



A STUDY OF HUMAN RESOURCE DEVELOPMENT (HRD) IN PUBLIC SECTOR ORGANISATIONS

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ABSTRACT

Human Resource Development (HRD) is a strategic function through which organisations develop employee knowledge, skills, capabilities, motivation and career potential. In public sector organisations, HRD has an additional institutional role because these organisations operate within public accountability, formal rules, social obligations, industrial relations frameworks and changing technological requirements. This paper examines the nature, major dimensions and contemporary challenges of HRD in Indian public sector organisations, with particular reference to Central Public Sector Enterprises (CPSEs). The study uses secondary data from the Department of Public Enterprises (DPE) Public Enterprises Survey 2024-25 and relevant academic literature. The analysis covers employment structure and employee benefit expenditure and connects these indicators with HRD dimensions such as training and development, performance appraisal, career development, employee participation and strategic HRM. DPE data show that CPSE employment increased from 1,517,967 in 2023-24 to 1,542,339 in 2024-25, while regular employment declined from 813,480 to 783,728 and casual/daily-rated/contract employment increased from 704,487 to 758,611. The findings indicate that public-sector HRD must increasingly address workforce restructuring, skill development, training effectiveness, career mobility, employee engagement and digital transformation. The paper concludes with a practical HRD framework for strengthening capability and organisational effectiveness in public sector organisations.

KEYWORDS: Human Resource Development, Public Sector Organisations, CPSEs, Training and Development, Performance Appraisal, Career Development, Employee Engagement, Strategic HRM

1. INTRODUCTION

Human resources constitute a central organisational capability because physical and financial resources can create value only when people possess the knowledge, skills and motivation required to use them effectively. Human Resource Development (HRD) extends beyond routine personnel administration and focuses on the systematic development of employee competence and organisational capability. In the Indian public sector, HRD is particularly significant because public sector organisations combine commercial, developmental and public-service responsibilities.

Public sector organisations operate in an environment characterised by formal recruitment systems, service rules, reservations and social obligations, structured industrial relations, accountability requirements and increasing exposure to competition and technology. Consequently, HRD needs to balance institutional stability with continuous learning and adaptability. Earlier empirical research on Indian organisations has examined HRD subsystems such as performance appraisal, potential appraisal, career development, training and employee communication. Jain and Premkumar reported that many HRD subsystems were moderately effective, while employee communication and empowerment required attention. Budhwar and Boyne's comparative study of Indian public and private organisations also examined training, development, compensation, employee relations and the strategic role of HR.

2. REVIEW OF LITERATURE

Rao's early survey of the HRD function in Indian organisations examined 94 HRD activities across 61 HRD professionals from public and private sector organisations. The study reported broad similarities between the sectors but identified weaknesses in human-process research, mobilisation of unions and associations for HRD, and monitoring of HRD implementation.

Budhwar and Boyne compared 137 large Indian manufacturing firms, comprising 81 public-sector and 56 private-sector firms. Their study covered recruitment and selection, compensation, training and development, employee relations and HR strategy. The results indicated both similarities and differences between the sectors and suggested that the public-private gap was not uniformly large across HR functions.

Jain and Premkumar investigated HRD practices and their relationship with human-resource productivity in Indian public and private sector organisations. Their findings indicated that most selected HRD subsystems and facilitators were moderately effective, highlighting the need for systematic improvement rather than treating HRD as a purely administrative activity.

Kodwani and Prashar studied training effectiveness in the Indian public sector and found that training-needs analysis, training information and type of training influenced motivation to learn, while trainee reaction moderated the relationship between motivation



and training effectiveness. This supports the view that HRD outcomes depend not only on providing training but also on the quality of diagnosis, design, employee participation and transfer of learning.

3. OBJECTIVES OF THE STUDY

1. To examine the concept and major dimensions of HRD in public sector organisations.
2. To analyse the contemporary employment structure of Indian CPSEs using official secondary data.
3. To examine employee benefit expenditure across major CPSE cognate groups as an indicator of organisational investment in employees.
4. To identify key HRD challenges relating to training, career development, performance management, employee engagement and workforce transformation.
5. To suggest an integrated HRD framework for improving employee capability and organisational effectiveness in public sector organisations.

