



The Human Resource Challenges Arising from Developments in Information Technology in IRAN insurance Company

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ABSTRACT

Increasing rapid progress of information and communications technology and its functional capabilities in various areas of organizations are caused the penetration to information technology and human resource systems. Among these organizations can be pointed to the insurance industry. According to developments in information technology, Iran Insurance Company, in transition from the traditional perspective of human resource management to modern perspective of human resource management is faced to challenges that the purpose of present research is to identify and rate these challenges. The research method to present research is descriptive-survey. The statically society include all experts of technical units of Iran Insurance Company with the number of 514 individuals. The statically sample using Cocral formula is calculated 90 individuals. The sampling method is simple random sampling. Data collection instrument in this research are the researcher made questionnaire with 39 questions with Likert scale of 5 options. For data analysis SPSS software, single variable hypotheses test about the mean of society (T student) and the Friedman's rating test were used to analyze the data. The results of the study showed that : resistance to change, issues of training and motivational factors as the most important challenges in the field of human resources is posed by developments Information technology in Iran Insurance Company. The result show that these challenges are almost equally important.

KEYWORDS: Human resource challenges, Developments in information technology, Iran Insurance Company.

INTRODUCTION

Based on performed studies in social and psychological fields, the need for tranquility and security is one of the most fundamental requirements of humankind. So that "Abraham Maslow" in needs hierarchy, place it the one after physiological needs in terms of importance. In today societies, enterprises such as social welfare and commercial assurance companies are held responsible to guarantee significant portion of individuals' security and relief. Social assurance companies have been established since emergence and development of socialist. The first welfare government was establishes in 1880s by Bismarck, iron prime minister in Germany. He employed welfare development as a propaganda instrument to fight with increasing wave of workers socialist crusade. Continuance of that movement has created social welfare organizations being responsible to cover the vulnerable classes of society.(Ravli,2000) Besides these organizations, commercial assurance companies constitute economical and commercial pillars of the society supply section. Today, information technology is considered as one of the important instruments in facilitating and improving business atmosphere processes and trade and commercial world so that its utilization, besides facilitating and accelerating goods and services exchange and decreasing related costs, has demolished political and geographical boundaries. Concepts such as electronic trade, electronic marketing, electronic shop and exhibition are no longer abstract concepts but they have changed in to prevalent methods and in some fields they have entered social work and life authentic scene, especially at organizations and agencies level.(Si lavon,2001) It's clear that to create, implement and develop new technologies, human force plays the major role. It is required that organizations and enterprises take measures for preparing and utilizing human force and by recognizing problems and challenges before human force, try to eliminate them. (Si lavon,2008)

In this line, in recent years, with emergence of private assurance companies and new rivals entrance in to market, customer's expectation of information easy and accelerated accessibility to all and receiving inter organization communication development services and necessity of information fast circulation, Iran Assurance Company as a pioneer company in assurance industry, in order to maintain market share, develop influence district and execute an advertising movement has created interior portal networks, office automation. It also, for the first time, has issued

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policies electronically, as a measure to start a forward step and compatibility and harmony with the world recent changes. Explicitly, passing traditional methods in technical and administrative districts and entering mechanical methods has brought about various challenges and problems for commercial enterprises and human resources, the purpose of this study is searching and recounting different dimensions of these problems and ranking them to absorb managers attention to settle them. (Hasani Bahabadi,2006)

Problem Statement

Examination of organization scientists and management views in last two decades is replete with concepts emphasizing changes in organization ambiance and business conditions and methods. Present arena is named information arena which is based upon wisdom. New organizations are situated in complicated competitive environment which is derived from environmental, organizational and technological changes. (Turban,2006) These factors have produced an environment quite competitive in business, a customer on its axis. Environmental changes are so fast and unpredictable that little negligence can deprive the organization of a competitive superiority and present the other organizations with special opportunities. So organizations adapt themselves to changes, obviously implementing novel technologies will have inevitable effects on organization components and pillars especially human resources, since human resources are the most valuable production agent, organization intelligent factor and main resource of competitive advantage and producer of major efficiencies in any organization, more recognition of this district challenges and problems and programming to promote human resource management status and developing work force are considered organizations necessities.(Beheshtiyani and Abolhasani,1994)

The Study Background

Many studies are performed with regard to the study subject; here we mention some of them.

Faustino Kamuzora (2006) in his research entitled “utilizing information and communication technology in developing human resource efficiency” concluded that information and communication technology leads to an increase in human resource efficiency potentials in public and private sections. This fact in developed countries is more palpable in comparison with developing countries. In the end of this research there are guidelines about how countries develop with an increase in the effect of information and communication development upon rare resources management including human resources which causes national economy improvement. Harekrishna Misra (2006), in a study entitled “the role of human resources in information technology” found that the role of human resources in adjusting business processes in organization is crucial. Also, the role of human resources in the process of utilizing information technology is undeniable.

