

The Human Side of Disinvestment: Analysing Co-worker Relationships in Indian PSUs*Priya¹ & Prof. Dr. Arun Kumar Singh²*DOI: <https://doi-ds.org/doi/10.2025-82246415/ADEDJ/V2/I2/PA>**Review: 08/07/2025****Acceptance: 20/07/2025****Publication: 14/08/2025****Abstract**

This study explores the impact of disinvestment on co-worker relationships and interpersonal perception among employees in selected Indian Public Sector Undertakings (PSUs), specifically BHEL, NTPC, Indian Oil Corporation, and Coal India Limited. The Government of India's has increased focus on strategic disinvestment, therefore it becomes essential to understand how such structural reforms influence the co-worker relationships within these organizations. The study applied a quantitative research methodology, using structured questionnaires to collect primary data from a sample of 60 employees across the four PSUs. The analysis was conducted using descriptive statistics and Pearson's correlation test.

Keywords: Disinvestment, Public Sector Undertakings, Co-worker Relationship, Interpersonal Perception, Employee Behaviour, Organizational Change, India

Introduction

Disinvestment, as a strategic economic reform, has been an important feature of India's public policy since the early 1990s. It involves the sale or transfer of public sector undertakings (PSUs) to private authorities, either partially or wholly, with the objective of improving efficiency, reducing the fiscal burden, and encouraging private participation in the economy (Department of Investment and Public Asset Management [DIPAM], 2022). While much of the academic and policy discourse surrounding disinvestment focuses on financial outcomes, market performance, and ownership structures, the human aspect of disinvestment remains significantly unknown. One of the most sensitive areas impacted by disinvestment is the workplace environment—specially, the interpersonal dynamics among co-workers. Employees, especially in PSUs, often form deep professional and personal bonds due to long-term association, shared values, and the traditionally stable nature of public sector employment (Kumar and Gupta, 2018). However, privatization may create uncertainty, change team dynamics, and potentially destroy mutual trust and cooperation among co-workers. These impactful changes are critical to study because they can influence overall morale, productivity, and psychological well-being of employees (Sharma and Mishra, 2020). Moreover, in strategic disinvestment, where the government exits ownership control, the effects are generally slow. The effects may not reflect dramatic changes, but over time, employees may perceive shifts in culture, role expectations, and internal relationships (Chakraborty, 2021). Therefore, analyzing that disinvestment may influence co-worker relationships provides valuable awareness into the human side of organizational transformation because it is an area that deserves equal attention with financial and structural outcomes. This study aims to investigate that disinvestment is perceived by employees in Indian PSUs in relation to their co-worker relationships. Due to this study, conclusion will be helpful to bridge the gap between economic policy and human resource management in the public sector.

Scope of the study

This study focuses on understanding that disinvestment impacts co-worker relationships within selected Public Sector Undertakings (PSUs) in India also aims to explore changes in trust, communication, collaboration, and team dynamics among employees during and after the disinvestment process. The research is focused on specific central PSUs which have undergone strategic disinvestment and includes responses from employees working at different levels of hierarchy. The findings are expected to provide valuable insights and it will be helpful for policy makers, HR managers, and PSU leadership on managing human relations during structural and ownership transitions. The study does not cover financial or operational works during disinvestment but strictly emphasizes its social and interpersonal impact within the workplace.

Literature review

Kumar and Gupta (2018) they found that disinvestment is able to make changes which eventually influence interpersonal dynamics among employees. The study showed a direct correlation between disinvestment and employee dissatisfaction in the initial phase. Sharma and Mishra (2020) they found that employee morale decreases significantly during early stages of disinvestment in public enterprises. Their research highlighted that employees face challenges in adapting to new work environments post-privatization. Chakraborty (2021) author highlighted that employee faces psychological distress and emotional isolation in long-term after PSU ownership shifts. Employees from these PSUs report a sense of isolation due to sudden cultural changes. Rao and Verma (2019) they examined the impact of disinvestment on co-worker cooperation. They argued that employees tend to form smaller groups as a defence mechanism against uncertainty due to privatization. Sen and Roy (2017) they explored the effect of privatization on team

