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AN EMPIRICAL STUDY ON HUMAN RESOURCE MANAGEMENT PRACTICES IN PUBLIC AND PRIVATE LIFE INSURANCE COMPANIES

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ABSTRACT

This study devoted for a comparative analysis of Human Resource Management (HRM) practices in public and private life insurance companies, with particular emphasis on two key functions: Training and Development, and Performance Appraisal. The objective is to explore the sector-wise implementation of these practices and assess their impact on employee performance and organizational effectiveness. Data was collected through a structured questionnaire. Private life insurance companies are found to employ more adaptive, performance-driven, and employee-focused HR approaches, whereas public sector counterparts tend to follow more standardized, rule-bound procedures. Training in private firms is often contemporary and strategically aligned, while public sector training remains conventional and compliance-oriented. Likewise, performance appraisal systems in the private sector are generally linked to measurable outcomes and incentives, whereas in the public sector, they emphasize seniority and procedural adherence. In this study, both primary and secondary data were utilized. Primary data has been collected from 370 respondents of public and private life insurance companies. Out of the 370 respondents, 250 were chosen from LIC, and 120 from ICICI Prudential Life Insurance Company Limited.

Keywords: Human Resource Management (HRM), Public vs Private Life Insurance Sector, Training and Development, and Performance Appraisal.

INTRODUCTION

Human Resource Management (HRM) plays a pivotal role in shaping the organizational performance of service-oriented sectors, particularly the life insurance sector, where employee competencies and motivation directly influence customer satisfaction and business outcomes. Among the various HRM functions, training and development and performance appraisal stand out as two critical components that contribute to talent optimization and organizational effectiveness (Armstrong & Taylor, 2020)

In the context of life insurance companies in Bangladesh and India, the HRM practices differ notably between public and private sector organizations. Private firms are generally characterized by more dynamic, employee-centric practices aimed at enhancing competitiveness and innovation. In contrast, public sector firms often exhibit bureaucratic rigidity, resulting in less flexible and sometimes outdated HR strategies (Milon, 2019; Raghavendra & Raju, 2016). These differences are particularly evident in the areas of training delivery, performance feedback mechanisms, and incentive-based evaluations.

Effective training and development practices equip employees with the necessary skills to adapt to evolving regulatory and technological landscapes. Research by Hansaram et al. (2023) shows that private life insurance companies emphasize continuous professional development, while public firms frequently lack structured, evaluated programs. Likewise, performance appraisal systems in private companies are closely linked to measurable outcomes, whereas public institutions often conduct appraisals as a procedural requirement, lacking strategic feedback loops (Shinde, 2021).

This comparative study aims to critically examine and contrast the training and development and performance appraisal practices across public and private life insurance companies, shedding light on their impact on Training and Development, performance Appraisal, and organizational success. The analysis contributes to the understanding of HRM effectiveness and proposes pathways for enhancing employee-oriented practices in both sectors.

OBJECTIVES OF THE STUDY

The present paper makes an attempt to study and compare the HRM practices, particularly Training and Development and Performance Appraisal, in sample organisation Viz LIC and ICICI Prudential Life Insurance Companies.

RESEARCH METHODOLOGY

The present study is descriptive in nature and is based on both primary and secondary data. Secondary data was obtained from various sources, including websites, research articles, magazines, and books. Primary data was collected from a sample of 370 employees working in public and private life insurance companies in Kalyan Karnataka Region. Among these respondents, 250 were from the Life Insurance Corporation of India (LIC), and 120 were from ICICI Prudential Life Insurance Company Limited. The collected data was systematically organized using Excel spread sheets and analyzed with the help of SPSS software (version 26). Data collection was carried out using a structured questionnaire employing a 5-point Likert scale. A stratified sampling technique was used to select the respondents.

REVIEW OF LITERATURE:

Milon (2019) conducts an empirical investigation into HRM practices in both public and private life insurance companies in Bangladesh, with a focus on training and development, performance evaluation, welfare provisions, and strategic HR planning. The study is comparative in nature and relies on structured questionnaires distributed across multiple insurance organizations.

Hassan and Mizanuzzaman (2020) examined the role of training in performance enhancement and employee development at Fareast Islami Life Insurance. Their findings showed that structured training significantly boosts job satisfaction and career progression, with more investment seen in private companies.

Hansaram et al. (2023) in their study emphasize the pivotal role of performance appraisal as a strategic component of human resource management, particularly in the insurance industry. Their comparative findings reveal significant differences in appraisal practices between public and private insurance firms.

