



Perception of Employees on Hrd Climate in Insurance Sector: Publicvs. Private

Dr. Dolly Dolai

Asst. Professor ,Institute of Management and information Science, Bhubaneswar, Odisha

ABSTRACT

Human Resource Development (HRD) Climate ensures proper implementation of HRD system in an organization. It plays a very crucial role in ensuring the competency, motivation and development of its employees. The present study focused at assessing the HRD Climate prevailing in Public and private insurance companies in India.The role of insurance sector is becoming very important in economic development, as a provider of income, jobs, goods, and services to enhance people's lives and help them escape poverty. This research paper aims at understanding the HRD climate of public and private sectors insurance companies in India and the HRD climate of this sector for further developments. Considering the significance of HRD Climate in public and private insurance companies, this study was undertaken with an objective to determine the level of HRD Climate and its perception of developing the performance in these sectors.

KEYWORDS

HRD Climate, insurance, public sector, private sector

INTRODUCTION

The Insurance sector is having a vital position in the development of nation's economy. Basically it is known as the safeguard of the financial health of the small and medium-sized enterprises, crucial for people to insure themselves against inability to work, set aside money for retirement or protect themselves against the loss of their assets. The health of the insurance sector reflects on country's economy. This sector not only generates long-term funds for infrastructure development, but also increases a country's risk-taking capacity.

Insurance sector is the fast growing sector in all over the world. The growth of this sectors only can develop through a great competency, knowledge, information, innovative ideas to convince customers. Furthermore, it cannot be denied that in an era where knowledge, information, competencies change fast and become no longer needed because many new things have been invented or have become obsolete. Therefore HRD holds an essential responsibility of the management. It is now relevant to study the perception of the employees working in public and private sector insurance companies on the existing HRD Climate.

OBJECTIVES AND METHODOLOGY

The Followings are the objectives of the study:

- To analyze the HRD Climate of the Public and Private sector insurance companies.
- To understand the present level of HRD Climate in public and private sector insurance companies.

Based on the objectives of the study a number of hypotheses were formulated which has been tested using both the primary as well as the secondary data. Based on the five major hypotheses few sub-hypotheses were also formulated and tested to further support the findings of the study.

H₁: The employees of Government and private sector insurance companies differ significantly in their opinion on HRD Climate

H_{1a}: There is significant relation between "work experience" and the opinions of the employees of PUBLIC and private companies on "HRD Climate"

H_{1b}: There is significant relation between "work experience" and the opinions of the employees of PUBLIC and private companies on "HRD Climate"

H_{1c}: There is significant relation between "Age of employee" and the "Perception of HRD Climate"

Sample

Employees in two different insurance sectors i.e.; Public insurance sector and Private insurance sector were asked to participate in a study of HRD Climate of their organization. The details of the sample profile of insurance sectors from each stratum have been shown in this Table below.

Table 1 Sample Profile of Insurance Sectors

No. of employees	Public	Private
233	127	106

LITERATURE REVIEW

Human Resource development in an organizational context, is a process by which the employees of an organization are helped in a continuous planned way to : a)acquire or sharpen capabilities required to perform various functions associated with their present or future roles;(b) develop their general capabilities as individuals and discover and exploit their own inner potentials for their own and/or organizational development processes; and (c) develop an organizational culture in which supervisor-subordinate relationships, team work and collaboration among sub units are strong and contribute towards professional well being, motivation and pride of employees(T.V.Rao,1985)

According to Rao and Abraham in 1986, the tendencies such as treating employees as the most important resources of the organization, perceiving that developing employees is the job of every manager from top level to lower level, believing in the capabilities of employees, communicate openly, encouraging risk taking and experimentation, making efforts to help employees recognize their real strengths and weaknesses, creating a general climate which support of trust, collaboration and autonomy, supportive personnel policies, and supportive HRD practices.

HRD Climate constitutes of General Climate, HRD Mechanisms and OCTAPAC Culture. General climate highlights the extent to which the management of an organization has sincere intention, determined will and takes supportive actions for developing manpower. HRD Mechanism constitutes subsystems like performance management, training and development, Potential appraisal, career planning and development, reward management, quality of work life, self renewal mechanisms etc.The HRD climate in an organization depends upon various

dimensions like Openness, Confrontation, Trust, Autonomy, Pro-action, Authenticity and Collaboration (OCTAPAC). If these dimensions are perceived to be good in an organization, then the overall HRD Climate would be considered to be effective. In this context the present study is undertaken to study the General climate and the mechanisms only of the three dimensions, in Public and Private sector Insurance companies of India.

A study conducted by Mohanty, Parija&Sahu, (2012)to know the impact of HRD Climate on job performance of the employees in insurance companies of Odisha which results in a positive influence of job performance of employees and further the findings suggested that the Four HRD outcomes like motivation of employee commitment responsiveness and job satisfaction were high in HRD Climate.

Chaudhary, Rangnekar&Barua, (2012), examined and analyzed a study on HRD Climate. The result showed that the overall HRD climate in an organization is good but in employees perception the HRD Climate is better in Private sector organizations compare to Public sector organization.

Solkhe&Chaudhury, (2011) analyzed and determined a study on the impact of HRD Climate on Job satisfaction as an organization performance measure in some selected Public sector enterprises. And the findings indicated that HRD Climate has an impact on job satisfaction which in turns leads to organizational performance.

