CHAPTER-2
HUMAN RESOURCE DEVELOPMENT PRACTICES IN LIC

2.1 THE CONCEPT OF HRD

Today, more importance is being given to “people” in organizations. This is mainly because organizations are realizing that human assets are the most important of all assets. This emphasis can also be partly attributed to the new emerging values of humanism and humanization. Moreover, with the increased emphasis on creativity, and autonomy, which people are increasingly acquiring and enjoying in the society, the expectations of people are fast changing. People cannot be taken for granted any more.

In the past, people working in organizations were given attention merely in administering the necessary conditions of work. The traditional concept of personnel management was based on a very narrow view of human motivation. The basic assumption underlying with view that human beings are primarily motivated by comforts and salary, and necessary attention may be given to rationalise these, so that people do not get dissatisfied. Most of the attention, therefore, was on administration of salary and other benefits. It is now being increasingly realized that people working in organizations are human beings. They have their own needs, motivation and expectations, and that their contribution to the organization is much more than that of any other resource being used.

Human Resource Development (HRD) is a process by which the employees of an organization are helped, in a continuous, planned way, to: 1) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles, 2) develop their general cap-abilities as individuals and discover and exploit their potentials for their own and/or organizational development purposes, and 3) develop an organizational culture in which supervisor-subordinate relationships, teamwork, and collaboration among sub-units are strong and contribute to the professional well being, motivation, and pride of employees. (Rao 1985).

In Life Insurance Corporation human resource development is a
people-oriented concept that focuses on developing the skills, knowledge and competencies of people. Various authors have not yet been fully successful in conceiving the whole concept of human resource development. They have defined the term from their standpoint due to the fact that it is a recent concept and therefore is still in the conceptualizing stage.

2.2 HISTORY AND ORIGIN OF HRD

The origin of HRD is indistinct but may be traced back to the 1960's in the united states. It is gaining popularity and is widely practiced these days. Nadler used the term HRD for the first time in the George Washington University in 1968. Now-a-days, every enlightened employer takes interest in it. It is gaining popularity and is widely practiced these days. In 1969, it was used in Maimi at the American Society for Training and Development Conference. But by the middle of 1970's, it gained more acceptances, but it was being used by many as merely a more attractive term than 'Training and Development' It was 25 years ago that our country witnessed the emergence of a new HRD culture in our country with Prof Udai Pareek and Prof T.V.Rao heading the movement. What started as a "Review Exercise of the Performance Appraisal System" for L&T by two consultants, Prof Udai Pareek and Prof T.V. Rao from the Indian Institute Of Management, Ahmedabad (IIMA), resulted in the development of a new function - The HRD Function.

In the opinion of some management thinkers, Japan is the first country to stress and use HRD Practices. According to Prof. Udai Pareek, as far as India is concerned, the term HRD was introduced for the first time in the State Bank of India in 1972. It is believed that the concept of HRD has not been
imported in India. It is a philosophical value concept developed by Dr. Udai Pareek and Dr. T. V. Rao at the Indian Institute of Management, Ahmadabad. By the late seventies, this professional outlook on HRD spread to a few other public sector organizations, such as BHEL, SAIL, Maruti Udyog Ltd., Indian Air Lines and Air India; and the private sector organizations, like L & T Ltd. and TISCO. Based on the recommendations a very high level role was created at the board level to give a greater thrust to the new system. A separate HRD Department was created. A high level internal team headed by a General Manager, monitored the progress of implementation of the new system initially, which was subsequently handed over to the HRD Department.

The HRD system has since then been reviewed from time to time and improvements made, retaining the basic philosophy. The original consultancy reports of Dr. Udai Pareek and Dr. T.V.Rao have sown the seeds for this new function and new profession. This pioneering work of Dr. Rao and Dr. Pareek lead later top the establishment of HRD Departments in the State Bank of India and its Associates, and Bharat Earth Movers Limited in Bangalore in 1976 and 1978. The establishment of a separate Ministry of Human Resource Development (HRD) in 1986 is a logical culmination of the realization of the importance of the human factor in the development by Government of India.

In the last few years, ever since the Central Government started a ministry called HRD, quite a few organizations have introduced this department in their organizations. Previously, the department was called Personnel Department, but now it has been renamed as HRD Department. In some organizations, there are HRD officers or Managers who are merely carrying out the training activities. In effect, some training managers are now being called HRD managers. One must admit that the phrase is becoming increasingly popular.

The role of Indian Institute of Management, Ahmadabad; Centre for HRD at Xavier Labour Relations Institute, Jamshedpur; Indian Society for Training and Development at New Delhi; and National HRD Network at New Delhi and some individual researchers are important in carrying the HRD
movement in India.

2.3 HRD IN THE LIC

The Life Insurance Corporation of India (LIC) was set up in 1956 by the Government of India, on the nationalization of life insurance business. It took over the entire life insurance business which had been transacted in India by private companies till then. The fund (assets and liabilities) and employees pertaining to this business were automatically transferred to the LIC. Since 1956, LIC alone has the authority to transact life insurance business in India, subject to special authorizations for some government schemes, which are allowed to operate outside the purview of the LIC. Apart from the Central Office, the LIC has five Zonal Offices, sixty four Divisional Offices and Branches in over eight hundred centres.

In 1980, the LIC launched on a major exercise to organizational restructuring which led to major decentralization of responsibilities to the branches. Each branch was recognized as a profit and growth centre. The number of positions in the branches as well as the level of responsibility in these positions was considerably enhanced. Microprocessors were made available to branches. The new structure provided for consultation processes and joint decision-making in planning and other operations. The new systems included data being generated about the socio-economic conditions of the area under the Branch jurisdiction for planning purposes and developing strategies for operations on the basis of such data. Consequent to the restructure of work, there was needed to enhance the skills of the personnel to operate the new systems. It was recognized that the organization to successfully adapt to the serious challenges from the complex turbulent environment, needed long-term strategies with regard to the social systems. Aware that bureaucratic procedures, narrowly defined jobs and tight supervision can wreak havoc on human motivation and that excellent performance comes when individuals are committed to using full capacities to solve problems, the need was felt to develop strategies that would meet the needs for learning, development, belongingness, variety and creativity.
2.4 CONCEPTUAL FRAMEWORK OF HRD

(i) Philosophy and meaning of HRD:

The impact of dynamic and fast changing business environment cannot be avoided by LIC. For the success of a corporation, it is necessary to be dynamic and to cope with the changing world and it is equally necessary to change the approach of working. In this context, it is necessary to understand the basic philosophy of HRD.

- HRD philosophy represents all those basic beliefs, ideals, principles and views which are held by the management with respect to the development and growth of its employees. A well established HRD philosophy plays two important functions. First, it gives rise to what one may call 'style of management'. A manager develops his practices on the basis of his philosophy. Second, it makes organizational goals more explicit.

- It has very rightly described the following beliefs essential for the success of any HRD programme. In 1987, the organization stated its beliefs about HRD as under:

  - Human potential inherent in every employee is vast; it can be further enhanced by various interventions, like, training, job rotation, counseling, organizational action, etc.

  - That people are major assets and that an organization can foster full realization of individual potential by providing a developmental environment and opportunities, by encouraging and rewarding innovativeness, etc.

  - Such people who are not able to contribute to the organization fully due to reasons beyond their control can also give the best if they are taken care of proper environment and conditions are provided.

  - Competencies can be developed in people at any point of time, as a model employer it is desirable that we encourage competency
HRD provides for higher quality of work-life through opportunities for a meaningful career, job satisfaction and professional development.

HRD philosophy emphasis’s human well-being and organizational growth, that HRD policies are relationship centered and the extent of relationships under HRD ambit is life long and not merely for 8 hours.

As a model-employer, the Corporation must provide for employee growth, if an employee perceives a nurturing environment, there would be a positive response to matching individual aspirations with organizational needs. In order to be effective, HRD processes have to be planned and continuous.

