



Impact Of Post-Liberalization Human Resource Policies On Employee Relations In India: A Critical Analysis

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Citation: Shrestha Stephen Vadlana, et al. (2024) Impact Of Post-Liberalization Human Resource Policies On Employee Relations In India: A Critical Analysis. *Educational Administration: Theory and Practice*, 30(4), 11048-11054

DOI: 10.53555/kuey.v30i4.9143

ARTICLE INFO

ABSTRACT

This study critically analyzes the impact of post-liberalization human resource (HR) policies on employee relations in India. With the objective of examining the evolution of HR policies, assessing their impact on employer-employee relations, and evaluating the challenges and opportunities they present, this research adopts a quantitative approach using descriptive correlational analysis. Descriptive statistics, correlation, regression, and factor analysis on data provided from a sample of 100 employees and 100 HR managers in diversified industries provided the evidence in the paper. The outcomes obtained are such that performance-based pay and flexibility in the nature of work promote job satisfaction while contract employment causes negative impacts both on job satisfaction and labor unrest. Union participation is negatively related to the outcomes. Training and development policies also contribute to job satisfaction, but with a relatively weak impact on union participation. The regression analysis also reinforces the positive impacts of performance-based compensation, work flexibility, and training on employee relations, but contract employment poses significant problems. This paper underscores the need for HR policies that guarantee job security, growth opportunities, and work flexibility to create better employee relations in India's post-liberalization period.

Keywords: Post-Liberalization, Human Resource, Employee Relations, job satisfaction, Training

1.INTRODUCTION

This also happened to mark the beginning of the economic liberalization of India in 1991, turning the nation towards a new dimension of development trajectory [1]. This major transformation not only exposed the Indian economy to world markets but brought drastic changes to the industrial and corporate scenario as well [2]. Most significant impacts from this era relate to human resource policies and its implications on relations at the organizational level with respect to employees. This period was characterized by the shift away from rigid bureaucratic HR practices which typified the pre-liberalization period into the liberalization and more recent, dynamic, strategic workforce management approach [3]. Changes had widespread effects in India in matters related to employee relations and also reshaped work nature, the nature of relationships between employers and employees, and processes involved in collective bargaining.

The industrial relations regime prior to liberalization was, therefore, underpinned by a socialist ethos that focuses on labor welfare, rigid job security measures, and an influential role for trade unions. Employment relationships were governed in large part by a regulatory regime that had the aim of promoting job security and worker protection, often at the cost of organisational flexibility. However, liberalization reforms were to be accompanied by market-led strategies, which finally brought in more flexible, performance-based HR policies into the organizations [4]. This was to enhance competitiveness, to attract foreign investments, and to attune to fast-changing dynamics in the market. Thus, in this era after liberalization, it has generally been marked by significant policy changes in employment practices, such as introducing contract employees, linking rewards to performance, and designing a system of employee engagement and skill building [5].

The changes in this regard have, therefore been both transformative and complex. Adopting modern HR practices may bring about operational efficiency and organizational agility; however, employee relations have often taken a blow because of these same factors [6]. Trade unions play a declining role, individualism is

growing in the workplace, and emphasis has been laid on short-term contracts and gig work under which the employer-employee relationship has changed beyond recognition [7]. Some of these developments raise critical questions regarding job security, workers' rights, and fair distribution of organizational benefits. Along with these factors, advancements in technology and data-driven HR practices have also impacted the dynamics of employee relations, generating both new opportunities and challenges for employers and employees alike [8]. This study critically analyses the impact of post-liberalization HR policies on employee relations in India [9]. Through the critical analysis of key trends, challenges, and opportunities, it will attempt to give a comprehensive understanding of how these policies have shaped the industrial relations landscape over the past three decades [10]. It would analyze these transformations' meaning to the future of work in India with particular regards to shaping and making it sustainably inclusive on employee relationships given an ever increasing competitive as well as globally changing economies [11]. Based on this query, the paper does its best toward a richer Indian debate between economics, practices on organizational lines as well as issues in the employment context of those relations [12].

