



An Study of Impact of Human Resource Management Practices on the Policyholder's Satisfaction with Service Quality of the Life Insurance Corporation of India (With Special Reference to Alwar Region- Rajasthan)

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ABSTRACT

An attempt is made in this article to analyse the text published in RBI Financial Stability Reports (FSRs) over the period June 2010 to December 2021 using text mining tools. We construct a Financial Stability Sentiment (FSS) Index by linking the FSR with a dictionary specially developed for capturing the sentiments published in FSRs. We find that the FSS index perfectly tracks stress episodes such as economic deceleration, Asset Quality Review (AQR) process and COVID-19 pandemic, i.e., during these periods, the value of the index increased significantly – signalling bloated stress in the financial system in India. Moreover, there is a significant negative correlation between the index and the market returns that consistently captures the large upswings and downswings in the former. Consequently, the FSS index is a reliable economic barometer as it is able to capture most of the events which had an impact on financial sector of the economy, while also having an impact on consumer perceptions.

KEYWORDS: Words: HRM, MBO

INTRODUCTION

Human resource management

The competitive advantage of a company can be generated from human resources and company performance is influenced by a set of effective Human Resource Management practices. Human Resource Management practices are essential for firm performance. Firms have used human resource practices to achieve their performance. Every organization is composed of people and utilizing their services, developing their skills, motivating them to enhance their levels of performance and ensuring that they remain committed to the organization are essential for the accomplishment of organizational objectives. This is true for all types of organizations - government, business, education, health, recreation or social action. Organizations that can do this will be both effective as well as efficient.

Human resource management system

To understand the significance of Human Resource and the way it is able to determine the performance outcome of organizations, the Human Resource process must be viewed as a whole. Researchers have viewed organizations as systems and as a result, it is important to consider the human resource inputs, processes (practices) and outputs

that will lead to a sustained competitive advantage in organizations¹. Thus, human resource has become a unique source of sustained competitive advantage in organizations². The human resource system in an organization consists of the dynamic processes of Human Resource, such as the recruitment and selection, performance appraisals, training, and compensation.

Human resource management practices and competitive strategies

Competitiveness refers to a company's ability and performance to gain and maintain market share in its industry (Easterly and Levine, 2002)³. Human resource management practices, therefore, must help support the company's strategy and provide services with customer value. The value of a product or service is determined by its quality and how closely the product fits customer needs. Competitiveness is related to company effectiveness, which is determined by whether the company satisfies the needs of stakeholders (Barney, 1991)⁴. Important stakeholders include: stockholders who want a return on the investments; customers, who want a high-quality product or service; an employee, who desire interesting work and reasonable compensation for their services and the community, which wants the company to contribute to activities and projects and minimal pollution of



the environment. Companies that do not meet stake holder's needs are unlikely to have a competitive advantage over other firms in the industry.

Need of human resource management practices in insurance companies

Indian organization today, specifically insurance industry is aware of the importance of human resource management practices as the leading indicator in achieving improved sales growth and the creation of innovative insurance products. Therefore, insurance companies have to be more efficient, productive and innovative on its human resource management practices implementation that is closely aligned to the firm's objective, business needs as well the culture to sustain competitive advantage in the market. Under present market forces and strict competition, the Indian insurance companies are forced to be competitive. Contemporary companies must seek ways to become more efficient, productive, flexible and innovative, under constant pressure to improve results. The traditional ways of gaining competitive advantage have to be supplemented with organizational capability i.e. the firm's ability to manage people. Organizational capability relates to hiring and retaining competent employees and developing competencies through effective human resource management practices. Indeed, developing a talented workforce is essential to sustainable competitive advantage for Indian insurance industries. High performance work practices provide a number of important sources of enhanced organizational performance. Human resource management systems have important, practical impacts on the survival and financial performance of Indian insurance companies and on the productivity and quality of work life of the people in them. Further, changing business environment in the knowledge economy has made adoption of effective human resource management imperative for competitive advantage in the Indian insurance industries.

