
AN Evaluation of Career Planning Policy Followed by Public Insurance Companies in India

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ABSTRACT

People are always concerned about selecting and building careers that meet their aspirations and needs. Career planning process involves both individual and organization responsibility. Thus, every organization has an obligation to utilize its employee's abilities to the fullest and to give them a chance to grow and to realize their full potential for the development of successful career¹. On the other hand the individuals must also identify their aspirations and abilities, and through assessment and counseling to understand their needs of training and development. Thus, career planning and development has been given increased emphasis in different organization. This paper has tried to evaluate the career planning policy, as an activity which plays an increasingly representative role in the human resources management. The career planning of the employees is essential for the organizational growth, effective utilization of available human resources and for the optimum productivity. The rationale of this study was to assess the career planning policy which is used by public sector in India to arouse its employees to perform better. In the present paper sample of 129 Class I, Class II and Class III employees working in different offices of New India Assurance Company on the basis of convenience sampling technique were taken to draw the responses and elicit the results.

Keywords: Aspirations, Needs, Human Resource Management, Career Planning, Public Sector.

Introduction

Presently various public and private Insurance Companies are engaged in dealing with insurance needs of the Indian society. Liberalization in the Indian insurance sector has opened the sector to private competition. Many of foreign countries also have set up different insurance companies in India.

Because of all these developments, public sector insurance companies are no longer in monopoly and thereby are facing stiff competition from the private sector. But what makes a firm best is not just technology, bright idea, masterly strategy, or the use of tools, but also the fact that the best firms are

better organized to meet the needs of their employees, to attract better people who are more motivated to do a superior job². Competitive advantage of a company can be generated from human resource (HR) and performance of the company is extremely influenced by a set of effective human resource management practices. The current economic context, marked by increased competition and especially the need to maintain competitive advantage in an increasingly uncertain business environment, have led to the introduction and the deployment of human resources activities until recently neglected. Thus, more and more companies have started to develop and implement organized planning and career development systems of employees³.

In human resource management, career planning aims to identify needs, aspirations and opportunities for individuals' career and the implementation of developing human resources programs to support that career⁴. Career planning must link individual needs and aspirations with organizational needs and opportunities, evaluating, advising and informing its staff on career planning, individual development efforts with training and development programs⁵. The organizations assure optimum utilization of its HR by meeting the multiplicity of the needs and aspirations of its employees. Organizations have however, they own requirements and constraints, which limit their capacity to meet the expectation of all the employees. The changing expectations of the employees and limits imposed by organizational constraints usually create a situation of divergence. If this conflict is not resolved properly, the organization will not be able to get the best out of its employees. Career planning offers a set of tools and techniques of productive resolution of this conflict between the employees and the organization.

Career management involves planning the paths along which employees travel, including coaching, counseling the promotability of the employee, elections of the position the individual passes through, the off the job training he receives and the geographical transfers that he experiences⁶. It is an activity to identify the individual needs, abilities, goals, the organization's job demands and job rewards and then through well designed programme of career development matching these abilities with demands and rewards⁷. Career planning is a continuous process of discovery in which an individual slowly develops his own occupational concept as a result of skills or abilities, needs, motivations and aspirations of his own value system⁸.

Career planning is a continuing process of discovery, one in which a person slowly develops a clearer occupational self concept in terms of his or her talents, abilities, motives, needs, attitudes, and values. The employment relationship between the individual and the organization may be long term and short term. Where the individual feels that an organization is not able to meet his/her career aspirations he/she has the option to either surrender his/her career aspirations and continue with his/her present employment or switch over to other organization, where he feels the brighter career opportunities.

Profile of the Company

New India Assurance Company Limited (NIACL) has been established by Sir Dorab Tata on 23rd July, 1919. New India Assurance Company is the first fully Indian owned Insurance Company in India. It is a pioneer among Indian companies on various fronts, right from insuring the first domestic airline in 1946 to satellite insurance in 1990.

With a wide range of policies New India has become the largest non life insurance

company not only in India but also one of the leading insurers in Afro Asian Region⁹.

New India Assurance Company Limited has strength of 18,935 employees working in 1060 offices comprising of 26 Regional offices, 393 divisional offices and 601 Branch offices spread all over India whereas Regional Office Chandigarh has 18 Divisional offices and 37 Branch offices under its jurisdiction¹⁰. This study has covered the Divisional offices and Branch offices under Regional Office Chandigarh which are situated in Chandigarh only.

Objectives of the Study

1. To assess the career planning policy in New India Assurance Company Limited.
2. To suggest measures to strengthen the career planning policy in the New India Assurance Company Limited.