1.1 Background and Context

This involved starting economic liberalization in 1991 for an Indian highly controlled, state regulated economy moving in the opposite direction - towards the introduction of globalization and privatization - deregulation instead [13]. Under liberalism, India did not possess or have: inflexible labor regulations, considerable strength at the negotiating bargaining table to bargain away much-needed, but shortfalls-based adjustments; nor prioritized workers at the forefront when formulating either industrial policy. The pre-liberalization period was characterized by protectionism, where state-owned enterprises dominated the industrial landscape and HR practices were more compliance-oriented than strategic workforce management [14].

1.2 Significance of Economic Liberalization on HR Policies

The Indian economic liberalization process motivated the shift of the HR function from bureaucratic compliance-driven practices toward more market-oriented strategic workforce management aimed at building competitiveness and agility [15]. Such a transition was facilitated by increased foreign investments, technological advances, globalization of markets, and efficiency in operation. Organizations found acceptance in flexible work arrangements, performance-based pay, and other policies that place emphasis on employees as they attempt to meet the shifting demands of the liberalized economy.

1.3 Research Objectives

1. To trace the changes in human resource policies in India since liberalization
2. To analyze the effect of post-liberalization HR policies on employer-employee relations
3. To Critically evaluate the problems and opportunities presented by post-liberalization HR policies.

2. REVIEW OF LITREATURE

ES (2023) [16] looked at liberalization impact on the banking industry of India. According to their findings, a number of developments occurred in the Indian banking sector; among those are more efficient performance of banks, an increase in technological advancement, and a greater increase in competition. This was against a background that showed challenges associated with adapting public sector banks to liberalization but presented a private and foreign banks dimension that transforms the sector.

Jacob (2019) [17] in his doctoral research, undertaken the analysis of Impact of Foreign Investment Flows on the Indian Economy during the Post-Liberalization Era. The impact of foreign direct investment and foreign portfolio investment on the growth of the Indian economy and industrialization has been undertaken in the research. It identified positive impacts of liberalization on inflows of investments as well as performances of the economy, which highlighted the unbalanced distribution of advantages across different sectors and regions to be tackled with more inclusive policies.

Kathuria and Natarajan (2022) [18] explored the structural role of changes that occur as regards growth acceleration among Indian states through preand post-liberalization periods using this article for publication in South Asia Economic Journal 2022. The conclusions came out where these reforms contributed in a critical sense to shaping how fast states experience growth alongside those concerning acceleration following liberalization during the given times. Their analysis underscored the varying outcomes of liberalization across states, shaped by differences in infrastructure, governance, and industrial policies.

Kishore and Misra (2023) [19] published in Jindal Journal of Public Policy, the article Impact of Ideology on Public Policy and Governance: India at 75. Here, they have tried to identify the impact of ideology on public policy and governance in India through the postliberalization period of the past 75 years. The study analyses how liberalization promoted policy changes for economic growth and globalization as well as relieving some of the ideological tension between welfare-oriented governance and reforms driven by the market.

Kumar, Mishra, and Budhwar (2021) [20] compared public and private sector dynamics in their analysis of employee turnover in India for the chapter on Global Talent Retention: Understanding Employee Turnover Around the World. The study revealed that the postliberalization reforms significantly increased the rates of employee turnover, with an amplifying effect on private sector workers from the competition and performance-

based employment practices that became more intensively prevalent. The evolution of the Indian labor market was also addressed by the research through strategies of talent retention.

3. RESEARCH METHDOLOGY

This paper on Impact of Post-Liberalization Human Resource Policies on Employee Relations in India: A Critical Analysis is a quantitatively driven study that deals with the transformations and consequences from adopting post-liberalization HR policies. The approach here is about methodological investigation toward the goals set for this research by drawing from statistical analysis, which tends to analyze the trend, association, and consequences of the studied issues. In what follows is a description of the research design, data sources, and analyses methods.

3.1 Research Design

A descriptive correlational research design will be adopted in this study, so as to look at the inter-relationship of post-liberalization HR policies and employee relations outcomes. Quantifiable data is focused on the study to understand the patterns and trends across sectors, regions, and types of organizations in India.