REVIEW OF LITERATURE

Rogg (2001)⁵ in his study, the degree to which organizational climate mediates the relationship between human resource practices and customer satisfaction is investigated for 351 small businesses in the same industry. Results indicated support for the hypothesized mediated relationship. The indirect effects of HR practices on customer satisfaction were significantly and relatively large while the direct effect was no significant and near zero. The results were supportive of a social context model of the impact of human resource practices on organizational outcomes. **Muldrow, et al (2002)**⁶ argued that employee behavior and attitudes can determine the success or failure of organizational plans no matter how well constructed. Precisely, HRMPs play an important role in affecting service delivery and subsequently organizational performance. **Alberto, et.al (2002)**⁷ focused specifically on the impact HRM has on operational performance. The results reveal the presence of a positive, statistically significant correlation between the adoption of

high-commitment practices and improvements in quality and time-based performance.

Scope of the study

The scope of this research is limited to employees and policyholders in the Life Insurance Corporation of India, Alwar division of Rajasthan geographical limit. The research confines to the study of human resource management practices and its impact on policyholder satisfaction with service quality of the Life Insurance Corporation of India, Alwar division of Rajasthan. This study will be helpful to improve the effectiveness of human resource management practices. Through efficient human resource management practices, the Life Insurance Corporation of India can provide quality service to its policyholder. The study also acts as a secondary data for further research.

OBJECTIVES OF THE STUDY

The main objective of the study was to analyze the human resource management practices Life Insurance Corporation of India. To achieve the main objective, the following sub objectives were set:

1. To examine the present scenario of life insurance industry in India.
2. To analyze the satisfaction of the employees with human resource management practices of the Life Insurance Corporation of India.
3. To study the perception and expectation of the policyholders with service quality of the Life Insurance Corporation of India in the study area.
4. To analyze the impact of human resource management practices on policyholder satisfaction with service quality of the Life Insurance Corporation of India in the study area.
5. To offer practical suggestion to improve effectiveness of human resource management practices for increasing policyholder satisfaction in the Life Insurance Corporation of India.

RESEARCH METHODOLOGY

The descriptive research method is used to analyze the impact of human resource management practices on policyholder satisfaction with service quality of the Life Insurance Corporation of India in the study area. The descriptive method provides a logical approach because the data consisted of the perceptions of respondents, which were gathered through the administered survey questionnaire.

Data collection

In order to achieve the objectives of this research, data were collected both from the primary and secondary sources. The primary data were collected.

From the respondents through questionnaires. The sources of secondary data were literature available in libraries in the

form of books, journals and magazines. Besides the above-mentioned literature, published and unpublished thesis and web sites of the sample unit were also referred to. 1.23.2

POPULATION

The population defined for this study was limited to employees and policyholders in the Life Insurance Corporation of India, Alwar division of Rajasthan.

Sample size

For the purpose of the analysis, the employees are classified as officers, clerical staff and sub staff. The Class-I, Class-II Officers and Development Officers are classified as officers, Class III employees are considered as clerk and Class IV employees are viewed as sub staff. In the selected branches 612 employees are working among them 195 officers, 279 clerical staff and 138 sub staff. The following formula has been used to estimate the population sample size.

$$t^2 * p * (1-p) \text{ Minimum Sample Size (n)} = \text{-----} m^2$$

Where:

n = required sample size (minimum size)

t = Confidence level at 95% (standard value of 1.96)

Sample size

Designation	Total sample size (1)	Proportion (2)	Stratum-wise sample size (1) x (2)
Officers	236	(195/612) 0.32	76
Clerical staff	236	(279/612) 0.46	108
Sub staff	236	(138/612) 0.22	52
Total sample size			236

The required sample size is 76 officers, 108 clerical staff and 52 sub staff. Thus, a total of 236 employees were selected as sample for the study on the basis of stratified random sampling method. Equal representation was given to officers, clerical staff, and sub staff from selected branches. Since the number of customers/policyholders in each of the branches was large, the customers could not be selected on a proportional basis. A sample of 35 customers from each branch was selected for the study. Therefore, 385 customers were selected on the basis of convenience sampling method.

