HRM PRACTICES IN SELECT
PUBLIC AND PRIVATE SECTOR LIFE INSURANCE COMPANIES

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ABSTRACT

This paper is aimed at understanding the HRM practices in select public and private sector life insurance companies. Human Resource Management (HRM) practices play a crucial role in shaping the efficiency and effectiveness of life insurance companies. Human resource management practices can help organizations become more innovative, adaptable, and effective than their competitors. Key areas of analysis include recruiting, selection, training and development, Performance Appraisal of employees, as well as guiding them to work together effectively to maximize the organization's productivity. In this study, both primary and secondary data were utilized. Primary data has been collected from 146 respondents of public and private life insurance companies. Out of the 146 samples, 101 were chosen from LIC, and 45 from ICICI Prudential Life Insurance Company Limited.

KEYWORDS: *HRM Practices, Public and Private Life Insurance Companies, Performance Appraisal.*

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Introduction

Life insurance companies are keeping up with the other financial industries in order to provide the special financial services that our economy needs to grow and develop. Nowadays, human resources have been recognized as one of the most important components in controlling an organization's material facts. Any organization's productivity and efficiency depends on its human capital. The organization must recruit and retain qualified individuals who can transform opportunities into productivity. Building organizational capability requires hiring skilled employees and enhancing their competencies through effective human resource management practices.

Human Resource Management (HRM) plays a crucial role in the success of organizations, especially in the life insurance sector, where employee performance and customer service significantly affect business growth. Public and private life insurance companies, such as the Life Insurance Corporation of India (LIC) and ICICI Prudential, follow different organizational structures and management strategies, shaping their HRM practices.

In the competitive insurance sector, effective HRM practices—such as recruitment, selection, training and development, workforce planning, and employee retention—are crucial for building a skilled and motivated workforce. Public sector companies like LIC prioritize job security and long-term employment, whereas private firms like ICICI Prudential adopt performance-driven HR policies and innovative strategies. Despite these differences, both companies encounter similar challenges, including workforce shortages, unclear recruitment policies, and the need to enhance employee engagement.

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This study examines and compares HRM practices in selected public and private life insurance companies, identifying key trends, strengths, and areas for improvement. By evaluating workforce composition, recruitment strategies, and employee perceptions, the research seeks to offer insights into optimizing HRM to improve employee satisfaction and enhance organizational performance in the life insurance sector. Employee welfare encompasses a range of services, benefits, and facilities provided by organizations, including health insurance, education, and entertainment. These initiatives promote both the physical and mental well-being of the employees, fostering a healthy and supportive work environment. Additionally, effective welfare measures enhance employee confidence and motivation, encouraging long-term commitment to the organization.

Objectives of the Study

The present paper makes an attempt to study and compare the HRM practices namely Recruitment, Selection, Training and Development, and Performance Appraisal, in both LIC and ICICI Prudential Life Insurance Companies.

Research Methodology

The present study is descriptive. in nature conducted based on both primary and secondary data. The secondary data sourced through websites, research articles, magazines, and books. Primary data has been collected from the sample of 146 employees of public and private life insurance companies in Kalaburagi, Karnataka. Out of the 146 respondents, 101 were chosen from LIC, and 45 from ICICI Prudential Life Insurance Company Limited. The collected data neatly tabulated in excel sheets and analyzed the data with the support of SPSS software version 26. The data was collected through a structured questionnaire, which used Likert's 5-point rating scale. The stratified sampling technique was used to select the sample respondents.

Literature Review

Gilal, N. G., Hakro, T. H., Banbhan, A. A., & Gilal, W. G. (2022). This study explores how HRM practices and supervisor behavior impact employee turnover intentions in the insurance sector. It investigates the role of recruitment, training, compensation, performance appraisal, and supervisor guidance in shaping employees' intentions to leave their jobs. Overall, the study emphasizes the importance of effective HRM practices in mitigating turnover intentions among insurance employees and offers valuable insights for insurance companies looking to enhance employee retention and achieve organizational success.

