Chapter – VI

FINDINGS, SUGGESTIONS AND CONCLUSION

6:1. Findings
6:2. Observed Findings
6:3. Suggestions
6:4. Conclusion
6:5. Scope for Further Research
6.1 Findings

1. Employees’ attitude towards privatization among different age groups and different experience groups are not same.

2. Employees’ attitude towards privatization among different genders, different educational groups, and different job holders’ groups are same.

3. Almost all employees working in the government establishments have negative attitude towards privatization mainly due to lack of job security existing in the private establishments. That means privatization is creating insecurity feeling among the employees.

4. It is clear that government sector employees are not ready to support privatization even if it brings favourable result in the area of compensation, welfare activities, quality of work life, etc. It is because of their lack of confidence towards privatization. They lack confidence level towards it because they are not familiar with the benefits their counterparts receive in the private sector organizations. Due to absence of knowledge about the HR practices of private sector, they have developed a stereotyped attitude for judging the privatization practice.

5. More than half of the employees are working in private sector establishments show interest to work with the government organizations. Because they have positive feeling towards government concerns compared to their establishments. This type of feeling is stronger among the working class because of vicarious learning and whining effects. Through this vicarious effect, employees develop prejudices about the employee welfare measures provided by the government sector organizations. That means, working class feels that PSUs provide more attractive welfare measures to its employees compared to their organizations.

6. Through this comparative study among government and private sector establishments it is obvious that just like a coin; both sectors have got pros and cons. The compensation system practiced in both government and private sectors
are evenly balanced. At the same time, the sources of stress are more favourable in the case of government establishments compared to private organizations. But HR policies & practices, quality of work life, and motivation techniques are more effective in the case of private establishments compared to government sector organizations.

7. From the analysis of compensation and its variables it is clear that factors like basic pay, HRA, DA, LTA & OT are evenly balanced in both sectors and retirement benefits & bonus are better in government sector and the factor like incentive is far better in private sector organizations. Therefore we can conclude that the compensation system at government sector organizations and private sector organizations are equally attractive.

8. Even though role clarity is more in private sector, other important factors which are influencing sources of stress like job security and job stress are highly unfavourable in these establishments compared to government sector establishments. And all other factors like flexible work schedule and rules & regulations are evenly balanced at both sectors. Due to high variation existing between government and private establishments about job security and job stress aspects, sources of stress become more favourable in the government sector compared to private sector.

9. From the study of personnel policies & procedures it is clear that, factors like: training & development, compensation, and rules & regulations are evenly balanced at both the government and private sector establishments. But all other factors like: staffing, performance appraisal, promotion, praise & recognition, and participative management are more effective in private sector organizations compared to government sector.

10. Except employee welfare measures and rules & regulations all other factors which influence quality of work life like: safety measures, job freedom & autonomy,
leadership, use of employees’ abilities & skills, role clarity, physical setup, machinery & tools, and competitive spirit among workers are more valuable in private sector compared to government sector. And the factors like: employee welfare and rules & regulations are evenly balanced at both the government and private sector establishments. From this, it is noticeable that the quality of work life is more attractive in private organizations compared to government counterparts.

11. The motivation level of employees is better at private sector establishments compared to public sector undertakings. Because the majority of motivational factors like: competitive spirit among workers, leadership, job freedom & autonomy, incentive, praise & recognition, challenging job, promotion, participative management, and to reach the peak of one’s potential are better in private sector organizations and job security and retirement benefits are the only two factors which are more positive in government sector organizations.

12. The staffing function in the private sector organizations helps the concern to obtain proper kind and number of personnel necessary for accomplishing their goals in a more effective manner compared to government sector organizations. Because in the private sector establishments they utilize all relevant sources and measures for conducting recruitment, selection, placement and induction. This is possible because the authorities of private sector establishments have full freedom to take staffing decisions compared to its counterparts in the government establishments. The government authorities don’t have this type of freedom related with staffing decisions due to high level of state intervention in these establishments.

