Suggestions to Implement Human Relations and Its Determinants in Public Sectors

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Abstract: - 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, to identify the limitations of the existing system of Employee Relationship Management in these organizations. This paper aims to conclude the main findings from the research carried out by primary and secondary research. 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 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.

Key Words: - Human Relations Management, Employee Relations, Public Sector

I. INTRODUCTION

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. 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.
II. METHODOLOGY

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. Employers view could not be quantified statistically as they were fewer in number hence their perception was qualitatively analyzed and put in forms of tables and charts. Role of top management and Compensation Management were the two aspects which were analyzed qualitatively with the genuine responses given by the top officials of M.P. PSUs who are directly handling these PSUs and their view is that compensation management should be effective in PSUs to have better satisfaction of employees. Role of top management should involve professionals and autonomy for running PSUs effectively. HRD and Human Relations aspects were combined with the view of employees and findings illustrate that more and more practices related to HRD like training, job satisfaction, job rotation, performance appraisal, participative management, career planning and Human Relations practices like motivational measures and grievance redressal are not satisfactory hence should be critically monitored and practiced for better satisfaction of employees and better ERM status in organizations.

The results show that components of ERM are divided into two variables for statistical relationship which are discussed below.

III. 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)

HRM practices will give a better ERM status and increase satisfaction of employees and employers (HODs) which is dependent on various HRM functions. Thus implementing HRM functions can motivate employees and in different ways can increase satisfaction leading to healthy ERM.

1 Compensation Management

This study reveals that PSUs have to follow government norms with respect to compensation management and there is very less autonomy with the management of PSUs. Employers (HODs) feel that interference of government is too much in PSUs regarding compensatory benefits and everything is fixed as per norms of government. Compensatory benefits are not at all satisfactory and for a performer or nonperformer the treatment is same and also government parity in compensation, reservation in jobs, personnel policies and promotions affect their satisfaction. Hence, productivity linked pay packages should follow some part of autonomy rather than following government norms. Compensation plays important role in building ERM of the organization as earlier discussed in literature review but in these PSUs government interference is to a great extent as per the respondents view. Thus the Satisfaction and Motivation of the employees gets affected and they do not feel satisfied regarding this issue.
Hence it is concluded that Compensation benefits in PSUs should be given autonomy and benefits to employees according to their performance. A planned variable pay performance system can give maximum benefits to the employees as well as organization enhancing motivation and satisfaction of employees and thus improving ERM status in the organization.

2 Role of Top Management
The study suggests that if top management inducts more of HR professionals in formulating and implementing ERM/HRM policies in PSUs it will increase satisfaction of employees as per the respondents view. Since the role of Top management is very important in PSUs as already discussed in literature review it is concluded from the study and analysis that Top Management can play important role in enhancing satisfaction and motivation of employees through proper HR practices and dealing with the employees as HR professional. This can definitely improve ERM status in the organization.

3 HRD
The study concluded that HRD function is crucial function of HRM which can bring change status of ERM in the organization as this function could be quantified and resulted in statistical data to prove its importance in enhancing ERM status in the organization. Hence improved quality and productivity linked to motivation can be achieved through Training, Job rotation, Job Satisfaction, Participative Management, Performance Appraisal, Career planning and development, employee involvement and extrinsic and intrinsic rewards.

It includes functions:
- Training
- Job Rotation
- Job Satisfaction
- Participative Management
- Performance Appraisal
- Career Planning & Development

These determinants of HRD are function of satisfaction and dependent on HRM functions as well which concludes that training policies are not satisfactory, training set ups are not enough, employees are rarely sent out of the premises for training and effectiveness of training programme is not assessed after training. Thus better training policies and assessment can improve Satisfaction of employees in the organization hence improving ERM status in the organization.

For Job satisfaction the result concluded is that if the employees are satisfied through different determinants, it increases their level of satisfaction. For this particular study the level of job satisfaction can be increased by reframing government pay scales and DA’s and also by introducing performance based system rather than government fixed norms system.

The results conclude that more Job Rotation of employees will bring more satisfaction to employees as they will get more and more different types of responsibilities in the organization and if employer’s makes efforts to make their job interesting by rotating them and giving different job descriptions. This will definitely improve ERM status in the organization.

The results on Participative Management suggest that organization does not make proper efforts in caring for them and their family needs and also do not take much interest in knowing their problems and suggestions hence their level of satisfaction is not very high hence ERM status gets affected in such case. For this Participative Management policy can help them to raise the ERM status in the organization.

