

Evaluation of Recruitment and Selection Procedures – A Case Study of an Insurance Company

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Abstract— the greatest resource India has is its human resource and with it come life issues. Thus India obviously has a huge market for life Insurance. Today Indian Insurance Industry is growing rapidly, only 5 to 6 percent of the Indians insured so far. Now people realized the importance of insurance. There is great potential for Insurance companies operating in this sector. This paper focuses on recruitment and selection process in ICICI Prudential Life Insurance Company Ltd. It is modest attempt to highlight the recruitment and selection process and evaluates its effectiveness

over time heavily drawing from other countries, England in particular. Today there are 14 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 14 life insurance companies operating in the country. The insurance sector is a colossal one and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country. Table -1 shows the developments of insurance sector.

Index Terms— Recruitment, Selection

I. INTRODUCTION

Any organization is run and steered by people. If the recruitment and selection process is not satisfactory it will not be able to withstand in the market, even though it is full of resources & financially good. Recruitment and selection procedures play a vital role in the organization.

Since human resources are playing dominant role in total functioning of the organization, the management has realized the importance and effectiveness of the Recruitment and Selection procedure of the organization. If the recruitment and selection is not properly done, it may affect the organization's growth and productivity. In this context the question of interest is to evaluate the recruitment and selection procedures of the organization.

Present Study focuses on recruitment and selection – an evaluation of its effectiveness of ICICI Prudential Life Insurance Co Ltd”

II. INDUSTRY OUTLOOK

In India, insurance has a deep-rooted history. It finds mention in the writings of Manu (*Manusmrithi*), Yagnavalkya (*Dharmasastra*) and Kautilya (*Arthasastra*). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine. This was probably a pre-cursor to modern day insurance. Ancient Indian history has preserved the earliest traces of insurance in the form of marine trade loans and carriers' contracts. Insurance in India has evolved

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Table – 1
Developments of Insurance Sector

Sl. No	Year	Developments
1	1818	Establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834. In 1829
2	1829	The Madras Equitable had begun transacting life insurance business in the Madras Presidency
3	1870	Enactment of the British Insurance Act
4	1871	The Bombay Mutual started
5	1874	Oriental started
6	1897	Empire of India started
7	1897	Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance
8	1914	Government of India started publishing returns of Insurance Companies
9	1912	The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate life business
10	1928	Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies
11	1938	Earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers
12	1950	The Insurance Amendment Act of 1950 abolished Principal Agencies
13	1956	An Ordinance was issued on 19 th January, 1956 nationalizing the Life Insurance sector and Life Insurance Corporation came into existence in the same year. The LIC absorbed 154 Indian, 16 non-Indian insurers as also 75 provident societies—245 Indian and foreign insurers in all

14	1907	The Indian Mercantile Insurance Ltd, was set up. This was the first company to transact all classes of general insurance business.
15	1957	The General Insurance Council formed, the council framed a code of conduct for ensuring fair conduct and sound business practices
16	1968	The Insurance Act was amended to regulate investments and set minimum solvency margins. The Tariff Advisory Committee was also set up then
17	1972	In 1972 with the passing of the General Insurance Business (Nationalisation) Act, general insurance business was nationalized with effect from 1 st January, 1973
18	1971	107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company and it commence business on January 1 st 1973.
19		Government set up a committee under the chairmanship of RN Malhotra, former Governor of RBI, to propose recommendations for reforms in the insurance sector. The objective was to complement the reforms initiated in the financial sector.

Continued Table - 1

20	1994	The committee submitted its report in 1994 wherein, among other things, it recommended that the private sector be permitted to enter the insurance industry. They stated that foreign companies be allowed to enter by floating Indian companies, preferably a joint venture with Indian partners.
21	1999	Following the recommendations of the Malhotra Committee report, in 1999, the Insurance Regulatory and Development Authority (IRDA) was constituted as an autonomous body to regulate and develop the insurance industry
22	2000	The IRDA was incorporated as a statutory body. The IRDA opened up the market for registrations. Foreign companies were allowed ownership of up to 26%. The subsidiaries of the General Insurance Corporation of India were restructured as independent companies. GIC was converted into a national re-insurer
23	2002	Parliament passed a bill de-linking the four subsidiaries from GIC
24	2003	– This year witnessed the introduction of Broker for first time in Indian Insurance Market to boost up the business in more widened manner. – The Insurance Laws (Amendment) Act, 2015 was passed to increase the Ceiling of 26% FDI to 49% and in this manner the Insurance Business in India has been widely opened for Foreign Giants of Insurance.
25	2005	Detariffication of marine hull
26	2006	Relaxation of foreign equity norms, thus facilitating the entry of new players
27	2007	Detariffication of all non-life insurance products except the auto third-party liability segment
28	2012	With 2.3% share India stood 10 among 156 countries in the life Insurance Business