Raghavendra and Raju (2016) compared employee perceptions of appraisal systems and found that public sector employees viewed the process as more bureaucratic and less rewarding. Private sector employees, on the other hand, associated appraisals with career advancement and compensation adjustments.

Shinde (2021) evaluated SHRM practices in select insurance companies and found that public sector firms lagged behind in integrating employee development with organizational strategy. Private firms showed more flexibility and innovation in HRM, especially in aligning training with technology adoption.

Park et al. (2024) developed a human resource evaluation framework tailored for underperforming life insurance firms, underlining the importance of strategic appraisal mechanisms for workforce planning—particularly relevant in public institutions undergoing reform.

DESCRIPTIVE STATISTICS OF TRAING AND DEVELOPMENT

Training and development are key functions of Human Resource Management (HRM) that focus on improving employees' skills, knowledge, and abilities. In the insurance sector, these programs play a vital role in enhancing service quality, meeting industry standards, and preparing employees for future responsibilities. In this study, descriptive statistics are used to present the respondents' opinions on different aspects of training and development, such as periodic training, relevance to job roles, career advancement, and their impact on employee performance. This analysis provides a clear understanding of how training and development initiatives are applied in both public and private life insurance companies, and how they contribute to organizational success.

No.	Statement	Org Type	SA	A	N	D	SD	Mean	Std. Dev
1	Employees are encouraged to improve their skills through training	Public	116 (46.4%)	96 (38.4%)	18 (7.2%)	12 (4.8%)	8 (3.2%)	4.20	0.861
		Private	47 (39.2%)	51 (42.5%)	11 (9.2%)	6 (5.0%)	5 (4.2%)	4.08	0.882
2	Training programs are conducted regularly	Public	108 (43.2%)	105 (42.0%)	20 (8.0%)	10 (4.0%)	7 (2.8%)	4.19	0.873
		Private	43 (35.8%)	56 (46.7%)	12 (10.0%)	5 (4.2%)	4 (3.3%)	4.08	0.887
3	Training content is relevant and job-specific	Public	114 (45.6%)	101 (40.4%)	15 (6.0%)	11 (4.4%)	9 (3.6%)	4.20	0.856
		Private	45 (37.5%)	53 (44.2%)	13 (10.8%)	6 (5.0%)	3 (2.5%)	4.09	0.879
4	There is a clear link between training and career advancement	Public	113 (45.2%)	97 (38.8%)	20 (8.0%)	13 (5.2%)	7 (2.8%)	4.18	0.862
		Private	44 (36.7%)	52 (43.3%)	10 (8.3%)	9 (7.5%)	5 (4.2%)	4.01	0.884
5	Development programs are linked to career advancement	Public	103 (41.2%)	106 (42.4%)	22 (8.8%)	12 (4.8%)	7 (2.8%)	4.14	0.858
		Private	40 (33.3%)	54 (45.0%)	15 (12.5%)	8 (6.7%)	3 (2.5%)	4.00	0.892

Source (Field surrey)

1. **Employees are urged to enhance their competencies via training.** In the public sector, 116 employees (46.4%) strongly agreed and 96 (38.4%) agreed that they are motivated to improve their skills through training. A smaller proportion were neutral (18; 7.2%) or disagreed (20; 8.0%). The mean score was 4.20 (SD = 0.861). In the private sector, 47 respondents (39.2%) strongly agreed and 51 (42.5%) agreed, while 11 (9.2%) were neutral and another 11 (9.2%) expressed some level of disagreement. The mean score was slightly lower at 4.08 (SD = 0.882). These results indicate that both sectors place importance on skill development through training, although public sector employees reported a stronger perception of support.

2. **Training programs are conducted regularly**. In public organizations, 108 (43.2%) respondents strongly agreed and 105 (42.0%) agreed that training programs are routinely provided, resulting in a mean score of 4.19 (SD = 0.873). Only 17% expressed neutrality or disagreement. In private enterprises, 43 (35.8%) strongly agreed and 56 (46.7%) agreed, while 21 (17.5%) remained neutral or disagreed. The mean score was slightly lower at 4.08 (SD = 0.887). These findings indicate that both sectors offer frequent training, though public organizations show greater consistency in adhering to training schedules.

3. **Training content is relevant and job-specific.** In the public sector, 114 employees (45.6%) strongly agreed and 101 (40.4%) agreed, yielding a high mean score of 4.20 (SD = 0.856). Only 35 respondents (14%) expressed neutrality or disagreement. In the private sector, 45 employees (37.5%) strongly agreed, 53 (44.2%) agreed, and 22 (18.3%) remained neutral or disagreed, producing a mean score of 4.09 (SD = 0.879). These results suggest that while both sectors recognize the importance of training relevance, the public sector demonstrates slightly stronger perceptions of job-specific training.

