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HUMAN RESOURCE MANAGEMENT

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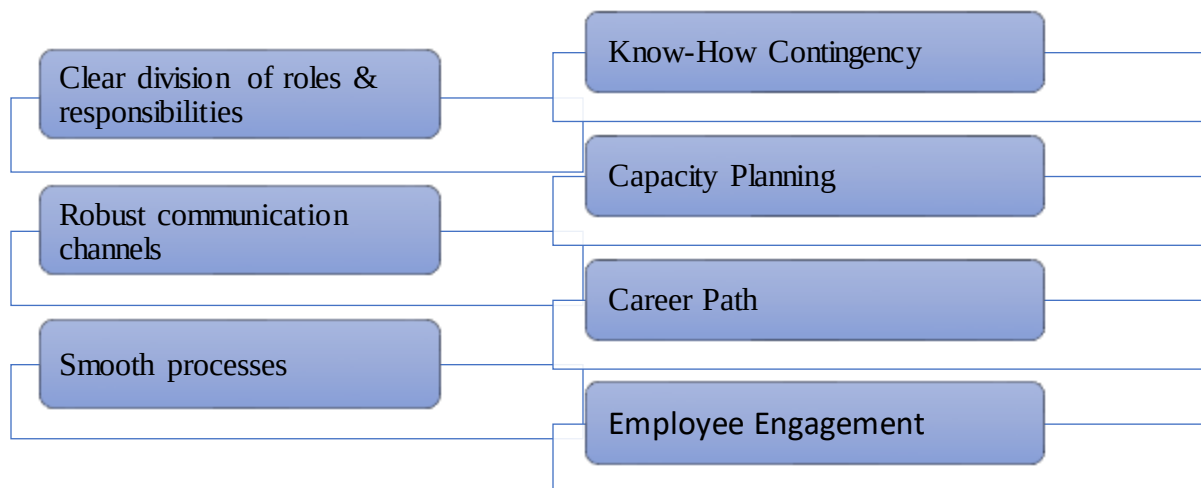
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INTRODUCTION

Effective management of human resources is crucial for the performance and longevity of organisations in today's quickly changing business environment, regardless of the nature of the organisations. In both the public and private sectors, human resources (HR) departments play a critical role in assuring the recruitment, retention and development of skilled personnel who contribute to organisational growth and goal achievement. Governmental organisations, comprising state, federal and local agencies, as well as public service organisations, including the healthcare, education, and law enforcement sectors, are included in the public sector. These organisations work towards advancing the common good and are answerable to the general public. On the other side, privately owned enterprises and corporations that prioritise making money for their shareholders make up the private sector. In the simplest words possible, human resources (HR) is a team in charge of managing the employee life cycle (i.e., hiring, onboarding, training, and terminating people) and handling employee benefit programmes. Any organisation, regardless of its size, requires a HR department.

HR practices are much related to the effective management of human resources. The effectiveness can be measured at two levels. Utilising conventional HR practises, such recruiting and selection, effectively is a requirement for technical HRM effectiveness. In contrast, SHRM effectiveness results from the organization's creation of human resource complexity through innovations like team-based job designs, flexible workforces, and employee empowerment. We are worried about the latter SHRM effectiveness because it is a firm-specific capability that produces financial benefits that are difficult to replicate through competitive tactics (Richard 2001). The human resources department of a business is in charge of ensuring that workers are as productive as possible and defending the business from any issues that can develop at work. Pay and benefits, hiring and firing, and remaining current on any regulations that can have an impact on the company's personnel are all responsibilities of human resources. It will be crucial to offer and implement the kinds of human resource policies and practises that appeal to such individuals if you want to recruit and keep critical employees. As a result, organisations may discover that the road to great performance includes ensuring the involvement and dedication of employees (Guest, D.E., 2003). The following figure shows some of the elements which ensures the high performance of HR in an organization.



Examining and contrasting the HR practises used in both the public & private industries is the goal of this assignment. Although the objectives of human resources departments might appear similar in both industries, there are particular difficulties and factors that set them apart. We can better comprehend the many aspects that influence HR practises in each sector and their effects on employee management and organisational outcomes by comparing and contrasting the similarities and differences.

The various aspects of HR administration will be covered in this assignment, including hiring and selection procedures, training and development plans, pay and benefit plans, performance appraisal procedures, and employee relations in the private and public sectors. In the end, this comparative research will help us fully comprehend HR in the private as well as public sectors. Organisations and HR specialists may develop successful strategies to optimise human capital and improve overall organisational performance by recognising the particular challenges and possibilities each industry brings. This study further attempts to explore the strategic Human Resources and the various organisational development initiatives adopted by the East Coast Country (ECC). In short, the purpose of this paper is to critically address the research questions provided and answer them in a most suitable manner. Following are the key statements, which acts as a basement for the study.