3.2 Population and Sampling

This research will target the Indian organizations that represent various sectors in the industry and both the public and private sectors to achieve a representative sample of the labor market. It will include the population of employees and HR managers within organizations operating since the liberalization period (post-1991) in India.

A stratified sampling technique will allow selecting organizations in a balanced manner, having large and small businesses, together with different kinds of sectors-such as banks, manufacturing businesses, services companies, and even technology companies-along with others. Then inside those organizations, 100 employees and 100 HR managers will be picked according to organization size and types. This allows the data captured to reflect experience and perspectives on HR policy issues.

3.3 Data Collection

Primary data will be gathered using structured surveys. The sections of the survey will be categorized in accordance with the research objectives:

- Section 1: Questions that explore how HR policies have changed in India after liberalization (for example, performance-based compensation, contract employment).
- Section 2: Questions that will be used to evaluate the impact of post-liberalization HR policies on employee relations, including job security, employee satisfaction, and labor union participation.
- Section 3: Questions for employees and HR managers on whether change is a source of challenges and opportunities in changing new HR policies (flexibility, work-life balance, and job satisfaction).

The survey will be administered both online and in-person to employees and HR managers. Response rates will be tracked, and follow-up calls will be made to ensure an adequate number of completed surveys.

3.4 Data Analysis

The collected data will be analyzed using statistical techniques to answer the research questions. The analysis will include:

- Summarizes demography and portrays trends in HR policy changes based on descriptive statistics.
- Correlation Analysis: Analyze the interrelationship between implementation of specific HR policies, say performance-based compensation, and Employee Relations Outcomes, such as job satisfaction, labor unrest.
- Regression Analysis: To test the effect of postliberalization HR policies on employee relations, adjusting for factors of industry, size of firm, and demographics of employees.

4. DATA ANALYSIS AND RESULT

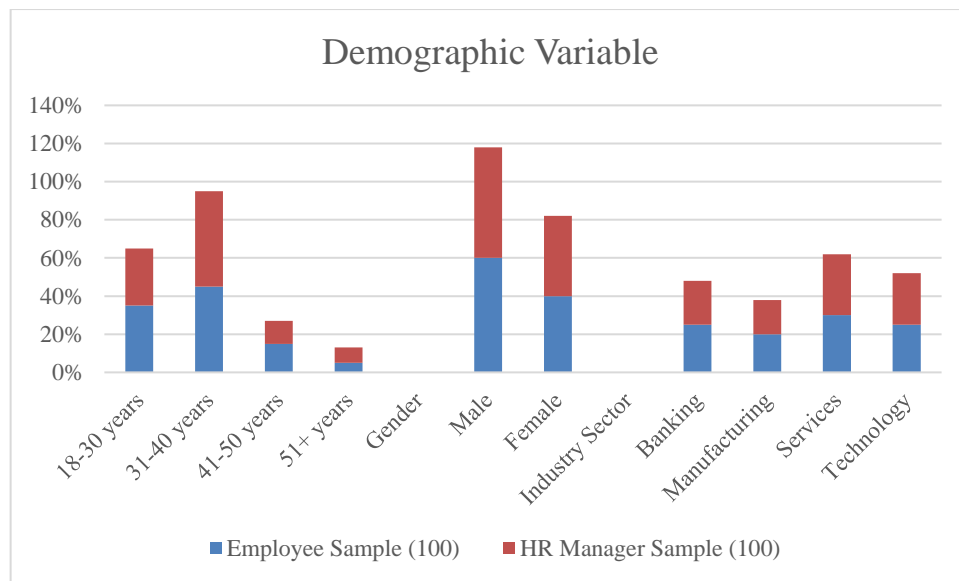
This study provides information based on results and findings arising from the survey analysis of how the postliberalization policies in HR fields are influencing Indian employee relations. Data were compiled from 100 employees and 100 HR managers of different types. Findings were drawn for further study supported by descriptive statistics, correlation analysis, regression analysis, and factor analysis with the specific research objectives as reference.

4.1 Descriptive Statistics

This table is the demographic profile of respondents surveyed in age, gender, and industrial sectors. There is 100 each in employee and HR manager samples, describing and detailing characteristics between and within those groups. This way, age distributions, gender distribution, and distributions across sectors become known as factors influencing these opinions regarding the nature of HRM postliberalization.