Analysis of employee satisfaction through employee perception about human resource management practices

Demographic profile of the respondents

The level of satisfaction of the employees with human resource management practices may vary according to their individual demographic variables such as sex, age, and educational qualification. Therefore, the profile of the respondents is given in the succeeding pages.

Gender-wise distribution of the respondents

The gender-wise distribution of the sample respondents in the selected study units is shown in table 1.

Table 1. Gender-Wise Distribution of the Respondents

S.No	Gender	No. of respondents			
		Officers	Clerical staff	Sub staff	Total
01	Male	45 (59.21)	67 (62.04)	28 (53.85)	140 (59.32)
02	Female	31 (40.79)	41 (37.96)	24 (46.15)	96 (40.68)
	Total	76 (100.00)	108 (100.00)	52 (100.00)	236 (100.00)

Source: Primary Data; Figures in brackets is percentage to the total



p = Estimated fractional population of subgroup, expressed as decimal (0.5 used for sample size needed)

m = Margin of error at 5% (standard value of 0.05)

Finite Population Correction for Proportions

n

0

$$\text{Sample Size (n)} = \text{-----} (2)$$

$$(1 + n)$$

Where 'n' is the sample size and n0 = required sample size (minimum size), 'N' is the population size.

$$(1.96)^2 \times 0.5 \times (1-0.5)$$

$$\text{Minimum Sample Size (n0)} = \text{-----} = 384 (1)$$

$$(0.05)^2$$

$$384$$

$$\text{Required Sample Size (n)} = \text{-----} = 236 (2)$$

$$(1 + 384 / 612)$$

As per the formula the required sample size is 236. The following table shows the designation-wise sample size.

It is observed from the table 1 that the total sample work forces in the selected study units consist of 59 per cent male and 41 per cent female employees. The majority of the officers, clerical staff and sub staff are male. About 41 per cent, 38 per cent and 46 per cent of the officers, clerical staff and sub staff are female. Therefore, it can be inferred from the table that the female employees constitute a significant portion in the work force of the Life Insurance Corporation of India in the study area.

Age-wise distribution of the respondents

The age-wise distribution of the sample respondents is given in table 4.2.

Table 2. Age-Wise Distribution of the Respondents

S.No	Age	No. of respondents			
		Officers	Clerical staff	Sub staff	Total
01	Less than 40 years	16 (21.05)	14 (12.96)	08 (15.38)	38 (16.11)
02	40 – 50 years	22 (28.95)	32 (29.63)	15 (28.85)	69 (29.24)
03	More than 50 years	38 (50.00)	62 (57.41)	29 (55.77)	129 (54.67)
	Total	76 (100.00)	108 (100.00)	52 (100.00)	236 (100.00)

Source: Primary Data; Figures in brackets is percentage to the total

Table 2 shows that out of 236 respondents, nearly 55 per cent of the respondents were in the age group of above 50 years, followed by nearly 29 per cent of the respondents were in the age group of 40-50 years and about 16 per cent of the respondents fall in the age group of less than 40 years. The majority of the officers, clerical staff and sub staff were in the age group of more than 50 years. Therefore, it can be inferred from the table that in the study units most of the employees belong to the age group of 40 - 50 years.

The educational qualification-wise distribution of the sample respondents in the selected study units is shown in table- 3.