Vaddula, V. R. (2019). The article looks at the impact private insurance companies have on the Indian market and how it affects LIC (Life Insurance Corporation of India) and their HRM practices. The article also references literature on HRM practices in the insurance sector, focusing on the importance of practices like training, benefits, performance appraisal, selection processes, HR planning, recruitment, workforce diversity, and competitive compensation policies.

Sajuyigbe, A. S. (2016). The article examines the influence of human resource management (HRM) practices on organizational performance within Nigeria's insurance industry. It highlights the vital role that effective HR practices play in achieving organizational objectives. The findings indicate that HRM practices, including selection systems, career planning, and employee participation, significantly impact organizational performance. The study emphasizes the importance of strategic HRM in improving the overall performance of insurance companies in Nigeria.

Yadav, B., & Rewadikar, B. (2023). The article discusses the importance of Human Resource Management (HRM) practices in Indian insurance companies, emphasizing the crucial role played by employees in driving organizational success. It highlights the changes in HR practices that occurred after privatization and liberalization in India, underscoring the need for effective HR strategies to navigate the competitive business landscape. Overall, the research contributes to the understanding of HR practices in the Indian insurance sector and offers practical implications for enhancing HR strategies in organizations.

Analysis and Interpretation of Elicited Data

In this part, an attempt is being made to present the personal profile of the sample employees in terms of various demographic variables like gender, age, marital status, qualification, designation etc. The sample of the study consists of 146 employees with the representation of 101 and 45 respondents of both in the public and private sector life insurance companies respectively.

Table 1: Personal Profile of the Employee of Public and Private Sector Life Insurance Companies

Variable	Categories	Sector						Mean	SD	Error
		LIC		ICICI Pru		Total				
Gender	Male	64.4%	65	66.7 %	30	95	146	1.3493	.47839	.03959
	Female	35.6 %	36	33.3 %	15	51				
Age	20-29	47.5 %	48	46.7 %	21	69	146	1.8699	.98446	.08147
	30-39	30.7 %	31	17.8 %	8	39				
	40-49	13.9 %	14	26.7 %	12	26				
	Above 50	7.9 %	8	8.9 %	4	12				
Marital Status	Married	71.3 %	72	66.7 %	30	102				
	Unmarried	28.7 %	29	33.3 %	15	44	146	1.3014	.46043	.03811
Qualification	Graduation	35.6 %	36	40.0 %	18	54				
	Post-graduation.	32.7 %	33	22.2 %	10	43	146	1.9658	.84212	.06969
	Other professional courses	31.7 %	32	37.8 %	17	49				
Designation	Class II	38.6 %	39	40.0 %	18	57	146	1.6096	.48952	.04051
	Class III	61.4 %	62	60.0 %	27	89				
Work Experience	5-10 Years	32.7 %	33	26.7 %	12	45				
	11-20 Years	32.7 %	33	40.0 %	18	51	146	2.1986	1.05451	.08727
	21-30 Years	16.8 %	17	20.0 %	9	26				
	Above 30	17.8 %	18	13.3 %	6	24				

Source: Field Surrey

The analysis of Table 1 shows that, the male employees dominate both in LIC and ICICI Prudential, comprising 64.4% and 66.7% of the workforce, respectively. The largest age group of employees is 20-29 years old, representing 47.5% in LIC and 46.7% in ICICI Prudential, which highlights a youthful workforce. Married employees make up the majority, with 71.3% in LIC and 66.7% in ICICI Prudential. the educational qualifications, graduates represent the largest category, for 35.6% in LIC and 36% in ICICI Prudential. Class III employees outnumber Class II employees in both sectors, with 61.4% in LIC and 62% in ICICI Prudential. In terms of work experience, employees with 5-10 years of experience are more prevalent in LIC at 32.7%, compared to 26.7% in ICICI Prudential.

Response on Recruitment Practices

Recruitment is the practice of identifying the adequate human resources, clearly defined recruitment policy, needs in a timely manner, updated throughout the recruitment process. The significance of recruitment is enormous in any business because selecting and appointing the right people for the right job is necessary for the growth of company. A good recruitment process can decrease the time involved in, searching, interviewing and recruiting the candidates, it also reduces the expenditure for training the candidate.