Debra A. Major (2007) in a study entitled “management of human resources in information technology, the best exercise for individuals with high efficiency” came to these conclusions: group concentration, compatibility with classic leadership theory and leadership and management exercises are the best effective movement to overcome human resources management resulted from information technology. Also working concentration (performance management, staffs involvement, educational development...) and individual concentration (relations establishment, consultation, and stress management, working equilibrium...) are two main classifications of classic leadership theory. Amanda Mukherji(2007) in an article entitled “evolutions of information system and its impacts upon organizations” examined this subject, although organizations utilize information technology as an instrument to achieve competitive advantage and to fight other rivals and as a factor for insuring their remaining in today business world which is full of competition, in some cases implementing information technology imposes great costs upon organizations. It doesn't solve their problems but leads to appearance of new problems. In examinations it is found that such organizations, without programming, launch implementing information technology in their organizations. Organizations not being goal oriented in utilizing information technology and subsequently lack of particular programming, methodology and model to employ information technology predisposes organizations to this failure. The surveyor ultimately concludes that today, competitive pressures require efficiency and effectiveness simultaneously and organizations should adapt themselves to market growing speed and competitive novelties and achieve high quality competitive advantages and low price simultaneously. James ay sen(2009), in a study entitled “information technology system in management” stated that investment in the field of information system likens human life periods, children, in their first year of lives, walk slowly and sometimes fall on earth. When they grow up they take their control in their hands and in puberty, they are expected to program for their lives and define their targets. Eventually, in puberty stage, all of informational systems components find their places, guideline committee is responsible for enforcing general control and activities and organizational performance have expanded. In this stage, organization practical software's basket is completed and attempts are made to adapt them to organization aims, informational systems programs and company strategies to achieve competitive advantages are tied and related together, finally results show that each stage of information technology growth requires employing a different

managerial style in comparison with other stages to increase applicants' participation. Information technology is considered as strategic resource and agent for organization. Relation centered managers focus on using data obtained from various resources and examining different solutions. Work centered managers establish regulations for sharing information being used. Both styles, relation centered and work centered have positive and significant relation with the system success "being satisfactory" and can lead to appropriate utilization by using employees abilities.

Peter Baloh & Peter Terkman (2010), performed a study entitled "the effect of internet and information technology upon work and human resource management" in that inevitable alterations of recruitment, incentive, leadership and organizational changes derived from alterations are examined and ultimately by combining human resource components, attempts are made to predict consequences of information technology in workers promotion and encouragement and new methods of human resource recruitment. In this study, human force and their knowledge are introduced as organization main assets and some ways of adaptation to environmental changes are explained there. In the following, utilizing internet and information technology in recruitment, as a method to do something different, remote working, application of information technology in education and its effects on organization are explained in details.

The Study Questions

1-Do factors related to information technology lead to educational challenges in Iran Joint Stocks Assurance Company?

2-Do factors related to information technology lead to workers resistance challenge of Iran Joint Stocks Assurance Company?

3-Do factors related to information technology lead to incentive challenges of Iran joint stocks assurance company workers?

4- What are the grades of identified challenges of human resource in Iran joint stocks Assurance Company in terms of importance?

RESEARCH METHODOLOGY

The present study method is descriptive-survey. Statistical society includes all experts of technical units of Iran joint stocks Assurance Company, amounting to 514 individuals. Statistical sample was calculated using Cochran formula (ninety people). Also the sampling method is simple random sampling. Data collecting instrument in this study were surveyor made 39 question questionnaires with Likert five alternative criteria. To analyze information SPSS software and single variable hypothesis test about the society average (T students) and Freedman hierarchical test to grade challenges are used.

The formula:

$$n = \frac{Nt^2S^2}{Nd^2 + t^2s^2} = \frac{Nt^2 \cdot p \cdot q}{Nd^2 + t^2pq}$$

N=statistical society

S=pq: considered variable variance in sample population

P=0/5 proportion of particular attribute owner in sample population

q=0/5: proportion of those who lack a particular attribute in sample population

D: optimum possible accuracy or confidence distance

t= 1/96: confidence distance at significance level of 95 % (correspondent variable values with alpha level of 1-a)

n=statistical sample (calculated 82 persons based on above formula)

so in present study, according to statistical society members(514 individuals) and statistical sample(82 individuals), randomly, 120 questionnaires were distributed between people and 90 questionnaires were gathered and analyzed.

The Study Findings

To answer the study first three questions seeking out the point, among three fold examined factors (resistance, educational problems and incentive factors) which factor (factors) is considered as a challenge in Iran joint stock assurance company, t student test is used.

Since in statistical methods employed for this study, answers average is important, utilizing tests in relation with average is useful. So, first t student test is used to verify challenging attribute of human resources zone examined dimensions that are resistance against changes, educational factors and incentive factors.

Zero hypothesis and research hypothesis are stated like:

$$\begin{cases} H_0 : \mu \leq 3 \\ \mu > 3 \end{cases} \equiv \begin{cases} H_0 : & \text{Examined factors aren't challenge} \\ H_1 : & \text{Examined factors are challenge} \end{cases}$$

The study first question

Do factors related to information technology lead to educational challenges of Iran joint stock assurance company workers?

