Role of HRD Practices on Organizational Performance – A Study with reference to the General Insurance Companies in Andhra Pradesh

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Abstract— The current study is focused to determine the role of HRD practices over the organizational performance. Furthermore the study is confined only to the general insurance companies. Based on the review of literature it is understood that the variables such as policies, procedures, practices and conditions have the immense effect over the HRD climate and further leads to the organizational performance. The results of the study is presented elaborately in the research paper.

Key Words: HRD Practices, General Insurance Organizations, Policies, Procedures, Practices, Conditions, Organizational Performance

I. INTRODUCTION

Human Resource Development is a system of developing the competencies of individual employees, teams and the organization in a continuous and planned way to achieve the organizational goals. The ultimate objective of HRD is to contribute to the professional well-being, motivation and pride of the employees. In organizations training and development begins with entry of an employee in the company and remain continuous throughout the tenure of employee. The job satisfaction is the core of Human Resource Development programmes designed by the organizations. The job satisfaction is how people feel about different aspects of their jobs and is the degree to which the people like or dislike their jobs. Locke (1976) defined job satisfaction as a "pleasurable and positive emotional state resulting from appraisal of one's job or job experiences". The various factors responsible for job satisfaction are compensation, opportunities for promotion, working hours, support from supervisors etc. The job analysis helps in developing appropriate design of job to improve efficiency and satisfaction. The main objective of job design is to combine the needs of the individual (interest, challenge and achievement) and the requirements of the organization (high productivity, technical efficiency and quality of work).4 The life insurance companies in India aim at high job satisfaction, team work, high involvement of sales force, enhancing problem solving ability of sales force and to maintain good organizational climate through the development programmes of employees and sales force.

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Review of Literature:

Agadi and Bias (2008) tried to identify and analyze the employee related problems encountered in the process of HRD in LIC. The study was based on the primary and secondary data. The study found that training did not provide any monetary and promotional benefits to the employees. The lack of training policy was also found to be prevalent in LIC. The study emphasized on upgrading training related information. The study suggested that reading material should be handed over to employees in advance to give them sufficient time to go through the material and help them to participate effectively in the discussions.

Bias (2011) studied existing HRD climate, policy of training and development and effectiveness and instruments used to appraise the performance of the employees in LIC. The study revealed that training practices in LIC were inadequate and suffered from certain weaknesses. The performance appraisal was also irregular. It suffered from superiors" favoritism, prejudices and biases vague performance standards etc.

Patre and Gawande (2012) studied the level of job satisfaction and intent to leave the job among sales force of private sector insurance companies. The study was based on the opinion of 225 salesmen of 12 private insurance companies in Nagpur city. The study revealed that job satisfaction level of the sales force in insurance companies was neither too high nor too low on five point rating scale. The respondents showed moderate level of intention to leave their job. The study suggested that the insurance companies should try to increase the satisfaction level of their employees on various parameters. Yadav et al. (2014)in their paper measured the satisfaction level of employees of HDFC Standard life Insurance Company and tried to find out the factors responsible for job satisfaction. The study was based on primary data collected from 40 employees of Napier Town, Jabalpur Branch of Madhya Pradesh. The study found that employees were satisfied with their salaries and growth opportunities but less supportive working environment etc. led to dissatisfaction among employees.

The study suggested that the company should give timely promotion to the deserving employees. Tiwari (2014) assessed the level of job satisfaction among the employees of LIC working in Rewa and Satna division of Madhya Pradesh.

The study showed that job

satisfaction had good impact on employees" performance. The factors like convenient working hours, fairness and participation in decision and chances for future development increased overall satisfaction of employees. The study suggested that attractive and competitive pay package along with excellent career opportunities should be provided to the potential workforce. The transparent performance appraisal system should be opted by LIC was another suggestion Dolai (2015) analyzed the HRD Climate of the public and private sector insurance companies and found that the overall development of organization was dependent on its HRD climate and culture. The study revealed that the HRD Climate of the public sector insurance company was much better than that of the private sector insurance companies.

II. RESEARCH GAP

There are so many studies which emphasised much over the HRD Climate factors. Very few studies focused to understand the association between the HRD climate and the organizational performance. There is no a specific study which emphasised to understand the individual factors of HRD climate such as policies, procedures, practices and conditions over the HRD climate and finally leads to the organizational performance. This phenomenon is quite necessary in the domain of general insurance sectors. Hence the study is aimed to understand the role of HRD climate in determining the organizational performance.