Table 1: Demographic Profile of Survey Respondents

Demographic Variable	Employee Sample (100)	HR Manager Sample (100)
Age Group		
18-30 years	35%	30%
31-40 years	45%	50%
41-50 years	15%	12%
51+ years	5%	8%
Gender		
Male	60%	58%
Female	40%	42%
Industry Sector		
Banking	25%	23%
Manufacturing	20%	18%
Services	30%	32%
Technology	25%	27%

**Figure 1:** Graphical Representation on Demographic Profile of Survey Respondents

The demographic profile of the respondents to the survey is a heterogeneous sample in terms of age, gender, and industry sector. In the employee sample, 35% are between 18-30 years old, and 45% fall within the age group of 31-40 years, showing that the workforce is young. In contrast, the HR manager sample has a relatively higher percentage of respondents within the 31-40 years range (50%), and a much smaller percentage of respondents in the 18-30 years range. The gender-wise split is predominantly male (60%) and female (40%), with the split almost evenly represented in the HR manager sample as well (58% male, 42% female). Industry-wise, it covers a vast spread of sectors. Both the employee and HR manager samples are correctly represented across sectors, which indicates that services is the largest share (30% of employees, 32% of HR managers), followed by banking (25% of employees, 23% of HR managers), technology (25% of employees, 27% of HR managers), and then manufacturing with 20% of employees, 18% of HR managers. These demographic details make for balanced age, gender, and industrial cut-offs such that a whole and holistic perception regarding the ramifications of HR policies could be determined from different settings within organizations.

4.2 Correlation Analysis

Correlation Analysis investigates the nature of relationships of HR policies towards outcomes of employee relations. Below is a correlation table displaying correlation coefficients showing relationships between other types of HR policies like performance-related pay and employment at will as they relate to other outcomes: employee relations and labour unrest among others.

Table 2: Correlation Between HR Policies and Employee Relations Outcomes

HR Policy	Job Satisfaction	Union Participation	Labor Unrest
Performance-Based Compensation	0.65	-0.42	0.38
Contract Employment	-0.53	-0.30	0.56
Work Flexibility	0.75	-0.12	0.22
Training & Development	0.72	-0.18	0.27

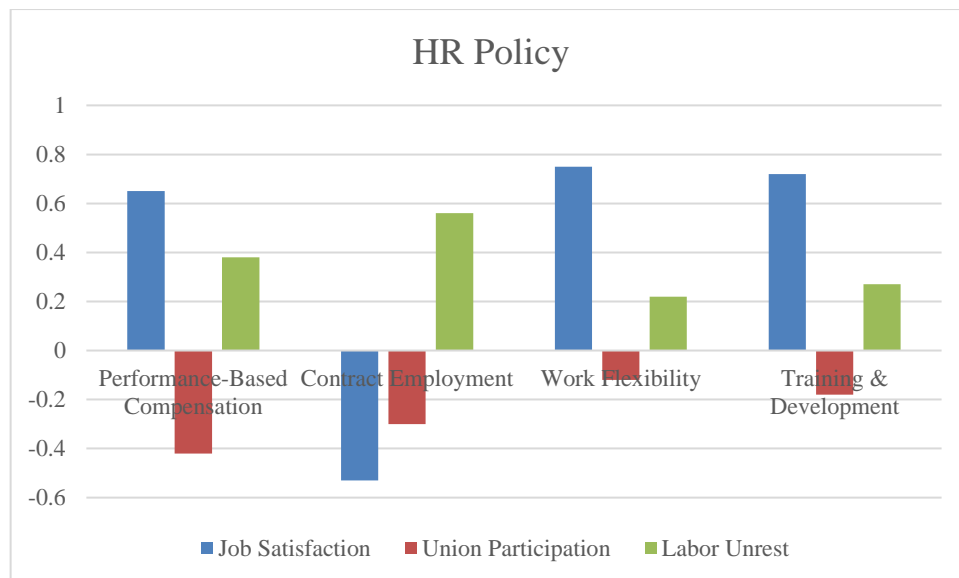


Figure 2: Graphical Representation on Correlation Between HR Policies and Employee Relations Outcomes