III. COMPANY PROFILE

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, a premier financial powerhouse, and Prudential plc, a leading international financial services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from Insurance Regulatory Development Authority (IRDA). Our nation-wide team comprises of over 2000 branches (inclusive of 1,074 micro-offices), over 274,500 advisors; and 20 banc assurance partners. ICICI Prudential Life's capital stands at Rs. 42.72 billion (as of June 30, 2008) with ICICI Bank and Prudential plc holding 74% and 26% stake respectively. For the quarter ended June 30, 2008, the company garnered Retail Weighted New Business Premium of Rs. 1,174 crores as against Rs 810 crores for the quarter ended June 30, 2007, thereby posting a growth of 45% and has underwritten over 6 lakh policies over this period. The company has assets held over Rs. 26,900 crore as on June 30, 2008.

IV. PRODUCTS

ICICI Prudential Life Insurance offers a range of innovative, customer-centric products that meet the needs of customers at every life stage. Its products can be enhanced with up to 4 riders, to create a customized solution for each policyholder. These following products include: Savings & Wealth Creation Solutions, Protection Solutions, Education Solutions, Retirement Solutions, Health Solutions, and Group Insurance Solutions.

V. HIGHLIGHTS

ICICI prudential recorded unmatched growth performance and crossed mile stones include:

- Over 1,450 industry ready professionals passed out from the first of its kind Post Graduate Program in Management and Insurance, where the company partnered with leading business schools across the country.
- Tied up with American Express Banking Corp. to enable customers with Amex Cards pay their premiums from anywhere in the world.
- Launched the web chat service for customers.
- ICICI Prudential was the first life insurer in India to receive a National Insurer Financial Strength rating of AAA (Ind) from Fitch ratings.
- For three years in a row, ICICI Prudential has been voted as India's Most Trusted Private Life Insurer, by The Economic Times - AC Nielsen ORG Marg survey of 'Most Trusted Brands'. As we grow our distribution, product range and customer base

VI. CAREERS

In this organization departments broadly classified as following besides admin, finance and support staff.

- Sales & Distribution: Unit Manager, Sales Manager -Agency, Associate Health Assurance Mgr, Health Assurance Officer
- Alternate Distribution: Assoc. Financial Services Mgr, Financial Services Consultant
- Customer Service: Management Trainee
- Udaan- Campus Programs for Executive Trainees: UDAAN – ICICI Prudential Campus Program for Executive Trainees (ETs). UDAAN endeavors

to give wings to the Leadership potential in ambitious young professionals.

VII. EMPLOYMENT PROCESS

After completion of all tests, interview and the pre-employment medical exam the organization sends the appointment orders to the successful candidates either immediately or after sometime depending on the urgency of the requirement. His/Her appointment is valid after obtaining clearance from company’s physician, about the candidate’s fitness for employment.

ICICI Prudential Life Insurance Co Ltd is as following:

1. Recruitment of fresher through campus placement or through open advertisement.
2. Recruitment of experienced professionals through advertisement, placement agencies and employee referrals.

a) SELECTION OF FRESHER

The disciplines, which are considered for fresher joining the organization, are Graduates and MBAs with any specialisation. The applications received through the advertisement are scrutinized thoroughly and the eligible candidates are then called for written test / personal discussions. An aptitude test will be conducted for the fresher. Technical test will be conducted for those who are qualified in the aptitude test.

HR interview / Personal discussion will be conducted for the candidates who are qualified in both aptitude and technical tests. The candidates who are selected in the technical / HR interview will be informed about their interview results through their placement division. Based up on their educational background, the branch / discipline of the candidate and his / her computer proficiency they will be absorbed in the suitable department.

Medical tests will be conducted for the candidates before employment. If the physician certifies that the candidate is fit for employment then the candidate will be eligible for employment.

b) SELECTION OF EXPERIENCED PROFESSIONALS

Recruitment of experienced candidates who has prior experience of minimum 2 years and above is done based on the requirements of various groups and the skills required by the groups of the organization.

The process is done through receiving applications against advertisements, conducting walk-in interviews in various cities and requesting CVs (curriculum vitae) from various placement agencies across the country. The organization also encourages its staff members to refer any candidate for consultation who meets the company’s requirement.