III. FORMULATION OF HYPOTHESES

As the study is an exploratory in nature, the hypotheses have been formulated in null form as shown in hypothesised conceptual model.

$H1_0$: HRD Climate will not have impact on Organizational performance in relation to:

$H1_{0a}$: Policies; $H1_{0b}$: Procedures; $H1_{0c}$: Practices; $H1_{0d}$: Conditions

IV. SAMPLING FRAME

The sampling framework for the current research work is determined the general insurance companies who are located in the Guntur district region in the state of Andhra Pradesh. Table - 1 illustrates the sample frame across the state of Andhra Pradesh which the date was collected from four major players of the general insurance sector in Guntur district region.

Table - 1 Sample Frame of the study:

Description	Remarks
No of General Insurance companies approached	6
No of General Insurance companies permitted to conduct the survey	4
No of employees participated in the survey	700
No of returned questionnaires	635
No of usable questionnaires for the study	564

Source: Primary Data

V. DATA ANALYSIS AND RESULTS

Demographic Profile of the Respondents

The primary data required to this study is collected from 4 different general insurance companies in the district of Guntur located in Andhra Pradesh, India. Initially the researcher approached 6 general insurance companies to collect the data, out of which 4 companies only given their consent to collect the data. The researcher approached 700 employees of the various levels of the general insurance companies and requested to fill the questionnaire. It was found that only 640 questionnaires were returned and out of them we found that 564 questionnaires were completely filled and usable for the survey. Hence the sample size of the study is considered as 564. The following table - 3 presented the data analysis of the participants demographic, socio-economic and geographic attributes of the respondents.

Respondent's Socio-economic, Demographic and Geographic characteristics

There are 564 total participants took part in this survey and out of which 373 (66.1 percent) are male and 191 (33.9 percent) are female and the average age of respondents is 36 years and ranges from 20-57 years. Majority of the respondents were married i.e. 495 (87.76 percent) and 69 (12.24) were unmarried. The major chunk of the participants of the survey 292 (51.77 percent) were under the age segment of 20-30 years, 144 (25.53 percent) members were in the segment of 30-40 years, 110 members (19.6%) of the employees were under the segment of 40-50 years and only 18 (3.19 percent) respondents were in the segment of above 50 years age. Majority of the respondents 275 (48.75 percent) were in the operational level, 160 members (28.36 percent) were in the tactical level and 129 (22.87 percent) were in the strategically levels of their jobs. This is clearly indicated that the major chunk of the samples were located in operational level. Regarding the educational qualification, 59 members (10.46 percent) had the qualification of SSC/Diploma qualification, 382 members (67.73 percent) had either degree or B.Tech qualification or 123 members (21.81 percent) had Post-Graduation as their qualification. The major chunk of the employees 306 (54.25 percent) were in the range of Rs 30,000 – 40,000 categories of monthly income and 103 members (18.26 percent) were in the Rs 40,000 – 50,000 range of monthly income, 108 members (19.16 percent) of the respondents were in the range of more than Rs 50,000 of monthly income range and very few 47 members (8.33 percent) were in the range of Rs 15,000 – 30,000 range of monthly income. The average monthly income is Rs 36,475 and the standard deviation of the monthly income is Rs 10,565. The analysis regarding the size of the family revealed that, 32 members (5.67 percent) had 1-2 family members, 74 members (13.12 percent) had 2-3 members in their family, 326 members (57.80 percent) had 3-4 members in their family, 120 members (21.27 percent) had 4-5 members in their family, only 12 members (2.14 percent) had more than five members in their family. The average family size of the respondents is 3.17 and the standard deviation is 0.84.

The span of experience of the

respondents was presented here, 68 members (12.05 percent) had 0-2 years of experience, 124 members (21.98 percent) of them had 2-5 years of experience, 276 members (48.93 percent) had 5-10 years of experience and 96 members (17.04 percent) had more than 10 years of experience. The average experience of the respondents is 2.14 years and the standard deviation is 1.23 years of experience. The results of respondent's demographic, socio-economic and geographic variables (from Q1to Q8 in Part-A) were summarized in Table 5.1 and the details were presented in the following graph.