- ❖ The ways in which HR in the private sector differ from HR in the public sector.
- ❖ Significance of sector while determining the effectiveness of HR strategy.
- ❖ Role of HR in relation with the development of employees to achieve strategy goals.
- ❖ Various organisational climate factors which affect the effectiveness of HR strategy.

Human Resource (HR) in Private sector and Public Sector; A comparative overview

Businesses which are owned and managed by a nation's government make up the public sector. In these organisations, the central or state governments either fully or partially own and control them. But it continues to control the majority of the company and is the sole decision-maker. These organisations include municipalities, local government authorities, state-owned companies, government agencies, and other institutions engaged in providing public services. Some of them might be non-profit groups, while others might also engage in business ventures. The basic goal is to offer the general public goods and services at prices that are lower than those charged by private businesses. However, either people or corporate entities own, oversee, and administer the private sector enterprises. It could be a small, medium, or even a large organisation. These are established to generate revenue from the company's activities, and they are able to raise money from private persons, public organisations, and other groups. Within the private sector, there are many distinct types of organisations, such as sole proprietorships, partnerships, cooperative societies, businesses, and international organisations. In order to thrive over time, they also put a lot of effort into meeting the requirements of their clients.

Numerous studies have been undertaken in this area. when we review these prior researches, the public sector uses more HR methods in large-, middle- and small-sized organisations than similar organisations in private sector (Poor et. al., 2009). While welfare management practises are applied equally across sectors, equal opportunity practises are still more frequently adopted by public sector businesses than by private sector ones. The primary cause of this is the rising use of welfare management practises by private sector firms (Knies, E. et al. (2022)).

HR practises are greatly influenced by important distinctions between the public and private industries, including organisational structure, financing sources, regulatory frameworks, and stakeholder expectations. By way of example, the public sector is frequently governed by stringent laws and administrative systems, which may have an impact on hiring practises, pay scales, and performance evaluation techniques. Contrarily, the private sector frequently offers more latitude in terms of staffing agreements, pay scales, and performance-based incentives. Additionally, the public sector encounters particular difficulties like financial limitations, political pressures, and the requirement to uphold public policy goals. These variables may have an impact on activities aimed at increasing employee engagement as well as workforce planning and talent acquisition. While driven by earnings, the private sector must also handle problems like rivalry in the market, talent retention, and developing a healthy

organisational culture in order to draw in and keep qualified workers. Based on the following factors, HR in the private sector is distinct from HR within the public sector in a number of ways:

➤ Employment contract and conditions

- Private Sector: Employer contracts, comprising terms of employment, pay packages, and performance-based incentives, can be created with more freedom in the private sector. They can implement variable compensation systems and provide benefits designed to entice and keep top people.
- Public Sector: The public sector frequently adheres to standardised civil service regulations and rules, which may lead to more restrictive employment contracts with set pay rates and little room for flexibility. Instead, than putting an emphasis on individual performance-based rewards, job stability and equality may be the main concerns.

➤ Competition and Market dynamics

- Private Sector: In a market that is highly competitive, private organisations must compete to win over and keep talented workers. Market calls for, talent acquisition tactics, and the need to outperform the competition are frequently the driving forces behind HR within the private sector.
- Public Sector: Although there may be competition in some public sector fields, including education and healthcare, HR within the public sector frequently puts public service goals ahead of market competitiveness. Government obligations, community demands, and guaranteeing equal access to services could all be priorities.

➤ Compensation and Rewards

- Private Sector: Companies in the private sector have more freedom to choose their own pay systems. To reward top performers and boost productivity, they can implement performance-based compensation, stock options, bonuses, as well as additional incentives.
- Public Sector: Compensation plans in the public sector frequently have fewer variations and are more standardised. Ordinarily, civil service legislation and governmental policies that prioritise fairness and pay parity for all employees set pay ranges.

➤ Employee Accountability and Performance Management:

- Private Sector: Individual staff performance and accountability are frequently given top priority in HR practises in the private sector. Systems for performance management are created to establish precise objectives, offer frequent feedback, and recognise and reward top performers. Employees who perform poorly may suffer repercussions, including termination.
- Public Sector: Focusing on individual contributions, systems for performance management may be created to assess overall organisational performance. Instead of abrupt termination, disciplinary proceedings may emphasise improvement and retraining.