Human Resource Development is a multi dimensional concept. It has been defined differently by economists, social scientists, industrialists, managers and other academicians from different angles. Dr. Len Nadler observed, "HRD means an organized learning experience within a period of time with an objective of producing the possibility of performance change." According to John E. Jones "HRD is an approach to the systematic expansion of people's work related abilities, focused on the attainment of both organizational and personal goals." But the thinkers like Dr. Nadler and Jones used the terms 'HRD' in a limiting sense to mean training, development and education. But the concepts of these thinkers are practical and pragmatic. HRD could be initiated and facilitated by the HRD departments, but the achievement of its goals depends entirely on various implementing agencies. At the organizational level, these are line managers and at the national level, these are the various agencies and agents working for development.

Basically, HRD involves two issues; relationship of the person to (i) oneself, and (ii) to the society. A person may be an asset or a liability to himself and the society depending upon the development of his skills and abilities and his social attitudes and values.
The first step in the development of HRD is, of course, the development of the abilities and the work competence of the person. HRD cannot only be considered as the development of resources or abilities in the individual but it has to be combined with one's social commitments. HRD, therefore, should aim at the development of professional competence as well as pro-social attitudes.

Another way of looking at HRD can be to identify the factors in an individual which determines his personal satisfaction, social utility and work efficacy. These are the factors in the personality of the individual and his attitudes and professional skills. Broadly, four such factors can be identified namely;

- Cognitive abilities, e.g., intelligence;
- Acquired personal traits, e.g. rationality and work commitment;
- Social attitudes, e.g. altruism, consumerism, etc.
- Work competence, e.g., skill and creativity.

Thus, HRD may be defined as the development of abilities and the attitudes of the individual leading to personal growth and self actualization which enables the individual to contribute to societal wellbeing and development and in achieving personal satisfaction and happiness. HRD believes that individuals in the organization have unlimited potentials for growth and development and that their potentials can be developed and multiplied through appropriate and systematic efforts. Given the opportunities and by providing the right type of climate in the organization, individuals can be helped to give full expression of their potentials, contributing to the achievement of the goals of the organization and, thereby, ensuring optimization of human resources. Investment in human beings is another underlying concept of the human resource system. The organization accepts that the development of human resources involves investment of time and effort for growth.
(ii) Nature and Defined Goals of HRD

HRD is a deliberately adopted systematic set of measures to develop the existing manpower in a particular organization. HRD is a newly adopted and a very popular approach in the modern industrial world. It is a continuous learning process and not merely a set of mechanism or techniques. The techniques such as organization development, training and development, performance appraisal, career advancement, etc. are used to initiate, facilitate and promote HRD process in a continuous way.

The HRD department envisages a major role in the development of employees but the co-operation of other parts of an organization is necessary in such as effort. Prof. Udai Pareek and T. V. Rao have very rightly identified four basic agents or partners of development as under:

- The employee or individual (the self).
- The immediate boss of the employee.
- The HRD Department and
- The organization.

HRD function is an administrative function. Previously, it was treated as a staff function but now HRD manager is a line manager and has an important place in the organizational framework of an institution. The HRD goals of LIC in the revised structure are:

- To ensure that adequate number of persons with sound insurance background and experience, both as generalists and specialists, are available at different levels, to facilitate enhanced standards of service to customers and fast growth.
- To provide human resource policies that are not only fair and just but also perceived as fair and just.
- To provide employees equitable opportunities to move up in the
organisation on the basis of their performance and ability.

- To ensure that responsibility for results is provided right from the lower levels so that employees can develop a sense of independence and self-confidence.

- To provide employees opportunities for learning new and varied skills, thus, making the work more satisfying and meaningful.

- To provide opportunities for training and development of employees with special potential.

Several strategies to achieve the stated objectives and goals were developed. Consistent with the policy of consultation, the new strategies were circulated among and discussed with groups of employees. It was, however, clear that the organisation needed a comprehensive HRD approach.

2.5 HRD MECHANISMS OR SUB-SYSTEMS

HRD is a total system with various sub systems. Various HRD thinkers and professionals have designed the mechanism of HRD in different ways. Prof. T. V. Rao opines that the sub systems should comprise the performance appraisal, potential appraisal and development, feedback and performance coaching, career planning, training, organization development, rewards, employee’s welfare and the quality of work life and human resource information system. There are many instruments that can be used to facilitate HRD. These instruments may be called sub systems, methods or mechanisms. Each of these sub systems focuses on some particular aspect of HRD. To have a comprehensive HRD, many of these instruments may be needed to be used simultaneously. Any systematic or formal way of facilitating competency, motivation and climate development could be considered an HRD instrument. The most frequently used HRD mechanisms are:
2.5.1 Manpower Planning

Manpower planning is the process which assesses and determines that the organization will have an adequate number of qualified persons available at specific times, performing jobs which would fulfill the needs of the organization and which would provide satisfaction for the individuals involved. It is an endeavor to catch demand and supply.

2.5.2 Recruitment, Selection and Placement

Generation of applications for specific positions for actual or anticipated vacancies is known as Recruitment. Through ideal recruitment procedure suitable applicants could be identified. Selection is the process of ascertaining the qualifications, experience, skill, knowledge etc of an applicant with a view to appraising his/her suitability to a job. The selected candidate is assigned the most suitable job is Placement. Right person on the right job may produce the best results.

2.5.3 Training and Development

The two terms are quite identical to each other, but they are not the same in meaning. Training is a learning process that aims to permanently improve the ability and behavior of the employees by enabling them to acquire new skill, knowledge and attitude for more efficient performance. This includes:

- Identification of training needs
- Developing suitable training programmes
- Providing requisite job skills and knowledge to employees
- Evaluating the effectiveness of training programmes

Development is the growth or realization of a person’s ability, through conscious or unconscious learning. Development programs usually include phases of planned study and experience, and are usually supported by a coaching or counseling facility. Development occurs when a gain in
experience is effectively combined with the conceptual understanding that can illustrate it, giving increased confidence both to act and to perceive how such action relates to its context.

### 2.5.4 Performance and potential appraisal

If the performance of people is to be enhanced, their performance needs to be periodically evaluated. For this purpose, performance appraisal interviews between the manager and the subordinate are to be conducted at regular intervals. During these interviews, the performance over the review period is evaluated; strengths and weaknesses identified, and reasons for any shortfall in performance are examined. The goal, objectives, and action plan with target dates for future are also worked out. Different methods like ranking method, paired comparison method, graphic rating scales method, forced choice list method, forced distribution method, field review technique, rating by self and the peer group, 360° performance appraised, etc. can be used as per need and requirement. Potential appraisal means the possibility of career advancement. A dynamic and growing organization needs to continuously review its structure and systems, creating new roles, and assigning new responsibilities. Capability to perform new roles and responsibilities must continuously be developed among employees. Potential appraisal focuses on identifying the employee’s likely future roles within the organization, and can be assessed by observing employees performing different functions.

### 2.5.5 Feedback and performance coaching

Feedback of performance is an important control measure. Knowledge of one's strengths help one to become more effective to choose situations in which one's strength is required, and to avoid situations in which one's weaknesses could create problems. This also increases the individual satisfaction. Often, people do not recognize their strengths. Managers in HRD system have the responsibility for observation and feedback to subordinates about their strengths and weaknesses on a continuous basis. These are also responsible for providing the employees proper guidance to improve their performance capabilities.
2.5.6 Employee’s career planning and development

Career planning essentially means helping employees to plan their career in terms of their capabilities within the context of organizational needs. The HRD philosophy is that people perform better when they feel trusted and see meaning in what they are doing. People want to know the possibilities for their own growth and career opportunities. As managers have information about the growth plans of the organization, it is their responsibility to transmit information to their subordinates and to assist them in planning their careers within the organization. In the HRD system, long term corporate growth plans are not kept secret but are made known to the employees. Employees are helped to prepare for change whenever such change is planned.

2.5.7 Development and training programmes

Training and development programmes can be designed to improve performance and to bring about measurable changes in knowledge, skills, attitudes and social behaviour of work force for doing a particular job. Training is linked with performance appraisal and career development. Employees generally are trained on the job or through special in house training programmes. Some employees may be deputed for outside training to enhance, update, or develop specific skills. This is especially valuable if the outside training can provide expertise, equipment, or sharing of experiences that are not available within the organization. Periodic assessments are made of the training needs within the organization. Training programmes are developed and conducted by in house trainers or consultants / institutions hired for the task. The effect of all training programmes are monitored, analyzed and used for fine tuning. Managers and employees who attend in house or outside training events are also expected to submit suggestions concerning any changes they would like to be implemented on the basis of their new knowledge.