Sharma &Purang, (2000) in their study on "Value institutionalization and HRD climate: A case study of NavaratnaPublic sector organization" found a positive relationship between value institutionalization and HRD climate, meaning there by a better and more ethical environment of the organization shall lead to a better HRD climate for the organization.

Finding and analysis

The Present Study is an attempt to assess the general climate and mechanismsprevailing in Insurance Sector. The data have been collected from the employees of both Public and Private sector Insurance companies in India.The questionnaires have been distributed randomly taking into consideration availability of employees and their interest to give response to the questionnaires. The data are analyzed quantitatively using percentages and mean scores with the help of SPSS.

The following statistics were noticed from the analysis

Hypothesis-1:

H₁:The employees of Government and private sector insurance companies differ significantly in their opinion on HRD Climate.

The result of mean analysis shows that there is a significant difference of 1.329 in the score for HRD climate between the government and Private sector insurance companies. So the alternative hypothesis is accepted for the study.

This difference of 1.329 is quite significant and it suggests that the HRD Climate in the public is much better as compared to that of the private insurance companies as perceived by their respective employees. However the private organizations have an edge when it comes to the reward mechanism or the appreciation received from the boss. Private sector insurance companies are highly performance oriented and generally have a short term approach whereas public adopts a long term approach.

public has an edge over many other crucial factors like fair promotion and friendly environment which seems to lack in the private insurance companies basically because of the high pressure that prevails in the private organizations and also because of the lack of clearly laid out rules and regulations.

It is quite evident from the responses of the employees of private sector insurance companies that employees are not

considered as an important resource and are not treated in a proper manner which the significant difference of 2.123 in the mean analysis shows.

The opinions of the employees of the private sector insurance companies differ significantly from that of the employees in public when it comes to the general environment or the surrounding in the workplace. It was evident from the responses of the employees of the private sector that they didn't have a friendly and condusive environment in the workplace. The mean analysis reveals a significant difference of 2.360 which is quite high.

The other areas where the difference between the opinions of the government and private sector insurance companies

A number of sub-hypotheses which were derived from the main hypothesis were also formulated and tested. They are as follows:

Hypothesis-1a:

H_{1a}: There is significant relation between "Organization type" and the opinions of the employees of public and private companies on "HRD Climate"

In order to test the above sub-hypotheses ANOVA was used using the SPSS software. The ANOVA output of SPSS shows that the significance level is 0.000 which is lesser than 0.05 which can be seen from Table No.6.8

Table 1 Organization Type and HRD Climate

ANOVA					
HRD Climate	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	96.213	1	96.213	311.312	.000
Within Groups	71.392	231	.309		
Total	167.605	232			

As the significance level is less than 0.05, thealternate hypothesis is accepted. Thus there is a significant relation between the type of organization and the opinion of the employees of the government and the private sector insurance companies on HRD climate.

It is also evident from the responses of the employees of public and the private companies , that the HRD climate of the public is better than that of the private organizations.

Hypothesis-1b:

H_{1b}: There is significant relation between "work experience" and the opinions of the employees of public and private companies on "HRD Climate"

Table 2 work experience and HRD Climate

ANOVA					
HRD Climate	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	88.489	4	22.122	63.752	.000
Within Groups	79.117	228	.347		
Total	167.605	232			

The ANOVA output of SPSS shows that the significance level is 0.000 which is lesser than 0.05. So the null hypothesis is rejected and the alternate hypothesis is accepted. Thus there is a significant relation between the work experience and the opinions of the employees of PUBLIC and private companies on HRD climate.

Most of the private sector employees have a work experience of less than 5 years in contrast to the employees of PUBLIC where most of the employees have more than 5 years of experience except for the ones newly recruited or haven't yet completed 5 years in the organization. It can also be derived

that as the employees perceive the HRD climate to be good they tend to continue in the organization for long. The same holds true for the employees of the private sector insurance as they perceive the HRD Climate to be less conducive than that of the employees of PUBLIC they tend to quit organizations.

Hypothesis-1c:

H1c: There is significant relation between “Age of employee” and the “Perception of HRD Climate”

Table 3 Age And HRD Climate

ANOVA					
HRD Climate					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	34.298	3	11.433	19.639	.000
Within Groups	133.307	229	.582		
Total	167.605	232			

The ANOVA output of SPSS shows that the significance level is 0.000 which is lesser than 0.05. So the alternate hypothesis is accepted. Thus there is a significant relation between the age of employees and their perception about the HRD climate.

Age and experience generally go hand in hand. Where there are a lot of people in the age group of 21-30 and 31-40 in the private sector, PUBLIC has most people in the age group of 31-40 or 41 to 50. The people who have spent a considerable time in the organizations tend to know the organization better than those who have spent considerably lesser time.

CONCLUSION:

Climate is an overall feeling that the organization physically conveys through its employees, how the members of the organization are interacting with each other and how the members of the organization interacting with the outsiders. An Organization’s development depends upon its HRD Climate and culture. Having better HRD Climate processes ensures effective outcomes and better performance, motivation, competency and development of the employees. Unlike other sectors it is clearly found that the perception of the HRD Climate of the Public sector insurance company’s employees is much better than that of the Private sector. Though there can be numerous reasons cited for the above findings however more research needs to be done to find which factors are significantly different and if they are different, what practices does the better out of the sample adhere to.

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