HRD Practices in Insurance Industry: A Comparative Study between Indore and Ujjain City

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To manage the Human Resource Development (HRD) practices in Insurance industry is one of the major challenge in today's era. Human resources play a very important role in management of insurance companies because the central sub system of modern management is human resource management and development. This truism is very well known across the country especially in USA, UK and France. The effective functioning is possible in insurance sector only when human resources are properly managed. The purpose of this research paper is to find out difference in HRD Practices in insurance sector of Indore and Ujjain city. This study has been done for the welfare of the third level employees of insurance industry who are dealing with the problems of HRD practices which are implemented by management. Primary data was collected through a self-designed questionnaire based on rank scale.

***Key Words:** HRD Practices, Employee Empowerment, Labor Welfare, Employee Development, Insurance Industry.*

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INTRODUCTION

Philosophy means a set of assumptions and beliefs about any purpose or activity. Philosophy or beliefs and assumptions may be some time implicit in the mind of the person who is decision maker. Two premises that relate with this concept are value premises and fact premises. HR philosophy should be based on few beliefs. First that the most important asset of any organization are "Human Beings". Second, we can develop human being to any extent and they have creative energy. Third, organization should develop the feel of belongingness among human beings so that they feel more committed towards their work and lastly, human beings are more powerful if organization provides them proper training and take care of their needs and satisfaction. Under present market forces and competition, the insurance companies are required to be competitive.

Due to constant pressure, contemporary companies are required to seek ways to become more competent, productive, flexible and innovative. The traditional ways of gaining competitive advantage have to be supplemented with organizational capability (Ulrich and Lake, 1990). Organizational capability relates to hiring and retaining competent employees and developing competencies through effective human resource management practices (Ulrich and Lake,1991). Indeed, developing a talented workforce is essential to sustainable competitive advantage (Kundu and Vora, 2004). High performance work practices provide a number of important sources of enhanced organizational performance (Pfeffer and Veiga,1999). HR systems have important, practical impacts on the productivity, quality of work life of employees, survival and financial performance of firms (Cascio,2006). The main objective of the study was to assess the human resource management practices being implemented in insurance companies operating in India.

RATIONALE OF THE STUDY

The detailed study on Human Resource Development in insurance sector, under the current scenario of among all the service industry which is successfully running in the country is very much essential is helpful to understand the HRD practices and philosophy and if any error found so we can give the concrete suggestions for formulation of right practices of HRD in insurance sector. There are only few study had done under this perspective. This study place the new dimension with varying responsibilities on the shoulder of insurance such as expansion in to the remote rural areas. This study will also give concrete suggestion to the

policy maker of insurance industry, that to prepare the policy which gives better quality of work life to their employees.

REVIEW OF LITERATURE

Larsen & Toubro, a prominent Engineering Company in India, had appointed two consultants from the Indian Institute of Management, Ahmadabad to study the performance appraisal system and make recommendations for improving it. The two consultants Pareek and Rao (2009) studied the system through interviews etc, and suggested a new system. They recommended that "Performance Appraisal, Employee development, Labor welfare, Employee empowerment, Potential Appraisal, Feedback and Counseling, Career Development, Career Planning and Training and Development get distinct attention as unique parts of an integrated system which we call the Human Resources Development System" This system was proposed as a separate system with strong linkages with Personnel (Human Resources) system. In their second report of the Human Resources system in L&T recommended that the personnel function be viewed as Human Resources Function (HRF) and suggested a trifurcated function: PersonnelAdministration, HRD andWorkerAffairs.

Rao, T.V., (2010) conducted a Survey of HRD practices in Indian industries. The survey reveals that only 17 out of 53 companies had formal policy focusing on HRD. All in all HRD appeared to be becoming a significant aspect of work life in many organizations. Rao, T.R. (2012) to judge HRD climate in Indian organizations. The survey revealed that the general climate was not very conducive to HRD due to general indifference of employees to their own development. The top management in most organizations was not making sufficient efforts to improve the quality of work life.

The current challenges caused by the globalisation pressures in the realm of economics behoves work communities to review their personnel training and management practices (Pitkanen 2007). Companies must develop a customer-oriented workforce to deliver service quality, which is met through training (Kundu 2000). Training must be viewed as an important investment for future success (Zeithmal and Bitner 2004).Companies need to provide comprehensive training to the agents in the ways to narrow the gap between clients and agents i. e. trust building training (Law, Wong, and Theresa 2005). Long-term basis

training has a systematic influence on the improvement of management techniques (Zadel, 2006).