Experienced professionals recruitment is on throughout the year since attrition rate in the current scenario is very high in every sector.

c) SELECTION OF CONTRACT EMPLOYEES

The recruitment of contract employees is done based on the requirements from various groups and the skills required by the groups. The process is done through receiving applications against on advertisement, conducting walk-in

interviews in various cities and requesting CVs from placement agencies.

VIII. RECRUITMENT AND SELECTION PROCEDURES

Recruitment and selection represents one of the most routine yet one of the most vital functions of any organization. Procurement of efficient and capable employees can significantly contribute to the success of an organization. A faulty recruitment and selection procedure can play havoc with the organization’s plans and all its future vision will be in jeopardy. Thus, to ensure a smooth implementation of its policies, a sound recruitment and selection has to be carried out by the personnel department in the organization.

A. RECRUITMENT POLICY

Table -2 show that 37.50% of the respondents have agreed that the present recruitment policy of the organization is meeting current and future requirements of the organization. 45.84% of the respondents are not sure that the present recruitment policy of the organization is meeting current and future requirements of the organization. However, 16.66% of the respondents have disagreed that the present recruitment policy of the organization is meeting current and future requirements of the organization.

Table – 2
Recruitment Policy
(N = 50)

Respondents	Strongly Agree	Agree	Can’t say	Disagree	Strongly Disagree
Employees	0.00%	37.50 %	45.84%	12.50%	4.16%

B. SOURCES OF RECRUITMENT

Table – 3 explains 25% of the respondents felt that internal sources of recruitment are the best source. And also the respondents feel that both external source of recruitment and campus recruitment is the best source 37.5 % each.

Table – 3
Sources of Recruitment
(N = 50)

Respondents	Internal Sources	External Sources	Campus Recruitment
Employees	25.00%	37.50%	37.50%

C. TECHNIQUES OF RECRUITMENT

ICICI Prudential uses different types of techniques / methods of recruitment to stimulate internal and external candidates to apply for the jobs. The methods that are used for recruiting internal candidates are including transfers and promotions. The methods that are used for recruiting external candidates are like advertising, employees referred CV’s, through employment agencies and through campus recruitment. The modern sources and techniques of recruitment are walk-in, Tele-interviews, head hunting etc. Table-4 reveals that 54.16% of the respondents came to know about the vacancy in the company through advertisement. 16.67% of the respondents came to know through placement agency. 16.67% of the respondents came to know through an employee referral. 12.5% of the respondents came to know through stray application.

Table – 4
 Vacancy Information
 (N = 50)

Respondents	Advertisement	Placement Agency	Through any Employee Referral	Stray Application
Employees	54.16%	16.67%	16.67%	12.50%

According to Table – 5, 54.16% of the respondents were attracted by the company’s reputation to apply for the job, 4.17% of the respondents are attracted to the reasonable salary. And 25% of the respondents are attracted to the career growth. Thus 16.67% of the respondents are attracted to the working atmosphere of the company.

Table – 5
 Motivational factors
 (N = 50)

Respondents	Company’s Reputation	Reasonable Salary	Career growth	Working Atmosphere
Employees	54.16%	4.17%	25%	16.67%

D. EMPLOYEE REFERRAL

Coming to the employee referrals, 75% of the respondents were definitely willing to recommend their friend for employment at their company. However, 25% of the respondents were not willing to recommend their friends.

E. CAREER DEVELOPMENT OPPORTUNITIES

Regarding opportunities for career-development of the company, 41.67% of the respondents have agreed that their company was always providing opportunities for career-development of the employees. 4.5% of the respondents have agreed that their company was some times providing opportunities for career-development of the employees. 15.5% of the respondents have agreed that their company was rarely providing opportunities for career-development of the employees. 38.33% of the respondents have agreed that their company was never providing opportunities for career-development of the employees.

F. TRAINING PROGRAMS

13% of the respondents have agreed that the training programs provided by the organization are helpful to them to a greater extent. 87% of the respondents have agreed that the training programs provided by the organization are helpful to them to some extent.

G. SELECTION PROCEDURES

The Selection Procedure includes: Job Analysis Vs Actual Requirement, Job Design, Recruitment, Application Form, Written Examinations, Preliminary Interview, Group discussions, Tests, Intelligence Tests, Achievement Tests, Situational Tests, Interest Tests, Personality Test, and Projective Test.