Table 3. Educational Qualifications of the Respondents

S.No	Educational qualifications	No. of respondents			
		Officers	Clerical staff	Sub staff	Total
01	Upto higher secondary education	-	09 (08.33)	47 (90.38)	56 (23.73)
02	Undergraduate	52 (68.42)	86 (79.63)	05 (09.62)	143 (60.59)
03	Postgraduate	24 (31.58)	13 (12.04)	-	37 (15.68)
	Total	76 (100.00)	108 (100.00)	52 (100.00)	236 (100.00)

Source: Primary Data; Figures in brackets is percentage to the total

Table 3 indicates that out of 236 respondents, about 61 per cent, 24 per cent and 16 per cent of the respondents were undergraduates, studied upto higher secondary education and postgraduate respectively. Among the officers, clerical staff the majority of them undergraduate and the majority of the sub staff studied upto higher secondary education. It is noteworthy to mention that in the sub staff category nearly 10 per cent of the respondents are undergraduates.

Perception about human resource management practices

Human Resource Management focuses on managing people within the employer-employee relationship. Specifically, it involves the productive use of people in achieving the organization's strategic business objectives and the satisfaction of individual employee needs. Human resources not only contribute to the efficient running of an organization, but also offer significant potential for its future development. The success of an organization is mainly concerned with

the management of human resources. A service sector, particularly insurance is highly staff – intensive by its very nature. Hence an employer should satisfy the physical and psychological needs of his employees in order to motivate them to strive for the achievement of the organizational goals. In addition to this, it can be said that the satisfied employees will perform well and happy employees will make happy customers. Therefore, satisfaction of employees with human resource management practices of the Life Insurance Corporation of India is discussed in the succeeding pages.

In this study the researcher analyses the factors that are determining effectiveness of Human resource management viz. (1) recruitment policy, (2) training and development, (3) appraisal and reward, (4) performance management, (5) managing people, (6) promotion and transfer, (7) compensation management and welfare measures, and (8) industrial relations. These factors are supported by various HR practices which differ from one organization to the other. By introducing and practising some strategies, productivity

or optimum performance can be attained through people. Eight human resource management factors were identified through 173 statements covering the various elements of human resources management. Five-point likert type scale was used to measure mean score based on the responses of sample.

Recruitment and selection

A recruitment and selection policy is a statement of principles, outlining how the organization will conduct its recruitment and selection process. The aim of such a policy is to ensure that a transparent and unbiased recruitment and selection process is followed; one that results in the appointment of the best candidate, based solely on merit and best-fit with the organizational values, philosophy and goals.

Perception about recruitment and selection

This is the first factor identified to determine the effectiveness of human resource management of the study units. The questionnaire for assessing the perception of the employees about recruitment policy is 5-point Likert-type scale containing 27 statements. The minimum score is 27 and maximum score is 135. The mean score can be obtained by adding the scores on all the 27 statements. Higher mean score indicates higher perception about recruitment policy of the organization. Higher perception of the employee indicates higher satisfaction with recruitment and selection policy of the study unit.

Method of calculation of mean score in percentage

The total scores obtained by the respondents in respect of satisfaction with human resource management practices were computed and these total scores were divided by total number of respondents to arrive the mean score of human resource management practices.

Mean score = Total scores/Total No of Respondents

Subsequently, the mean score thus calculated was converted into percentage by the following formula:

Mean score (%) = Mean score obtained/Maximum score X 100.

Thus, the mean score and mean score percentage of the each category of the respondents and overall average were tabulated and interpreted in the succeeding pages.

The mean score obtained by the respondents in respect of the recruitment and selection policy is given in table 4.

Table 4. Perception about Recruitment and Selection

Category	Mean score	Mean score (%)
Officers (N=76)	63.84	47.29
Clerical staff (N=108)	49.23	36.47
Sub staff (N=52)	37.36	27.68
Overall Average (N=236)	51.32	38.01

Source: Primary data

Table 4 shows that the overall mean score percentage obtained by all sample respondents for recruitment and selection policy was 38.01 per cent. It was 47.29 per cent in respect of officers, 36.47 per cent in respect clerical staff and 27.68 per cent in respect of sub staff. Therefore, it can be inferred from the table that the officers, clerical staff and sub staff have low perception, which indicates low satisfaction of the employees with recruitment and selection policy of the Life Insurance Corporation of India.