Material and Methods

The present study is based on both primary and secondary data. Primary data was collected from the employees of the company

Table 1. Career aspirations are fulfilled while working in the Company

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	30 (75.0)	04 (10.0)	06 (15.0)
	Class II	23 (85.2)	03 (11.1)	01 (3.7)
	Class III	39 (62.9)	05 (8.1)	18 (29.0)

Source: Computed from primary data

On analyzing the responses related to the aspect that Career aspirations are fulfilled while working in the Company it was found that significant majority of the respondents (85.2 per cent) who belonged to Class II, high majority of respondents (75.0 per cent) from Class I and fair majority of the respondents (62.9 per cent) from Class III supported the aspect. However, the maximum disagreed

working in the different offices located in Chandigarh and secondary data was collected from the records available at these offices, annual reports, company's website and other publications of the company.

The total strengths of the employees working in different offices of the New India Assurance Company Limited situated in Chandigarh was 312 which included 91 Class I employees, 32 Class II employees and 155 Class III employees. In the present study a sample of 129 employees which comprises of 40 employees in Class I and 27 employees in Class II and 62 employees in Class III has been taken on the basis of convenience sampling technique to draw the responses to assess the employee's career planning in New India Assurance Company Limited.

Discussion and Conclusion

An interview schedule comprising of certain poser were put across Class I, Class II and Class III employees to elicit the responses which comprised of 129 respondents (40 Class I+32 Class II+65 Class III employees).

responses (29.0 per cent) have been received from Class III employees.

On investigating the aspect whether Company has provided the opportunity to fully make use of employee's career potential, it was established through the responses that significant majority of Class II respondents (85.2 per cent) and fair majority of Class I respondents (70 per cent) and Class III respondents (64.5 per cent) agreed with the poser.

Table 2. Company has provided the opportunity to fully make use of employee's career potential

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	28 (70.0)	05 (12.5)	07 (17.5)
	Class II	23 (85.2)	03 (11.1)	01 (3.7)
	Class III	40 (64.5)	06 (9.7)	16 (25.8)

Source: Computed from primary data

Table 3. While planning employee' career, organization keeps under consideration employee's need, interest, values and abilities

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	25 (62.5)	05 (12.5)	10 (25.0)
	Class II	22 (81.5)	04 (14.8)	01 (3.7)
	Class III	31 (50.0)	05 (8.1)	26 (41.9)

Source: Computed from primary data

Significant majority of Class II respondents (81.5 per cent) and fair majority of Class I respondents (62.5 per cent) agreed with the aspect that while planning employee' career, organization keeps under consideration employee's need, interest, values and abilities whereas the responses of Class III employees were divided between agreed and disagreed and undecided responses, setting no clear trend of responses thereby establishing their disagreement with the statement indicating that while career planning of the employees the Company did not keep under

consideration employee's need, interest, values and abilities.

On investigating the aspect that, the personal and professional goals determine employee's career planning it was established through the responses that the less proportion of Class III respondents (66.1 per cent) in contrast to the respondents (85.0 per cent) who belonged to Class I and the respondents (81.5 per cent) who belonged to Class II agreed with the statement yet indicating that all the three categories supported the issue.

Table 4. Personal and professional goals determine employee's career planning

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	34 (85.0)	01 (2.5)	05 (12.5)
	Class II	22 (81.5)	03 (11.1)	02 (7.4)
	Class III	41 (66.1)	06 (9.7)	15 (24.2)

Source: Computed from primary data

Table 5. Opportunities are available for developing the career within the organization

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	31 (77.5)	03 (7.5)	06 (15.0)
	Class II	22	02	03

	(81.5)	(7.4)	(11.1)
Class III	41	04	17
	(66.1)	(6.4)	(27.5)

Source: Computed from primary data

On assessing the aspect that opportunities are available for developing the career within the organization, it was found that no significant difference was found in the proportion of respondents, who agreed with the statement in all the categories but overall the maximum responses were received from the respondents (81.5 per cent) of Class II as against the Class I respondents (77.5 per cent) and those of Class III respondents (66.1

per cent) but yet showing the agreement of all three categories with the statement.

On investigating the aspect that, the Company has well laid down policy to provide employees with appropriate opportunities for career growth it was found that not only the significant majority of Class II respondents (85.2 per cent) but also the respondents (67.5 per cent) from Class I and the respondents (61.3 per cent) from Class III supported the statement.

Table 6. Company has well laid down policy to provide employees with appropriate opportunities for career growth.