2.5.8 Assessment and development centre

A centre can be an end in itself for assessment of need, potential and appoint ability or it can be a means to an end. These means can be
diagnostic tools by which appropriate action can be taken to help an individual and or group of individuals to upgrade their managerial performance against an agreed set of criteria. If the criteria have been drawn from the job through job analysis and the current level of performance assessed against them in job relevant but unfamiliar situations, good quality information can be gathered from which one can draw up developmental plans. Developmental applications of assessment centres represent an emerging exciting area for practitioners interested in maximizing the benefits of assessment centres. Development centres can also serve as a development tool for employees. These are workshops which measure the abilities of participants against the agreed success criteria for a job or a role. They also involve much more self and peer assessment than is usually used in selection oriented assessment centres.

2.5.9 Organization Development

This function includes research to ascertain the psychological health of the organization. This is generally accomplished by means of periodic employee surveys. Efforts are made to improve organizational health through various means in order to maintain a psychological climate that is conducive to productivity. The OD specialists also help any department in the organization that has problems such as absenteeism, low production, interpersonal conflict, or resistance to change. These experts also revamp and develop various systems within the organization to improve their functioning.

2.5.10 Honours and Awards

Honouring and awarding employee performance and behaviour is an important part of HRD. Appropriate honours and awards not only recognize and motivate employees but also communicate the organization's value to the employees. In HRD systems, innovations and use of capabilities are awarded in order to encourage the acquisition and application of positive attitude and skills. Typical awards include cash award, certificates of appreciation /
commendation, news letters announcements, pay rise, special privileges, etc. Award may be given to individuals as well as to teams or departments.

2.5.11 Employee’s welfare and quality of work life

Employees at lower levels in the organization usually perform relatively monotonous tasks and have fewer opportunities for promotion or change. In order to maintain their work commitment and motivation, the organization must provide some welfare measures, such as medical insurance, disability insurance, holidays, vacations, etc. Quality of work life programmes generally focus on employee needs and meeting them to the extent feasible. Job enrichment programmes, educational subsidies, recreational activities, health and medical benefits, etc., generate a sense of belonging that benefits the organization in the long run.

2.5.12 Quality circles (Participative Management)

Co-operation and participation between management and labour at the undertaking level serves to ensure increased production, secure full recognition of the importance of the human element in the industry, greater interest in the general operation and improve industrial relations. There are various forms and styles of participative management. One of them which is widely applied and practiced is 'Quality Circles'. Every human being is a veritable storehouse of ideas. In normal working, he is generally not called upon to contribute ideas. He is, at best, asked to perform a given set of duties. Given the right kind of environment, he will be inspired to also lend his intellect and creativity to the organization. Quality circles lead to a good participative environment and greater acceptability of decisions. Since the employees are not very good at analyzing and decision-making, the part of quality circle includes teaching employees group communication skills, quality strategies and measurement and problem analysis techniques.

2.5.13 Human Resource Information Systems

A systematic way of gathering and storing information about each individual employee for the benefit of planning, decision-making and supply of
returns to external agencies at the organizational level is known as human resource information system. A variety of records are maintained to meet the needs of manpower planning, recruitment, development of people, compensation, integration and maintenance and separations not only for internal control, feedback and corrective action, but also to meet the various constitutional obligations.

2.5.14 Organisation Performance

Organization can establish a sustainable competitive advantage through the implementation of a value or a competitive advantage creating strategy, which is not being carried out by any current or potential competitors. Under the resource-based view of the firm, successful firms can achieve sustainable competitive advantage by acquiring and maintaining valuable idiosyncratic resources, which are rare, imperfectly imitable and non-sustainable, and a firm’s HR can be a source of this sustainable competitive advantage (Barny, 1991; Wright et al., 1994).

Recently, research has begun to examine the relationship of high performance HRD “bundles” or configuration of practices (Miller and Shamsie, 1996) with sales, profitability and turnover. Empirical evidence has been found for ‘bundling’ practices due to added synergies gained from the conglomeration of practices, which leads to additive or multiplicative higher returns than individual components. MacDuffie (1995) note that, implicit in the notion of a “bundle” is the idea that practices within bundles are interrelated and internally consistent, and that “more is better”. His study of automotive assembly plants found that plants with “high commitment” HRD bundles of practices, consisting measures of employee skills, training, performance-based compensation and the existence of status barriers, outperform mass production plants. Youndt et al., (1996) determined the extent to which HRD systems directly enhance operational performance. The authors propose that different firm strategies will require different attitudes, roles and behaviors of employees, which can be elicited from employees via different HRD practices.

For synergic benefits of integrated subsystems, the HRD mechanisms
should not be thought of in isolation. They are designed to work together in an integrated system. For example, in LIC the outcome of performance appraisal provides inputs for assessment of training needs, awards, career planning and feedback and performance coaching. HRD instruments should lead to the generation of HRD process like role clarity, performance planning, development climate, risk taking and dynamism in employees. Such an HRD process should result in developing more competent, satisfied and committed people, who by their contribution would make the organization, grow. Such HRD outcomes influence organizational effectiveness.

A model explaining the linkages between HRD mechanisms, processes, outcomes and organizational effectiveness can be presented as:
Table 2.1
MODEL DISPLAYING LINKAGE BETWEEN HRD MECHANISMS AND ORGANISATIONAL EFFECTIVENESS

<table>
<thead>
<tr>
<th>HRD Mechanisms or Sub-systems or Instruments</th>
<th>HRD Process and HRD climate variables</th>
<th>HRD outcome variables</th>
<th>Organization</th>
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<tbody>
<tr>
<td>• Performance and potential appraisal</td>
<td>• Role clarity</td>
<td>• More Competent People</td>
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<tr>
<td>• Feedback and counseling</td>
<td>• Employee self Development</td>
<td>• Better development roles</td>
<td>• Higher productivity</td>
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<tr>
<td>• Career Planning</td>
<td>• Awareness of Competencies required for job</td>
<td>• Higher work commitment and job involvement</td>
<td>• Growth and diversification</td>
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<tr>
<td>• Training and development</td>
<td>• Proactive orientation</td>
<td>• Problem Solving Skills</td>
<td>• Cost reduction</td>
</tr>
<tr>
<td>• Organizational development</td>
<td>• Trust</td>
<td>• Better utilization of human resources</td>
<td>• Higher Profits</td>
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<tr>
<td>• Honours and Awards</td>
<td>• Collaboration and team work</td>
<td>• Higher job satisfaction and work motivation</td>
<td>• Better</td>
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<td>• Employees welfare and QWL</td>
<td>• Authenticity</td>
<td>• Health</td>
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<tr>
<td>• Self-renewal and institution Building</td>
<td>• Openness</td>
<td>• More team work</td>
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<tr>
<td>• Other Mechanisms</td>
<td>• Risk Taking</td>
<td>• Synergy and respect for each other.</td>
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<td>• Value generation</td>
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<td>• Clarification of norms and standards</td>
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<td>• Better communication</td>
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<td>• Fair rewards</td>
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<td></td>
<td>• Generation of</td>
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</table>

Other Factors
- Personnel Policies
- Job management
- Styles, Investment on HRD, Top Management’s commitment.

Other Factors
- Environment
- Technology
- Resources
- Availability
- Nature of

Each of these mechanisms contributes to the achievement of overall HRD goals. Performance appraisal focuses primarily on helping the individual to develop his present role. Potential appraisal focuses primarily on identifying the employee's likely future roles within the organization. Training is a means of developing the individual's personal effectiveness or developing the individual's ability to perform his present job role or future job roles. Training can also strengthen interpersonal relationships and increase team work and collaboration through management and leadership training and team building programmes. Feedback and performance coaching help the development of individual as well as relationships. Organization development is the mechanism for developing team collaboration and self renewing skills. Efforts to promote employee welfare and ensuring the quality of work life, along with honours and awards, promote a general climate for development and motivation among employees. The overall effectiveness and success of HRD system depend upon a well devised HRD strategy. HRD is a total integrated system. That is why, strategies of introducing HRD system must be clear in the mind of the management, a vision that may guide the choice of HRD programmes and direction. It should include the following phases systematically in order to make it purposeful, meaningful and effective for the organization.