13. The promotional policy in private sector concerns is more motivating than government sector concerns. Because in government sector concerns they consider seniority as major criteria for promoting the employees. This will demotivate the good performers of government sector concerns because they are
well aware that, whatever will be the level of their performance it will not counted for promoting the employees. But in the case of private sector they consider both merit and seniority aspects according to its importance for providing promotion to its employees.

14. This study reveals that the physical set up like ventilation and lighting; fire, dust, temperature controlling systems; and office furnishing in the work place are more attractive in the case of private sector organizations compared to government sector organizations.

15. The machinery and tools used in private sector establishments are far better than government sector establishments.

16. The performance linked reward system is far better in private establishments compared to government sector establishments. It is because the private sector establishments are well aware about the importance of maintaining and motivating good performers.

17. The retirement benefit is more attractive in government sector compared to private sector establishments. The government establishments give more consideration for safe guarding the employees’ retired life. This consideration will create more favourable attitude among the employees towards government organizations. This type of favourable attitude will motivate the employees to opt government establishments rather private ones.

18. Compared to government sector establishments the private sector establishments give more opportunity to its employees to purchase company’s shares through Employee Stock Ownership Options (ESOPs). The private firms provide this type of opportunity to its employees for generating ownership feeling among employees and through which they are motivated to perform better.
19. The bonus provided by the government companies are more attractive compared to private counter parts. The government firms provide bonus to its employees as an additional support without considering the company’s performance. But in the case of private sector firms they provide bonus on the basis of profit of the company.

20. The employees who work under government sector companies have high level of job security. But in the case of employees who work in the private sector companies have very low security feeling about their job. This type of insecurity feeling will generate stress in the minds of employees working in the private establishments. This stress will cause negative impact on their performance. At the same time employees are well aware that if they do not create positive results in their performance they may lose their job. This type of feeling will create some sort of push in the minds of employees to take genuine effort to carry out their task in a more effective manner.

21. The management of government sector organizations do not give due consideration for the praise and recognition system. They do not take any effort to praise the good performers of their organizations. But in the case of private establishments the management gives due consideration for praise and recognition system. Because they know that praise and recognition system will motivate the good performers further to do their task in a more effective way.

22. The private sector establishments give better opportunities to its employees to reach the peak of their potential. But this much opportunity is not provided in the case of public sector undertakings. The private sector has more favourable situation in this aspect because in these establishments employees growth are based on their potentiality and not merely based on seniority.

23. The role clarity provided to the employees about their job is high in private establishments compared to government sector firms. It is because; private sector
leaders take pain to provide required informations to their subordinates about their job. They take this pain because they are well aware that if they do not provide clear cut idea about the job to their subordinate that will cause negative impact on their leadership. But the government sector leaders are not much bothered about it. That is why this gap exists between private and government establishments about this aspect.

24. The job stress is very high in private sector organizations compared to government sector organizations. This type of stress related with job, creates imbalance in the minds of private sector employees and that creates negative impact towards their performance and increased labour turnover.

25. The private sector establishments use employees’ skills and abilities far better than government sector counter parts. It is because the private sector establishments never maintain excess employees in their organizations. But in the case of many government organizations excess numbers of employees are present. Therefore they are not able to utilize their employees’ skills and abilities in a maximum manner.

6:2 Observed Findings

1. Another important reason for developing negative attitude towards privatization is harmful word-of-mouth spread about it. People are thinking that privatization will spoil all sorts of benefits of employees. It is because of the vicarious learning effects taking place in the minds of employees. Through vicarious/sensational learning process the employees pick-up the prejudices of their peers about private establishments.

2. Another reason for developing negative attitude towards privatization is whining effect. That means some employees act as a whiner and they sharing complaints or spread negativism about their company. This action of whiner in the group will
bring everyone down. They are like an infection which will spread negative spirit among others.