4. RESEARCH METHODOLOGY

The study follows a descriptive and analytical research design based on secondary data. The principal quantitative source is the Department of Public Enterprises, Ministry of Finance, Government of India, Public Enterprises Survey 2024-25. The study uses official employment and employee-benefit data for CPSEs for 2023-24 and 2024-25. Academic literature on HRD and training effectiveness is used to interpret the institutional significance of these indicators. No primary employee survey is claimed in this paper; therefore, the numerical findings should be understood as secondary-data analysis rather than survey evidence.

Data analysis techniques: percentage change, workforce composition analysis, comparative tabulation and descriptive interpretation.

5. HRD Dimensions in Public Sector Organisations

5.1 Training and Development

Training is a core HRD mechanism for updating technical, managerial, behavioural and digital capabilities. In public sector organisations, training needs to be linked with job roles, technology changes, safety requirements and future skill requirements.

5.2 Performance Appraisal and Potential Development

A developmental appraisal system should identify performance gaps, strengths, future potential and learning requirements. Appraisal becomes more valuable when it leads to coaching, development plans, job enrichment and career discussions rather than only administrative evaluation.

5.3 Career Development and Succession Planning

Public sector organisations generally operate with structured grades and career paths. HRD can strengthen these systems through competency mapping, transparent development criteria, mentoring, job rotation and succession planning for critical roles.

5.4 Employee Engagement and Participation

Engagement involves employees' psychological and behavioural connection with their work and organisation. Participation in problem-solving, communication, suggestion systems and team-based improvement can strengthen ownership.

5.5 Industrial Relations and Employee Welfare

HRD in public organisations must work with established industrial-relations institutions and employee associations. Welfare, safety, grievance handling and constructive communication are important foundations for sustained productivity.

5.6 Digital HRD

Digital learning platforms, competency databases, HR analytics, online performance systems and virtual learning can make development more accessible and measurable. Digital HRD should complement—not replace—managerial coaching and workplace learning.

6. DATA ANALYSIS AND FINDINGS

According to the DPE Public Enterprises Survey 2024-25, CPSEs employed 1,542,339 persons in FY 2024-25 compared with 1,517,967 in FY 2023-24, an increase of 24,372 employees or 1.61%. Within this total, regular employment declined by 29,752 (3.66%), while casual/daily-rated and contract employment increased by 54,124 (7.68%). This change is relevant to HRD because different



workforce categories require different approaches to induction, skill development, performance management, engagement and workforce planning.

Category	2023-24	2024-25	Change	% Change
Regular employees	813,480	783,728	-29,752	-3.66%
Casual/daily-rated & contract	704,487	758,611	+54,124	+7.68%
Total employment	1,517,967	1,542,339	+24,372	+1.61%

Table 1. Employment structure of CPSEs, FY 2023-24 and FY 2024-25. Source: Department of Public Enterprises, Public Enterprises Survey 2024-25.