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dynamics in Indian PSUs, finding that leadership restructuring leads to a decrease in collaborative work, thereby weakening co-worker relationships. Das (2020) author analysed peer resistance during structural reforms in public enterprises and found that the resistance comes primarily from employees who are insecure about their jobs post-disinvestment. Tripathi and Sinha (2015) they discussed emotional turbulence faced by employees during disinvestment in PSUs. Their findings suggest that employees often face high level of stress as they struggle to adjust to new corporate environment. Mehta (2016) author studied employees' trust in public enterprises is declining after disinvestment. The findings highlighted a significant decline in trust among employees and between management and employees during the privatization process. Ranjan (2022) author explored internal competitiveness in disinvested PSUs, showing that competition between co-workers increases due to job insecurity and the drive for higher productivity. Bhatia and Tiwari (2018) they examined that co-workers support within PSUs is impacted by privatization. They concluded that co-workers become more independent and less willing to share information during times of organizational change. Chatterjee (2019) author investigated employee perceptions of disinvestment in Indian public enterprises, revealing that while initial reactions were negative, some employees adapted well after the transition. Agarwal and Saxena (2020) they found that informal communication networks often break down after disinvestment. This breakdown affects co-worker relationships and the overall work environment. Mishra (2021) author studied the dynamics of teamwork under privatization pressure and found that teams in disinvested PSUs struggle with cohesion, especially when faced with leadership changes. Patel (2016) author focused on the cultural transitions that take place in PSUs during privatization, showing that workers often feel disconnected from the new goals set by private management. Yadav and Rathi (2020) they analysed trust, productivity, and organizational change are important elements in organisation. They suggested that the decline of trust in disinvested PSUs negatively impacts both employee productivity and morale. Jain and Thomas (2015) they examined how the shift from collectivism to individualism in PSUs affects co-worker relationships, noting that long-standing employees find it difficult to adapt to the individualistic work culture of privatized entities. Banerjee (2017) author explored the impact of privatization on employee identity. Employees felt a loss of belongingness to the organization, which led to a weakening of interpersonal bonds. Narayan and Joshi (2019) they studied the influence of organizational changes on co-worker bonding and job satisfaction. They found that privatization leads to a decline in job satisfaction, which directly affects co-worker relationships. Das gupta (2018) author examined mutual peer support during organizational changes. He concluded that employees who were initially supportive of each other became less willing to collaborate in a post-disinvestment scenario. Shukla and Sharma (2016) they found that hierarchical changes resulting from disinvestment lead to greater competition and reduced collaboration, thereby weakening co-worker relationships. Verma (2021) author studied employee commitment in times of organizational change. Employees in disinvested PSUs showed lower levels of commitment to both their jobs and their colleagues, particularly in the early stages of privatization. Mukherjee (2019) author discussed there is a breach of psychological contracts during disinvestment. Employees felt that the promises made by the government were not being fulfilled after privatization, and due to this employees are leading to reduced trust and cooperation. Eddy and Khan (2020) they analysed co-worker relationships in disinvested PSUs and found that job insecurity played a major role in deteriorating relations among employees. Ghosh (2021) author explored that internal communication shifts during post-disinvestment and this is affecting teamwork. Employees are feeling isolated from each other as formal communication channels broke down. Paul and Singh (2020) they studied the effects of leadership changes on team dynamics in disinvested PSUs. They found that the uncertainty generated by leadership changes led to a decline in employee cooperation and communication. Saxena (2015) author found that employee bonds weakened significantly in PSUs following privatization. Employees in these PSUs were more focused on individual performance rather than team collaboration. Ali and Saini (2019) they studied that competition among employees are increasing after disinvestment among PSUs. They found that the shift from a cooperative to a competitive work culture was detrimental to co-worker relationships. Taneja (2022) author examined the role of social capital in employee resilience in PSUs. His study found that employees whose social ties were stronger they are better able to navigate the challenges of disinvestment. Bhattacharya (2016) author analysed the decline of co-worker support networks in PSUs after privatization. He argued that employees often felt unsupported by their colleagues due to the restructuring that followed disinvestment. Dwivedi and Rana (2023) they explored the disinvestment impacts on structural reforms and employee sentiments. They concluded that the emotional impact of privatization leads to reduced peer solidarity in disinvested PSUs.

Objective

- To examine the impact of disinvestment on co-worker relationships among employees in Indian PSUs.
- To analyse whether there has been a significant change in the mutual perception of employees' after disinvestment.

Hypothesis

- H₀: Disinvestment does not affect co-worker relationships among employees in Indian PSUs.
- H₀₂: There is no significant change in employees' interpersonal perceptions after disinvestment in PSUs

Research methodology

The present study uses a quantitative and descriptive research design to examine the impact of disinvestment on co-worker relationships and interpersonal perception among employees in Indian PSUs. For data collection a structured questionnaire using a five-point Likert scale has been used. The sample consisted of 60 employees selected through stratified random sampling from four major PSUs: BHEL, NTPC, Indian Oil Corporation, and Coal India Limited, with 15 respondents from each. The questionnaire focused on two variables: co-worker relationship and interpersonal perception post-disinvestment. Statistical analysis was conducted

using SPSS software. Descriptive statistics such as mean, median and mode were calculated to understand central tendencies. Pearson's correlation coefficient was used to assess the relationship between the two variables. Two null hypotheses were tested to explore the presence of any significant associations. A significance level of 0.05 was considered for hypothesis testing. The methodology aimed to capture the real impact of disinvestment on interpersonal dynamics in the public sector context.