➤ Budgetary constraints and funding

- Private Sector: Since private organisations are mostly supported by their own sources of income, budgeting for HR-related activities can be done with more freedom. Although there may still be budgetary restrictions, the emphasis is on resource optimisation to promote organisational growth and profitability.
- Public Sector: Budgetary restrictions imposed by government funding are applicable to HR within the public sector. Political priorities, goals of public policy, and the accessibility of public resources all have an impact on budget allocations. Careful resource management may be essential for balancing service delivery and cost effectiveness when implementing HR solutions.

➤ Legal and Regulatory compliance

- Private Sector: Private organizations must comply with employment laws and regulations but generally have more flexibility in employment practices, subject to the legal framework. HR departments ensure compliance with labor laws, anti-discrimination regulations, and health and safety standards.
- Public Sector: HR in the public sector operates within a complex web of legal and regulatory frameworks, including civil service rules, labor laws, and public sector employment regulations. Compliance with government policies, ethics guidelines, and transparency requirements is crucial.

While these disparities do exist, it is crucial to keep in mind that variances within both sectors may also occur depending on particular industry circumstances, organisational structures, and governmental legislation. The distinct difficulties, objectives, and stakeholder expectations connected to operations in the public and private sectors influence HR practises in each sector

Significance of sector while determining the effectiveness of HR strategy

Measuring the effectiveness of an HR department's actions and activities for a business is referred to as HR effectiveness. Since human resources managers are involved in influencing significant business decisions, a strong HR team is essential to a company's success. For instance, a properly planned and implemented hiring and onboarding strategy can assist in bringing in top personnel, increasing productivity and, consequently, revenue. Similar to this, a dynamic system for performance management enables managers and staff to monitor performance and development, enhance it, and attain organisational objectives. You may determine how efficiently you're employing your time and resources by measuring HR effectiveness. You can enhance or get rid of inefficiencies by identifying them. It can illustrate and visualise the overall influence the human resources department has on the business by measuring HR effectiveness. To improve employee abilities, knowledge, and skills, managers should adopt targeted and focused HRD practises. This will increase organisational effectiveness. Universities need to hire and keep talent and use it to gain a sustained competitive edge because the success of the institution depends on the academic staff's competency (Kareem M. A, 2019). Also, the effectiveness of an organization's HR strategy is significantly influenced by the industry in which it works. Sector-specific elements have an impact on HR procedures and have an influence on the creation, use, and results of HR strategies. The importance of the sector when assessing the efficacy of HR strategy is highlighted by the following factors, among others:

➤ Organisational objectives and goals:

Public service goals and objectives serve as the driving force behind public sector organisations. In this industry, HR strategies are in line with upholding legal obligations, addressing social needs, and ensuring equal access to services. The contribution that HR initiatives make to accomplishing these more general public service goals serves as a gauge of their efficacy. Organisations in the private sector are primarily concerned with profitability, market competitiveness, and growth. In this industry, HR initiatives are intended to increase productivity, recruit and keep competent workers, and improve organisational performance. The effects of HR initiatives on financial results, market share, and shareholder value are used to assess their efficacy.

➤ Expectations from Stakeholders:

Government entities, citizens, and stakeholder groups are just a few of the many parties that public sector organisations must deal with. Stakeholder expectations for justice, openness, and accountability must be taken into account in HR strategy. The extent to which HR practises meet stakeholder requests and enhance public satisfaction and trust is a key indicator of effectiveness. Shareholders, clients, and staff are examples of stakeholders for private sector businesses. Customer needs, shareholder value, and a great employee experience are the main goals of HR strategy. When it comes to exceeding stakeholder expectations, boosting consumer satisfaction, and maximising shareholder returns, HR initiatives perform best.

➤ Regulatory Framework:

Civil service regulations, labour legislation, and government regulations make up the complex regulatory environment in which the public sector must operate. Legal obligations, ethical standards, and public policy goals must all be met by HR methods. The regulatory framework is typically less strict in the private sector. HR strategies have more freedom to create employee contracts, pay structures, and performance monitoring systems, but they must still abide by employment rules and regulations. HR strategies' efficacy is evaluated based on their capacity to draw in and keep top talent, promote employee engagement, and maximise staff efficiency while adhering to regulatory constraints.