Table 2: Perception of respondents on Recruitment

Variable	Sector	N	Mean	SD	Error
The Insurance sector has adequate human resources.	LIC	101	2.2871	1.14312	.11375
	ICICI pru	45	2.4222	1.40598	.20959
The Insurance sector has a clearly defined recruitment policy.	LIC	101	2.2475	1.13495	.11293
	ICICI pru	45	2.2889	1.19891	.17872
The Insurance sector uses print and electronic media for recruitment.	LIC	101	2.1089	1.24821	.12420
	ICICI pru	45	2.2222	1.36330	.20323
Job eligibility requires thorough understanding before hiring.	LIC	101	2.0396	1.21590	.12099
	ICICI pru	45	2.2444	1.35102	.20140
The Insurance Sector predicts its human resource needs in a timely manner.	LIC	101	2.0891	1.21737	.12113
	ICICI pru	45	2.2667	1.26850	.18910
Employees are kept updated throughout the recruitment process.	LIC	101	2.0990	1.17051	.11647
	ICICI pru	45	2.1333	1.27208	.18963
Recruitment	**LIC**	101	2.5229	1.18834	0.1182
	ICICI pru	45	2.2629	1.30996	0.1656
	Total	**145**	**2.3929**	**1.24915**	**0.1419**

Source: Field Surrey

The analysis of Table 2 shows that, the overall performance of recruitment practices in both public sector and private sector life insurance companies is low with a mean value of .2.3929 ±1.24915. With respect to the variable of adequate human resources, public sector is having a mean of 2.2871± 1.14312 which shows high effect and private sector is having a mean of 2.2475±1.40598 which shows high effect. With respect to the variable of a clearly defined recruitment policy, public sector is having a mean of 2.2475±1.13495 which shows moderate effect and private sector is having a mean of 2.2889±1.19891 which shows moderate effect. With respect to the variable Job eligibility requires thorough understanding before hiring, public sector is having a mean of 2.0396±1.21590 which shows low effect and private sector is having a mean of 2.2444±1.35102 which shows low effect. With respect to the variable of needs in a timely manner, public sector is having a mean of 2.0891± 1.21737 which shows low effect and private sector is having a mean of 2.2667±1.26850 which shows low effect. With respect to the variable of updated throughout the recruitment process. Public sector is having a mean of 2.0990± 1.17051 which shows low effect and private sector is having a mean of 2.1333±1.27208 which shows low effect.

Response on Selection Practices

The selection process involves identifying and short listing of qualified candidates who possess the necessary credentials and skill sets to fill vacancies within an organization. This process varies across industries, companies, and even departments within the same organization. Each organization designs its own selection procedure based on its specific requirements.

Table 3: Perception of Respondents on Selection

Variable	Sector	N	Mean	SD	Error
The Insurance sector uses reliable and transparent selection methods.	LIC	101	2.1485	1.14356	.11379
	ICICI pru	45	2.4222	1.32268	.19717
The selection of a candidate in the Insurance Sector is based solely on merit	LIC	101	2.0693	1.11103	.11103
	ICICI pru	45	2.1111	1.28315	.19128
The HR department follows appropriate selection policies.	LIC	101	2.0495	1.14347	.11378
	ICICI pru	45	2.2556	1.44844	.21592
The Insurance sector often prefers hiring experienced employees.	LIC	101	1.9703	1.17009	.11643
	ICICI pru	45	2.1778	1.24843	.18611
The Insurance Sector is taking initiatives to improve its selection practices.	LIC	101	1.9802	1.19147	.11856
	ICICI pru	45	2.1556	1.22392	.18245
Selection	**LIC**	101	2.04356	1.13810	-
	ICICI pru	45	2.22446	1.30532	-
	Total	**145**	**2.13401**	**1.22171**	-