H. JOB INFORMATION

Table – 6 shows that, 16.67% of the respondents felt that the information about the job description provided by the recruiter attract the candidates. 20.83% of the respondents felt that the information about the job specification provided by the recruiter attract the candidates. 8.33% of the respondents felt that the information about the salary & perks provided by the recruiter attract the candidates. Thus 54.17% of the respondents felt that the information about the career growth prospectus etc provided by the recruiter attract the candidates.

Table – 6
 Job Information
 (N = 50)

Respondents	Job Description	Job Specification	Employee Specification	Salary & Perks	Career Growth Prospectus
Employees	16.67%	20.83%	0.00%	8.33%	54.17%

I. SELECTION TESTS

Table – 7 explains that, 12.50% of the respondents have preferred aptitude test for selecting the suitable candidates. 4.17% of the respondents have preferred personality test for selecting the suitable candidates. 83.33% of the respondents have preferred both aptitude test and personality test for selecting the suitable candidates.

Table – 7
 Selection Tests
 (N = 50)

Respondents	Aptitude Test	Personality Test	Both
Employees	12.50%	4.17%	83.33%

J. FINAL INTERVIEW

This is the most essential step in the process of selection. In this step the interviewer matches the information obtained about the candidate through various means to the job requirements through his own observation during interview. 4.17% of the respondents felt that the waiting time between an interview and issue of offer was less than expected. 70.83% of the respondents thought that the waiting time was reasonable. And 25% of the respondents thought that the waiting time was too long. According to Table -8, 50% of the respondents have agreed that more weightage will be given to job knowledge & aptitude, 25% of the respondents have agreed that more weightage will be given to analytical bent of mind, 25% of the respondents have agreed that more weight age will be given to potential, if they happened to be in the interview panel.

Table – 8
 Interviews
 (N = 50)

Respondents	Job Knowledge & Aptitude	Analytical Bent of Mind	Conversational Ability	Judgment	Personality	Potential
Employees	50.00%	25.00%	0.00%	0.00%	0.00%	25.00%

IX. EVALUATION OF EFFECTIVENESS

Table – 9 reveals that, 37% of the respondents have agreed that they felt that management of this organization treats all levels of employees impartially. 15% of the respondents have strongly agreed that management of this organization treat all levels of employees impartially. However, 22% of the respondents have disagreed that management of this organization treat all levels of employees impartially. 65% of the respondents have agreed with the recruitment and selection process of the company is up to the mark. However, 15% of the respondents have felt the recruitment and selection process of the company is not up to the mark. 54% of the respondents have felt that current recruitment process is satisfactory. 12% of the respondents have found that in current recruitment process is satisfactory. However, 8% of the respondents have found that current recruitment process is not satisfactory.

Table – 9
Evaluation of effectiveness of
Recruitment and Selection process
(N = 50)

Responsive Factors	Strongly Agree	Agree	Indifference	Disagree	Strongly disagree
Management of this organization treats all levels of employees impartially	15 %	37 %	26 %	15 %	7 %
Recruitment and Selection process is up to the mark	15 %	40 %	10 %	12 %	13 %
Current recruitment process is satisfactory	19 %	54 %	12 %	7 %	8 %

A. OVERALL EVALUATION

The respondents felt that, based up on their recent services, 8.33% of the respondents have rated their overall satisfaction with the company as excellent. 45.84% of the respondents have rated their satisfaction with the company as good 33.33% of the respondents have rated their satisfaction with the company as average. However, 4.17% of the respondents have rated their satisfaction with the company as poor (Table – 10 shows the details).

Table – 10
Overall Evaluation of
Recruitment and Selection Process
(N = 50)

Respondents	Excellent	Good	Average	Fair	Poor
Employees	8.33%	45.84%	33.33%	8.33%	4.17%

CONCLUSION

The candidate should be provided details about job description and responsibilities before selection process. Training programs could be conducted regularly as employees have shown a desire to learn more about advanced technologies. Salaries and perks of the employees could be commensurate with profile / experience of the candidates and job responsibility. Some of the respondents are unsatisfied. The employees expressed that there is much scope to learn latest technologies. The respondents have agreed that the organization has a good working atmosphere and it has a great record in successfully executing the projects. Some of the respondents felt that a fresher can get an opportunity to see complete life by joining in this organization. However, few respondents were not satisfied with the working culture and expressed that there are no training programs for self-development and there is no scope to learn new technologies.

With the present recruitment and selection process, they felt that weightage should also be given for such things like conversational ability, personality and personal interview while recruiting the candidate.

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