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	27 (67.5)	04 (10.0)	09 (22.5)
	Class II	23 (85.2)	01 (3.7)	03 (11.1)
	Class III	38 (61.3)	07 (11.3)	17 (27.4)

Source: Computed from primary data

Table 7. Every employee has the fair chance of promotion while working in the Company

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	26 (65.0)	05 (12.5)	09 (22.5)
	Class II	13 (48.1)	01 (3.8)	13 (48.1)
	Class III	31 (50.0)	05 (8.1)	26 (41.9)

Source: Computed from primary data

On analyzing the poser that employee has the fair chance of promotion while working in the Company it was established through the responses that except the fair majority of Class I respondents (65.0 per cent) who agreed with the issue responses of Class II and Class III respondents were divided between all three option indicating that according to Class II and Class III employees Company did not provide the fair chance of promotion to its employees.

The near majority of respondents from the Class II (55.5 per cent) in comparison to the respondents from Class I (67.5 per cent) supported the issue that employee's boss provides the information about the new opportunities of growth which are adopted by the Company from time to time. Further it was ratified that high majority of Class III respondents (43.5 per cent disagreed and 13.0 per cent undecided) disfavored the poser indicating that Class III employees did not believe that the boss provided the

information about the new opportunities of growth which are adopted by the Company

from time to time.

Table 8. Boss provides the information about the new opportunities of growth which are adopted by the Company from time to time.

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	27 (67.5)	05 (12.5)	08 (20.0)
	Class II	15 (55.5)	07 (25.9)	05 (18.6)
	Class III	27 (43.5)	08 (13.0)	27 (43.5)

Source: Computed from primary data

Table 9. Career planning helps in the career development of employees

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	29 (72.5)	06 (15.0)	05 (12.5)
	Class II	20 (74.1)	04 (14.8)	03 (11.1)
	Class III	40 (64.5)	06 (9.7)	16 (25.8)

Source: Computed from primary data

On assessing the aspect that career planning helps in the career development of the employees it was ratified through the responses that significant majority of the respondents in Class II (74.1 per cent) and Class I respondents (72.5 per cent) favored the issue. While the fair majority of the respondents from Class III (64.5 per cent) also supported the poser but still the maximum respondents who negated the facet were more of the Class III respondents (25.8 per cent).

Interestingly, it was expressed by higher proportions of the employees of all three Class I (72.5 per cent), Class II (77.8 per cent) and Class III (66.1 per cent) that career planning helps the employees to know their own needs related to their career goals. The variation in the responses of Class I, Class II and Class III employees indicated that Class II employees were more convinced with the statement than Class I and Class III employees.

Table 10. Career planning helps the employees to know their own needs related to their career goals

Attributes/ Responses	Ranks	Agree	Undecided	Disagree
Class	Class I	29 (72.5)	06 (15.0)	05 (12.5)
	Class II	21 (77.8)	03 (11.1)	03 (11.1)
	Class III	41 (66.1)	06 (6.4)	15 (27.5)

Source: Computed from primary data

Results

Career hopes of more of employees posted at higher levels were fulfilled while working in

the NIACL than the employees posted at lower level.

More of the employees posted at the higher level than the employees posted at the lower level were provided with the opportunities to fully make use of their career potential in the NIACL.

Lesser proportion of employees posted at lower level felt that Company keep under consideration their needs, interest, values and abilities while planning their career.

Career planning of more of employees posted at the higher levels was determined by their personal and professional goals as against the employees at lower level.

More opportunities were available to the employees posted at higher levels for developing their career within the organization.

Less percentage of employees posted at lower level felt that the Company had well laid down policy to provide employees with appropriate opportunities for career growth than the employees posted in higher levels.

More of employees posted at higher levels than the employees posted at lower level felt that every employee had the fair chance of promotion while working in the Company.

Immediate superiors of more employees at higher levels provided them the information about the new opportunities for career growth than the immediate superiors of employees posted at lower level.

Career planning helped in development of more of employees posted at higher levels with than the employees posted at lower level.

Career planning helped the more of employees posted at higher level to know their needs related to their career goals.

Conclusions

Identification of the career needs of the employees should be a must for the Company. Employees in the Company have different career needs. It is difficult for the

immediate superiors to know exactly about all the needs of the employees and to fulfill them. For this purpose the personnel inventory of the Company should be prepared and employee potentials are ascertained. Personnel inventory will reveal the age, qualifications, experience and aptitude of the present employees.

It is sometimes difficult for the Company to match the needs of the employees with the opportunities available for them in the Company. The Company can design appropriate development programme to help the employees integrate their development needs with organizational opportunities.

It also is very difficult for the Company to review the changes in the career plans of the employees. It is necessary to maintain a record of the career movements of the employees and also to monitor their career progress towards the predetermined career goals. This will enable the personnel department to identify discrepancies and to adopt corrective measures at the right time. The career plans should be monitored to find out if it goes as per the assumptions or not. The monitoring should be done at the time of performance appraisal or when some project or assignment is completed. The appraisal should be in reference to the goals and objectives set not only in operating areas but also in areas where some milestones can be achieved.

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