Training and development

The growth of the knowledge economy that has, of course, partly been stimulated by demand for the new types of goods and services, increasing globalization of economic activities and technological changes, have only multiplied the need and urgency for new or additional type of competencies, such as team work, problem solving, communication skills and capacity to see workplace development in a broader context, among the employees. Employee training is becoming a necessity to every organization now-a day. Employees are entrusted different roles and responsibilities in the insurance companies. Training enables them to carryout these roles and responsibilities efficiently and also learn new things, which will prepare them to take up higher responsibilities in the future. With the kind of reforms and the resulting changes that are currently overawing the Indian insurance companies, the urgency to inculcate such competencies among the workforce is getting intensified in the insurance sector. Therefore, the perception of the employees about training and development policy of the Life Insurance Corporation is analyzed in this chapter. The questionnaire for assessing the perception of the employees about training and development policy consists of 21 statements. The minimum score is 21 and maximum score is 105. The mean score can be obtained by adding the scores on all the 21 statements. High mean score indicates satisfaction of the employees with training and development policy of the organization. The mean score percentages of the respondents in respect of the training and development policy is given in table-5.

Table 5. Perception about Training and Development Policy

Category	Mean score	Mean score (%)
Officers (N=76)	65.59	62.47
Clerical staff (N=108)	43.43	41.36
Sub staff (N=52)	29.60	28.19
Overall Average (N=236)	47.52	45.26

Source: Primary data

From table 5, it is evident that the overall average score obtained in respect of training and development policy was 45.26 per cent. The officers have secured the highest mean score of 62.47 per cent, clerical staff have obtained 41.36 per cent and sub staff have obtained a mean score of 28.19 per cent.

Therefore, it can be inferred from the table that officers have high perception whereas clerical staff and sub staff have low perception about training and development policy, which indicates officers have high satisfaction, clerical staff and sub staff have low satisfaction with training and development policies of the study unit.

Appraisal and reward

The performance and character-based appraisal and reward system is more important to the survival of any enterprise. In order to continue as consistent top performer in the highly competitive high technology involved insurance sector, performance and appraisal system is paramount to achieve ever increasing targets.

To measure perception about appraisal and reward system, 27 statements were framed in the questionnaire. The mean score can be obtained by adding the scores on all the 27 statements. The minimum score is 27 and maximum score is 135. High mean score indicates satisfaction of the employees with appraisal and reward system practised by the study unit. The mean score percentages of the respondents in respect of the appraisal and reward system is given in table-6.

Table 6. Perception about Appraisal and Reward System

Category	Mean score	Mean score (%)
Officers (N=76)	54.47	40.35
Clerical staff (N=108)	42.62	31.57
Sub staff (N=52)	31.85	23.59
Overall Average (N=236)	44.06	32.64

Source: Primary data

It is understood from the table-6 that the overall average score obtained by the sample respondents in respect of appraisal and reward was 32.64 per cent. The mean score of officers was 54.47 per cent, the mean score of clerical staff was 42.62 per cent and the score obtained by the sub staff was 31.85 per cent.

Therefore, it can be inferred from the table that the officers have moderate perception, the clerical and sub staff have low perception about the appraisal and rewards system. It implies that officers have moderate satisfaction whereas clerical staff and sub staff have low satisfaction with appraisal and rewards system of the study unit.

Performance management

In the present scenario, the organizations have shifted their focus from performance appraisals to performance management as a result of internationalization of human resources and globalization of business. The functions of HRM have become far more complicated today as the major focus of strategic HRM practices is on the management of talent by implementing such development programmes

which enhance the competencies of the employees. The performance management approach focuses more on observed behaviors and concrete results based on the previously established smart objectives. By adopting techniques like Management by Objectives (MBO), smart objectives are established in terms of either facts and figures and in the entire process the superior plays the role of a coach or a facilitator. The objectives are mutually decided at the beginning of the performance season and serve as a standard of performance for evaluation. In this method, the employees can offer a feedback on their contributions by filling up a self appraisal form.

