

Emerging Issues and Challenges for Human Resource Management in Public and Private Sectors

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ABSTRACT

The field of human resource management (HRM) developed out of organizational psychology and is now an essential tool for business leaders. As time has progressed, the function of this discipline has become more strategic. Human resources (HR) has evolved into a critical business partner, making it a difficult and complex function to oversee. In this study, we take a look at how researchers in the public and commercial sectors have utilized mixed-methods approaches, combining qualitative and quantitative techniques, to analyze HRM problems. To guarantee a diverse and inclusive sample, we used a stratified random sampling technique. The results show that there are notable variations among the industries when it comes to factors like political influence, talent retention, bureaucratic rigidity, and employee engagement. For example, compared to the private sector, the public sector had far greater bureaucratic rigidity, and the private sector had far greater difficulty retaining personnel and undergoing digital transformation.

Keywords: Political, Retention, Employee, Rigidity, Talent

INTRODUCTION

Companies that want to be successful in the long run will need to train their employees to adapt to the new technology and ways of doing business that will be available in the 21st century. Organizations nowadays are bombarded with an overwhelming amount of requests. Rising levels of globalization, intense competition, rapid technological advancements, fresh alliances and structures inside organizations, changing demographics, new approaches to work, and so on are only a few of these challenges. Modern businesses are under intense pressure to adapt to these shifting conditions, and the human resources department in particular plays a pivotal role in assisting these companies in doing so. Human resources must, therefore, boost both its perceived and actual worth. Human resource management (HRM) is one area of management that has seen dramatic shifts since the turn of the century. The role of human resource management professionals is evolving from addressing individual concerns to developing and implementing complex organizational plans.

The practice of human resource management (HRM) draws on a wide range of disciplines and theories, including economics, sociology, psychology, and management. Optimal human resource management seeks to elicit exceptional performance from average individuals. When it comes to human resource management, it's not just about making sure the appropriate people are hired for the right jobs at the right times; it's also about making sure employees are motivated, satisfied, trained, developed, and retained (Walker, 1994). This role is responsible for ensuring, via both formal and informal means, that all employees are following the rules and regulations set down by the company. It is critical to keep abreast of both environmental and technical developments. Training workers to adapt to a changing global economy and environment is one of the most pressing issues facing human resources departments today.

Nowadays, human resources isn't just there to help out with day-to-day operations; it's actively leading the charge to create a competitive advantage by contributing to big-picture decision-making. Human resources (HR) integration with businesses necessitates a new way of thinking about people management in the workplace. HR also offers solutions to many complex problems that hinder company development. Companies nowadays face the difficulties of a constantly changing environment, which necessitates that they embrace new ideas and work to maximize profits. Modern businesses face a number of issues related to human resources in the twenty-first century, such as adapting to new technologies, dealing with the effects of globalization, implementing new innovations on a daily basis, dealing with political and economic instability, and addressing ethical and ecological concerns. Managing change is a major obstacle in the modern world. Adapting to both internal and external changes is essential for every organization's growth and survival. Therefore, human resources must take the initiative to keep up with the necessary pace, much like other critical business units of a company.

REVIEW OF LITERATURE

Ali, Ranyia et al., (2023). From its humble beginnings as an administrative function, human resource management (HRM) has grown into a vital ally in achieving company objectives. This development is a result of changes in economics, culture, and technology. This scholarly study highlights the significance of contemporary HRM trends and problems by examining them. Human resource management (HRM) has been revolutionized by AI and HR analytics, which have made it possible to make decisions based on facts, enhance the recruiting process, and boost employee engagement. By transitioning from an administrative function to that of a strategic collaborator in organizational decision-making, Human Resource Management (HRM) is able to better coordinate human activities with business goals. Human resource management must adapt to a more multicultural and multiethnic workforce as a result of globalization.

Human resource professionals must possess global competencies in order to acquire talent, facilitate communication, and resolve disputes in a culturally sensitive manner. Due to the rapid spread of the COVID-19 epidemic, HRM strategies have had to adapt fast to accommodate remote labor. Mental health assistance, virtual team cooperation, onboarding, and recruitment have all been fine-tuned by HR professionals. These changes show how important HRM is for handling crises, building resilience in the company, and making sure employees are happy and healthy.