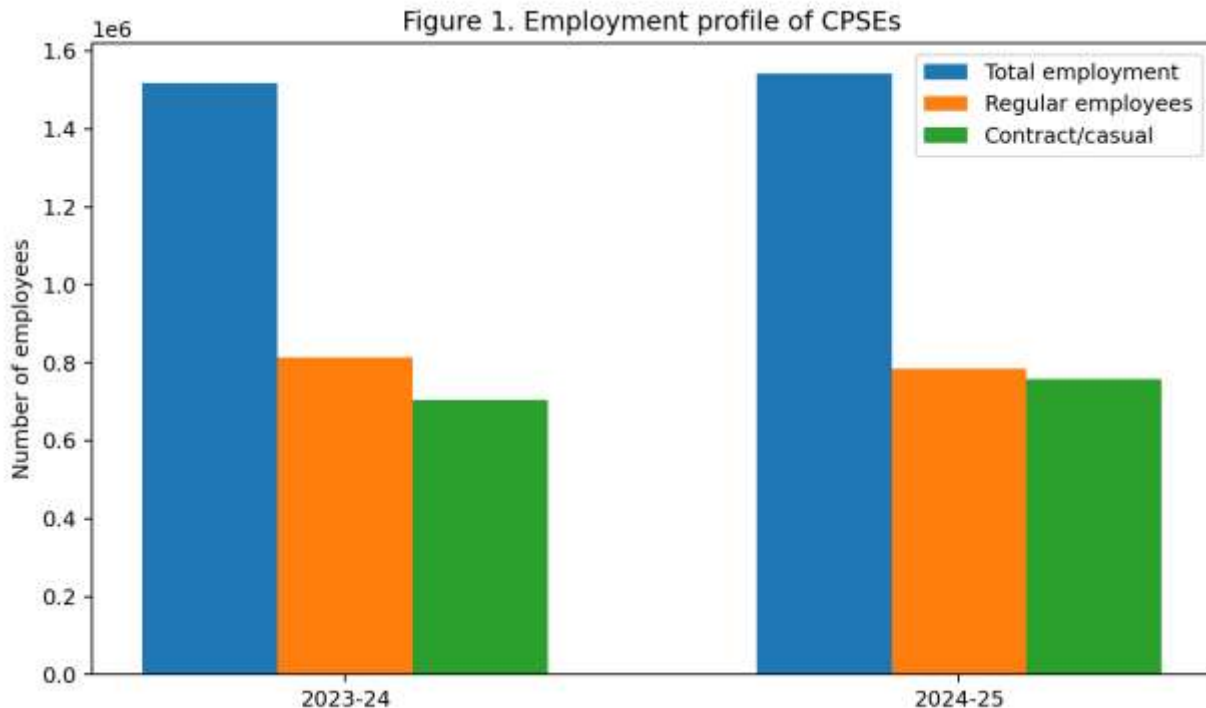


Figure 1. Employment profile of CPSEs. Source: DPE Public Enterprises Survey 2024-25.

The employment data indicate a changing workforce mix. Although total CPSE employment rose, the composition shifted toward casual/daily-rated and contract workers. From an HRD perspective, this creates a need for differentiated learning pathways, clear role-based competency requirements, safety and compliance training, and mechanisms for knowledge transfer between experienced regular employees and other workforce categories.

6.1 Employee Benefit Expenditure

DPE's Statement 23 reports employee benefit expenses by cognate group for FY 2024-25. Selected large groups include Coal, Defence Production, Petroleum (Refinery & Marketing), Power Generation, Steel and Transport & Logistics. Employee benefit expenditure is not a direct measure of HRD effectiveness, but it provides useful contextual information about the scale of organisational investment associated with employees.

Cognate group	Employee benefit expenses (₹ lakh)
Coal	4,585,209
Defence Production	1,852,514
Petroleum	1,874,623
Power Generation	1,457,782
Steel	1,423,552
Transport & Logistics	1,059,198

Table 2. Employee benefit expenses in selected CPSE cognate groups, FY 2024-25. Source: DPE Statement 23.