The questionnaire for assessing the perception of the employees about performance management consists of 20 statements. The mean score can be obtained by adding the scores on all the 20 statements. The minimum score is 20 and maximum score is 100. Higher mean score indicates satisfaction of the employees with the performance management of the study unit.

Table 7. Perception about Performance Management

Category	Mean score	Mean score (%)
Officers (N=76)	42.69	42.69
Clerical staff (N=108)	38.71	38.71
Sub staff (N=52)	27.14	27.14
Overall Average (N=236)	37.44	37.44

Source: Primary data

Table-7 makes it clear that the overall mean score obtained by the 236 respondents in respect of performance management was 37.44 per cent. The officers have secured the mean score of 42.69 per cent, clerical and sub staff have obtained the mean score of 38.71 per cent and 27.14 per cent. Therefore, it can be inferred from the table that officers, clerical and sub staff have low perception about performance management, which indicates low satisfaction with performance management of the study unit.

Managing people

The management of people is a very important and challenging job because of the dynamic nature of the people. No two persons are similar in mental abilities, traditions, sentiments and behaviour.

In Indian insurance sector Human Resource Management is a very tricky problem which requires proper handling of it. In order to have a smooth running of the vital industry, effective way of managing people and solving their problems with foresight is very essential. How far the Life Insurance Corporation of India manages its people can be ascertained from the perception of the employees which is given in table-8.

The questionnaire for assessing the perception of the employees about managing people in the study unit consists of 18 statements. The mean score can be obtained by adding the scores on all the 18 statements. The minimum score is 18 and maximum score is 90. Higher mean score indicates the satisfaction of the employees with managing people in the study unit.

Table 8. Perception about Managing People

Category	Mean score	Mean score (%)
Officers (N=76)	50.62	56.24
Clerical staff (N=108)	31.64	35.16
Sub staff (N=52)	20.21	22.46
Overall Average (N=236)	35.23	39.14

Source: Primary data

Table-8 indicates the mean score obtained by the respondents in respect of managing people. The average mean score obtained by all respondents is 39.14 per cent. The highest mean score i.e., 56.24 per cent was secured by officers. The clerical staff have obtained the mean scores of 35.16 per cent and sub staff have secured a minimum score of 22.46 per cent. Therefore, it is presumed from the table that the officers have moderate of perception, clerical staff and sub staff have low perception, which indicates that the officers have moderate satisfaction whereas clerical and sub staff have low satisfaction with managing people in the study unit.

Promotion and transfer policy

A brief description about promotion and transfer policy is given in the succeeding pages.

Promotion Policy: Promotion refers to advancement of an employee to a higher post carrying greater responsibilities, higher status and better salary. It is the upward movement of an employee in the organization's hierarchy, to another job commanding greater authority, higher status and better working conditions.

Transfer Policy: Mobility and flexibility in the workforce are necessary to cope with the changing requirements of an organization. Transfer relates to mobility, which is limited to the motility of a worker from one job to another job in the similar level of hierarchy. Transfer is viewed as an alteration in job in which the worker moves from one job to another in the unchanged level of hierarchy involving alike skills, involving the same level of tasks, the similar rank and the identical level of income. Therefore, transfer is a horizontal job assignment. Organizations employ transfer with a view to achieve to meet organizational needs; to satisfy employee needs; to better utilize employees; to make the employees more versatile; to adjust the workforce; to provide relief and to punish the employees.

Despite following a standard promotion and transfer policy, employees often crumble and express their discontentment some times. Innovative and employee friendly promotion and transfer policies may help avoid confrontation and dissatisfaction among the employees which would in turn improve the morale, loyalty and their performance.¹⁹⁶ Therefore, the perception of the employees regarding promotion and transfer policy of the study unit is analyzed in table-9.

The questionnaire for assessing the perception of the employees about promotion and transfer policy consists of 22 statements. The mean score can be obtained by adding the scores on all the 22 statements. The minimum score is 22 and the maximum score is 110. Higher mean score indicates the satisfaction of the employees with promotion and transfer policy of the study unit.