The results on Performance Appraisal imply that for better satisfaction of employees need to have variable pay performance system as Government pay scales and DA’s are not appropriate to judge the performance of employees hence needs to have proper performance appraisal system for better ERM status in the organization.

As far as Career Planning and Development is concerned employees in PSUs do not have effective Career plans for their growth, also very few employers conduct any exercise in knowing the job satisfaction of employees. Promotion policy is not very much motivating for employees and promotion opportunities are also very less hence employees need to have clear cut advancement policy for planning their career. This makes them more satisfied and can improve ERM status in the organization.

4 Human Relations
These particular determinants give a clear idea that Human Relations when improved in both cases of employers and employees increases their satisfaction but amongst employees there is not a significant relationship which proves that amongst employees it is essential to build Human Relations; to improve ERM status in the organization. The results conclude that if day to day work of employees is made interesting it can make them more satisfied, also a proper grievance redressal system can make their grievances redressed timely to enhance their satisfaction. The employers do feel that both monetary and non-monetary gains are important for building Human relations but employees have to made aware regarding nonmonetary gains, also employers
feel that unions can help in promoting ERM status in the organization. Hence the theory that ERM do not have any benchmarking turns to be proven and thus it can be compared to productivity which is a continuous function thus ERM can be improved continuously in an organization with such factors which increases satisfaction of employees which will definitely improve the ERM status in the organization with support of this study. Though ERM is far behind these issues and mainly depend on trust between employers and employees such that understanding Employee Relations from behavioral science perspective reveals psychological contract for understanding and achieving positive employee relations in the workplace.

The suggestions are given as per the responses of the employers and employees and also on the basis of the questions that were asked to them. It not only includes the responses that were specifically asked but also their genuine suggestions which can really help to enhance satisfaction of employees and hence better ERM status in organizations.

IV. SUGGESTIONS

Suggestions are given after analysis and findings after the research which study conducts. For his particular thesis the study was studying ERM in the various organizations and reference was taken as Public Sectors thus to sum up Public Sectors on the basis of ERM can be discussed mainly as following: On the basis of the above discussion for PSUs and concluding results on the basis of objectives framed at the start of thesis, the respondents which are the employers looking after the state PSUs have also given some suggestions which can directly affect the ERM status of the PSUs hence very much valuable to give a positive thought. After studying the various facts, the study has come up with some suggestions which are discussed as below.

Since all the top officials and employees are aware of the concept of HR but only few PSUs are having HRD department which means focus of HRM lacks here, also Personnel should understand the importance of HRD and its need to implement HRM practices. Hence it is suggested to have an HRD department in every PSU to look after HRM practices.

1 Compensation Management

Autonomy of PSU’s: In PSU’s generally the top management e.g. Managing Director’s and Chairman are all IAS’s officers which are appointed generally on deputation having a better communication between an IAS to IAS and thus the appointment is justified that an IAS officer is better going to understand the working of another IAS officer. Sometimes a negative approach may create a barrier in working of state PSU’s but this procedure is followed since the state PSU’s were established and the practice is continued till date. Some PSU’s are having IFS officers as their top officials instead of IAS officers which to some extent causes some noise in smooth functioning of PSU’s. Since all the political people are the top officials so all the PSU’s are governed by the Govt. norms and procedures and thus continuous interference at all policies & procedures. Thus PSUs do not have autonomy in selecting any professionals. State PSU’s generally get all the information from DIC (District Industries Centre) but they need to be approved by Govt. of the state. In the beginning many PSU’s were working as autonomous body but slowly and gradually they have become as facilitator and on behalf of the state Govt. they are mainly sorting the difficulties occurring in PSU’s. Though all PSU’s should have autonomy but for many decisions they have to depend on Govt. for e.g. for a purchase of new vehicle which has become the essentiality and the old vehicle which everybody knows is not at all economic, have to depend on approval of Govt. for the new vehicle and thus cost effectiveness cannot be implemented as Govt. has major control on all the PSU’s and they are not able to function independently and efficiently.

Though all PSU’s have a recruitment process and have independent board to recruit personnel’s but finally they have to take approval from the Govt. to recruit a person and hence this super cedes all the decisions of Board and make it less importance. It is expected from Govt. to treat all employees equally and continuous change and reshuffling is required in case of postings and locations. State PSU’s should be given complete autonomy as it is in CPSE’s. They should be ranked like CPSE’s according to their performance. Also Large and Medium Scale industries status should be given and this is already been proposed. According to schedule- Small Scale Industries must be included in Panchayati Raj and there should be no Govt. interference.