Source: Field Surrey

The analysis of Table 3 shows that, overall performance of selection practices in both public sector and private sector life insurance companies is moderate with a mean value of 2.13401±1.22171. With respect to the variable of uses reliable and transparent selection methods, public sector is having a mean of 2.1485±1.14356 which shows moderate effect and private sector is having a mean of 2.4222±1.32268 which shows moderate effect. With respect to the variable of based solely on their merit. Public sector is having a mean of 2.0693±1.11103 which shows moderate effect and private sector is having a mean of 2.1111±1.28315 which shows moderate effect. With respect to the variable of appropriate selection policies, public sector is having a mean of 2.0495±1.14347 which shows moderate effect and private sector is having a mean of 2.2556±1.44844 which shows moderate effect. With respect to the variable of often prefers hiring experienced employees, public sector is having a mean of 1.9703±1.17009 which shows low effect and private sector is having a mean of 2.1778±1.24843 which shows low effect. With respect to the variable of taking initiatives to improve its selection practices, public sector is having a mean of 1.9802±1.19147 which shows moderate effect and private sector is having a mean of 2.1556±1.30532 which shows moderate effect.

Response on Training and Development Practices

Training and development are fundamental concepts in human resource development, focusing on enhancing specific skills through coaching and practice to achieve a desired standard. Itserve as valuable tools for equipping employees with the knowledge and abilities needed to perform their jobs accurately, efficiently, and responsibly. Training and development involve expanding an employee's expertise and skills to ensure competence in a particular role.

Table 4: Perception of respondents on Training and Development

Variable	Sector	N	Mean	SD	Error
The Insurance sector regularly assesses and improves training and development programs.	LIC	101	2.0000	1.07703	.10717
	ICICI pru	45	2.2444	1.28197	.19488
The Insurance Sector offers training for both new hires and existing employees to improve their skills.	LIC	101	2.1782	1.32209	.13155
	ICICI pru	45	2.1333	1.30732	.19488
The progress and outcomes of training and development activities are regularly monitored and evaluated in a timely manner.	LIC	101	2.178	1.29920	.12928
	ICICI pru	45	2.1778	1.26651	.18880
Training and Development practices have positive impact on employee performance.	LIC	101	2.0495	1.07123	.10659
	ICICI pru	45	2.3333	1.29685	.19332
The Insurance sector conducts regular training programs for the employees.	LIC	101	2.1386	1.25722	.12510
	ICICI pru	45	2.1778	1.28433	.19146
Training and Development	**LIC**	101	2.1088	1.20535	-
	ICICI pru	45	2.2132	1.28739	-
	Total	145	**2.1612**	**1.24637**	-

Source: Field Surrey

The analysis of Table 4 shows that, overall performance on training and development practices both in public sector and private sector life insurance companies is moderate with a mean value of 2.1612±1.24637. With respect to the variable regularly assesses and improves training and development programs, public sector is having a mean of 2.0000±1.07703 which shows low effect and private sector is having a mean of 2.2444±1.28197 which shows low effect. With respect to the variable of offers training for both new hires and existing employees to improve their skills, public sector is having a mean of 2.1782±1.32209 which shows low effect and private sector is having a mean of 2.1333±1.30732 which shows low effect. With respect to the variable the progress and outcomes of training and development activities are regularly monitored and evaluated in a timely manner, public sector is having a mean of 2.1781±1.29920 which shows high effect and private sector is having a mean of 2.1778±1.26651 which shows high effect. With respect to the variable has a positive impact on employee performance, public sector is having a mean of 2.0495±1.07123 which shows low effect and private sector is having a mean of 2.3333±1.29685 which shows low effect. With respect to the variable conducts regular training programs for the employees, public sector is having a mean of 2.1386±1.25722 which shows high effect and private sector is having a mean of 2.1778±1.28433 which shows high effect.

Response on Performance Appraisal Practices

Performance appraisal practices are essential in human resource management, focusing on evaluating and enhancing employee performance through structured assessments and feedback. These practices serve as valuable tools for identifying strengths, addressing areas for improvement, and aligning individual contributions with organizational goals. Performance appraisals help employees understand expectations, improve their skills, and enhance overall productivity by providing constructive feedback and development opportunities.