Table – 3: Demographic Profiles of the survey participants

Demographic Description		Frequency	Percentage	Mean	SD
Gender	Male	373	66.1	-	-
	Female	191	33.9		
Age	20 - 30 Yrs	292	51.77	36.06	11.47
	30 - 40 Yrs	144	25.53		
	40 - 50 Yrs.	110	19.6		
	>50 Yrs.	18	3.19		
Marital Status	Married	495	87.76	-	-
	Unmarried	69	12.24		
Level of Job	Operational	275	48.75	-	-
	Tactical	160	28.36		
	Strategically	129	22.89		
Education	SSC/Diploma	59	10.46	-	-
	Degree	382	67.73		
	Post-Graduation	123	21.81		
Monthly Income	Rs 15000 - 30000	47	8.33	Rs 31277.64	Rs 10565.99
	Rs 30000 - 40000	306	54.25		
	Rs 40000 - 50000	103	18.26		
	> Rs 50000	108	19.14		
Family Size	1to2	32	5.67	3.17	0.84
	2to3	74	13.12		
	3to4	326	57.80		
	4to5	120	21.27		
	5 and above	12	2.14		
Experience	0 - 2 Years	68	12.05	2.14 Years	1.23 Years
	2 - 5 Years	124	21.98		
	5 – 10 Years	276	48.93		
	> 10 Years	96	17.04		

Source: Primary data

Inferential Statistics (Hypotheses H30a – H30d):

This section deals with the testing the proposed hypotheses of H30a – H30d i.e the impact of HRD perceptions such as Policies, Procedures, Practices and Conditions on the dependent variable of Organizational Performance. Simple Linear Regression Analysis (SLRA) was adopted to test these hypotheses. The detailed description of the individual independent variables impact over the dependent variable i.e Organizational Performance was shown in the below paragraphs.

H10a: Policies of the Organizations will not have significant effect on Organizational Performance.

The impact of policies of the organizations over the organizational performance has been tested in the concerned proposed hypothesis. The researcher regressed the mean score value of independent variable i.e policies of the organization over the mean score of the dependent variable i.e organizational performance. The regression summary of the model is tabulated in the following table – 4. The results witnessed that the policies of the organization and the organizational performance is congruent to each other. Further, the results elicited that the R – Square value of the model is 0.481 and the ANOVA results i.e F – value is found to be 520.04 and the p – value is found to be significant. Hence, we conclude that the model is validated with the organizational performance.

Table – 4: Regression Model Summaries for the Policies of the Organization on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					df1	df2	F-Value	Sig.
1	0.693	0.481	0.480	0.85043	1	562	520.04	0.000
a. Predictors: (Constant), Organizational Performance								

Moreover the coefficient summary results of the proposed model are presented in the following table – 5. The results disclosed that the independent variable is significant with the dependent variable. The results of the beta estimates elicited that the β_0 value of the model is 3.365 and the β_1 value is found to be 0.852. The t – value of the model is denoted as 22.084 and the p – value is 0.000 which is highly significant. Based on these values the concerned regression of the model is expressed as the following.

Organizational Performance (Y) = 3.365+ 0.852 (Policies of the Organization) X

Table - 5: Predictor effects and Beta Estimates (Unstandardized) for Policies of the Organization associated with Organizational Performance.

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.365	0.215	-	1.696	0.000
	Policies of the Organization	0.852	0.037	0.639	22.084	0.000
a. Dependent Variable: Organizational Performance						

H10b: Procedures of the Organizations will not have significant affect on Organizational Performance.

The impact of procedures of the organizations over the organizational performance has been tested in the concerned proposed hypothesis. The researcher regressed the mean score value of independent variable i.e procedures of the organization over the mean score of the dependent variable i.e organizational performance. The regression summary of the model is tabulated in the following table – 6. The results witnessed that the procedures of the organization and the organizational performance is congruent to each other. Further, the results elicited that the R – Square value of the model is 0.16 and the ANOVA results i.e F – value is found to be 400.744 and the p – value is found to be significant. Hence, we conclude that the model is validated with the organizational performance.

Table – 6: Regression Model Summaries for the Policies of the Organization on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					df1	df2	F-Value	Sig.
1	0.645	0.416	0.415	0.90159	1	562	400.744	0.000
a. Predictors: (Constant), Organizational Performance								

Moreover the coefficient summary results of the proposed model are presented in the following table – 7. The results disclosed that the independent variable is significant with the dependent variable. The results of the beta estimates elicited that the $\beta 0$ value of the model is 2.580 and the $\beta 1$ value is found to be 0.550. The t – value of the model is denoted as 20.019 and the p – value is 0.000 which is highly significant. Based on these values the concerned regression of the model is expressed as the following.

Organizational Performance (Y) = 2.580+ 0.550 (Procedures of the Organization) X

Table - 7: Predictor effects and Beta Estimates (Unstandardized) for Policies of the Organization associated with Organizational Performance.