Improved Corporate Governance: Public enterprises are expected to meet social and other noncommercial objectives, in addition to financial objectives; however, in pursuing these objectives, PSU management generally has limited discretion over fundamental decisions. Faced by multifarious objectives, limited decision-making autonomy, and few incentives, PSU management will often postpone or avoid necessary decisions. This is to be reinforced by the existing system of performance monitoring, accountability, and appointment procedures. Promotions- since Time scale is given in most PSU’s for e.g. for a person to be promoted to GM level then criteria is seniority and suitability and the minimum time is 7 years so a person can be promoted to GM level but actually the person is Assistant Manager post but the promotions should be purely based on performance of employees. In PSU’s though the pay scale and promotions are sufficient but the
employees are not motivated and for this feedback system can be implemented which is lacking in almost every PSU. Many personnel’s in PSU’s like in M.P. Van Vikas Nigam have performed well and without any support of Govt. but still have to take approval for any kind of decision, this makes them feel de-motivated and thus promotion becomes essential policy. Balancing is required in salaries, DA and commissions for those employees who are heavily involved should be appraised accordingly. All Govt. pay scales and DA’s are appropriate for those 60-70% employees as they work only because they have the job security in mind but for those 30-40% employees who perform extra feel de-motivated as there is no variable pay performance scale. Contract based agreement can be another suggestion to involve and motivate employees for better performance. Also departmental exam should be conducted for appraising the employees.

Some organizations are under the scheme of Payment of Bonus Act, Industries Act etc. and so they are governed accordingly, this practice should be same for all PSU’s so that employees may get uniform benefit. Productivity linked pay packages may be one of the solution to motivate employees and enhance ERM e.g. in M.P. Warehousing and Logistics corporation there are categories like high and middle for employees, after monitoring the performance of employees they are transferred to high and middle category and accordingly disqualifies if the performance of employees is not up to the mark, this motivate them to perform accordingly. The top officials are of the opinion that in existing PSU’s there is government parity with regard to different procedures etc for the employees like in Compensation, Promotions (DPC), and Reservation in Jobs but in Personnel policies it is partial Govt. parity, this means all PSU’s have the power to take decisions in certain matters for e.g. 58 years is the maximum retirement age of any employee which can be extended on the basis of his/her medical fitness. These types of decision are taken by Chief personnel Officer (CPO). Secondly for any major decisions in procedure related to Compensation, the existing PSU’s need to take Govt. approval but for day to day working, the officials can take their own decisions.

2 Role of Top Management

HR professionals must be appointed to take care of employees as the organization needs a lot of knowledge regarding Labor Legislation Welfare and Industrial relations. Some PSU’s have started the practice of appointing them. Also the tenure of MD, CMD and Chairman of any PSU should be minimum 5 years as it will be in the best interest of PSU as frequent change of any top officials may affect adversely on functioning of PSU. Corporate Governance should be implemented as PSU as it is not Govt. organization but established to work independently.

3 HRD in terms of Training, Job Rotation, Job satisfaction, Participative management, Performance Appraisal, Career Planning and Development Training –

Training in many PSU’s exists but they do not have independent training set up but training policy exists in many organization which is either for field officers or training for safety measures and employees can participate in many training activities but training effectiveness is not assessed after the training activity. Some PSU’s like MP Tourism have assessed and appointed GM (Training) after creating a post for it and after every 15 days training is assessed. This PSU has remarkably progressed and outstands in state economy in recent years. Though many PSU’s are having common training set up for central and state PSU’s and candidates from same cadre can go for training. There are 2.5 Lakhs employees in M.P. and the economic constraint do not allow to train all. Training is assessed by taking competency certificate from Director Safety. Thus provision for training should be implemented in all organizations with assessment of training programme.

Job satisfaction - Since the employees are not much satisfied with the role given to them and feel that if their day to day work is interesting they will feel more satisfied and for this it will be very effective if employers start conducting job satisfaction exercises then they will be in better position to know the satisfaction level of employees and hence can improve ERM status in the organization.

Job Rotation- For Job Rotation the suggestions are that more employees should be given opportunities to bear different kinds of roles in the organization then definitely employees will feel more satisfied and employers can try to make their work more interesting and effective so that can be possible by Job rotation for improved ERM status in the organization.

Participative management - The organization should take care of the needs of employees, employees should be made participative and should try to know the problems and suggestions related to their job so as to make them more and more participative in organizational activities. Participation can be improved by taking care of their needs and their family requirements after attaining some targets say yearly objectives, this will definitely increase their satisfaction level and hence can improve ERM status in the organization.