Performance is defined as the record of outcomes produced on a specified job function or activity during a specified time period (Bernardin and Russell 1993). Effective managers need to incorporate performance review and feedback as part of their day-to-day communications with employees (Webb 2004). Appraisals are used widely for tying pay to performance (Schellhardt 1996; Cleveland, Murphy and Williams 1989). Present day firms are facing increased pressure to create human resources policies and programs that avert discrimination against individuals on non-work related aspects with respect to the various functions within human resource management, particularly selection and performance appraisal (Lillevik 2007).

OBJECTIVES

➢ To find out differences in H.R.D practices in insurance sector of Indore and Ujjain region on the basis of age and gender.

METHODOLOGY

The Sample: The researcher contacted 150 employees of insurance Sector. They were appraised about the purpose of the study and request was made to them to fill up the questionnaire with correct and unbiased information. The duly filled in questionnaires were edited by the researcher and in accordance with the requirements of the objectives and hypothesis. In addition to this various statistical tools, graphs, diagrams have also been used to draw inferences. The researcher selected the branches on the basis of convenience sampling and respondents on the basis of non probability sampling.

Tools for Data Collection: Every research project has a specific framework for collection and analysis of data in a manner that aims at combining relevance to the purpose of research with economy of scale. The present research work is based on both primary and secondary data. The primary data has been collected by well structured questionnaire, personal observation, interviews, and discussion with staff. Most of the information has been collected by administering a well structured questionnaire based on five point Likert

scales, ranking from strongly agree to strongly disagree. Secondary data has been collected from insurance industry through published and unpublished records, manuals, magazines, periodicals etc. Most of the information has been collected and compiled from various issues of annual reports and different publications in newspapers like the Economic Times.

Tools for Data Analysis: Data has been analyzed using statistical package for Social Sciences (SPSS), version 16.0. The data is analyzed and interpreted by calculating Mean, Standard Deviation, and Coefficient of Variations to get a better picture of the HRD practices in Insurance sector.

Reliability Test

Cronbachh's alpha test is designed as a measure of internal consistency that is all the items within the instruments measure the same thing. It allows measuring the reliability of different variables. It consists of estimates of how much variation in scores of different variables is attributable to change or random errors (Selltiz et al. 1976). As a general rule, a coefficient greater than or equal to 0.7 is considered acceptable and a good indication of construct reliability (Nunnally 1978), low value below the 0.5 implies that reliability may not be appropriate. The Cronbach's coefficient of the total scale here is found to be (0.796). Hence, the scale used here can be said as reliable and can be used for analysis.

t-test

t-test was performed to analyze difference between values of two independent data sets and response of every case for respective variables. Independent samples t- test was performed to analyze difference between mean values of two data sets concerning respective variables. Value of the selected based on Levene's F test for equality of variances.

Factor analysis

Factor analysis is used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. For example, it is possible that variations in four observed variables mainly reflect the variations in two unobserved variables. Factor analysis searches for such joint variations in response to unobserved latent variables. The observed variables are modeled as linear combinations of the potential factors, plus "error".

HYPOTHESES

In the light of above mentioned objectives, the following Hypothesis is developed.

$H_0.1$: There is no significant difference in HRD practices between age group 15-30 and 31-45 in insurance sector of Ujjain and Indore region.

$H_0.1.1$: There is no significant difference in employee development among age group15-30 and 31-45 in insurance sector of Indore and Ujjain region

$H_0.1.2$: There is no significant difference in labor welfare among 15-30 and 31-45 age groups in insurance sector of Indore and Ujjain region.

$H_0.1.3$: There is no significant difference in employee empowerment among 15-30 and 31-45 age groups in insurance sector of Indore and Ujjain region.

$H_0.2$: There is no significant difference in HRD practices between male and female in Insurance sector of Ujjain and Indore region.

$H_0.2.1$: There is no significant difference in employee development among male and female in insurance sector of Indore and Ujjain region.

$H_0.2.2$: There is no significant difference in labor welfare among male and female in insurance sector of Indore and Ujjain region.

