



ISSN: 2249-894X
 IMPACT FACTOR : 5.7631 (UIF)
 UGC APPROVED JOURNAL NO. 48514
 VOLUME - 8 | ISSUE - 8 | MAY - 2019



MEASURING THE MEDIATING EFFECT OF ORGANISATIONAL POLICIES & PROCEDURES IN PUBLIC SECTOR GENERAL INSURANCE COMPANIES OF GUNTUR(D) ANDHRA PRADESH THROUGH HRD CLIMATE

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ABSTRACT:

Today's emerging scenario demands the organisations to introduce sustainable organisational policies and procedures to encourage eco friendly behaviour among the employees of its. An organisation's achievement is determined as much by the productive skills of its manpower. While this has always been true, recent changes draws attention on ways human resources development activities can be used to ensure organisations to successfully meet the challenges. In this paper the researcher highlights the mediating effect of

Organisational Policies and Procedures effect on Organisational Performance through HRD Climate.

KEYWORDS: Organisational Policies, organisational Procedures, HRD Climate, Organisational Performance.

INTRODUCTION

A key challenge for any organization in this era of cut-throat competition seems to be 'survival and sustainability'. Designing and executing organisational policies and procedures demands due attention as these has to address all the key functions of the Human Resource Management. It can be done with a supportive HRD climate as it has direct relation with the organisational policies and procedures which can enhance productivity of employees and can bring harmony in the organisation. An eco - competitive HRD climate facilitates the employees to

acquire required skills that would enable them to execute their present & prospective future roles and assists in mounting their competencies for finest organizational performance. The success of HRD in any organization highly depends on the existence of a constructive HRD Climate. At this juncture a congenial HRD climate with effective organisational policies and procedures are essential for smoothening the functions of HRD.

OBJECTIVES OF THE STUDY:

- To examine the impact of HR Policies and Procedures on Organizational Performance through HRD Climate.

HYPOTHESES:

H1_{0a}: The Policies of Insurance

companies have no significant effect on Organizational Performance through HRD Climate.

H1_{0b}: The Procedures of Insurance companies have no significant effect on Organizational Performance through HRD Climate.

H2₀: HRD Climate has no significant effect on Organizational Performance.

DESIGN OF THE STUDY:

With the available limited literature over the HRD climate and the organizational performance in the context of India, the researcher believed that adopting both the qualitative and quantitative research approaches to explore the perceptions of the HRD climate which leads to improved organizational performance in the Indian General Insurance

sector.

STATISTICAL TOOLS:

The total analysis was carried out using SPSS (Statistical Package for Social Sciences) 23.0. The main aim of this analysis was to examine the direct linkages between the independent variables and one dependent variable at a time, and subsequently, the contingency effects of the mediators on these direct linkages.

REVIEW OF LITERATURE:

Aakanksha Kataria, Pooja Garg & Renu Rastogi (2013) This study suggests that value-based organizations through their HR architecture should adopt high performance HR practices to sustain high levels of employee engagement, since the psychological mechanism of engagement drives OCB by which an organization achieves effectiveness. The study contributes to employee engagement and organizational effectiveness literatures by adding the notion of employee engagement as a significant antecedent of organizational effectiveness through OCB.

Dominik Froehlich, Mien Segers & Piet Van den Bossche (2014) Informal workplace learning takes an increasingly focal role in HRD practice and research, as it contributes to organizations' adaptability and competitiveness. This study helps in examining the relationship between learning approaches, experienced leadership style, organizational learning culture, and learning outcomes among 143 Austrian bank managers in a cross-sectional, quantitative questionnaire study. Results show that learning approaches partially mediate the effects of experienced leadership style on learning outcomes.

Ashutosh Muduli, (2015) this paper aims to study the relationship between High Performance Work System (HPWS) and Organizational Performance and to examine the role of HRD Climate in mediating the relationship between HPWS and the organizational performance in the context of the prosecutor of India. Agreeing with most of the research, HPWS is found positively related with organizational performance. The result proved that HPWS influences organizational performance through a supportive development environment (HRD Climate) based on OCTAPAC.