3. Performance appraisal systems in private establishments are better than government sector establishments. The main reason is that in private establishments there are periodical performance appraisal of the employee’s work and based on it they provide promotion, pay raises, transfers, training, etc.. But in many government establishments they do not give due consideration for performance appraisal and its impact.

4. The upward and downward communications are more systematic in private sector compared to government sector organizations. In private sector organizations the authorities provide clear cut information to their subordinates about their job through timely illustrations and instructions, meetings and counseling. But in the case of government sector the authorities will not take much pain for providing job related information to their subordinates. Because of this situation we can conclude that the downward communication is more systematic in private sector organizations. In similar manner the upward communication is more effective in private sector due to the attitude towards the suggestion and grievance redress systems. The private firms do not have hesitation to consider the valuable suggestions provided by their subordinates and the private management is recognizes that a delayed grievance may become a complicated case. This type of attitude is not present in the case of government establishments.

5. Leaders from private firms are more helpful than government sector establishments. Because when we compare both sectors, private sector leaders are more result oriented than their counterparts in government sector. The private sector leaders are more result oriented because they are well aware that their existence is based on their performance. They are also aware that they can attain desired results in an effective manner through their subordinates. Because of this
awareness most of the leaders from private sector will try their level best to tune their subordinates by utilizing apt motivating and supporting techniques.

6. The private sector employees have more positive attitude compared to government sector employees about the loan facility provided in their respective firms. It is because the private sector organizations provide zero/low interest loan facility to its employees. These types of loan facilities are provided by them mainly for maintaining employees in their firms. If an employee who has taken loan facility from their organization plans to quit that organization he has to repay the entire loaned amount with interest. This system will force the employees to stay back in the present organization. In the case of government sector employees their establishments do not provide much loan facility but have provision to get more loan facility from other financial organizations compared to private sector employees. It is because the financial organizations have more confidence towards government sector employees rather than private sector employees.

7. The job titles provided by private sector establishments are better than government sector establishments. It is because the private sector establishments are well aware about the importance of job title. This job title will influence the esteem need of the employees and will cause positive impact on their performance. By realizing this situation majority of private sector establishments provide impressive job titles to its employees. But in the case of government sector organizations they do not give due consideration for this aspect.

8. Participative style of management is one of the important method utilized for creating some sort of motivation among the employees. This style of management generates a feeling of commitment towards the decisions implemented in the organization because these decisions are made by them. In the analysis it is clear that the participative style of management is more effective in private sector compared to government sector.
9. In the case of government establishments, even the top authorities do not get any freedom to make job related decisions. This is due to the high level of state intervention in the government sector establishments. This created negative feeling among the government sector employees about the job freedom and autonomy. But in the case of private sector establishments the authorities provide some freedom and autonomy to their subordinates in their job. They know that if they provide job freedom and autonomy to employees they will be more responsible towards the outcome received in their job. Because of this the employees working in the private sector firms have more positive attitude than their counterparts who are working in the government firms about job freedom and autonomy.

10. The private sector provides more challenging jobs to its employees rather than government sector. Because the private sector firms are well aware that the challenging jobs will create positive impact in the areas of employee motivation level and company productivity. At some situations this kind of challenging jobs may create negative impact towards the employee’s performance if it creates more stress in the minds of employees.

11. The competitive spirits among the workers is high in the case of private sector employees compared to government sector employees. It is because; in private sector establishments the authorities are aware about the importance of competitive spirit. They know that through this they can attain organizational goals in a more effective manner. For developing this spirit they introduce incentive scheme also.
6:3 Suggestions

- Privatization is recommended as a solution for loss making government sector organizations. But it is clear that introduction of this system is not an easy task, because of negative attitude employees are having towards it.