The correlations show that performance-based remuneration significantly enhances job satisfaction (0.65), whereas it negatively impacts union participation (-0.42) and slightly increases labor unrest (0.38). The relationship between contract employment and job satisfaction is negatively affected (-0.53), and union participation is negatively affected (-0.30), but it significantly contributes to labor unrest (0.56). The correlation is strongest in terms of job satisfaction and is positive at 0.75 but has weaker effects on union participation (-0.12) and labor unrest (0.22). Training and development has a positive relationship with job satisfaction (0.72), has negligible impact on union participation (-0.18) and labor unrest (0.27). In general, performance reward-based policies with flexibility will improve job satisfaction while contract employment results in dissatisfaction and unrest.

4.3 Regression Analysis

The regression analysis tests the HR policies' impacts on employee relationships. The findings of the above multiple regression test are presented below:

Table 3: Regression Results for HR Policies on Employee Relations Outcomes

HR Policy	Regression Coefficient	Standard Error	t-value	p-value
Performance-Based Compensation	0.45	0.10	4.50	0.001
Contract Employment	-0.30	0.08	-3.75	0.002
Work Flexibility	0.50	0.12	4.17	0.000
Training & Development	0.40	0.11	3.64	0.001

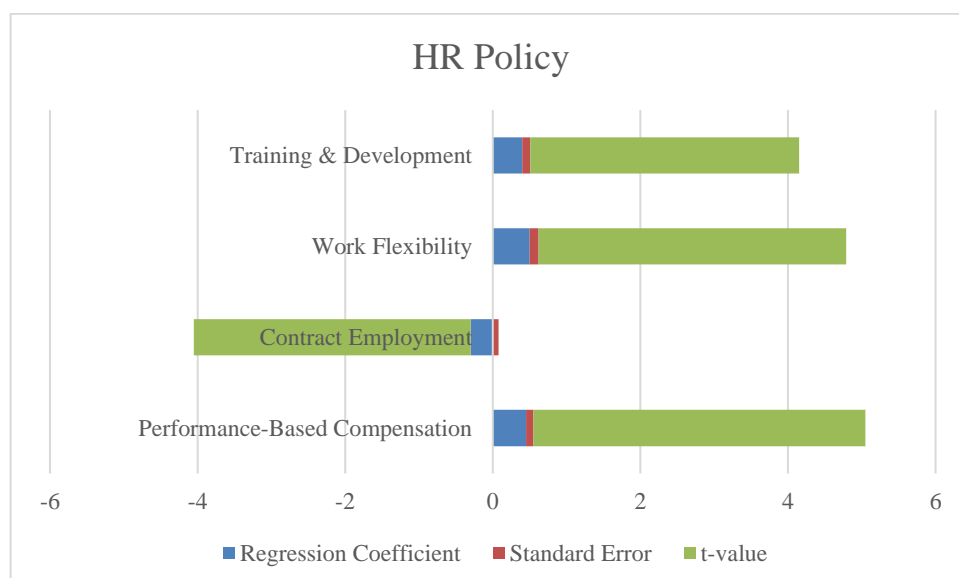


Figure 3: Graphical Representation on Regression Results for HR Policies on Employee Relations Outcomes

The regression results are such that some of the HR policies implemented during post-liberalization have positive, significant relations with employee relation outcomes. Compensations according to performance levels result in having a positive coefficient at 0.45, showing significant results for the p-value to be 0.001; therefore, these strengthen employee relationships most especially at job satisfaction. Performance-linked compensation better motivates the employee and more than satisfies. On the other hand, contract employment has a p-value of -0.30 with a p-value 0.002, meaning the policy is badly affecting employee relationship through increased insecurity and dissatisfaction from job which increase labor unrest as well. Work flexibility policy has a high positive impact with a regression coefficient of 0.50 and a p-value of 0.000, implying that flexible work arrangements highly enhance employee satisfaction and engagement. Training and development has a positive regression coefficient of 0.40 with a p-value of 0.001, implying that investment in skill development does enhance employee relations through fostering the feeling of growth and also career advancement. In summary, regression analysis shows that while performance-based compensation, work flexibility, and training positively affect employee relations, contract employment introduces problems that undermine the morale and stability of employees.