Sample Individuals statistical attributes are calculated using SPSS software and are presented in Table 1:

Table1: statistical attributes of sample individuals in the amount of education variable

Standard deviation average	Standard deviation	average	number	variable
0/063	0/60	3/44	90	education

The test statistical value is calculated through SPSS software and is presented in table2.

Table 2: the result of t student test of education variable

Significance level	Freedom degree	T	variable
0/000	89	6/96	education

The value of t student for educational challenges equals 6/94

According to t student test and t obtained values with confidence level of 95%, educational challenges are at critical status and are considered as human resources district challenges

The study second question

Do factors related to information technology lead to resistance challenge of Iran joint stocks Assurance company workers?

Sample individuals statistical attributes are calculated through SPSS software and are presented in table3:

Table3: sample individuals statistical attributes in the amount of resistance variable

Averaged standard error	Standard deviation	average	number	variable
0/090	0/86	3/59	90	resistance

The test statistical value is calculated through SPSS software and is presented in table4:

Table4: the result of t student test of resistance variable

Significance level	Freedom degree	T	variable
0/000	89	6/55	resistance

The value of t student for resistance challenge of workers against change was obtained equals to 6/55. According to t student test and t obtained values with confidence level of 95%, the workers resistant challenge against change is at critical state and is considered as one of human resources district challenges.

The study third question

Do the factors related to information technology lead to incentive challenges of Iran joint stocks Assurance company workers?

Sample Individuals statistical attributes are calculated through SPSS software and are presented in table5:

Table5: sample individuals statistical attributes in the amount of incentive variable

Average standard error	Standard deviation	average	number	variable
0/043	0/41	3/37	90	incentive

The test statistical value is calculated through SPSS software and is presented in table6:

Table6: the result of t student test of incentive variable

Significance level	Freedom degree	T	variable
0/000	89	8/57	incentive

The value of t student for challenges is obtained equal to 8/57. According to t student test and t obtained values with confidence level of 95%, incentive challenges are at critical status and are considered as human resources district challenges.

The study fourth question

What is the rank of human resource identified challenges in Iran joint stock Assurance Company regarding importance?

To compare the challenging characteristic of each human resources district dimensions, Freedman test is used, zero hypotheses and its opposite will be like this:

At least one of examined dimensions is more challenging than the other

$$\begin{cases} H_0 : \bar{R}_1 = \bar{R}_2 = \bar{R}_3 \\ H_1 : \end{cases}$$

$$\equiv \begin{cases} H_0 : & \text{The challenge extent of all examined dimensions is the same} \\ H_1 : & \text{The challenge extent of all examined dimensions isn't the same} \end{cases}$$

Table 7: ranking of averaged human resources three fold challenges

Freedman test

challenges	Averaged rank
Resistance against change	2/08
Educational challenges	2/06
Interior incentive factors	1/86

Table8: the value and significance level of Freedman test

The test statistic

90	number
2/65	K SQUARE(kh2)
2	Freedom degree
0/265	Significance level

The value of χ^2 test is calculated equal to 2/65 and significance level of 0/001 which is less than 0/05. Considering that the Kh2 value is on the non rejection of H_0 region, zero hypothesis is not rejected and obtained results are indicative of non significance of the differences between examined factors according to respondents.

Conclusion

Organizations adapt themselves to changes, certainly employing new technologies and techniques will have inevitable effects on organization components and pillars including human resources, since human resources are the most valuable production agents and the main resource of competitive advantage and creators of fundamental capabilities in any organization, more recognition of this district challenges and problems and programming to promote human resource management status and developing work force are considered organizations necessities. So in this study below matters are answered:

1-this study first question seeks to identify “human resources main challenges derived from information technology changes in Iran Joint Stocks Assurance Company.

The results of data analysis identified following factors: resistance against change, educational challenges and incentive challenges which are most important challenges.

2-this study second question seeks “ranking identified factors”.

Data analysis indicates that identified challenges in human resources district are almost of the same importance and there is no need to rank them.

3-adaptive examination of present study results with previous studies

In the Moazi ghoshe balagh (2006) study results, amongst electronic assurance development challenges, incentive factors are considered third and the least important factor in ranking challenges but in present study all challenges are of the same rank and importance.

The results of Tadayon (2006) study implies that workers resistance against change is considered least important index amongst challenges derived from information technology.

The results of researchers study including: Sarafpoor Habibi (2005), Ghorbani and Babolhvaej (2006), Mahmoodi (2006), Isakhani (2007), Sahamiyan (2010), Tohidi (2010) and also foreign researchers including Kamoozra (2006), Misra (2006), Majra (2007), Mukhreji (2007), Isen (2009), Balvoh and Torkman all are indicative of various challenges derived from information technology in managing human resources including assurance industry. Incentive factors, educational problems and resistance against change are mutual challenges between these studies and present study and this indicates present study compatibility with examined studies in the research background.

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