In order to introduce privatization in the loss making government establishment in a fruitful manner, in the initial stage itself we have to take all sorts of effort to change the negative attitude of employees. For this we have to educate the people about the real impact of privatization, through providing new information. These new information will help to change the negative attitude of employees which are mainly formed owing to lack of insufficient information. Employees generally become pro-union because of the ignorance about the good intentions of privatization. Once they come to know how the private management cares for the welfare of the workers, they will change their attitude and may turn pro-management.

Another apt method we can recommend here is “Co-opting Approach”. Through this approach the company management should take employees who are dissatisfied with the situation and get them involved in improving things. Through this participative style of management the company can attain suitable suggestions for their problem area and also it will help the organization to win co-operation from the part of employees.

It is also necessary to conduct confidence building section among the employees for facing the job security related risk involved in the privatization.

- Since the workers, working in the private sector organizations are unaware about the benefits existing in their organizations compared to government organizations, they develop wrong perception about their establishment. Because according to their information they think that the government sector employees receive far better benefits than they do.
Therefore it is the responsibility of managerial persons to provide clarity to workers about the real situation existing in both sectors. They must provide comparative information about the pros and cons existing in the both sectors. By this action we can avoid the negative attitude developed by private sector workers through vicarious learning effects.

Another important action the managerial persons have to exercise is to ban whining. Because a whiner will generate more negative impact on an organization and therefore the managerial persons should learn to spot them and keep a vigilant eye over their behaviour and attempt to change them. If managers are not able to attain success in creating changes in the whiners’ behaviour it is advisable to separate these types of whiners from the organization. And it is also recommendable to put a “No Whining” sign in your organization.

From the study it is clear that privatization, is not the only method we can utilize effectively for managing loss making government establishments. Because certain number of public sector undertakings are required for the well being of our Indian economy. Therefore we can’t consider that privatization the only solution for reviving loss making government establishments.

The main reasons for the ineffective performance of many public sector undertakings are due to the negative attitude of employees who are working in the concerns. This type of negative attitude leads to lack of commitment from the side of employees. This type of drawback exists in these PSUs due to the inappropriate HR practices existing in these concerns.

Therefore it is advisable to have more effective and efficient HR practices in the PSUs for turning loss making government organizations into profit oriented one. For making effectiveness and efficiency in the area of Human Resource Management following suggestions are recommended:
• The procurement function should be concerned with the obtaining proper kind and number of personnel necessary to accomplish an organization’s goals. For attaining the purpose of procurement function in more fruitful manner it is recommended to provide enough freedom to the authorities of government sector to make use of all sorts of relevant sources and measures of procurement functions.

• In order to make promotional policy more attractive and motivating in government sector organizations, it is advisable to provide promotion to its employees by considering both seniority and merit aspects instead of considering only the seniority as a base. By this promotional policy the employer can improve the motivation level of good performers as well as average performers.

• In order to bring seriousness among the employees about their work, just like private establishments government sector concerns should conduct performance appraisal periodically. And they should also provide promotion, pay raises, transfers, training, etc. to their employees on the basis of performance appraisal result. This action will motivate the government sector employees to perform in a better manner.

• The government sector leaders must be given full responsibilities and freedom to control their subordinates. Because of this high level of responsibility they will provide timely instructions, counseling and support to their subordinates for getting desirable result out of them. Similarly they should give due consideration for suggestion and grievance redress systems, because the results are based on its effects.

• It is also recommended that the government sector organizations provide more comfortable physical set up and relevant machinery and tools for creating a comfortable working set up. By providing favourable work set up, the government establishments can create more positive result from their workers.
• The PLRS (Performance Linked Reward System) is introduced to motivate the employees to perform in a better manner. It is always approachable to introduce PLRS in government organization for motivating all the government employees to perform according to their potentiality.

• Employee Stock Ownership Plans (ESOPs) are recommended in order to create ownership feeling in the minds of employees. Once they have such feeling in their minds they will take genuine effort to carry out their task in a fruitful manner. Because they are well aware that if the company makes more profit, they too will get a share based on the portion of company shares held by them through this ESOPs.