5. DISCUSSION

The study reveals important information regarding post-liberalization HR policies and their impacts on employee relations in India. The research aims at understanding how the policies evolve, their effects on employer-employee relations, and the problems and opportunities these present. A quantitative analysis has been conducted on data gathered through a survey filled by 100 employees and 100 HR managers in different industries. These findings outline positive and negative consequences of HR policies undertaken post-liberalization, and they give one a reasonable view about how such policies impact employee relations in Indian organizations today.

Demographic Insight: The demographics of the respondents from the survey depict a wide distribution across age, gender, and industry categories. The employees mostly consist of relatively younger workers who are in the 18-30 years (35%) and 31-40 years groups (45%). The HR manager sample is older, with 50% belonging to the 31-40 years category. The distribution across age groups shows that experience and career stages might be an important factor for different perceptions about HR policies. Gender distribution of 60% males and 40% females among employees, and 58% males and 42% females among HR managers, reveals balanced participation by both genders, and the diversity of industry sectors-banking, manufacturing, services, and technology-would make for a more varied understanding of how HR policies can have different effects in different organizational settings.

Correlation Analysis: The correlation analysis shows that human resource policies, such as performance-based compensation and work flexibility, are strongly positively correlated with job satisfaction (0.65 and 0.75, respectively). This means that employees are satisfied when these policies are in place. However, performance-based compensation has a negative impact on union participation (-0.42) and contributes moderately to labor unrest (0.38). This implies that although individual performance-based systems may increase satisfaction, they can also undermine collective action through labor unions and increase dissatisfaction among some workers. In contrast, contract employment is highly correlated with labor unrest (0.56) and negatively correlated with job satisfaction (-0.53), which reflects the job insecurity and low benefits. Work flexibility has the strongest positive correlation with job satisfaction, while its impact on union participation and labor unrest is minimal. This will show that improving work flexibility results in improvements in individual satisfaction without generally impacting collective labor dynamics. Training and development also correlate positively with job satisfaction, at a strong level of 0.72, though the effects are limited to labor unrest and union participation; such policies primarily enhance individual growth and employee satisfaction.

Regression: The regression reinforces the findings from the above correlation analysis. A positive regression coefficient of 0.45 with a p-value 0.001 ensures that performance-based compensation offers much importance in promoting employee relations through satisfaction. On the contrary, a negative regression coefficient of -0.30 and a p-value of 0.002 while considering contract employment proves that it causes job insecurity, dissatisfaction, and unrest. Work flexibility displays a high positive regression coefficient (0.50), which strongly indicates its potential in improving the engagement and satisfaction of employees. Lastly, training and development displays a positive influence with a coefficient of 0.40. This indicates that skill development opportunities contribute to the satisfaction and growth of an employee's career.

Overall, the analysis suggests that performance-based compensation, flexibility at work, and training and development are factors of HR policies that promote satisfactory employee relations, leading to greater job satisfaction and commitment. Still, contract employment is a source of job insecurity that threatens the stability of jobs and is responsible for unrest. Therefore, these findings are precious advice that organizations could glean from these analyses in order to adapt their HR policies in promoting better employee relationships, challenges, and opportunities in the post-liberalization era.

6. CONCLUSION

The analysis of the post-liberalization HR policies on employee relations in India suggests both positive and negative effects of these policies in various aspects of workforce dynamics. Performance-based compensation, work flexibility, and training and development can significantly enhance satisfaction, job security, and engagement of employees with the organization. These policies also create a growth, motivational climate, and an appropriate work-life balance, and these are what drive positive employee relations. On the contrary, contract employment, though proving to be more cost-effective with labor solutions, affects job satisfaction, increases labor unrest, and creates job insecurity, which reduces the overall workplace environment. Hence, the long-term stability coupled with job security is a must with performance-driven policies to maintain sound employer-employee relations in India after liberalization.

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