Data analysis and interpretation

The current study aims to investigate how disinvestment affects co-worker relationships and interpersonal perceptions among employees of a few chosen Indian Public Sector Undertakings (PSUs), including Coal India Limited, BHEL, NTPC, and Indian Oil Corporation. Data was gathered from 60 employees in total, 15 from each PSU, using a standardized questionnaire using a Likert scale with five points. Two variables—co-worker relationships and interpersonal perception—were the subject of the analysis. Employees retained a moderate level of team collaboration following disinvestment, as indicated by the mean score of 3.06 for co-worker relationships. However, despite organizational structure changes, the mean score for interpersonal understanding was 3.5, indicating a generally favourable opinion of co-workers. To examine the relationship between these two variables, Pearson correlation analysis was applied. The obtained correlation coefficient, which is higher than the usual significance level of 0.05, was 0.058 with a significance level of 0.659. This implied that in a disinvestment setting, there is no statistically significant association between interpersonal perception and co-worker relationships. Consequently, the statistical results support both null hypotheses, showing that disinvestment has not significantly affected interpersonal and co-worker perception at these PSUs. Employee internal relationship dynamics seem to be stable in spite of ownership and structural changes.

Result

The present study analysed the relationship between disinvestment and co-worker relationships, along with its influence on co-worker interpersonal perceptions in selected Indian PSUs — namely BHEL, NTPC, Indian Oil Corporation, and Coal India Limited — with a sample size of 60 employees. Responses were gathered through a standardized questionnaire served as the basis for the study. The variables were scored on a five-point Likert scale to assess interpersonal perception and co-worker relationships. Statements describing co-worker relationships had a mean score of 3.06, a median of 3.00, and a mode of 3, suggesting a rather favourable opinion. Similarly, the mean score for variables related to interpersonal perception post-disinvestment was 3.50, with a median of 3.60 and a mode of 4, reflecting a relatively stable perception of interpersonal fluctuating among employees. An analysis of Pearson correlation between the mean scores of the two sets of variables was performed to investigate the relationship between interpersonal factors and disinvestment. With a significance value of 0.659, the correlation coefficient that was obtained was 0.058, exceeding the approved alpha threshold of 0.05. Consequently, the lack of statistical significance in the association indicates that disinvestment and interpersonal perception or co-worker relationships do not have a strong linear relationship.

Findings

These findings directed to the acceptance of both null hypotheses, which state that (1) there is no association between disinvestment and co-worker relationships among employees in Indian PSUs, and (2) there is no significant change in interpersonal perceptions of employees after disinvestment. The small amount of disinvestment in the companies under study may be the cause of this outcome, as changes in ownership structure did not result in significant adjustments to daily operations, employee benefits, or workforce composition—all of which are normally necessary to have a significant impact on interpersonal dynamics. The results support previous research by Kumar and Singh (2018) and Bhatia (2020), who also noted that disinvestment, has no discernible effect on co-worker relationships unless it is accompanied by significant staffing or structural changes. In the near period following disinvestment, employee interpersonal behaviour also stays the same, according to Rao and Narayanan (2016). Additionally, it was discovered by Chand and Mishra (2015) that pre-existing interpersonal ties frequently serve to protect workers from the psychological repercussions of such economic events. Lastly, Sen and Verma (2021) discovered that teamwork remained strong in public sector endeavours unless privatization or layoffs directly threatened trust. This study offers empirical support for the idea that, in Indian PSUs, moderate disinvestment might not be enough to sever interpersonal ties or co-worker relationships, particularly in the absence of major policy changes that would affect the status or job security of the employees.

Conclusion

The present study aimed to explore the human side of disinvestment by analysing co-worker relationships and interpersonal perceptions among employees in selected Indian Public Sector Undertakings (PSUs). According to data gathered from 60 workers at four PSUs—BHEL, NTPC, IOCL, and Coal India Limited—disinvestment has no discernible impact on relationships among co-workers. Furthermore, in the environment of disinvestment, employee impressions of one another are unaltered. The mean, median, and mode of the statistical results indicate that respondents agreed on healthy co-worker dynamics and interpersonal understanding to a reasonable degree. However, there was no significant association between co-worker relationships and interpersonal perception, as indicated by the Pearson correlation value of $r = 0.058$, with a significance level of 0.659.

These results support the acceptance of both null hypotheses:

- ***There is no significant association between disinvestment and co-worker relationships.***
- ***There is no significant change in employees' interpersonal perception after disinvestment.***

This implies that in the selected sample, disinvestment—when limited in scope or not directly affecting employment conditions—may not necessarily disturb the social dynamics or interpersonal harmony among employees. The findings provide valuable insight into

how gradual or partial disinvestment may leave certain human resource aspects stable, at least in the short term. According to the findings, some features of human resources may remain stable, at least temporarily, if disinvestment is done gradually or partially.

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