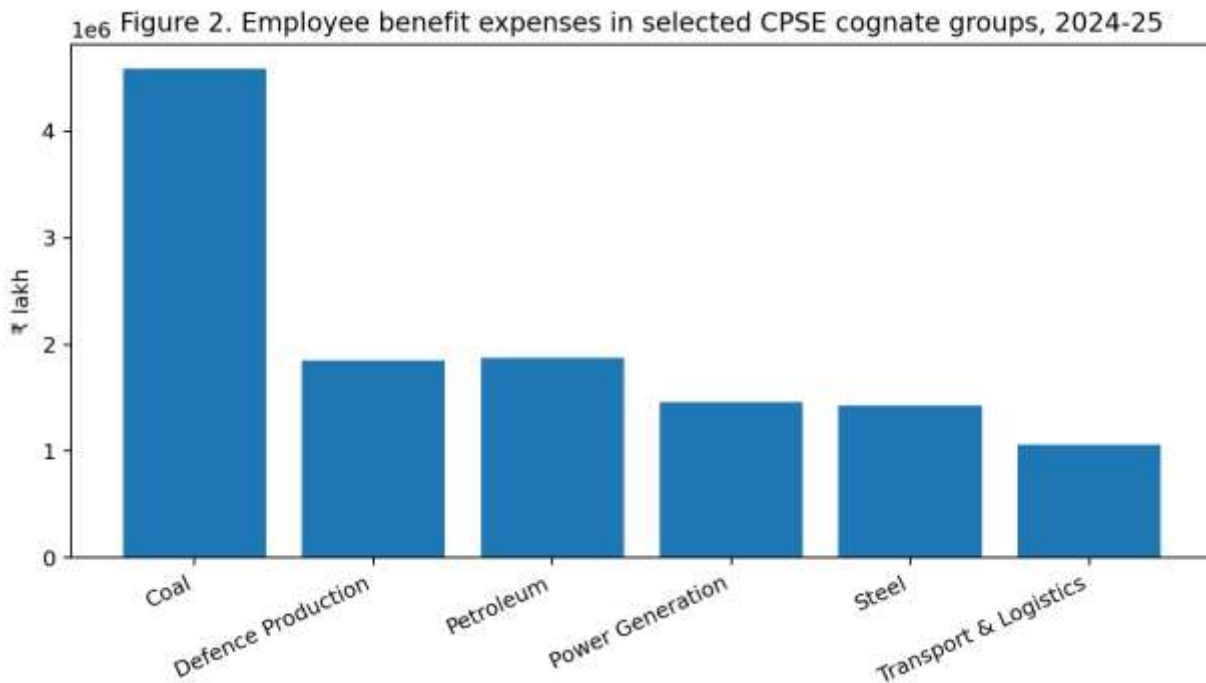


Figure 2. Employee benefit expenses in selected CPSE cognate groups, FY 2024-25. Source: DPE Statement 23.

7. DISCUSSION

The data and literature together suggest that HRD in public sector organisations should move from a predominantly administrative orientation toward a more strategic and capability-based model. The increase in overall employment alongside a decline in regular employment and increase in contract/casual employment indicates that workforce planning is becoming more complex. HRD policies must therefore account for multiple employment categories and ensure that critical organisational knowledge is not lost during workforce transition.

Training effectiveness is another central issue. Training expenditure or the number of programmes conducted cannot by itself establish HRD success. Training needs analysis, employee motivation, training design, managerial support and transfer of learning to the workplace should be evaluated. Public sector HR departments can therefore introduce training dashboards that track participation, completion, learning assessment, application at work and post-training performance indicators.

Performance appraisal should similarly be integrated with development. A developmental appraisal cycle can identify competency gaps and generate individual development plans. Career development can then connect these plans with job rotation, mentoring, certification, leadership development and succession planning.

8. MAJOR HRD CHALLENGES

1. Changing workforce composition and the need to manage regular, contractual and other workforce categories.
2. Skill gaps created by automation, digitalisation, cybersecurity, advanced manufacturing and data-driven work.
3. Ensuring that training is linked to actual competency gaps and workplace outcomes.
4. Balancing established service rules and industrial-relations practices with organisational agility.
5. Strengthening employee participation, communication and empowerment.
6. Developing objective competency frameworks and transparent career-development mechanisms.
7. Using HR analytics while maintaining data quality, privacy and responsible decision-making.
8. Retaining institutional knowledge when experienced employees retire or move out of critical roles.

**9. SUGGESTED HRD FRAMEWORK FOR PUBLIC SECTOR ORGANISATIONS**

HRD Component	Suggested Approach
Workforce Diagnosis	Map current and future jobs, competencies, vacancies and workforce categories.
Competency Mapping	Define technical, behavioural, managerial and digital competencies by role.
Learning Architecture	Combine classroom training, e-learning, coaching, mentoring, job rotation and project-based learning.
Developmental Appraisal	Link performance review with individual development plans and measurable learning goals.
Career And Succession	Identify critical roles, talent pools and transparent development pathways.
Engagement	Use employee communication, suggestion systems, participation forums and periodic engagement measurement.
HR Analytics	Track training effectiveness, skill gaps, internal mobility, absenteeism, turnover and workforce composition.
Continuous Evaluation	Measure learning, behaviour change, workplace application and organisational outcomes.

Table 3. Proposed HRD framework for public sector organisations.**10. CONCLUSION**

HRD is increasingly important for public sector organisations because organisational effectiveness depends on the ability of employees to adapt to technology, changing service expectations and evolving work structures. The DPE employment data for FY 2024-25 show both an increase in total CPSE employment and a shift in the composition of the workforce. This reinforces the need for integrated workforce planning, differentiated learning, competency development and knowledge management. Existing research also indicates that training effectiveness depends on factors such as needs analysis, information, motivation and transfer of learning. Public sector organisations can therefore strengthen HRD by connecting recruitment, training, performance appraisal, career development, engagement and HR analytics within a common capability framework.

The study is limited by its reliance on secondary data. Employment and employee-benefit statistics provide an organisational-level context but do not directly measure individual perceptions of HRD effectiveness. Future research can undertake primary surveys among employees and HR professionals across selected public sector organisations and test relationships between HRD practices, employee engagement, perceived organisational support, competency development and organisational performance using statistical techniques.

11. REFERENCES

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Data Sources

Department of Public Enterprises, Public Enterprises Survey Reports FY 2024-25: official employment and employee-benefit statements.

Note: All numerical data in Tables 1–2 and Figures 1–2 are secondary data from the DPE Public Enterprises Survey 2024-25; no primary survey results have been invented.