The new human resource practices like,

1. HRD climate
2. Training & development
3. Performance Appraisal
4. Quality of working life
5. Employees Counseling
6. Compensation/Reward system is to be used to fulfill the internal needs of organizations.
2.6 HUMAN RESOURCE DEVELOPMENT CLIMATE

An organization’s success is determined as much by the skill and motivation of its members as by almost any other factor. While this has always been true, recent changes focus attention on ways human resources development activities can be used to ensure organizations have what it takes to successfully meet the challenges (Desimone et. al. 2002).

Reichers and Schneider (1983) outline a four-fold progress made in climate research. This approach is founded on perception and aids in the understanding of how work contexts affect behavior and attitudes. It provides an alternative to motivation theories as explanations for almost everything that people face while at work. What motivational, whether of the content (need) or process (instrumentality) persuasion fail to recognize is the key role these perceptions play in operational wing.

A second advance in climate research examines multiple levels of analysis. While motivations tend to concentrate on the explanations of phenomena from an individual's perspective, climate research tends to focus on aggregated or group level data to discover relationships between clusters of perceptions and organizationally relevant outcomes.

A third advance has been the explanation of the distinction between psychological climates and organizational climate. This distinction, first proposed by James and Jones (1974), and further clarified by Jones and James (1979), has gained general acceptance.

The fourth advance follows from the idea that people attach meaning to, or makes sense of clusters of psychologically related events. People in organizations encounter thousands of events, practices and procedures and they perceive these events in related sets.

HRD climate is characterized by the tendencies such as treating employees as the most important resources, perceiving that developing employees is the job of every manager, believing in the capability of employees, communicating openly, encouraging risk taking and
experimentation, making efforts to help employees recognize their strengths and weaknesses, creating a general climate of trust, collaboration and autonomy, supportive personnel policies, and supportive HRD practices. An optimal level of development climate is essential for facilitating HRD activities (Rao & Abraham 1986). The top management subscribing to these values is a starting point. When a critical mass internalized these values, there emerges a conducive climate for HRD. This positive HRD climate renders the existing systems more effective and makes the organizations more receptive to the introduction of relevant additional system (Athreya 1988). A healthy HRD climate certainly bolsters the overall internal environment of the organization, fosters employee commitment, involvement and satisfaction with the job.

2.6.1 Need to Develop HRD Climate in LIC

- **Top to Bottom effort:** - Organization is considered to be complete organization after including top authority to bottom line of workers. And whenever we talk about development at organizational level effort is needed from top level to bottom level. Top authority should not have thinking in their mind that their task is to only take decisions but they should also emphasized on proper implementation of decision by adopting various controlling technique. Bottom level workers should have loyal mind-set towards their organization. They should have realization that organization is their organization.

- **Motivator role of Manager and Supervisor:** - To prepare Human Resource Development Climate, Manager and Supervisor’s responsibilities are more or we can say that they are the key players. Manager and Supervisors have to help the employees to develop the competencies in the employees. To help the employees at lower level they need to updated properly and they need to share their expertise and experience with employees.

- **Faith upon employees:** - In the process of developing HRD Climate employer should have faith on its employee’s capabilities. Means
whatever amount is invested that should be based on development of employees. Top management should trust the employees that after making huge effort to develop employees, employees will work for the well being.

- **Free expression of Feelings**: - Whatever Top management feels about employees they have to express to employees and whatever employees think about top management it must be express in other words we can say that there should not be anything hidden while communication process. Clear communication process will help to establish the HRD Climate.

- **Feedback**: - Feedback should be taken regularly to know the drawbacks in system. This will help to gain confidence in employees mind. Employee will trust on management and he can express his opinion freely which is very good for HRD Climate.

- **Helpful nature of employees**: - Whenever we talk about 100% effort then we have to talk about employee’s effort too. Nature of employees should be helping for management and for its colleagues. They should be always read to help to customers too.

- **Supportive personnel management**: - Personnel policies of organisation should motivate employees to contribute more from their part. Top management’s philosophy should be clear towards Human Resource and its well being to encourage the employees.

- **Encouraging and risk taking experimentation**: - Employees should be motivated by giving them authority to take decision. This concept is risky but gradually it will bring expertise in employees to handle similar situation in future. It will help to develop confidence in employees mind. Organisation can develop employees by assigning risky task.

- **Discouraging stereotypes and favoritism**: - Management need to avoid those practices which lead to favoritism. Management and Managers need to give equal importance. Those people who are
performing good they need to appreciate and those who are not performing well they need to be guided. Any kind of partial behavior should avoid.

- **Team Spirit**: There must be feeling of belongingness among the employees, and also willingness to work as a team.

### 2.6.2 Elements of Human Resource Development Climate in LIC

Human resource development climate can be further grouped into three-broad categories:

- **General climate**
- **OCTAPAC culture**
- **Human resource development mechanisms**.

To begin with the general climate items focus on the importance given to human resources development by the top management and line managers, in general. The OCTAPAC items deal with the extent to which Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity and Collaboration are valued and promoted in the organization. The items dealing with human resource development mechanisms measure the extent to which human resource development mechanisms are implemented seriously. These three groups were taken with the following assumptions:

A supportive climate overall is important for human resource development to be effectively implemented. Such supportive climates consist of not only top management and line management's commitment but also good personnel policies and positive attitudes towards development.

An integrated look at human resource development and efforts to use as many human resource development mechanisms as possible will result in the successful implementation of human resource development. These mechanisms include: performance appraisal, potential appraisal, career
planning, performance rewards, feedback and counseling training, employee welfare for quality work life, job-rotation etc.

OCTAPAC culture is essential for facilitating human resource development. Openness is present when employees feel free to discuss their ideas, activities, and feelings with each other. Confrontation involves bringing problems and issues into the limelight with a view to solving them, rather than hiding them for fear of hurting or getting hurt. Trust is taking people at face value and believing them. Autonomy is the freedom to allow people to work independently with responsibility. Productivity is encouraging employees to take initiative and risks. Authenticity is the tendency of interdependencies, to be helpful to each other and work as teams. Collaboration is required so the employees can cope up with the changes and upcoming trends in an organization.

The conventional implication with which the term 'climate' has been used in literature is 'Organizational Climate'. The concept of climate with specific reference to the human resource development context, i.e. human resource development climate, has been introduced by Rao (1996). It is also found that employees of LIC are very sincere and committed. The managers in general showed a favorable attitude towards HRD Policies and practices of the organization. They were satisfied with the developmental policies of the top management as well as contented with their work and the organization as a whole i.e. level of job satisfaction was also good. OCTAPAC culture is average in LIC. It’s also noticed that top management efforts with regard to identification and utilization of the potential of the employees is simply at the middle of the road.

2.7 TRAINING & DEVELOPMENT

Training is a process that tries to improve skills or add to the existing level of knowledge so that the employee is better equipped to do his present job or to mould him to be fit for a higher job involving higher responsibilities. It bridges the gap between what the employee has & what the job demands. One of the objectives of the corporation is to involve all people working in the
corporation to the best of their ability in furthering the interests of the insuring public to provide efficient service with courtesy.

John (2005) defined training as: A planned process to modify attitude, knowledge or skill behavior through learning experience to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organization.

Training is an integral part of the Human Resource Development programme which the corporation is undertaking in terms of the personnel policy. A clearly laid down training policy, becomes essential to set the goals, indicate the strategies and give proper direction at all levels in the area of training. Since training involves time, effort & money by an organization, so an organization should to be very careful while designing a training program. The objectives & need for training should be clearly identified & the method or type of training should be chosen according to the needs & objectives established. Once this is done accurately, an organization should take a feedback on the training program from the trainees in the form of a structured questionnaire so as to know whether the amount & time invested on training has turned into an investment or it was a total expenditure for an organization.

Training is a continuous or never ending process. Even the existing employees need to be trained to refresh them & enable them to keep up with the new methods & techniques of work. This type of training is known as Refresher Training & the training given to new employees is known as Induction Training. This is basically given to new employees to help them get acquainted with the work environment & fellow colleagues. It is a very short informative training just after recruitment to introduce or orient the employee with the organization’s rules, procedures & policies.