Human resource management's emphasis on diversity and inclusion has contributed to DEI's meteoric rise in prominence. From the hiring process all the way through to the employee's advancement in the company, HRM works to ensure fairness and inclusion. When it comes to managing complexity and taking advantage of opportunities, HRM plays a crucial role because to its dynamic interplay with technology, globalization, remote work, and DEI initiatives. For sustainable success in today's dynamic global market, companies need to update their human resource management strategies to keep up with the times.

Battaglio, R.. (2009) numerous reforms over the last 30 years have posed a threat to public administration by promoting private sector innovation as a superior option. Various market-based reforms, such as the National Performance Review and new public management, advocate for innovation from the private sector to enhance government accountability and service quality. One important part of these reforms is privatization, which uses the private sector to provide governmental services. This symposium issue presents contributions that draw on case studies and current research to provide light on the ins and outs of public sector HR outsourcing. This introductory section summarizes the contributions to the symposium and encourages future research based on the results given here.

Kulla, Yunias&Soetjipto, Budi Eko (2017) Public officials are the lifeblood of any nation, and when they do their jobs well, it shows in the country's corporate governance. Problems with competence, job placement, organizational culture, leadership, and payroll procedures are common in public sector companies and can significantly hinder their ability to function at their best. To allow for comprehensive and in-depth research, a case study methodology has been chosen. From January to March of 2017, researchers gathered data from the Mimika Regency Development Planning Agency. Improvements in the quality and conduct of human resources, as well as the resolution of new problems related to human resources, are necessary for the public sector to produce competent officials.

S, Nilavarasan&Ganesamurthy, K.. (2023) The banking sector in India needs to put HR policies and processes in place that will help it meet its demands and set up a system to meet the needs of its customers and employees. Experts in banking must steer India's banking business if it is to remain competitive and reap the worldwide benefits of the sector. This essay takes a look at the HR policies and practices in India's banking industry, specifically looking at public sector banks. It considers some important indicators in the banking sector, such as job analysis, training and development, performance evaluation, compensation, and recruitment and selection.

The Indians will be more likely to correctly implement human resource management strategies after reading the suggestions. To thrive in such a competitive setting, efficient management of human resources is crucial. No company can succeed unless its human resources are well-managed. The competitive and deregulatory forces have significantly altered consumer expectations. Human resource issues are the biggest challenge for India's public sector banks. This document is an all-inclusive primer on HRM for financial institutions. Job analysis, recruiting, performance evaluation, training and development, compensation, etc. are all examples of HR techniques utilized by banks. HR issues and challenges are also covered. This research aims to shed light on the most pressing issues confronting India's public sector banks. The data for this study was compiled from secondary sources.

RESEARCH METHODOLOGY

Research Design

This study takes a mixed-methods approach, combining qualitative and quantitative techniques, to shed light on the whole spectrum of HR issues faced by both the public and private sectors.

Data Collection

Primary Data: Human resources experts from the public and business sectors provided the main data.

Secondary Data: In order to support and verify the original data, secondary sources were consulted. Literature reviews, case studies, reports, and the like fall under this category.

SAMPLING

Sampling Method: Researchers used a stratified random sample method for the investigation.

Sample Size: The research included 220 HR experts; 110 worked for the government and 110 for private companies.

DATA ANALYSIS TECHNIQUES

Descriptive Statistics: Applied to synthesize the respondent demographics and the prevalence of HR issues by industry.

Inferential Statistics: To find out whether there was a significant difference in HR issues in the public and private sectors, chi-square tests were used.

DATA ANALYSIS AND INTERPRETATION

Table 1: Gender

Category	Public Sector (%)	Private Sector (%)
Male	60	55
Female	40	45
Total	100.0	100.0

Table 1 shows the breakdown of human resources specialists by gender in both the public and commercial sectors. Sixty percent of those who responded were men, while forty percent were women, in the public sector. While 55% of respondents are male and 45% are female, the private sector reveals a more even gender distribution. It seems that there are a few more women working in the commercial sector than in government.