Liat Eldor & Itzhak Harpaz (2016) the results from a sample of 625 employees resulted employee engagement as a key mechanism for explaining the relationship between perceptions of the organization's learning climate and employees' proactivity, knowledge sharing, creativity, and adaptively. Multilevel regression analyses supported our hypotheses that employee engagement mediates the relationship between the perceived learning climate and these extra-role behaviours.

DATA ANALYSIS & INTERPRETATION:

1. Measuring the mediating effect of Organisational Policies effect on Organisational Performance through HRD Climate of the Organisation (Hypothesis H1_{0b} – H2₀).

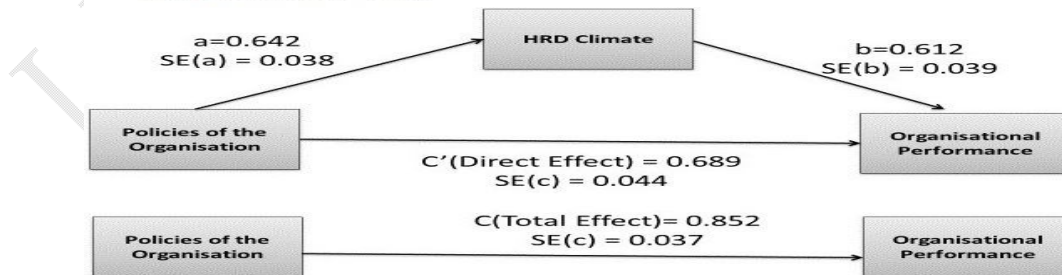


Figure: A. Mediating effect of Organisational Policies

2. Measuring the mediating effect of Organisational Procedures' effect on Organisational Performance through HRD Climate of the Organisation (Hypothesis H10b – H20).

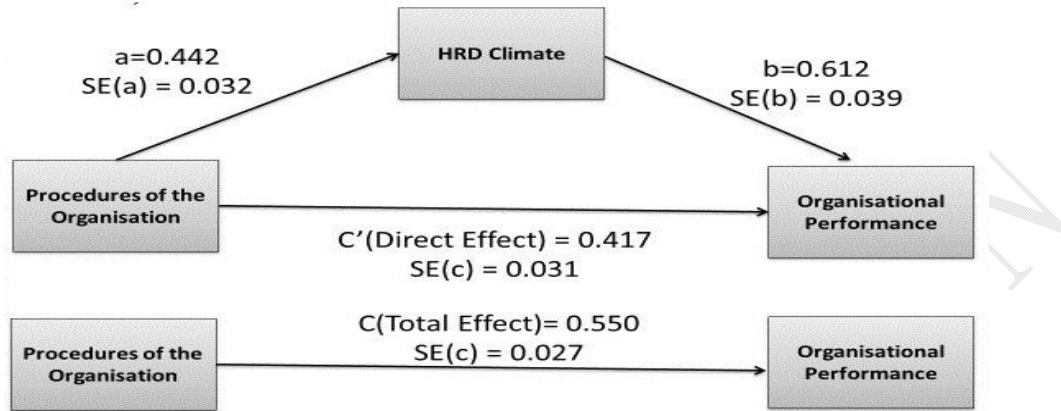


Figure: B. Mediating effect of Organisational Procedures

INTERPRETATION:

The significant effect of independent variable of the proposed model i.e Policies and Procedures of the organisation are evaluated through the significance of regression coefficient of policies and procedures of the organisation, when mean policies and procedures of the organisation are regressed on the mean HRD climate. The regression coefficient is found to be 0.642 in figure A and 0.442 in figure B, and the standard error of the concerned path is 0.038 in figure A and 0.032 in figure B. For Figure A, the “T” statistics of the concerned path’s regression coefficient $0.642/0.038$ found to be significant at 5% alpha i.e $p < 0.05$. and for Figure B the “T” statistics of the concerned path’s regression coefficient $0.442/0.032$ found to be significant at 5% alpha i.e $p < 0.05$. Hence the regression of policies and procedures on HRD climate was found to be significant and it is named as “a” and the standard error of the concerned path is named as SE(a) in both figure A & B.

The impact of mediating variable i.e HRD climate upon the dependent variable i.e Organisational performance is tested further. The mean HRD climate is regressed upon the mean Organisational performance. For figure A and B, the results yielded that the regression coefficient is found to be 0.612 and the standard error of the path is 0.039 respectively. The “T” statistics of the concerned path’s regression coefficient $0.612/0.039$ found to be significant at 5% alpha i.e $p < 0.05$. Hence the regression of HRD climate on organisational performance was found to be significant and it is named as “b” and the standard error of the concerned path is named as SE(b).