Table 5: Perception of respondents on Performance Appraisal

Variable	Sector	N	Mean	SD	Error
Performance evaluation is shared with the employees along with quantifiable results.	LIC	101	1.9604	.98915	.09842
	ICICI pru	45	2.4888	1.39190	.20749
Feedback is given to the employees after appraisal.	LIC	101	2.0099	1.08162	.10763
	ICICI pru	45	2.0444	1.28629	.17966
Performance appraisal system has positive impact on employee performance.	LIC	101	1.9901	1.0995	.10945
	ICICI pru	45	2.2667	1.28629	.19175
Performance appraisal in the Insurance Sector aims at improving employee performance and strengthening job skills.	LIC	101	1.9901	1.02629	.10212
	ICICI pru	45	2.1333	1.27208	.18963
Performance appraisal system is adopted to all employees of the organization.	LIC	101	2.0198	1.11338	.11078
	ICICI pru	445	2.1333	1.21730	.18146
Performance Appraisal	**LIC**	101	1.9940	1.06198	-
	ICICI pru	45	2.2133	1.29077	-
	Total	**145**	**2.1036**	**1.1763**	-

Source: Field Surrey

The analysis of Table 5 shows that, overall performance appraisal practices in both public sector and private sector life insurance companies are moderate with a mean value of 2.1036±1.1763. With respect to the variable Performance evaluation is shared with the employees along with quantifiable results, public sector is having a mean of 1.9604±.98915 which shows low effect and private sector is having a mean of 2.4888±1.39190 which shows low effect. With respect to the variable of Feedback is given to the employees after appraisal, public sector is having a mean of 2.0099±1.08162 which shows low effect and private sector is having a mean of 2.0444±1.28629 which shows low effect. With respect to the variable Performance appraisal system has positive impact on employee performance, public sector is having a mean of 1.9901±1.0995 which shows high effect and private sector is having a mean of 2.2667±1.28629 which shows high effect. With respect to the variable Performance appraisal in the Insurance Sector aims at improving employee performance and strengthening job skills, public sector is having a mean of 1.9901±1.02629 which shows low effect and private sector is having a mean of 2.1333±1.27208 which shows low effect. With respect to the variable Performance appraisal system is adopted to all employees of the organization, public sector is having a mean of 2.0198±1.21730 which shows high effect and private sector is having a mean of 2.1333±1.21730 which shows high effect.

Findings

Based on the analysis and interpretation of the data collected regarding human resource management practices—including recruitment, selection, training and development, and performance appraisal—at both LIC and ICICI Prudential Life Insurance Companies, the main findings of this study are presented below.

- The analysis shows that majority of the respondents of both public and private sector life insurance Companies got adequate information about the Insurance sector has a clearly defined recruitment policy.

- The analysis shows that the majority of respondents of use reliable and transparent selection methods in both the public and private life sector insurance companies, which are more systematic and scientific.

- The analysis shows that in public life insurance sector as well as in private sector life insurance companies the selection procedure in their organisation is fair, equitable and based on merit criteria.

- The analysis shows that majority of the respondents of both the public and private sector life insurance companies provide training for new hires and existing employees to enhance their skills.

- The analysis shows that in public sector life insurance as well as in private sector life insurance companies the training programs enable the employees to get more knowledge.

- The analysis shows that compared to the employees in Public Sector Life Insurance companies the employees in Private Sector Life Insurance Company agree that their Performance appraisal aims at improving employee performance and strengthening job skills.

- The analysis shows that both in public sector life insurance and in private sector life insurance companies the employees got adequate compensation from their organisation according to their performance.

Conclusion

The analysis of employees in both Life insurance sector LIC and ICICI Prudential reveals key trends in the life insurance sector. The workforce remains predominantly male, though female participation is gradually rising. A significant portion of employees belongs to the younger age group, especially in the private sector, indicating the industry's appeal to recent graduates. most employees are married, suggesting that the sector provides stability, attracting individuals looking for long-term career opportunities. Addressing this issue through improved recruitment strategies, workforce planning, and employee retention initiatives is crucial for the company's long-term success.

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