➤ Budgetary Limitations and Resource Allocation:

In order to balance delivery of services, staff development, and cost effectiveness, HR strategies must optimise resource allocation. The capacity of HR strategies to meet organisational objectives while working within resource restrictions serves as a gauge of their efficacy. Organisations in the private sector are freer to manage their budgets and allocate resources for HR-related tasks. Using talent acquisition, employee development, and strategic priorities as a guide, HR strategies can distribute resources. The capacity of HR strategies to maximise resource utilisation and produce a favourable return on investment serves as a gauge of their efficacy.

In conclusion, by influencing organisational goals, expectations among stakeholders, regulatory contexts, and resource allocation, the sector has a substantial impact on the efficacy of HR strategies. Developing and carrying out HR strategies that meet sector-specific needs and promote organisational performance require an understanding of sector-specific characteristics.

Role of HR in Employee Development while achieving goals

Human resource development aims to enhance employee aptitude and performance. With regard to staff training, career growth possibilities, and motivation, this framework directs organisations. A framework for managing, enhancing, and maximising staff competencies, skills, and talents is known as human resource development. This strategy framework raises personnel potential and performance, which increases organisational effectiveness. By supporting career growth and staff training, human resource development advances the workforce. As a result, it plays a significant role in the effectiveness of the organisation as a whole. According to the resource-based view, the organization's exploitation of business intelligence capabilities leads to facilitating the acquisition of a sustainable competitive advantage derived from the uniqueness of the products and services provided (Cruz & Haugan, 2019). Resource based view emphasises a company's internal assets and competencies as the main driver of its competitive advantage. It highlights the distinctive and priceless assets that a company has and how they contribute to its exceptional performance. The main ideas are sustainable competitive advantage, strategic resources, capabilities, core competencies. In order to generate a competitive edge that is challenging for rivals to replicate, the idea places a strong emphasis on the identification, development, and deployment of special and valued resources.

According to this, businesses should concentrate on locating and developing distinctive and valuable resources and competencies that are challenging for rivals to imitate in order to maintain a competitive advantage. The framework instructs businesses on the ideal tactics, projects, advantages, and chances to improve staff expertise, experience, and skills. HR's contribution to employee development is crucial to the success of organisations. The task of developing and implementing strategies and programmes that improve employees' knowledge, abilities, and skills so they can effectively contribute to organisational goals falls on HR departments. Following are some crucial functions that HR performs in fostering employee growth while working towards organisational objectives:

- ✓ **Training and Development Programmes:** To improve the knowledge and skills of employees, HR plans and manages training and development programmes. These initiatives could include leadership development, job-specific training, onboarding, and chances for ongoing education. HR supports employees' professional development and enables them to carry out their tasks more effectively by providing them with the essential skills and competencies, which ultimately helps the organisation achieve its goals.

- ✓ Performance Management & Feedback: To establish clear performance expectations, track development, and give employees feedback, HR establishes performance administration systems. Strengths, opportunities for improvement, & developmental needs are all identified through regular performance reviews and constructive feedback sessions.
- ✓ Talent management and succession planning: HR uses succession planning to find and train high-potential workers for future leadership positions. HR supports employee growth and advancement by coordinating it with organisational goals through mentoring programmes, work rotations, and leadership development initiatives.
- ✓ Performance-based incentive programmes are created and managed by HR with the goal of motivating staff members and recognising their accomplishments. These inducements can take the form of monetary bonuses or non-cash benefits like prospects for professional growth, public acclaim, or new obligations.
- ✓ Employee Engagement and Retention: HR identifies variables that affect employee happiness and engagement through programmes including employee surveys, feedback methods, and communication channels. The HR department encourages employee retention and assures a motivated workforce that contributes to the success of the organisation by addressing these aspects and putting policies into place to improve work-life balance, career progression opportunities, and a supportive culture.
- ✓ Learning & Knowledge Management: HR supports knowledge transfer, cooperation, and continual learning within the company by putting in place the processes and platforms needed. HR fosters a culture by encouraging staff members to share best practises, lessons learnt, and creative ideas.

In conclusion, HR is critical to the success of the organisation and to the growth of its employees. Training and development, talent management, rewards and incentives, employee engagement, and information sharing are just a few of the areas that HR focuses on to make sure that staff members have the chances, drive, and skills they need to advance the organisation. HR synchronises individual development with the accomplishment of more general organisational goals through strategic employee development initiatives.

Organisational climate factors which affect the effectiveness of HR strategy.

