures more job design and changes will give a better view for an employee to select his career plan as he knows better plan and action for the selection of job.
- **Career Planning and Development** is positively related ($r=0.339$) to Participative Management as more and more participation of employees in the organization leads to better career plan.
- **Career Planning and Development** is also positively related ($r=0.336$) to Grievance Redressal ensuring less grievance in the organization and more career oriented employees which can be further enhanced if a proper grievance plan is implemented.
- **Job Rotation** is positively related ($r=0.290$) to Participative Management as more and more employees in the organization participate in decision making and helps them to know better job design and structure best suited according to their specific skills and knowledge.
- **Job Rotation** is positively related to ($r=0.324$) Grievance Redressal helping the employees of the organization to minimize grievances and actively and willingly participating in job rotation activities
- **Participative Management** is positively related to ($r=0.250$) Grievance Redressal ensuring less grievances of employees for more and more participation to enhance Participative Management.
- **Training-** Training is positively correlated to Motivational Measures, Performance Appraisal, Career Planning & Development, Job Rotation, Participative Management, Grievance Redressal which means training in the organizations have positive effect on all the above determinants. This is also said that if people are well trained then it will enhance Motivation, Performance Employees will have better Career Path, Employees will be more inclined towards Job rotation, will be more Participative and will have less Grievances
- **Human Relations (Motivational Measures)-** The table of correlation reveals that Human Relations is positively related to Career Planning & Development, Job Rotation, Participative Management, and Grievance Redressal which means enhancing Motivational Measures will enhance all these determinants. This is also logically proven that if

Performance Appraisal is appraised every employee will feel satisfied and will be more motivated which in this particular study is negative that means employees are not appraised for their performances and hence are not satisfied. Similarly if employees are motivated they will be have better Career path, will be interested in Job rotation, and will participate more in organizational activities will have less Grievances.

- **Performance Appraisal-** Performance Appraisal is negatively related to Career Planning & Development, Job Rotation, and Grievance Redressal which means there is an urgent need to enhance Performance Appraisal policy as it will affect Career path, will be more interested for job rotation, and will have Grievances
- **Career Planning & Development-** It is positively related to Job Rotation, Participative Management, and Grievance Redressal which enhances Career Planning & Development. If employees have good career they

Journals

- Afshan Naseem, Sadia Ejaz Sheikh, and Khusro P. Malik GPHR (2011) 'Impact of Employee Satisfaction on Success of Organization: Relation between Customer Experience and Employee Satisfaction' International Journal of Multidisciplinary Sciences and Engineering, Vol. 2 No. 5
- Andres E. Marinakis (1994) 'Public Sector Employment in Developing Countries: An overview of Past and Present Trends', International Journal of Public Sector Management, MCB University Press, Vol. 7 No. 2 pp 50-68
- Aravamudhan A. (2011) 'Transformation in Employee Relations- A Continuous Process', NHRD Network Journal, Vol.4 Issue 1

will prefer job rotation, will participate more, and will be having less grievances.

- **Job Rotation-** It is positively related to Participative Management, Grievance Redressal which means enhancing job rotation will lead employee for more participation and less grievances.
- **Participative Management-** It is also positively related to Grievance Redressal which means enhancing Grievance Redressal system will enhance Participative Management

Conclusion

Thus the study concludes that Performance Appraisal is one of the critical components which need focus in PSUs. If employees are properly appraised then definitely the level of satisfaction will be high and this can be a marked improvement in Employee Relationship Management. This finds true in case of Motivational measures and Career growth and Development also.

- Belinda Renee Barnett and Lisa Bradley (2007) 'The impact of organisational support for career development on career satisfaction', Career Development International, Vol. 12 Issue 7 pp 617 – 636
- Calo Thomas J (2006) 'The Psychological Contract and the Union Contract: A Paradigm Shift in Public Sector Employee Relations', Public Personnel Management, Vol. 35 Issue 4 pp 331-342
- Carthy Dermot C, Reeves Eoin and Turner Tom (2010) 'Can Employee Share Ownership Improve Employee Attitude and Behavior?' Employee Relations, Emerald Group Publishing Ltd., Vol. 32 No.4 pp 382-395
- Cohn Gordon and Friedman Hershey H. (2002) 'Improving Employer-Employee Relationships: a biblical and Talmudic perspective on Human Resource