Next to this the Total Effect of the proposed hypothesis was revealed. The significant effect of organisational policies and procedures on organisational performance is measured through the significance of regression coefficient of organisational policies and procedures, when mean organisational policies and procedures are regressed upon the mean organisational performance. In figure A, the regression coefficient of the concerned path is found to be 0.852 and the standard error is 0.037 respectively. The “T” statistics of the concerned path’s regression coefficient $0.852/0.037$ found to be significant at 5% alpha i.e $p < 0.05$. In figure B, the regression coefficient of the concerned path is found to be 0.550 and the standard error is 0.027 respectively. The “T” statistics of the concerned path’s regression coefficient $0.552/0.027$ found to be significant at 5% alpha i.e $p < 0.05$. This regression coefficient of both, is termed as “c” and its standard error is termed as SE(c). “c” is also known as “Total Effect” of the proposed hypothesis.

In order to determine the “Direct Effect” of the concerned hypothesis, both the mean organizational policies, procedures and mean HRD climate are regressed upon mean organizational performance. The results yielded the regression coefficient value of policies as 0.689 and the standard error of the path is 0.044 and of procedures as 0.417 and the standard error of the path is 0.031. For both the policies and procedures the “T” statistics of the concerned path’s regression coefficient 0.689/0.044 found to be significant at 5% alpha i.e $p < 0.05$. And these regression coefficients are termed as “c’ (c – dash)” and its standard error is termed as SE(c’). “c’” is also known as “Direct Effect” of the proposed hypothesis.

The thumb rules of the mediation analysis indicated that, if the direct effect is less than the total effect of the model then it can validate the presence of mediation effect or the indirect effect in the given model. According to the results showed in figure A, the value of the direct effect is 0.689 which is less than the total effect i.e 0.852. And the results showed in figure B, the value of the direct effect is 0.417 which is less than the total effect i.e 0.550. Hence, we can determine that there is a mediation effect in this model. Further the size and the significance of the mediation effect in other words the indirect effect can be derived from the Hayes and Preacher (2016) model, as the indirect effect value showed in figure A, is 0.689 and the standard error is 0.346. and the indirect effect value showed in figure B, is 0.133 and the standard error is 0.023.

Further, we considered the bootstrapping resample which provides an approximation of the sampling distribution of the statistic of interest and does not rely on the assumptions of normality. For policies the bootstrapping results produced in the model are valid as the LLCI and ULCI were found to be 0.6023 and 0.7760 respectively which states that there is no zero between the lower and upper levels. And also for procedures the bootstrapping results produced in the model are valid as the LLCI and ULCI were found to be 0.0895 and 0.1832 respectively which states that there is no zero between the lower and upper levels. So that we can claim that the mediating effect or the indirect of the concerned hypothesis is not zero 95% confidence. This is conceptually quite equal to the same as rejecting the null hypothesis that the true indirect effect is zero at the 95% level of confidence.

GENERAL FINDINGS

- It was noticed that the majority of the employees irrespective of their cadres have expressed a fair degree of response towards the importance given by the top management by investing considerable time and resources for HRD.
- More respondents opined that their superiors / seniors maintain good coordination with their colleagues at their work place in the interest of Organisational development proves an existence of HRD climate.
- The study has shown that the General Insurance companies have given much importance to the managerial personnel only in respect of general climate of HRD.
- Majority of respondents agreed that the successful implementation of organisational policies and procedures facilitate employee development.

SUGGESTIONS :

- Recognizing and rewarding the inborn talents of the employees by the authorities will certainly yield good results.
- In order to enhance better productivity, there should be free flow of communication followed by suitable instructions.
- The management should initiate best ethical practices at workplace to promote healthy atmosphere in the organisation.

CONCLUSION:

The impact of organisational policies and procedures on organisational performance through the mediating effect of HRD climate is found to be significant. The results of the model yielded that, all

the paths were found to be significant and are satisfying all the thumb rules of the mediation analysis. we can conclude that, there is a mediation effect of HRD climate while regressed the impact of policies and procedures of the organisation over organisational performance.

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