• The government sector organizations should provide due consideration for participative style of management. Because this style of management is important aspect for generating a feeling of commitment towards the decisions implemented in the organization. Through this we can motivate the employees to cooperate with all sorts of actions implemented there.

• The management of government sector organizations should give due consideration for the praise and recognition system. Because this system will further motivate the good performers to do their task in a more effective way. This will also motivate other employees to perform in a better manner.

• Just like the private sector establishments, the government sector organizations should provide better opportunities to its employees to reach the peak of their potential. For this they have to provide growth opportunities to employees on the basis of their potentiality and not merely based on seniority. Through this we can generate goal oriented motivation in the performance of employees.
• The government sector authorities must provide role clarity to their employees about their job. Then only the employees will get clear cut idea about what the company expects out of them and this will also help them to get idea about duties and responsibilities involved in their job. Based on this idea they will perform their task in a more effective manner.

• The PSUs must also introduce group incentive scheme for its employees for motivating the employees to cooperate each other. Through the introduction of this system the company can develop cordial relationship with their peers and this will ultimately help the organization to hit the target in a more effective and efficient manner.

Through these revisions we can eliminate the unproductive performance of government establishments. Once we are able to create productive results in the loss making public sector undertakings, we can turn them into profit making ones.

6.4 Conclusion

Privatization means transferring of ownership from government to private hands. The relevance of this concept arises due to the poor performance of government establishments. The government authorities are planning to privatize loss making government organizations in order to reduce the financial burden imposed by them on the government budget.

But this plan is not an easy task due to the negative attitude existing in the minds of employees about the privatization. For creating favourable change in the minds of employees it is advisable to convince them by highlighting the positive impact of privatization.

It is also noticeable that privatization cannot be considered as a final solution for loss making government concerns. Through this study the researcher identified that by
changing certain HR practices of government sector organizations we can turn the loss making PSUs as profit oriented ones.

6:5 Scopes for Further Research
The current study mainly concentrates on the employees’ attitude towards privatization. In this comparative study the researcher focused on the HR practices of selected government and private sector establishments. It has provided tremendous information for furthering the scope of research by the research scholars, academicians, industrialists, sociologists, and government.

Some of the crucial areas to conduct the research in future are listed as follows.

A study about the impact of privatization in HR practices at government sector establishments.

A detailed and separate comparative study at government and private sector establishments about each HR operating functions like: Procurement, Training & Development, Compensation, Promotion, Retention, and Separation.

The loss making Public Sector Undertakings are providing great opportunities to the researcher to conduct a detailed examination about those organizations.

6:6 Summary of Thesis
In the first chapter the researcher provided introduction to the study by highlighting the meaning of ‘Man’ and ‘HRM’. In this chapter through the statement of the problem and the significance of the study he explains the importance and relevance of this research work. This chapter also discusses about objectives and assumptions related to this study. He also provided brief explanation about the similar studies.

The second chapter talks about how the researcher conducted this research work in a systematic way by highlighting the research design and methods utilized.
In the following chapter the researcher highlights the fundamentals of employees’ attitude towards privatization by detailing the concepts like privatization and attitude and its relationship.

In the next chapter the scholar provided a comparative analysis report about the HR practices at selected government and private sector undertakings for getting more clarity about the HR practices prevailing in these establishments.

In the fifth chapter the researcher provided analysis report and interpretation about the employees’ attitude towards privatization.

And in the final chapter the analysis based findings, suggestions and conclusions are made. Even though in the concluding chapter the researcher put forward some suggestions for overcoming negative attitude towards privatization, he mainly concludes this study by highlighting important aspect that privatization cannot be considered as a final solution for loss making government concerns. Instead we have to provide treatment in certain ineffective HR practices existing in these concerns for turning them as profit oriented one.