2.7.1 Methods of Training & Development

The most widely used methods of training used by organizations are classified into two categories: On-the-Job Training & Off-the-Job Training.
On-the-job training

It is given at the work place by superior in relatively short period of time. This type of training is cheaper & less time-consuming. This training can be imparted by basically by these methods:

- **Coaching** is learning by doing. In this, the superior guides his subordinates & gives him/her job instructions. The superior points out the mistakes & gives suggestions for improvement.

- **Job Rotation**: - In this method, the trainees move from one job to another, so that he/she should be able to perform all types of jobs. E.g. In banking industry, employees are trained for both back-end & front-end jobs. In case of emergency, (absenteeism or resignation), any employee would be able to perform any type of job.

Off the job training:

It is given outside the actual work place.

- **Lectures/Conferences**: - This approach is well adapted to convey specific information, rules, procedures or methods. This method is useful, where the information is to be shared among a large number of trainees. The cost per trainee is low in this method.

- **Films**: - can provide information & explicitly demonstrate skills that are not easily presented by other techniques. Motion pictures are often used in conjunction with Conference, discussions to clarify & amplify those points that the film emphasized.

- **Simulation Exercise**: - Any training activity that explicitly places the trainee in an artificial environment that closely mirrors actual working conditions can be considered a Simulation. Simulation activities include case experiences, experiential exercises, vestibule training, management games & role-play.

- **Cases**: - present an in depth description of a particular problem an
employee might encounter on the job. The employee attempts to find and analyze the problem, evaluate alternative courses of action & decide what course of action would be most satisfactory.

- **Experiential Exercises**: - are usually short, structured learning experiences where individuals learn by doing. For instance, rather than talking about inter-personal conflicts & how to deal with them, an experiential exercise could be used to create a conflict situation where employees have to experience a conflict personally & work out its solutions.

- **Vestibule Training**: - Employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor. While expensive, Vestibule training allows employees to get a full feel for doing task without real world pressures. Additionally, it minimizes the problem of transferring learning to the job.

- **Role Play**: - It’s just like acting out a given role as in a stage play. In this method of training, the trainees are required to enact defined roles on the basis of oral or written description

- **Management Games**: - The game is devised on a model of a business situation. The trainees are divided into groups who represent the management of competing companies. They make decisions just like these are made in real-life situations. Decisions made by the groups are evaluated & the likely implications of the decisions are fed back to the groups. The game goes on in several rounds to take the time dimension into account.

- **In-Basket Exercise**: - Also known as In-tray method of training. The trainees is presented with a pack of papers & files in a tray containing administrative problems & is asked to take decisions on these problems & are asked to take decisions on these within a stipulated time. The decisions taken by the trainees are compared with one another. The trainees are provided feedback on their performance.
2.7.2 Training Strategies in LIC

There are two ways of conducting training programmes – through an established department having a full time HRD functionary who oversees all the training and development functions of the corporation or through an external trainers coordinated by the HRD department. These days corporation have recognized the need for training and re-training their staff, in order to develop a competitive edge over their competitors in delivering high quality services to the customers. In case of small branches, who can neither afford to have an established HRD department nor employee an external training consultant whose just conduct the training programmes and often do not have official arrangements for the post training improvements at the work place. Therefore, these branches could come together and have an independent HRD networking institution, which is represented by their respective divisional administrators. These representatives seek the external consultants help in designing and conducting the programmes and the full-time employed professionals of the networking institution take care of the follow-up services. This way, the HRD efforts in these branches will not only be more productive but also meaningful in terms of the financial dictum “return on investment”. As regards the areas of training in the corporation, it is suggested that some of the major subjects that deserve utmost attention are emotional intelligence, high quality service orientation and employee empowerment. The programme should be designed to impart different skills/knowledge as stated above and will differ from one course to another, depending upon the requirements of type of the job and the level of people.

Training programme should be repeated at regular intervals for individuals to provide reinforcement of learning. At present the following types of programmes will be designed and conducted by the training centres.

- Standard programme on repetitive basis.
- Role orientation courses in functional areas.
- Special courses and seminars.
• Sales training for supervisory and field personnel.

The first category should be attended by all employees at predetermined intervals. A course will also be given to all officers when they move from one level of job to another. When an officer is appointed as Branch, Divisional or Zonal Managers for the first time, he would be assigned to a programme to help him understand the demands of his new role. This will also apply to persons who are appointed as Heads of a Department in Branch office.

The second category of courses will be arranged regularly for officers as they enter into that function at the Divisional, Zonal of Central office level in case they have not attended a programme in that function earlier. No officer should hold a post in functional area for more than six months unless he has attended a programme in that function.

The third categories of courses are special programmes depending on the specific requirements of the particular level or the group.

The fourth categories of courses are meant for field staff-development officers and Agents. Job training programme in subject matter or programme for agents will be responsibility of the functional or specialist manager as now. Induction training for the newly recruited personnel in assistant’s cadre shall be the responsibility of the divisional office.

Sales Training:- The responsibility for sales and marketing training shall be with central office marketing Department, as a part of marketing strategy. However HRD/Training Dept. of central office will coordinate

• Training of Trainers

• Training of Marketing Managers

• Training of Manager (sales), ABM (sales), selective agents/agency managers in marketing area.

2.7.3 Types of Training Centres

There will be three types of training Centres, with defined functions, as
follows:

1. Management Development Centre (MDC)

The present OTC will be renamed as Management Development Centre imparting knowledge in the following areas:

- Management programmes and special seminars/workshops.
- Training of trainers programme.
- Functional programmes.

2. Zonal Training Centre (ZTC)

Nine Zonal Training Centres one at each Zone, shall impart the following training:

- Courses on general management
- Courses on supervision.
- Functional training
- Sales Training
- Seminars on special subjects
- HGA, Section Head Training
- Staff Training

3. Sales Training Centre (STC)

There will be four STCs for each Zone, depending on the need, and shall impart the following training:

- ADOs training
- Development Officers training
- Club Members other than Chairman & Zonal Members.
• Selected agents training

• Necessary administrative arrangements like facility support, teaching aids will be provided by the Zonal office.

2.8 PERFORMANCE APPRAISAL

Performance appraisal is a formal structured system of measuring and evaluating an employee’s job related behaviours and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee organization and society all benefits.

In LIC, Performance appraisal systems aim to evaluate the job performance of employees, so that appropriate corrective action and management decisions can be taken. As performance appraisal is part of organizational control, the components of the control system are indispensable in the appraisal system. In general, a basic control system consists of control standards, measurement, and corrective actions (Newman, Warren & McGill, 1987). Among these three phases, control standards are based primarily on organizational missions or departmental goals, which reflect the role a performance appraisal plays in the organization. Measurement is concerned with the actual appraisal process, including the appraiser, appraisal criteria, appraisal methods, and appraisal timing. Corrective actions comprise the feedback processes after the performance appraisal is completed. If there is an evident gap between actual performance and performance standards, appropriate corrective actions should be taken to change the behaviours of the employees.

2.8.1 Performance Appraisal System: Different Methods

In the following section we will discuss the traditional and modern types of methods used to design an appraisal system as per Insurance Institute of India.
(i) Traditional Methods

The older methods of evaluation usually attempted to qualify employee behavior on traits that were deemed to be important measures of their worth to the organization. Some of the traditional methods are discussed below:-

- **Confidential Report** - It is used in Life insurance Corporation to assess the employee’s performance. It is a descriptive report prepared, generally at the end of every year, by the employee’s immediate superior. The report highlights the strengths and weakness of the subordinates. The report is not data based. The impressions of the superior about the subordinate’s are merely recorded there. It does not offer any feedback to the appraisee. The appraisee is not very sure about why his rating has fallen despite his best effort, why others are rated high when compared to him, how to rectify his mistake, if any: on what basis he is going to be evaluated next year etc. Since the report is generally not made public and hence no feedback is available, the subjective analysis of the superior is likely to be hotly contested. In the recent years, due to pressure from court and trade unions, the details of the negative confidential report are given to the appraisee.

- **Grading:** In this technique, the rater considers certain features and marks them according to a scale. The selected features may be analytical ability, cooperativeness, dependability, self-expression, job knowledge, leadership and organizing ability. These may be graded as e.g. A-Outstanding, B-Very good, C Average, D-Fair, E-Poor and F-Very poor. The actual performance of an employee is then compared with these grades and he is allotted the grade which best describes his performance.