Performance Appraisal - Performance of all employees must be appraised and performance based pay system must be implemented to an extent. It should be the objective of Government to set target for some department or sections and then appraise them section or department wise as Government is appraising IAS officers. Also Performance Appraisal should not be fixed but should be varied according to performance of employees and if
required then on discretion of management. It is also suggested that target based work should be given to every individual where while appraising transparency and monitoring is important. Most of the PSU’s are not having feedback system which as per the officials is most important but recently MPT has started with a feedback system in which GM (HR) is responsible to look after it. Personnel are of view that the purpose/mission with which PSU’s were established was diluted in some years. There are so many posts created and cancelled only because of political reasons e.g. there is no need for Chairman & Vice- Chairman in certain PSU’s only one of the post is sufficient and hence objectives of PSUs should be redefined. Thus organization design should be proper.

**Career Planning and Development** - Career advancement policy and promotion policy are not very effective to motivate employees thus they are not able to plan their career in effective way. They do not have sufficient career advancement opportunities and hence very well know that a particular post will be the maximum to achieve in any organization hence a performer or non performer will achieve it within a certain period of time hence PSUs must have some very motivating career advancement policies so that employees feel motivated to performer until they retire. This will definitely improve ERM status in the organization.

**4 Human Relations in terms of Motivational Measures and Grievance Redressal**

**Motivational Measures** - All the personnel’s are of opinion that both Monetary & Non- Monetary motivational measures are of equal importance and all PSU’s must have same scale of pay since different scales leads to de motivation of employees. Commissions should be given based on targets which are turned into recognition and motivating them for several purposes enhancing ERM. Promotions is always motivating individuals but job content is equally important as many people are working not as per their job content e.g. some finance specialized person is working in marketing department. Recognition through medals and certificates will make employees more motivated as in CPSE’s. Motivational Measures should have LTC can be started in some PSUs to motivate employees under career advancement scheme. Many PSUs have set an example of showing team work e.g. TRIFAC which is now totally a Govt. facilitator but has organized so many activities like road show and seminars nationally and internationally. The personnel’s are of the view that this is only because of team work that they could achieve so many awards and can increase Human Relations. Many PSUs have started with activities for improving ER like sports federation and societies which manages funds on their own to recognize meritorious children of the employees and distribute scholarships and certificates to motivate them. The society also organizes free health check up camps and sports competitions to have good interaction between the top management and employees. It is also suggested that if Govt. can support in providing some budget for activities like- a welfare fund and facilities for good work environment to improve Human Relations. PSUs were also established to give monopoly product to the market. Monopoly products are the products which can certainly improve the condition of state PSUs. As some personnels who have discovered some unique product or projects and because of it PSUs have achieved profits can be the major issue to enhance the productivity of PSUs. Thus this monopoly should be continued through giving special attention to those personnels who can continue monopoly in the market through unique products and services. Thus job analysis should be in line with objectives with which PSUs were established. At the time of establishment of PSUs there was no HR planning and this has resulted in overstaffing e.g. in M.P. State Civil Supplies the requirement was of 30 at the time of establishment but there were 200 employees recruited. This overstaffing has resulted in lack of competency. Many PSUs are not going for any recruitment process since last 25-30 years and there is lack of competent personnel’s and fresh blood intake. Hence it is suggested to have proper HRD planning. All process of good ER depends on Trust which is the key element of success of any organization. As it is said that language of nature also teaches trust and HR is not only for organization but it is all over. Self analysis is must and complete involvement of any individual in his job with the feeling of importance of what they are doing to improve Human Relations.

Grievance Redressal- Some PSU’s have some or the other type of Grievance and it is also revealed that very less employees are satisfied with the redressal procedure and with time they have developed that attitude of being negative. An orientation programme and HR professional can help them better.

**Unions** - Some professionals are of strong opinion that if oneself is having a high morale it can guide others and this is truly required in PSUs as everything is fixed and people do not get motivated easily and enhance Human Relations. Officers reveal that Employee Union are formed basically for employees support and because they work for check against Non- performance of organization and also corruption. Some personnels are of the opinion that unions can help to improve Employee Relations to great extent but it depends on type of union, if it is consisting of right kind of people and right office bearers to motivate employees. Though in some PSUs Employee Union does not have good impression but definitely Employee orientation can help them to perform well.
V. CONCLUSION

Thus it is concluded that if the suggestions which were based on findings of the study are implemented then definitely the PSUs will be in better position as the employee’s satisfaction will be high and hence productivity will increase. The suggestions are based on face to face interview hence finds its applicability in PSUs.

REFERENCES