Table 9. Perception about Promotion and Transfer

Category	Mean score	Mean score (%)
Officers (N=76)	38.72	35.20
Clerical staff (N=108)	25.68	23.34
Sub staff (N=52)	19.60	17.82
Overall Average (N=236)	28.54	25.95

Source: Primary data

Table-9 reveals that the average mean score obtained by sample respondents was 25.95 per cent in respect of promotion and transfer policy. The officers have secured 35.20 per cent, clerical staff have obtained 23.34 per cent and sub staff have obtained the mean score of 17.82 per cent. Irrespective of category all the respondents have secured low mean score. Therefore, it is presumed that all the employees have low degree of perception about promotion and transfer policy, which indicates low satisfaction of the employees with promotion and transfer policy of the study unit.

Compensation management and welfare measure

Compensation Management is an integral part of the management of the organizations. Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. It may achieve several purposes assisting in recruitment, job performance and job satisfaction. It is the remuneration received by an employee in return for his/her contribution to the organization. It is an organized practice that involves balancing the work-employee relation by providing monetary and non-monetary benefits to employees. It is a tool used by management for a variety of purposes to further the existence and growth of the organizations. It may be attuned according to economic scenario, the business needs, goals, and available resources. Compensation Management contributes to the overall success of the organization in several ways. To be effective,

the managers must appreciate the value of competitive pay, their human resources and have an investment view of payroll costs. The Indian organizations want to maintain pay levels that attract and retain quality employees while recognizing the need to manage payroll costs.¹⁹⁷ Therefore perception of the employees about compensation management and welfare measure is analyzed in table-10. The questionnaire for analyzing the perception of the employees about promotion and transfer policy consists of 23 statements. The mean score can be obtained by adding the scores on all the 23 statements. The minimum score is 23 and the maximum score is 115. Higher mean score indicates the satisfaction of the employees with compensation management and welfare measure policy of the study unit.

Table 10. Perception about Compensation Management and Welfare Measure

Category	Mean score	Mean score (%)
Officers (N=76)	36.63	31.85
Clerical staff (N=108)	23.95	20.83
Sub staff (N=52)	18.95	16.48
Overall Average (N=236)	26.93	23.42

Source: Primary data

Table-10 shows that the overall mean score obtained by all the respondents was 23.42 per cent. The officers have obtained the mean score of 31.85 per cent and clerical staff and sub staff have secured 20.83 per cent and 16.8 per cent respectively. All the respondents have secured a low mean score.

Therefore, it can be inferred from the table that all the employees have low degree of perception about compensation management and welfare measures. It implies that the employees have low satisfaction with compensation management and welfare measures provided by the study unit.

Industrial relations

Maintenance of harmonious industrial relations is of vital importance for the survival and growth of the industrial enterprises in general and insurance industry in particular. Good industrial relations result in increased efficiency and hence prosperity, reduced turnover and other tangible benefits to the insurance industry. Cordial and balanced industrial relations is essential not only for smooth running of the organizations and improving performance of the organizations but also for sustained growth in the future¹⁹⁸. The following is the perception of the employees about industrial relations in study unit, which is presented in the table-11.

The questionnaire for analyzing the perception of the employees about promotion and transfer policy consists of 15 statements. The mean score can be obtained by adding the scores on all the 15 statements. The minimum score is 15 and maximum score is 75. Higher mean score indicates the satisfaction of the employees with industrial relations policies of the study unit.

Table 11. Perception about Industrial Relations

Category	Mean score	Mean score (%)
Officers (N=76)	50.69	67.59
Clerical staff (N=108)	24.41	32.55
Sub staff (N=52)	22.19	29.59
Overall Average (N=236)	32.38	43.17

Source: Primary data

Table-11 reveals that the average mean score obtained by all the respondents was 43.17 per cent in respect of industrial relations. Among 236 sample respondents, the officers have secured the mean score of 67.59 per cent and clerical staff and sub staff have obtained the mean score of 32.55 per cent and

29.59 per cent respectively. Therefore, it can be inferred from the table that all the respondents except officers have low degree of perception in respect of industrial relations, which indicates that the officers are satisfied whereas clerical staff and sub staff are not satisfied with the prevailing industrial relations in the study unit.