- **Graphic Rating Scale:** This is the most commonly used method of performance appraisal. Under it, a printed form, one for each person to be rated, is supplied to the rater. The form contains a number of factors to be rated under two broad categories viz. employee characteristics and employee contribution. Employee characteristics include such quality as initiative, leadership, cooperativeness, dependability, industry,
decisiveness etc. In employee contribution are included the quality and quantity of work, specific goals achieved; regularly in attendance etc. these traits are then evaluated on a continuous scale wherein in rather places a mark somewhere along the continuum.

- **Checklist Method:** Under this method a series of questions are presented concerning an employee and his behavior. The rater then checks to indicate if the answer to a question about an employee is positive or negative. Final rating is done by personnel department by assigning value to each question.

- **Forced choice method:** This method attempts to reduce rater’s bias to some extent. The typical forced choice rating scale requires the rater to indicate by a check mark those statements that best describe the individual being rated, since several statements equally favorable or unfavorable appear. The person completing the forced choice report form cannot be certain whether the employee is being given a high or low rating.

- **Critical incident method:** The essence of this technique is that it attempts to measure employees performance in terms of certain events or episodes that occur in the performance of the job. These events are known as critical incidents. The basis of this method is the principle that there are certain significant acts in each employee’s behaviors and performance, which make all the difference between success and failure in the job. The supervisor keeps a written record of the events that can easily be recalled and used in the course of a periodical appraisal. These events could be in the areas of productivity, precision in work, responsibility and initiative.

- **Field Review Method:** In this method, a representative of the personnel department goes to the work place to obtain information from the supervisor about the work of individual employees. On the basis of such information, evaluation reports are prepared by the personnel department, in consultation with the supervisor.
(ii) Modern Methods

- **Human Asset Accounting Method**: In this method monetary estimates are attached to the value of a firm’s internal human organization and its external customer goodwill. If able, well-trained personnel leave a firm, the human assets are decreased. On the other hand, if they join it, its human assets are increased. If distrust and conflict prevail, the human enterprise is devalued. On the other hand, if teamwork and high morale prevail, there is premium on human asset value. Current value of a firm’s human organization is appraised by undertaking periodic measurements of key variable (management policies, leadership, strategic, skills and behavior) and intervening variables (employee’s loyalties, motivation, communication and decision – making). The method is not yet very popular.

- **Assessment Centre Method for Potential Review**: The review of potential is concerned with forecasting the direction in which an individual’s career should go and the rate at which he is expected to develop. It provides information to the company, which may encourage him to stay and to improve his abilities still further. The assessment of potential requires the analysis of existing skills, qualities and how they can be developed to the mutual advantage of the company and the employee, as well as the identification of any weaknesses, which must be overcome if the employee’s full potential is to be achieved.

- **Results-Oriented methods**: Results-oriented schemes embody the principle management by Objectives (MBO) philosophy. The aim is to relate assessments to a review of performance against specific targets and standards of performance agreed jointly by superior and subordinate. The accent is on analysis of results rather than assessment of the subordinate’s personality (traits), which is done where traditional methods are employed. An employee is judged on the basis of the achievement of the targets that have been set and the superior plays supportive counseling and coaching roles.
360-degree Feedback of Performance Appraisal:-

360 Degree Feedback is a system or process in which employees receive confidential, anonymous feedback from the people who work around them. This typically includes the employee’s manager, peers, and direct reports. A mixture of about eight to twelve people fill out an anonymous online feedback form that asks questions covering a broad range of workplace competencies. The feedback forms include questions that are measured on a rating scale and also ask raters to provide written comments. The person receiving feedback also fills out a self-rating survey that includes the same survey questions that others receive in their forms. Managers and leaders within organizations use 360 feedback surveys to get a better understanding of their strengths and weaknesses. The 360 feedback system automatically tabulates the results and presents those in a format that helps the feedback recipient create a development plan. Individual responses are always combined with responses from other people in the same rater category (e.g. peer, direct report) in order to preserve anonymity and to give the employee a clear picture of his/her greatest overall strengths and weaknesses.

360 Feedback can also be a useful development tool for people who are not in a management role. Strictly speaking, a "non-manager" 360 assessment is not measuring feedback from 360 degrees since there are no direct reports, but the same principles still apply. 360 Feedback for non-managers is useful to help people be more effective in their current roles, and also to help them understand what areas they should focus on if they want to improve.

360 degree appraisal has four integral components:

- Self appraisal
- Superior’s appraisal
- Subordinate’s appraisal
- Peer appraisal.
2.8.2 Performance Appraisal System in LIC

The performance appraisal system in LIC is on a conventional pattern of annual confidential reports for all the classes of employees except the four cadre of class I. It is a descriptive report prepared, generally at the end of every year, by the employee’s immediate superior. The report highlights the strengths and weakness of the subordinates. The report is not data based. The impressions of the superior about the subordinate’s are merely recorded there. It does not offer any feedback to the appraisee. The appraisee is not very sure about why his rating has fallen despite his best effort, why others are rated high when compared to him, how to rectify his mistake, if any: on what basis he is going to be evaluated next year etc. Since the report is generally not made public and hence no feedback is available, the subjective analysis of the superior is likely to be hotly contested. In the recent years, due to pressure from court and trade unions, the details of the negative confidential report are given to the appraisee.

Development Oriented Performance appraisal (DOPA) is used to assess the employee’s performance for the four cadres of class I AAO, AO, ADM, DM.. It is also descriptive report prepared, generally for the end of every year, by the employee’s immediate superior. Performance parameters are used to assess the employee’s performance. Different parameters are evaluated on the basis of likert scale. Five points is assigned for high and one is assigned for low performance. Development oriented performance appraisal (DOPA) allows an employee draw up his own review on a continuous basis on performance targets. In DOPA appraisee also participates for fixing the target in the beginning of the year, appraiser and appraisee both discuss and decide the grade of appraisal and then it is reviewed by the reviewing officer. The objective of DOPA is to steer the entire operational framework within the organisation. The goals and targets for individual officers set will be reviewed openly on a regular basis for the first time.

There are four parameter divisional head judge employees-best, good, satisfactory, least (not up to the mark). Divisional head has to give
explanation why he has rated least to an employee in the case least rate was
given. Further the employee also gets a chance to explain rating against least
rating. If the explanation is satisfactory then it is acceptable. Divisional head
need not give any explanation to other parameters. Divisional head,
appraises job performance and other relevant factors are overall assessed.
The employee’s integrity is also assessed. If his job performance along with
others potential factors is excellent and his integrity is faultless. The reporting
and reviewing officers will suggest this employee id fit for promotion/
increment in written format. Later these formats are sent to managing director
for further necessary actions.

Recently the corporation has used 360 degree feedback performance
appraisal system. It is only for Sr. Divisional Managers (In-charge).360
Degree Feedback is a system or process in which employees receive
confidential, anonymous feedback from the people who work around them.
This typically includes the employee's boss, ZM (I/C), RM (Mktg.), RM (P&IR)
and RM(CRM) peers,(Sr. DMs working as functional heads in the zones and
Subordinates (All branch heads and managers directly reported to him/her
and Development officers of his /her choice numbering around 5.

2.9 QUALITY OF WORKING LIFE

Quality of Working Life is a process of work organizations which
enables its members at all levels to actively participate in shaping the
organization environment, methods and outcomes. Conceptual categories
which together make up the quality of working life are adequate and fair
compensation, safe and healthy working conditions, immediate opportunity to
use and develop human capacities, opportunity for continued growth and
security, social integration in the work organization, constitutionalization in the
work organization, work and the total life space and the social relevance of
work life.

Thus, quality of work life refers to all the organizational inputs which
aim at the employee’s satisfaction and enhancing organizational
effectiveness. The concept of QWL is based on the assumption that a job is
more than just a job. It is the center of a person’s life. In recent years there has been increasing concern for QWL due to several factors: Increase in education level and consequently job aspirations of employees; Association of workers; Significance of human resource management; Widespread industrial unrest; Growing of knowledge in human behaviors, etc.

