

A Comparative Study of Human Resource Development in Public & Private Sector

Abstract

In our worldly life, whenever there is uncertainty there is an involvement of risk. The instinct for security against such risk is one of the basic motivating forces determining human attitudes. As a sequel to this quest for security, the concept of insurance must have been born. The urge to provide insurance or protection against the loss of life and property must have prompted people to make some sort of sacrifice willingly in order to achieve security through "collective-co-operation". In this sense, the story of insurance is probably as old as the story of mankind. In this paper, it is presumed that there is no difference in the HR practices being followed by private and public Insurance Sector. The analysis reveals in contrary to the hypothesis that two groups of respondents belonging to different sectors differ in their HR practices.

Keywords: HRD, ICICI, LIC

Introduction

Human Resource Development, or HRD for short, has taken centre stage in the development debate. Human Resource Development (HRD) has gained increasing attention in the last decade from human resource specialists, training and development professionals, chief executives, and line managers. Many dimensions of HRD have been integrated into research, training, and organizational design and change. Others are still being explored. In the next decade, there is likely to be a knowledge explosion in HRD. If trainers, researchers and consultants are to utilise this knowledge effectively, they must understand the concepts behind HRD and how HRD systems work in and contribute to organizations. They also must understand the different mechanisms for developing human resources and the links between them.

Human resource development (HRD) has served the need of organizations to provide employees with up-to-date expertise. Advances in HRD models and processes have kept pace with the increasingly sophisticated information and production technologies that continue to diffuse throughout our nation's most vital industries (Swanson and Torraco, 1994). During this period of rapid technological development, the HRD function could be relied upon to support a broad range of business initiatives that required a competent workforce. Critical business issues, from new marketing strategies to innovations in productions technologies, were based on, among other factors, the performance capabilities of those expected to use these new work systems. As a factor integral to business success, employee expertise itself has been expanded through effectives programs of employee development. Expertise is defined as the optimal level at which a person is able and expected to perform within a specialized realm of human activity. In short, the development of workplace expertise through HRD has been vital to optimal business performance.

The strategic HR is based on the deep knowledge of the organization, processes, producers and the business strategy. But it needs a strong link to the critical success factors, which can enable the HRM function to measure its own success on the way of implementing the strategic HR in the organization. The management team of Human Resources has to select the critical success factors, which are in the direct influence of the HRM Functions not to blame the rest of the organization for not meeting the defined goals.

The HRM function management team usually selects the critical success factors, which have a common roots in the business strategy and their improvement has a direct impact to the profits of the organization, by increasing the income or by decreasing the costs.

Anurag Agarwal

Reader & Head,
Deptt.of Commerce,
S. S. P.G.College,
Shahjahanpur

Rachna Tripathi

Research Scholar,
Deptt.of Commerce,
S.S.P.G.College,
Shahjahanpur

Aim of the Study

There are two sectors in the field of insurance one is public and the other is private. in the present paper researcher tries to compare the human resource development in public and private sector insurance company.

Aims of Human Resource Management

Human Resource Management always tries to ensure the basic purpose of achieving the organization's success through its people. HRM always aims to achieve its success by utilizing the available knowledge and skills among the employees. 'HRM system can be the sources of organizational capabilities that allow firms to learn and capitalize on new opportunities.' Specially, HRM is concerned with achieving objectives in the various areas of the organization summarized below:

Organizational Effectiveness

A clear vision and great values for any organization is always a big idea. The set of unique human resource practices are the key decision maker to determine how firms compete and how does it carries an impact on the firm's performance. As per Armstrong Michael, HRM practices always try to support strategies that will lead to Organizational effectiveness. This will also aim to create organization as a great place to work, in nutshell, the HR practices can be concerned with the continuous development in the organization.

Human Capital Management

In an organizational context human capital refers to the collective value of the organization's intellectual capital (competencies, knowledge, and skills). This Capital is the organization's constantly renewable source of creativity and innovativeness but is not reflected in its financial statements. Thus the human capital in any organization is the people who work there, the people who decides the success and failure of the organization. Thus one of the broader aims is to manage the people in the organization. Identify the skills and provide the opportunities for growth.

Knowledge Management

Knowledge management is "any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organization. HRM aims to support the development of firm-specific knowledge and skills that are the result of organizational learning process.

Reward Management

HRM aims to enhance motivation, job engagement and commitment by introducing policies and processes that ensure the people are valued and rewarded for what they do and for the levels of skills and competence they reach.

Employee Relations

It aims to create a climate in which productive and harmonious relationship can be maintained through partnership between management and employees and their trade unions.

Meeting Drivers Needs

HRM aims to develop and implement policies that balance and adapt to the needs of its

stakeholders and provide for the management of a diverse workforce, taking into account individual and group differences in employment, personal needs, work style and aspirations and the provision of equal opportunities for all.

Comparative Analysis of Hrd in Lic and Icici

One of the important sub-systems of HRD is performance appraisal. The performance must have lined with reward and positioning, if the industrial relations are thought to be good. Performer and non-performer must be distinguished. The performer be rewarded and non-performer be penalized, this will prove motivating. Insurance Sector does follow the effective performance appraisal system. Self appraisal is the best form of appraisal. If the reporting man is honest and un-prejudiced the self appraisal is done revised and reviewed every now & then.

The self appraisal system in Insurance Sector known as DOPA (Development Oriented Performance Appraisal). The performance appraisal of employees are done on the basis of age old CR system where in the immediate boss is empowered to make a favourable or adverse entry In the service book of employees certifying the work, conduct & behaviour of the concerned employee. It is important to note that in Insurance Sector the CR reports have nothing to do with every year progress of the employee. Ablest the CR is considered when the employee's case is considered for promotion to the next higher cadre.