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.580	0.137	-	18.883	0.000
	Procedures of the Organization	0.550	0.027	0.645	20.019	0.000
a. Dependent Variable: Organizational Performance						

H10c: Practices of the Organizations will not have significant effect on Organizational Performance.

The impact of practices of the organizations over the organizatinal performance has been tested in the concerned proposed hypothesis. The researcher regressed the mean score value of independent variable i.e practices of the organization over the mean score of the dependent variable i.e organizational performance. The regression summary of the model is tabulated in the following table – 8. The results witnessed that the procedures of the organization and the organizational performance is congruent to each other. Further, the results elicited that the R – Square value of the model is 0.102 and the ANOVA results i.e F – value is found to be 63.986 and the p – value is found to be significant. Hence, we conclude that the model is validated with the organizational performance.

Table – 8: Regression Model Summaries for the Policies of the Organization on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					df1	df2	F-Value	Sig.
1	0.320	0.102	0.101	1.11810	1	562	63.986	0.000
a. Predictors: (Constant), Organizational Performance								

Moreover the coefficient summary results of the proposed models presented in the following table – 9. The results disclosed that the independent variable is significant with the dependent variable. The results of the beta estimates elicited that the $\beta 0$ value of the model is 2.699 and the $\beta 1$ value is found to be 0.421. The t – value of the model is denoted as 7.999 and the p – value is 0.000 which is highly significant. Based on these values the concerned regression of the model is expressed as the following.

Organizational Performance (Y) = 2.699+ 0.421 (Practices of the Organization) X

Table - 9: Predictor effects and Beta Estimates (Unstandardized) for Policies of the Organization associated with Organizational Performance.

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.699	0.317	-	8.515	0.000
	Practices of the Organization	0.421	0.053	0.320	7.999	0.000
a. Dependent Variable: Organizational Performance						

H10d: Conditions of the Organization will not have significant affect on Organizational Performance.

The impact of conditions of the organizations over the organizational performance has been tested in the concerned proposed hypothesis. The researcher regressed the mean score value of independent variable i.e conditions of the organization over the mean score of the dependent variable i.e organizational performance. The regression summary of the model is tabulated in the following table – 10.

The results witnessed that the conditions of the organization and the organizational performance is congruent to each other. Further, the results elicited that the R – Square value of the model is 0.481 and the ANOVA results i.e F – value is found to be 520.04 and the p – value is found to be significant. Hence, we conclude that the model is validated with the organizational performance.

Table – 10: Regression Model Summaries for the Policies of the Organization on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					df1	df2	F-Value	Sig.
1	0.425	0.180	0.179	1.06835	1	562	123.639	0.000
a. Predictors: (Constant), Organizational Performance								

Moreover the coefficient summary result of the proposed model is presented in the following table – 11. The results disclosed that the independent variable is significant with the dependent variable. The results of the beta estimates elicited that the β_0 value of the model is 1.888 and the β_1 value is found to be 0.564. The t – value of the model is denoted as 11.119 and the p – value is 0.000 which is highly significant. Based on these values the concerned regression of the model is expressed as the following.

Organizational Performance (Y) = 1.888+ 0.564 (Conditions of the Organization) X

Table - 11: Predictor effects and Beta Estimates (Unstandardized) for Policies of the Organization associated with Organizational Performance.

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.888	0.302	-	6.257	0.000
	Conditions of the Organization	0.564	0.051	0.425	11.119	0.000
a. Dependent Variable: Organizational Performance						

VI. FINDINGS OF THE STUDY

Based on the results of the study, it is observed that the role of policies is found to be a major component. The polices of the organization is denoted with 48.1 percent of variation in the model over the organizational performance. Next to polices, the procedures of the organization has recorded with 41.6 percent of variation with the organizational performance. The conditions in the organization has denoted with 17.9 percent of variation in the model with respect to the organizational performance. The variable practices is considered to be very less impact over the organizational performance with the variation of 10.2 percent in the model. However, among the proposed model it is observed that the policies, practices, conditions and the practices have impact over the organizational performance respectively with respect to the organizational performance.

VII. CONCLUSION

With respect to the derived results, it is concluded that the insurance companies should take enough precautions to develop the practices or revamp the existing practices in the organizations. Further, it is also suggested to develop the conditions with respect to the various aspects to develop the organizational performance. However, the study reported that the policies and the procedures of the organization has significant role and suggested to sustain them.

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