2.9.1 Practices of QWL

Quality of working life though came into circulation in 1970s became popular only in 90s and organizations realized its potential to enhance the productivity in the new century. This works as a comprehensive model to those employers who want to ensure quality in working life of their employees. An ideal quality of work life programme will include practices in eight major areas as discussed below:

- **Adequate and fair compensation:** This is fundamental to QWL. Human beings work for livelihood. Therefore success of rest of the initiatives depends upon fulfillment of this. However, important here is that compensation offered must be adequate implying it must be proportionate to labour, and there should be internal consistency among salaries of employees.

- **Safe and healthy working conditions:** Unsafe and hazardous working conditions cause problems to both employers and employees. There may be little advantage to the employer in short-term but in medium and long-terms, it adversely affects the productivity. Therefore, adequate investment must be made to ensure safe and healthy working conditions.

- **Immediate opportunity of use and develop human capacities:** The jobs have become routine, meaningless and too specialized, depriving the employees of fulfillment satisfaction. Therefore, efforts should be made to increase the autonomy, perspective and exposure to multiple skills.

- **Future opportunity for continued growth and security:** This is related to career aspects of employees. Meaningful career paths must be laid down and career mapping of employees is to be followed. The provisions
of advancement opportunities play a central role in QWL.

- **Social integration in the work organization:** Relationships between and among the employees is an indicator of healthy work organization. Therefore, opportunities must be provided for formal and informal interactions. All kind of classes religions, races, crafts, and designations must be treated equally on a social platform. In other words, it creates egalitarian environment.

- **Constitutionalism in the work organization:** This is related to organizational norms that affect the freedom of an individual employee. Efforts must be made to see right norms are formed in the organization. It means norms that accommodate the privacy of an individual employee, freedom of speech, equity and freedom to dissent on some aspects.

- **Work and the total life space:** Employees should not be allowed to continuously exert themselves. The continuous hard work causes psychological and physical strains. Therefore, there has to be a balance between personal and professional life. Organization must create proper work offs to enrich the life of employees.

- **The social relevance of work life:** Employees must be given the perspective of how his/her work in the organization helps the society. This is essential to build relevance of the employee’s existence to the society he/she lives in.

### 2.9.2 Quality of working life in LIC

In LIC, Quality of Working Life principles are the principle of security, the principle of equity, the principle of individuation and the principle of democracy. QWL includes adequate and fair compensation, favourable and Safer Environment, Employment benefits, Job security, Job satisfaction, Scope for better career opportunities etc. Sometimes dissatisfaction with working life is a problem, which affects almost all workers at one time or another, regardless of position or status. The frustration, boredom, and anger common to employees, disenchanted with their work life, can be costly to
both individual and corporation.

Many managers seek to reduce job dissatisfaction at all organizational levels, including their own. This is a complex problem, however, because it is difficult to isolate and identify all of the attributes, which affect the quality of working life. Due to the competitive work environment, there is great pressure on employees to not just perform, but excel. There is also excessive expectation from their organizations to increase productivity at any cost. This takes its toll on the physical and mental well-being of professionals. Hence, quality of working life is average in LIC. Poor work life balance leads to many disastrous things like tardy, bad performance, lack of motivation, more errors, absence from work and so on. The worst thing is that poor work-life balance reduces work quality and productivity without any doubt. When an employee won't be able to give time to his family at home, he will feel stressed out at work. Sound work life balance will definitely have a positive impact on employee’s productivity. The quality of work improves significantly as employees feel fresh and not stressed out at all.

2.10 EMPLOYEE COUNSELING

Employee counseling or counseling is a discussion between the counsellor and the counselled which is aimed at making the counselled person feel better and comfortable about self, and thus better equipped to deal with the daily life problems and work situations. Thus, counselling is a process of finding a resolution i.e. determination/perseverance of solving the problems faced and not necessarily a solution. Some characteristics of Counseling are:

- Counseling is a communication between the counsellor and the counselled. It's an exchange of ideas between the two.

- Counseling is a process and not an advice giving procedure. It is a long-term process and takes some time for the person(s) involved to understand the problem and learn how to cope with it.
Counseling is about clarifying and helping the counselled to handle him or her in the time of crisis and be able to meet the demands of life. Both professional and non-professional counsellors can provide counselling.

Counselling is usually private and confidential so that the employee is free to speak out without a fear of retribution i.e. penalty from the employers.

Counselling is beneficial to the organisation as it helps to solve problems relating to both job and personal life of the employees; thus helping them perform better on the job and also giving a more humane look to the organisation. Emotional makeup of the employees plays a big part in their work efficiency.

Counselling helps in understanding the employee grievances and also lets the employee know about the company rules and policies and disciplinary actions as well without being too much impersonal.

2.10.1 Types of Employees Counseling

Counseling session depends upon the counsellor to give it a direction. The type of direction the counsellor gives to the session differentiates it into three types of counseling:

- **Directive Counseling:** In this type of counseling the counsellor gives the vision its full direction. The counsellor leads the session completely and this type of counselling fulfils the criteria of the counsellor giving advice and reassurance. The counsellor listens to the counselled and decides on behalf of the counselled as to what should be done. It also helps in releasing the emotional tension. But this form of counselling does not equip the counselled person to handle similar situations in future as no self-growth has taken place. The self-growth can be achieved when a Development person tries to look for the answers himself or herself with some help from someone, else. But, as stated earlier, in this case a person will always have to look towards someone else to advice and sort out the problems in future. All said and done, one should remember that in
many cases advice acts as reassurance. In adverse conditions advice and reassurances act as morale boosters and in the long run help on taking a course of action to resolve the difficult situation.

- **Non-Directive Counselling:** This type of counselling is counselee oriented. This means that the counsellor focuses on the counselee and his or her problems without any sort of interference. The counsellor does not act as an advisor; rather the counsellor only listens to the counselee, understands the problem but does not offers any solutions. The counselee here has to find the solution on his or her own. This type of counselling helps in employee orientation as the employees are given a chance to find their own solution. Thus they are prepared to handle at least similar kinds of problems in future on their own.

- **Co-operative/Participative Counseling:** This is a compromise between the above two extreme types of counselling. It is a mutual contribution for diagnosing a problem, analyzing the problem and then looking for a solution. It is a mutual counsellor -counselee relationship where both participate to find a solution. Here an exchange of ideas takes place between the two. Both the participants provide a bit of knowledge, experience and insight and thus it is a case of balanced compromise.

2.10.2 Employees Counselling in LIC

Employees Counselling include initiating special counseling session, offer specific and concrete suggestions to employees, to tell the employees about their strengths and weaknesses etc. In LIC there are many occasions in work situations when employees feel the needs for guidance and Counseling by an experienced person. There is no formal system of counseling in LIC. Mostly in the LIC the immediate manager’s help in counseling as they are known to the employees and employees can open up fast and easily with the manager. When an employee with a grievance against the manager and cannot possibly speak to the same manager about the reason of grievance then the employees can open with personnel manager. The employees won't
have to do a lot of explaining as the organization is same because the rule, policies and company structure is known to the manager.

2.11 COMPENSATION /REWARD SYSTEM

Compensation is concerned with the determination of adequate and equitable remuneration of the employees in the corporation for their contribution to the organization goals. The employees can be compensated both in terms of monetary as well as non-monetary rewards. The components of a reward system consist of financial rewards (basic and performance pay) and employee benefits, which together comprise total remuneration. They also include non-financial rewards, (recognition promotion, praise, achievement responsibility and personal growth) and in many case a system of performance management. Pay arrangements are central to the cultural initiative as they are the most tangible expression of the working relationship between employer and employee.

2.11.1 Intrinsic rewards:

Intrinsic rewards are less tangible, originate from persons or job itself and reflect Herzberg motivators. Example of such factors includes; Variety in Job Content, Sense of being a part of value adding process, Believe that they are valuable members of a team, increased responsibility and autonomy, Sense of accomplishment, Participation in setting targets and opportunities to achieve them, Feed back information, Recognition, opportunities to learn and grow.

2.11.2 Extrinsic rewards:

Results from the actions of others, such as supervisions are more easily controlled by managers. Examples include pay, fringe benefits, praise and promotion.