Measurement of Effectiveness of Training

On the basis of the statistic collected through personal investigation it was revealed that training is an effective tool of enhancement of productivity and behaviour of the people.

**Table No. 1
Measurement of Effectiveness of Training %
Analysed of LIC and ICICI Personnel (Cadre I)**

	Satisfied	Not satisfied	Cannot say anything	Total
LIC	74%	17%	9%	100%
ICICI	68%	18%	14%	100%

From the perusal of the table submitted to this chapter it is revealed that in LIC 74% are satisfied 17% are not satisfied and 9% comes in the category who cannot say any thing. In case of ICICI 68% are satisfied 18% are not satisfied and 14% cannot say anything.

**Table No. 2
Measurement of Effectiveness of Training %
Analysed of LIC and ICICI Personnel (Cadre II)**

	Satisfied	Not Satisfied	Cannot Say Anything	Total
LIC	66%	25%	9%	100%
ICICI	65%	25%	10%	100%

In LIC 66% are satisfied 25% are not satisfied and 9% cannot say anything. In case of ICICI employees 65% are satisfied 25% are not satisfied and 10% belong to the category who cannot say anything.

Table No. 3
Measurement of Effectiveness of Training %
Analyzed of Lic and Icici Personnel (Cadre Iii & Cadre Iv)

	Satisfied	Not Satisfied	Cannot Say Anything	Total
LIC	71%	19%	10%	100%
ICICI	62%	26%	12%	100%

In LIC 71% are satisfied 19% are not satisfied and 10% cannot say anything. In case of ICICI 62% are satisfied 26% are not satisfied and 12% belong to the category who cannot say anything.

Training in LIC and ICICI has proved effective because it has focused on competency enhancement at all levels. This need has become urgent because of:

1. Competition Pressure.
2. Changing Customer Profile.
3. Current Financial Market Complexities.
4. Need to convert the organization into a learning organization.
5. Need for multi skilling in all areas and specialization in certain specified areas.
6. Need to benchmark packaging and delivery of service.
7. Continuous up gradation of technology.

Conclusion

Training refers to a planned effort by an organization to facilitate employees; learning of job related competencies. These competencies include knowledge, skills or behaviour that are critical for successful job performance. The goal of training is for employees to master the knowledge, skills and behaviour emphasized in training programme and to apply them in their day to day activities. It is now an acknowledged fact that to gain competitive advantage, training has no involves more than just basic skill development. That is to gain competitive advantage, training should be viewed broadly as a way to create intellectual capital. Intellectual capital includes basic skills, advanced skills, an understanding of the customers and self motivated creativity. Traditionally most of the emphasis on training so far in Insurance has been at the basic and advanced skill level. But the changed competitive environment demands extensive use of knowledge. This requires employees to share knowledge and creatively use it to serve the customer, as well as to understand the service development system.

On the basis of the findings of the present research, the following new HRD model is suggested applicable to all types of Organizations. This model contains the following 10 elements.

1. HRD policies & philosophy for the basic development of organization by which organizations attain their mission.
2. Introduction of HRD mechanisms very clearly between employees and employer.
3. Creation of HRD climate with a basic culture in the organization.
4. Need based Training facilities offer to the employees to gain objectives clearly which shall be start with the induction training programme.

5. Introduction of suitable Appraisal system characterized by HRD Orienteer to gain better outputs from the employees.
6. Creating a "Developmental Leadership Styles" among the managerial employees by which subordinates remain under organizational rules and regulations.
7. Inculcating counselling attitude in the managerial employees.
8. Assignment of HRD tasks to the HRD department or an independent HRD manager shall work for it.
9. Periodical review & revision of the HRD activities shall be taken by which follow remain smooth.
10. Enhancement of the system on regular basis.

The success of the model will depend upon the quality, sincerity, honesty, rigorousness, perseverance and patience of the people implementing the same. The positive environment in and outside the organization is a pre-requisite for the same. All models ultimately areas good or bad, as the people implementing it. Hence conductive HRD climate needs to be created and maintained for sustainable growth of the organization. The new HRD model will be helpful in the competitive environment. However HRD being a smooth social science its success may vary from place to place, organization to organization, and situation to situation and time to time.

References

1. The Contemporary Management: R. B. Gupta
2. Organizational Development: Wendell I. French Ceeil H. Bell. JR
3. Human Resource Management: Cynthia D.Fisher Lyle F. Schoenfeldi James B. Shaw
4. Modernizing Management and Human Resource Development Personnel/Human Resource : N. P. Rao
5. Management: Michael D. Gino Terry LLeap
6. Human Resource Management: LaxmiDevi
7. Personnel Management :C. B. Mannoria
8. Organisational behaviour: Dr. K. Aswathappa
9. Organisational Theory and Behaviour: Pradeep Kumar
10. Organisational Behaviour: M. Gangadhar Rao V.S.P.

Journals, Periodicals, Bulletins and Reports

1. Commerce : Mumbai
2. Yojana : New Delhi
3. Economics and Political Weekly : Mumbai
4. The Economic Times : New Delhi
5. The Time of India : New Delhi
6. The Business Standard : New Delhi
7. The Financial Express : New Delhi
8. Indian Journal of Commerce : New Delhi
9. Annual Report of LIC of India : Mumbai
10. Fact Book of LIC of India : Mumbai
11. The Insurance Times : Mumbai