4. **There is a clear link between training and career advancement.** In the public sector, 113 (45.2%) strongly agreed and 97 (38.8%) agreed, while 20 (8.0%) remained neutral and another 20 (8.0%) expressed disagreement. The mean score was 4.18 (SD = 0.862). In the private sector, 44 respondents (36.7%) strongly agreed and 52 (43.3%) agreed, while 24 (20%) remained neutral or disagreed, resulting in a mean of 4.01 (SD = 0.884). These findings suggest that employees in public enterprises perceive a stronger connection between training and career progression compared to their private sector counterparts.

5. **Development programs are linked to career advancement.** In the public sector, 103 respondents (41.2%) strongly agreed and 106 (42.4%) agreed that development programs are connected to career advancement. A smaller share, 22 (8.8%), remained neutral, while 12 (4.8%) disagreed and 7 (2.8%) strongly disagreed. The mean score was 4.14 (SD = 0.858). In the private sector, 40 respondents (33.3%) strongly agreed and 54 (45.0%) agreed, while 23 (19.2%) remained neutral or disagreed. The mean score was slightly lower at 4.00 (SD = 0.892). This comparison shows that while both sectors view development programs as important for professional growth, public sector employees hold a slightly stronger perception of their impact.

DESCRIPTIVE STATISTICS OF PERFORMANCE APPRAISAL

Performance appraisal is an essential function of Human Resource Management (HRM) that evaluates employees' work performance and provides feedback for improvement. It serves as a basis for making decisions on promotions, rewards, training needs, and career development. Descriptive statistics in this study are used to summarize the respondents' views on various aspects of performance appraisal, such as conducted fairly, adopted to all employees of the organization, communicated transparently, and its impact on employee motivation and productivity. This analysis helps to identify trends, compare practices across organizations, and understand how appraisal systems contribute to overall organizational success.

No.	Statement	Org Type	SA	A	N	DA	SDA	Mean	Std. Dev
1	Performance appraisal is conducted fairly	Public	98 (39.2%)	113 (45.2%)	23 (9.2%)	9 (3.6%)	7 (2.8%)	4.14	0.815
		Private	45 (37.5%)	56 (46.7%)	11 (9.2%)	4 (3.3%)	4 (3.3%)	4.12	0.842
2	A performance appraisal system is adopted for all employees	Public	92 (36.8%)	115 (46.0%)	27 (10.8%)	11 (4.4%)	5 (2.0%)	4.11	0.806
		Private	44 (36.6%)	54 (45.0%)	11 (9.2%)	6 (5.0%)	5 (4.2%)	4.05	0.876
3	Constructive feedback is given to improve performance.	Public	103 (41.2%)	107 (42.8%)	20 (8.0%)	12 (4.8%)	8 (3.2%)	4.14	0.785
		Private	41 (34.2%)	53 (44.2%)	15 (12.5%)	8 (6.7%)	3 (2.5%)	4.01	0.854
4	Appraisal outcomes are communicated transparently	Public	92 (36.8%)	117 (46.8%)	26 (10.4%)	8 (3.2%)	7 (2.8%)	4.12	0.817
		Private	47 (39.2%)	55 (45.8%)	8 (6.7%)	7 (5.8%)	3 (2.5%)	4.13	0.798
5	All employees are informed about the results of the performance assessment	Public	102 (40.8%)	98 39.2%)	29 (11.6%)	13 (5.2%)	8 (3.2%)	4.09	0.874
		Private	39 (32.5%)	58 (48.4%)	10 (8.3%)	9 (7.5%)	4 (3.3%)	3.99	0.912

Source (Field surrey)

1. **Performance appraisal is conducted fairly.** In public sector firms, 98 employees (39.2%) strongly agreed and 113 (45.2%) agreed that appraisals are administered fairly, while 23 (9.2%) remained neutral and 16 (6.4%) expressed disagreement. This produced a mean score of 4.14 (SD = 0.815). In the private sector, 45 respondents (37.5%) strongly agreed and 56 (46.7%) agreed, while 11 (9.2%) were neutral and 8 (6.6%) disagreed, resulting in a mean score of 4.12 (SD = 0.842). The findings indicate broad agreement in both sectors, with perceptions of fairness being slightly stronger in the public sector.