The term "organisational climate" describes the circumstances that either support or thwart employees' efforts to be creative. A general definition of climate is the shared perception of the working environment that people have on a daily basis. Individuals with innovative behaviour are people who develop, carry out, react to, and modify ideas. An innovator introduces changes, searches for new solutions, and defies existing limitations or restrictive resources (Krot and Lewicka, 2011). As per the study related with NHRM, to better understand the implications of NHRM practises and innovation performance, organisational innovation is required. This is a recent development in semi-government organisations. and the environment for organisational innovation plays a moderating impact (Waheed 2019). Organisational structure has a significant impact on how well and efficiently HR departments operate inside an organisation. The organisational structure affects the scope of control, reporting lines, location of the HR department, channels for collaboration and communication, and decision-making authority. The visibility, influence, and resources available to the HR department are based on where it is located within the organisational structure and to whom it reports. This in turn affects its capacity to spearhead strategic initiatives and successfully support organisational goals.



The prevalent attitudes, values, and behaviours inside an organisation that impact employee experiences and shape the workplace are referred to as the organisational climate. The success of HR strategies can be strongly impacted by a number of organisational climate elements. These elements consist of:

- ✓ **Leadership Style & Support:** The efficacy of HR strategies can be significantly impacted by the leadership style present within an organisation. HR activities are supported in an environment where supportive and transformative leadership is practised, and staff members are motivated and feel appreciated. The implementation and execution of HR policies might be hampered by autocratic and unsupportive leadership styles, on the other hand.
- ✓ **Communication and Transparency:** Successful HR initiatives depend on effective communication and transparency. A culture of open and honest communication fosters employee engagement, collaboration, and trust. The transmission of HR-related information is facilitated by clear, consistent, and two-way communication channels, which also guarantee that employees understand goals and expectations and provide them the opportunity to give feedback and participate in decision-making processes.
- ✓ **Organisational Culture:** The culture of an organisation has a big impact on how well HR tactics work. The success of HR activities focused on training, talent development, and performance management is increased by a culture that encourages employee development, fosters cooperation, and supports continuous learning. The success of HR initiatives might, however, be hampered by a culture that inhibits innovation, rejects change, or fails to place a strong emphasis on employee development.

The success of HR strategies is substantially impacted by a number of organisational climate elements. Organisations can increase the success of their HR initiatives by cultivating a good environment that emphasises leadership support, efficient interaction, a supportive atmosphere, employee engagement, and well-being. HR strategies can succeed and aid in the success of an organisation by being aware of and responding to certain climatic aspects.

CONCLUSION

Although there are some clear variations, the development of HR has followed a similar path in both the public and commercial sectors. In the private sector, HR has changed from doing administrative tasks to playing a strategic role that is centred on organisational development, talent management, and employee engagement. The focus is on coordinating people management strategies with organisational goals and advancing organisational success. In the public sector, human resources has changed from a purely bureaucratic paradigm to one that is more strategically minded and customer-focused. The focus is on providing fair access to services, guaranteeing transparency and accountability, and satisfying the different demands of the people. In order to enhance service delivery and organisational effectiveness, HR in the public sector has also witnessed an increased focus on talent acquisition, performance management, and retention. The comparison of HR in the public and private sectors reveals key distinctions and factors between the two industries. To create HR strategies that are effective and specifically address the issues and features specific to each industry, it is essential to understand these variances. Market needs, rivalry, and the desire for profit drive HR practises in the private sector. Private businesses can be more creative when creating employee agreements, pay plans, and performance-based rewards. To achieve an advantage, they place a high value on talent acquisition, accountability, and individual employee performance.



The emphasis of HR in the public sector, in contrast, is on guaranteeing fair access to services, meeting community needs, and carrying out governmental directives. Normative civil service norms and regulations govern how public organisations conduct business, placing a strong emphasis on job security & equitable treatment. When assessing the efficacy of HR strategies, the sector's importance becomes clear. The sector influences resource allocation, regulatory frameworks, stakeholder expectations, and organisational goals. HR is essential to employee development because it links personal development to the accomplishment of overarching organisational goals. HR supports organisational success through learning and development initiatives, talent and performance management, incentives and rewards, employee engagement, and information sharing.

Additionally, a number of organisational climate variables may affect how well HR methods work. The effectiveness of HR initiatives is influenced by a variety of factors, including style of leadership & support, communication and transparency, organisational culture, motivation and engagement of staff members, organisational structure and processes, performance evaluation and recognition, work-life balance, and well-being. The secret to effectively managing HR in the public & private sectors is to recognise the distinctive qualities of each sector, develop HR strategies to sector-specific demands, and take the organisational climate into account. Organisations, whether they work in the public or private sector, may optimise their HR practises, attract and retain people, improve employee performance, and eventually accomplish their goals by knowing and navigating these intricacies.

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