Table 2: Experiences

Particulars	Public Sector (%)	Private Sector (%)
0-5 years	20	30
6-10 years	35	25
11-15 years	25	20
Above 16 years	20	25
Total	100.0	100.0

In Table 2, we can see how many years of experience HR practitioners in the public and private sectors typically have. The most common level of experience among public sector workers is 6-10 years, held by 35% of respondents. The next largest group, with 25% of the total, has 11–15 years of experience, while 20% fall into either the 0–5 or 16+ years category. Compared to public sector organizations, private sector HR departments employ a larger share of entry-level workers (30%) with 0-5 years of experience. Those with 16+ years of experience make up 25% of the total, followed by those with 6-10 years of experience at 25%, and those with 11–15 years of experience at 20%.

Table 3: Role in organization

Category	Public Sector (%)	Private Sector (%)
HR Manager	40	35
HR Executive	30	40
Others	30	25
Total	100.0	100.0

Table 3 displays the distribution of human resources professionals in the public and commercial sectors according to their job titles. The most prevalent function in the public sector, held by 40% of respondents, is that of HR Manager. After that, each position, including HR executives, receives 30%. There is a little different breakdown in the private sector, with 40% being HR Executives, 35% being HR Managers, and 25% being other jobs. There seems to be a

greater emphasis on operations in the private sector, with a higher percentage of HR professionals involved in executive-level responsibilities.

Table 4: HR Challenges in Public and Private Sectors

Particulars	Public Sector (%)	Private Sector (%)
Bureaucratic Rigidity	75	15
Political Influence	60	5
Talent Retention	20	65
Digital Transformation	30	70
Employee Engagement	50	80
Compliance and Regulations	85	30

Human resources experts in both the public and commercial sectors confront the same major obstacles, as shown in Table 4. The most significant obstacle in the public sector, according to 75% of respondents, is bureaucratic inflexibility. This is indicative of the rigid structure and lack of creativity prevalent in many government agencies due to their reliance on long-standing policies and practices. Sixty percent of human resources professionals in the public sector cited political influence as a major obstacle, showing that decision-making and HR procedures in this sector are affected by external political considerations. The intricacy and stringency of regulatory standards is a major obstacle, as pointed out by 85% of respondents from the public sector.

On the other hand, human resources issues manifest differently in the private sector. The retention of talented individuals is the top priority for 65% of the private sector respondents. Attracting and retaining top personnel is very crucial for success in this competitive climate. Seventy percent of those who took the survey also said that digital transformation is a big problem for the business sector. This highlights the need for private enterprises to quickly develop and embrace new technology in order to maintain their competitive edge. Keeping workers highly motivated and committed is essential in the private sector, since 80% of HR professionals in this industry see employee engagement as a difficulty.

Table 5: Results of HR Challenges

HR Challenge	Chi-Square Value	p-value
Bureaucratic Rigidity	24.35	0.001
Political Influence	30.12	0.000
Talent Retention	16.45	0.002
Digital Transformation	5.67	0.058
Employee Engagement	7.89	0.045

Table 5 displays the results of statistical tests that were used to assess the importance of different human resources (HR) issues in both the public and commercial sectors. Statistical analysis reveals that bureaucratic inflexibility is a substantial obstacle (chi-square = 24.35, $p = 0.001$). This shows that the public sector is much more affected by bureaucratic rigidity than the private sector. A chi-square value of 30.12 and a p-value of 0.000 for political influence provide further support for the assumption that this difficulty is far more widespread in the public sector than the private sector.

A chi-squared value of 16.45 and a p-value of 0.002 indicate a statistically significant difference across sectors when it comes to talent retention. Given the fierce rivalry for qualified workers in the private sector, this demonstrates how much more challenging it is to keep talent there. A new situation arises with digital revolution. Despite the acknowledged difficulty, the chi-squared value of 5.67 and p-value of 0.058 indicate that there is no statistically significant difference across the sectors. This means that although the fundamental causes may be different, the degrees of difficulty in both industries adopting new technology may be comparable. The chi-square value is 7.89 and the p-value is 0.045, indicating that employee engagement is a serious concern. Based on these findings, there is a clear divide between the two sectors; the private sector, with its greater demands for performance and innovation, is probably having a harder time keeping employees engaged.

CONCLUSION

The HR industry is obviously ready for a revolution now. HR experts can help smooth the path by figuring out how to quantify HR's worth to the business and by taking decisive action to tackle the problems posed by organizational transformation. Finally, students get the opportunity to do substantial study on human resources and their effectiveness in future companies.

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