- Management', Management Decision, Emerald Publishing Ltd.
- Corby Susan and White Geoff (1999) 'Employee Relations in the Public Services Themes and Issues', Routledge studies in employment relations UK
 - Currie Graeme and Procter Stephen (2003) 'The Interaction of human resource policies and practices with the implementation of team working: evidence from the UK public sector', International Journal of Human Resource Management, pp 581-599
 - Davies Eleanor and Cartwright Susan (2011) 'Psychological and psychosocial predictors of attitudes to working past normal retirement age', Employee Relations, Vol. 33 Issue 3 pp 249 – 268
 - Gary Blau (1999) 'Testing the Longitudinal Impact of Work Variables and Performance Appraisal Satisfaction on Subsequent Overall Job Satisfaction', Human Relations Humanities, Social sciences and Law, Vol. 52 No. 8
 - Geary John (2008) 'Do Unions Benefit from Working in Partnership with Employers? Evidence from Ireland', Industrial Relations: A Journal of Economy and Society, Vol. 47 Issue 4 pp 530–568
 - Gennard John (2009) 'The Financial crisis and Employee Relations', Employee Relations, Emerald Group Publishing Ltd., Vol. 31 No. 5 pp 451-454
 - Girinarayanan G (2011) 'Employee Relations is all about building Trust', NHRD Network Journal, Vol. 4, Issue 1
 - Hussain Alavi (2011) 'Changing Dynamics in the Employee Relations' NHRD Network Journal Vol. 4, Issue 1
 - Jan Muhammad and Umar Farooq (2009) 'Mobilizing Human Resources for the Public Sector Goals and Objectives Accomplishment in Balochistan' Journal of Managerial Sciences, Vol. 3 No. 1 pp 23
 - Judy Pate, Phillip Beaumont and Sandra Stewart (2007) 'Trust in senior management in the public sector', Employee Relations, Emerald Group Publishing Limited, Vol. 29 No. 5 pp 458-468
 - Karnes Roger Eugene (2009) 'A Change in Business Ethics: The Impact on Employer–Employee Relations' Journal of Business Ethics, Vo. 87 pp 189–197
 - Kay Greasley and Paul Watson (2009) 'The impact of organizational change on public sector employees implementing the UK Government's "Back to work" programme', Employee Relations, q Emerald Group Publishing Limited, Vol. 31 No. 4 pp. 382-397
 - Kirkpatrick, Ian, Hoque and Kim (2005) 'The decentralization of employment relations in the British public sector', Industrial Relations Journal, Vol. 36 Issue 2 p100-120, 21p

- Krishnan Sandeep K (2011) 'Role of Human Resource Managers in Employee Relations- Competency, Attitude, and Top Management Expectations', NHRD Network Journal, Vol. 4 Issue 1
- Kuvaas Ba°rd (2009) 'A test of hypotheses derived from self-determination theory among public sector employees', Employee Relations, Emerald Group Publishing Limited Vol. 31 No. 1 pp 39-56
- Lundy O (1994) 'Personnel Management to Strategic Human Resource Development' International Journal of Human Resource Management, Vol. 5 pp 687-720
- Lynette Harris (2007) 'The changing nature of the HR function in UK local government and its role as "employee champion"', Employee Relations, q Emerald Group Publishing Limited, Vol. 30 No. 1 pp 34-47
- Manolopoulos Dimitris (2008) 'An evaluation of employee motivation in the extended public sector in Greece', Employee Relations, q Emerald Group Publishing Limited, Vol. 30 No. 1 pp. 63-85
- Nath Chimun Kumar (2011) 'Quality of appraisal practices in Indian PSUs: a case study', [The International Journal of Human Resource Management](#), Vol. 22 Issue 3 pp 648 - 705
- Nancy E. Day (2011) 'Perceived pay communication, justice and pay satisfaction', Employee Relations, Vol. 33 Issue: 5
- Nicole Torka, Birgit Schyns (2007) 'On the transferability of "traditional" satisfaction theory to non-traditional employment relationships: temp agency work satisfaction', Employee Relations, Vol. 29 Issue: 5
- Nivesh Khanna (2011) 'Human Relations, It's Importance and Techniques', Indian streams research Journal, Vol. I Issue - 9
- Padmakumar (2011) 'HR and Employee Relations', NHRD Network Journal, Vol. 4 Issue 1
- Parasuraman Balakrishnan (2011) 'Employee Participation In the Public Sector in Malaysia: A General Overview Employee Relationship in Public Sector', Journal of Arts Science & Commerce, Vol. 2 Issue1
- Patil Sharad (2011) 'Employee Relations – A Grossly Neglected Area of HRM', NHRD Network Journal, Vol. 4, Issue 1
- Patwardhan Vivek (2011) 'Enablers for Employee Relations and Engagement', NHRD Network Journal, Vol. 4 Issue 1
- Prabhakar L (2011) 'Employee Relations- A Reflection', NHRD Network Journal, Vol. 4 Issue 1
- Proper Carol & Wilson Deborah (2003) 'The Use and Usefulness of Performance Measures in the Public

Sector', Oxford Review of Economic Policy, Oxford
University Press, Vol. 19(2), pp 250-267

- Prowse Peter and Prowse Julie (2007) 'Is there still a public sector model of employment relations in the United Kingdom?', International Journal of Public Sector Management, Vol. 20 No. 1 pp 48-62
- Rao Rama Prasada; Rao P. Subba (1991) 'Employee Relations at Work in Urban Government - A Study', Indian Journal of Industrial Relations, Vol. 26 No. 3 pp. 262-270
- Ruswahida and Ibnu Ruslan (2010) '*Factors Affecting Employees Satisfaction on Training in Universiti Malaysia Perlis*', *Perpustakaan Sultanah Bahiyah*
- Saini Debi S. (2006) 'Managing Employee Relations through Strategic Human Resource Management', Indian Journal of Industrial Relations, Vol. 42 No. 2 pp. 170-189

IJSER