2. **Performance evaluation system is implemented for all employees.** In public organizations, 92 respondents (36.8%) strongly agreed and 115 (46.0%) agreed, while 27 (10.8%) remained neutral and 16 (6.4%) disagreed, producing a mean score of 4.11 (SD = 0.806). In the private sector, 44 employees (36.6%) strongly agreed and 54 (45.0%) agreed, while 22 (18.4%) were neutral or disagreed, yielding a mean of 4.05 (SD = 0.876). These results indicate broader recognition in public organizations that performance evaluation systems are applied consistently to all employees.

3. **Constructive criticism is provided to enhance performance.** Among public sector employees, 103 (41.2%) strongly agreed and 107 (42.8%) agreed, while 20 (8.0%) were neutral and another 20 (8.0%) disagreed, yielding a mean score of 4.14 (SD = 0.785). In private enterprises, 41 respondents (34.2%) strongly agreed and 53 (44.2%) agreed, while 26 (19.2%) were neutral or disagreed, producing a mean of 4.01 (SD = 0.854). These results suggest that public organizations foster a stronger culture of constructive feedback compared to their private counterparts.

4. **Appraisal results are conveyed with transparency.** In the public sector, 92 respondents (36.8%) strongly agreed and 117 (46.8%) agreed, while 26 (10.4%) were neutral and 15 (6.0%) disagreed, producing a mean score of 4.12 (SD = 0.817). In the private sector, 47 respondents (39.2%) strongly agreed and 55 (45.8%) agreed, with only 18 (14.0%) remaining neutral or disagreeing. The mean was slightly higher at 4.13 (SD = 0.798). These findings suggest that transparency in communicating appraisal results is recognized in both sectors, with private enterprises showing a marginally stronger perception of openness.

5. **All employees are apprised of the outcomes of the performance evaluation.** In public organizations, 102 respondents (40.8%) strongly agreed and 98 (39.2%) agreed, while 29 (11.6%) were neutral and 21 (8.4%) disagreed, yielding a mean of 4.09 (SD = 0.874). In private enterprises, 39 respondents (32.5%) strongly agreed and 58 (48.4%) agreed, while 23 (19.1%) were neutral or disagreed, resulting in a mean of 3.99 (SD = 0.912). These results suggest that communication of evaluation outcomes is somewhat more consistent in the public sector.

FINDINGS

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

- A higher proportion of public sector employees (mean = 4.20) expressed stronger agreement that they are motivated to improve their skills through training compared to private sector employees (mean = 4.08).
- The results show that both public and private organizations conduct training programs on a regular basis. However, public organizations display slightly higher consistency, with 85.2% of respondents agreeing or strongly agreeing, compared to 82.5% in private enterprises. The higher mean score in public organizations (M = 4.19) compared to private enterprises (M = 4.08) suggests that employees in the public sector perceive greater regularity and reliability in training schedules.
- Most employees in both sectors believe training programs improve performance, with agreement levels slightly higher in the public sector (62.5%) than the private sector (57.5%). Strong agreement is also notable in both sectors, and disagreement remains minimal.
- Most employees in both sectors agreed that performance appraisals are conducted fairly, with stronger agreement in the public sector (65%) than in the private sector (55%). Neutral and disagreement levels were minimal across both sectors.
- The majority in both sectors believe performance appraisals positively impact performance, with stronger agreement in the private sector (62.5%) than in the public sector (50%). Neutral and disagreement levels were minimal in both sectors.
- Most employees in both sectors agreed that performance reviews are linked to promotions and rewards, with strong agreement slightly higher in the public sector (50%) than the private sector (47.5%). Neutral and disagreement levels were minimal across both sectors.

SUGGESTION

- The data highlights that both public and private sector employees widely acknowledge the strong connection between training and career advancement, reflecting its perceived role in enhancing opportunities for higher responsibilities and promotions.
- The results highlight that training programs are widely viewed as effective in enhancing employee performance, with most respondents in both sectors acknowledging their role in improving efficiency, confidence, and service quality.
- The findings indicate that employees in both public and private sectors largely recognize the positive impact of performance appraisal systems on enhancing performance, driven by constructive feedback, recognition, and reward linkage.
- The findings indicate that linking performance reviews to promotions and rewards is widely supported in the both sectors, reflecting its effectiveness in recognizing high performance and motivating employees.

CONCLUSION:

The findings clearly indicate that in both the public and private sectors, employees strongly support the connection between performance reviews and the allocation of promotions and rewards. A majority of respondents in both sectors either strongly agree or agree with this practice, reflecting a shared belief that such a system ensures fairness, transparency, and recognition of individual contributions. This strong positive response suggests that linking performance reviews to tangible benefits serves as a significant motivational factor, encouraging employees to maintain high performance levels and strive for excellence.

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