Overall perception about human resource management practices

The overall perception of the respondents about the human resource management practices combined together of recruitment policy, training and development, appraisal and reward, performance management, managing people, promotion and transfer, compensation management and welfare measures, and industrial relations of the study units is analyzed in table-12.

Table 12. Overall Perception about Human Resource Management Practices

Category of the Respondents	Mean score	Mean score (%)
Officers (N=76)	403.25	46.62
Clerical staff (N=108)	279.67	32.33
Sub staff (N=52)	209.43	24.21
Overall Average (N=236)	303.43	35.08

Source: Primary data

Table 12 shows that the average mean score obtained by the respondents in respect of overall human resource management practices was 35.08 per cent. The officers have

obtained the mean score of 46.62 per cent and clerical staff and sub staff have secured 32.33 per cent and 24.21 per cent. Therefore, it can be inferred from the table that the officers, clerical staff and sub staff have low perception about overall human resources management practices, which indicates low satisfaction of the employees with overall human resource management practices. Table further indicates that clerical staff and sub staff very much dissatisfied when compared to officers with overall human resource management practices.

Level of perception

The level of satisfaction of the employees with overall human resource management practices is assumed to be normally distributed. The level of employee satisfaction is divided

into three categories, i.e. below average, average and above average levels, which have been defined as Low, Medium and High level of satisfaction respectively. The lower and upper limits of average level have been calculated with the help of the following formula: Lower limit of average level = Mean - 1 Standard deviation and Upper limit of average level = Mean + 1 Standard deviation.¹⁹⁹ The satisfaction of the employees through their perception about overall human resource management practices of the study unit is shown in the following tables.

Level of perception about recruitment and selection

Table 13 shows that the level perception of the respondents about recruitment and selection policy of the study unit.

Table 13. Level of Perception about Recruitment and Selection

Category of the Respondents	No. of Respondents			
	Low	Moderate	High	Total
Officers (N=76)	36 (47.36)	27 (35.53)	13 (17.11)	76 (100.00)
Clerical staff (N=108)	72 (66.67)	21 (19.44)	15 (13.89)	108 (100.00)
Sub staff (N=52)	39 (75.00)	08 (15.38)	05 (09.62)	52 (100.00)
Total (N=236)	147 (62.29)	56 (23.73)	33 (13.98)	236 (100.00)

Source: Primary data

Note: Figure in the bracket is percentage to total

Table-13 shows that out of 236 respondents about 62 per cent of the respondents have low perception, 24 per cent and 14 per cent of the respondents have moderate and high level of perception about recruitment and selection policy. Out of 76 officers, nearly 47 per cent of the respondents have a low level of perception followed by 36 per cent and 17 per cent of the respondents perceived moderate and high level of perception about recruitment and selection policy. About 67 per cent and 75 per cent of the clerical staff and sub staff perceived low level of perception about recruitment and selection policy.

CONCLUSION

The analysis of the employee satisfaction with human resource management practices shows that out of 236 respondents, nearly 66 per cent of the respondents perceived low perception, about 20 per cent and 14 per cent of the respondents have moderate and high level of perception about overall human resource management practices. The study also reveals that the majority of the officers, clerical staff and sub staff have low perception about overall human resource management practices. Therefore, it can be inferred from the study that the officers, clerical staff and sub staff have low satisfaction about overall human resource management practices. Further the clerical staff and sub staff perceive high level of dissatisfaction when compared to officers with overall human resources management practices. The study

also reveals that there is a significant difference between genders, age, educational qualifications and level their level of perception about overall human resource management practices, which implies that employee satisfaction differ in accordance with their genders, age, educational qualifications.

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