2.11.3 Recent trend of Compensation /reward systems in LIC

In LIC the components of a compensation/reward system consist of
financial rewards: Basic and performance pay, Dearness allowances, House rent allowances, City compensatory allowances, Special allowances, functional allowances, hill allowances, Provident fund, Gratuity, Graduation increment and graduation allowances, Northern Eastern States Education allowances, Transport allowances, Encashment of Unveiled Privilege leave, Medical Benefits, Audit allowances Pension, which together comprise total remuneration. This intrinsic reward is given all class employees. But extrinsic reward i.e. non-financial rewards (recognition, promotion, praise, achievement responsibility and personal growth) are given only class II employees.

LIC of India has decided to reward its employees by giving meal. This meal scheme can be considered as one of the strangest decision taken by LIC (Life Insurance Company). As per the meal scheme, LIC employees across India, who will come on time, will receive food coupons ranging between INR 1000 to INR 4000 along with their monthly salary. However LIC India has taken an aberrant decision of rewarding its employee who comes on time. Actually LIC India has decided to develop it employee by giving meal coupons ranging between INR50 to INR200 per day to employees who come on time i.e. by 10am and there is 10 minutes grace period too.

2.12 EMPLOYEES PRODUCTIVITY

Performance of work, in terms of quantity and quality, expected from each staff member is called the Productivity of the Employees. These standards are the foundation for performance evaluation. In other words, it is an amount of work that is being produced in the organization, in terms of how much and how well.

Employee’s productivity variable covered different aspects like, quality of employee, idea creation and appreciation, goal achievement, target achievement, improvement in success, enjoyment at work, high performance at work, rational decision making of employees, communication skills and alignment of employees’ competency with organizational requirements and goals.
Employee’s productivity is contingent on an employee’s motivation. The best-trained employee, one who not only has the ability but has access to the most advanced piece of equipment, will not be productive if he or she is unwilling to be so. Attitude plays an important role as to whether an individual has the propensity to work. Accordingly, to increase productivity we must, in part, change an employee’s attitude or, in academic terms, increase his or her morale. Strategic Human Resource Management (SHRM) enhances employee productivity and the ability of government agencies to achieve their mission (Jules and Holzer, 2001).

Human resource development is considered the key to higher productivity, better relations and greater profitability for any organization. Iqbal (2007) says human productivity is crucial for growth and survival of organizations. Cheney (2002) supported the concept that higher productivity leads to ultimate societal benefits. As far as the dimensions/components/sub-systems of human resource development are concerned, mechanisms of human resource development have been designed in different ways and various thinkers and professionals have offered divergent views.

Rao (1988) suggests that human resource development sub-systems comprise performance appraisal, potential appraisal, career planning, training, performance coaching, organization development, employee welfare, rewards, qualities of work life and human resource information system. Pareek (1983) refers to performance appraisal, feedback, counseling, potential appraisal, career advancement, career planning and training as dimensions of human resource development. Varadan (1987) traces human resource development mechanism into performance appraisal, role analysis, organization development and quality circles. Though there is diversity among these arguments, but one can trace out that on some of the dimensions there is unanimity of opinion among the experts. Therefore organizations need to develop employees to enhance productivity.

HRD practices enhance the internal capabilities of an organization to deal with current or future challenges to be faced by an organization. Good HR practice also energizes people. The commitment and motivation built through
good HR practice can lead to hard work and can have a multiplier effect on the conversion of human capital to organizational capital. The culture so built can help to create a sustainable and lasting capability of the organization to manage itself and not only cope with the external turbulence but even encash on the opportunities offered by the changing environment. The key concepts and variables were defined as follows:

- HRD: refers to the provision of learning, development and training opportunities in order to improve individual, team, and organizational performance during the last three years.

- Skill of the employees: is a task an employee can perform to satisfactory level (or higher).

- Attitude of the employees: is defined as a settled mode of thinking of employees.

- Motivation of the employees: refers to the propensity of the employees to expend effort in work.

- Employees performance: is the level of achievement by the corporation in terms of output and targets during the last three years.

2.12.1 Employee skills

Human capital theory focuses on the effects of the variance in employee skills on performance (Becker, 1964). Human resource is defined as the pool of human capital under the firm’s control in a direct employment relationship (Wright and McHahan, 1992). Application of human capital theory focuses directly on the skills or competencies of human beings in organizations. Wright et al. (1994) recognize that the characteristics of individuals do not provide value to the firm unless they are channeled through employee behaviors, but employees must have the competencies necessary to exhibit these desired behaviors. Wright et al. (1994) propose that higher levels of human capital (or employee skills) lead to greater capabilities to develop more efficient means of accomplishing tasks requirements and
greater capability to respond to environmental changes, leading to sustained competitive advantage.

HRD practices are the levers or mechanism through which employee skills can be developed. Corporation may do this by implementing practices that place an emphasis on investment in HR to build the skills of employees. For instance, performance-oriented practices, such as performance based-compensation practices, encourage employees to gain skills that will enhance their job performance. Strategically aligned practices, which emphasize the alignment of HR practices with the business strategy, determine which skills are necessary for the successful implementation of organizational strategies. Therefore, it is believed that employee skills are a key antecedent to employee’s productivity. Thus, it is proposed that one of the primary mediating process by which the effects of HRD practices are converted to employee’s productivity, through changes in the skill level of employees.

2.12.2 Employee attitude

As stated above, Wright et al. (1994) point out that characteristic such as the skills of individuals do not provide value to a firm unless they are channeled through the proper employee’s behaviors and attitudes. Employee’s behavior or attitude will determine if and to what extent employees will use their capabilities within the organization (Jackson et al., 1989; Schuler and Jackson, 1987). If an employee has good attitudes and behaviors such as high job satisfaction and high job commitment, they are more likely to work for the benefits of the organization, thereby positively affecting employee’s productivity.

Job satisfaction deals with how people feel (satisfied or dissatisfied) about different aspects of their jobs. Factors associated with the job such as the organization, and policies and procedures, can positively influence job satisfaction while organizational constraints that interfere with job performance such as task preparation (whether or not the employee has the skills necessary for the job) can negatively influence job satisfaction. Thus, an HRD system with procedures to identify and select the best talent may have
employees with higher job satisfaction. High job satisfaction is important for organizations as it affect such employee outcomes as job performance and organizational citizenship behaviors (Spector, 1997).

A large body of literature supports the notion that the work practices of an organization influence perceptions of commitment and other attitudes about the organization (Vroom, 1964; Arthur, 1994). In a study of multiple business units, Gardner et al. (2000, 2001) found positive results for an employee-attitudes-mediated model of HRD practices leading to decreased turnover and absenteeism.

Firms may influence employee attitudes by implementing practices that place an emphasis on HRD, which shows employees that firms care about building their skills and view employee capabilities as being important to the company. Performance-oriented practices show that the organization will evaluate employees objectively and fairly on performance criteria, including, that employees who perform well can succeed in the organization. For example, Price (1977) presented a model of the determinants and intervening variables of turnover, defined the primary determinants of turnover as job satisfaction, which is determined by pay levels, integration, instrumental communication and centralization of power. Strategically aligned practices indicate that HRD practices are aligned with business strategies so that employees will feel the organization is well managed and has a great potential for success leading to positive attitudes about the organization.

2.12.3 Employee motivation

Pinder (1998) describes work motivation as the set of internal and external forces that initiate work related behavior and determine its form, direction, intensity and duration. This definition recognizes the impact of environmental factors, such as organizational incentives and the nature of work, as influencing the motivation of employees.HRD practices are the means through which firms seek to motivate employees to engage in the discretionary behavior that contribute to the achievement of firm goals. Firms may influence employee motivation by implementing practices which place an
emphasis on investment in HR, such as through training programs which allow firms to communicate proper behaviors to employees and to socialize employees into the cultures and norms of the organization (Wright et al., 1994). Huselid (1995) found that motivational high performance work systems decreased turnover and increased productivity and sales. The fact that the firm places an emphasis on building up employee skills may motivate employees to work harder in order to participate in the training opportunities. One of the key outcomes of the work that motivates employees is wages. Performance-oriented practices tie rewards to performance so that employees are encouraged to engage in behaviors that align with the interests of the organization. As indicated above strategically aligned practices, which indicate to employees that HR practices are aligned with the business strategies of the organization, may motivate employees to work harder and more efficiently since they know that the organization that they are working for is being strategically managed.
REFERENCES


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