$H_0.2.3$: There is no significant difference in employee empowerment among male and female in insurance sector of Indore and Ujjain region.

ANALYSIS AND INTERPRETATION

Testing of hypothesis $H_0 1.1$: When the employee development practices were find out in insurance sector of Indore and Ujjain region with respect to age group 15-30 and 31-45, the significance value for age group was found to be p=0.413(Table.3), which is greater than the significance value of 0.05 which means that null hypothesis is accepted. So it may be concluded that there is no significant difference in employee development practices between age group 15-30 and 31-45. So results suggest that the employee development practices are better in insurance of Ujjain and Indore. In insurance sector the development of employees is based on the work they perform during their working life. If they match up target what company has given to them so rewards has given to them and it may be monetary and non-monetary. If they perform well so career opportunities are pointed out to juniors by senior officers in the organization.

Testing of hypothesis $H_0 1.2$: When the labor welfare practices were found out in insurance sector of Indore and Ujjain region with respect to age group 15-30 and 31-45, the value of significance for age group was found to be p=0.951(Table 4) which is greater than the significance value of 0.05 which means that null hypothesis is accepted. So it may be concluded that there is no significant difference in labor welfare practices in age group 15-30 and 31-45. So results suggest that the labor welfare practices are better in insurance of Ujjain and Indore. It is difficult task for the women to visit frequently out of city as compared to men so management care about the need and requirements of the women employees and has special programmed and schemes for the welfare of women employees. Prakash et al. (2002) in his research concluded that until or unless if the management not provide the welfare facility to their workers or employees so kind of un satisfaction feelings comes out and then the employee of the organization will not take their work seriously.

Testing of hypothesis $H_0 1.3$: When the employee empowerment practices were found out in insurance sector of Indore and Ujjain region with respect to age group15-30 and 31-45, the value of significance for age group was found to be p=0.661(Table 5) which is greater than the significance value of 0.05 which means that null hypothesis is accepted. So it may be concluded that there is no significant difference in employee empowerment practices in respect to age group15-30 and 31-45. So results suggest that the employee empowerment practices are better in insurance of Ujjain and Indore. In employee empowerment the management empower their employees through various ways like in Ujjain and Indore one practice is common that they transfer their employees for learning to allied fields and management are more centric towards the lower age group because they have learn all the course quickly.

Testing of hypothesis $H_0 2.1$: When the employee development practices were found out in insurance sector of Indore and Ujjain region with respect to gender, the value of significance for gender was found to be p=0.087(Table. 6) which is greater than the significance value of 0.05 which means that null hypothesis is accepted. So it may be concluded that there is no significant difference in employee development with respect to gender. So results suggest that the employee development practices are better in insurance of Ujjain and Indore. Female employees are more satisfied with respect to employee development because in the last 3 years in insurance sector of Ujjain and Indore the female has generated the more revenue as compared to the male. The top management is willing to invest a considerable part of their time and other resources to ensure the development of female employees.

Testing of hypothesis $H_0 2.2$: When the labor welfare practices were find out in insurance sector of Indore and Ujjain region in respect of gender, the value of significance for gender was found to be p=0.768(Table.7) which is greater than the significance value of 0.05 which means that null hypothesis is accepted. So it may be concluded that there is no significant difference in labor welfare practices in respect to gender. So results suggest that the labor welfare practices are better in insurance of Ujjain and Indore. In the labor welfare with respect of women here the female employees are more satisfied as compared to male employees because management are more concerned for female employees in respect of safety practices. The management does not allow female employees to go to the backward areas of city for selling the policies.

Testing of hypothesis $H_0 2.3$: When the employee empowerment were find out in insurance sector of Indore and Ujjain region with respect to gender, the significance value for gender was found to be p=0.273(Table. 8) which is greater than the significance value of 0.05 which means that null hypothesis is accepted. So it may be conclude that there is no significance difference in employee empowerment in respect to gender. So results suggest that the employee empowerment practices are better in insurance companies of Ujjain and Indore. Insurance companies are somewhat indulgent with female employees. Management is encouraged to female employees to experiments with new methods and tries out some creative ideas. There was less periodic transfer for women. So that female employees have better perception towards male in respect of employee empowerment.

CONCLUSION

The first objective relates to the study of employee development among 15-30 and 31-45 groups in insurance sector of Indore and Ujjain region. The study found that there is no significant difference in employee development practices in respect to age group. The employee development is slightly higher in age group of 31-45. The second objective relates to the study of labor welfare among 15-30 and 31-45 age groups in insurance sector of Indore and Ujjain region. There is no significance difference in labor welfare practices in respect to age group. The labor welfare is slightly higher in age group of 15-30. The third objective relates to the study of employee empowerment among 15-30 and 31-45 groups in insurance sector of Indore and Ujjain region. There is no significance difference in employee empowerment practices in respect to age group. The employee empowerment is slightly higher in age group of 15-30. The fourth objective relates to the study of employee development among male and female in insurance sector of Indore and Ujjain region. There

is no significant difference in employee development with respect to gender. The employee development practices are slightly higher in female.

The fifth objective relates to the study of labor welfare among male and female in insurance sector of Indore and Ujjain region. There is no significance difference in labor welfare practices in respect to gender. The labor welfare practices are slightly higher in female. The sixth objective relates to the study of employee empowerment among male and female in insurance sector of Indore and Ujjain region. There is no significance difference in employee empowerment in respect to gender. The employee empowerment practices are slightly higher in male.

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ANNEXURES

Table 1: Sampling

Service Sector	Region	
	Ujjain **Respondents**	*Indore* **Respondents**
Insurance	**75**	**75**
Total no. of respondents	**75**	**75**
TOTAL	**150**	

Cronbach's Alpha

Reliability Statistics	
Cronbach's Alpha	**N of Items**
0.796	**12**

Table 2: Independent Samples Test

		t-test for Equality of Means					
	Levene's Test for Equality of Variances						95% Confidence Interval of the Difference

	F	Sig.	T	df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	Lower	Upper
Equal variances assumed	0.673	**0.413**	1.456	148	0.148	0.243	0.167	-0.087	0.573
Equal variances not assumed			1.448	113.7	0.15	0.243	0.168	-0.09	0.576

Table 3: Group Statistics

Age	N	**Mean**	Std. Deviation
15-30	94	**3.457**	0.981439513
31-45	56	**3.214**	1.002755943

Table 3.1: Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	**Sig.**	t	df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	Lower	Upper
Equal variances assumed	0.004	**0.951**	3.469	148	0.001	0.562	0.162	0.242	0.882
Equal variances not assumed			3.456	114.42	0.001	0.562	0.163	0.24	0.884

Table 4: Group Statistics

age	N	**Mean**	Std. Deviation
15-30	94	**3.75**	0.954304868
31-45	56	**3.18**	0.968162002

Table 4.1: Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	**Sig.**	t	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	Lower	Upper
Equal variances assumed	14.27	**0.661**	-2.642	148	0.009	-0.381	0.144	-0.667	-0.096
Equal variances not assumed			-2.434	88.958	0.017	-0.381	0.157	-0.693	-0.07

Table 5: Group Statistics

Age	N	**Mean**	Std. Deviation
15-30	94	**2.43**	0.735805197
31-45	56	**2.33**	1.025556153

Table 5.1: Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	**Sig.**	t	df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	Lower	Upper
Equal variances assumed	4.582	**0.087**	1.517	148	0.131	0.269	0.177	-0.081	0.62
Equal variances not assumed			1.604	91.37	0.112	0.269	0.168	-0.064	0.602

Table 6: Group Statistics

Gender	N	**Mean**	Std. Deviation	Std. Error Mean
MALE	44	**2.34**	0.896	0.135
FEMALE	106	**2.46**	1.025	0.1

Table 6.1: Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	**Sig.**	T	df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	Lower	Upper
Equal variances assumed	0.087	**0.768**	1.629	148	0.105	0.289	0.177	-0.062	0.639
Equal variances not assumed			1.652	83.018	0.102	0.289	0.175	-0.059	0.637

Table 7: Group Statistics

Gender	N	**Mean**	Std. Deviation	Std. Error Mean
MALE	44	**3.75**	0.965	0.145
FEMALE	106	**3.46**	0.999	0.097

Table 7.1: Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	**Sig.**	T	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	Lower	Upper
Equal variances assumed	1.21	**0.273**	-0.455	148	0.65	-0.071	0.157	-0.381	0.239
Equal variances not assumed			-0.481	91.45	0.632	-0.071	0.148	-0.366	0.223