CHAPTER V

REFORMATION AND IMPLEMENTATION OF NEW POLICIES
In our worldly life whenever there is uncertainty there is an involvement of risk. The instinct for security such is one of the basic motivating forces determining human attitudes. As a sequel to this quest for security, the concept of insurance is born. The urge to provide insurance or protection against the loss of life and property prompted people to make some sort of sacrifice willingly in order to achieve security through “collective co-operation”. In this sense, the story of Insurance is as old as the story of mankind.

With the dawn of independence, the Government of India, under the Leadership of pundit Jawaharlal Nehru, spelt its “approach in the economic development of the country is unambiguous terms. The concept was of its mixed economy with the both public as well as private sector having their respective niches coursing out for them. One of the principle announced of the time was that all those activities which occupied a strategic position in the economic development of the country were to be managed by the public sector.

In order to organize the credit system of the country, envisaged the need of the involvement of the whole mechanism of finance such as the insurance and other institution connected with investment, then the process or
mobilizing savings and utilizing them to the best advantage becomes socially purposive.

The Life Insurance company apart mobilizing saving has got economic relevance in the socio-economic infrastructure of the country. It has great employment potential directly and indirectly. Most recently it has become a great institution of foreign exchange earner. The role of Life Insurance Corporation is the one where manpower plays a vital role. In other industries it is the management which faces the music but in this case it is always the man power which directly sells to the CUSTOMER. Life insurance covers the risk of the mankind. It is a social oriented organization. Its purpose is to provide economic assistant to those persons family who are not alive. Its business is only to insured people and help to the Government by giving financial assistance.

By focusing on productivity corporation is realizing that it is imperative to hire employees who can do the job and be successful at it. It believes that organization has to find these people, bring them into the organization, and maintain their services. That is sound human resource development and implementation. In fact, it is the same thing it can be said regarding equal employment opportunity.
It is unfortunate that the corporation had to suffer through poor economic times before they realized that many of their hiring practices and personal philosophies were out of synchronization. They can no longer just hire to hire. And they can no longer rest on the belief that individuals will stay with a company through thick and thin. They must realize that training the new employees is necessary and sound Human Resource Development is one means of ensuring this.

Human Resource Development is full of “Should”, but it is also influenced by “What is”. Ideally, identifies the number of people needed in the years ahead, copied with the skill levels required. Additionally, there should be a succession plan, whereby individuals are targeted to fill positions when the incumbent levels.

But unfortunately, the “Should” do not dominate. Whereas long term planning is the most effective, the short-term, informal human resource planning systems are the norms.

As technology keeps improving more software will be developed to aid organizations in their human resource planning. The need is evident as organizations must be able to plan of their future human resource requirements and ensure that a count mule supply of talent is available and ready to move into mama aerial ranks when the time comes. Human
Resource is the only paramount issue facing the industry in the coming century.

The researcher found that life insurance corporation is confronting with many contemporary challenges in Human Resource Development. The most difficult challenges facing Human Resource Development is its significance to the rest of the corporation its benefit to the individual and the corporation both, its real in the corporation to ensure that human Resources are being up lazed effectively and what can Human Resource Development do the corporations that is not currently done. Functions and Activities of Human Resource development in the corporation is not excellence and is not providing greater job satisfaction for individual growth and corporation’s progress. The researcher found that there is not proper planning for Human resource needs into the corporation to fulfill the business plans properly. The employees of the corporation do not understand the importance of Human Resource Development because they are not being properly trained by the corporation. It is found that there are some employees in the corporation, who do not know about the Human Resource Development.

To achieve complete success in this research, a combination of direct approach, comprising of interviews and questionnaires method and observation techniques have been followed. The questionnaires were
comprehensive covering a series of questions pertaining to attitude behaviors and other implements. The study is descriptive cum analytical type of research design. The study is based on both primary and secondary data. During the sampling of the thesis, the researcher has dialled with the concept, development and present position of Human Resource Development in the Life Insurance Corporation of India. For collecting information under the head of primary data, the researcher has made use of basically one technique i.e. use of questionnaires and by having informal talks with the management and workmen of the corporation. To ensure maximum objectives in the study a number of standard tools, as developed by different Indians and Foreign experts of behavioral and social science have been used. The data so collected have been processed manually as well as mechanically. Statistical methods have been used to analyze the data.

Life Insurance is a process in which the insurer under takes to pay a stipulated sum upon the death of the insured. The researcher has investigated that the life insurance corporation has many outstanding advantages and there is no alternative of the life Insurance corporation. The plans of the corporation are superior to unordinary saving plan but there are some deficiencies in its plans. The rate of premiums is very high and the conditions for being insured are very typical. After an initial period, if the
policyholder finds himself unable to continue payments of premium, approximately 30% of the total deposited premiums are being refunded to the policyholders which is not sufficient and due to this, the policyholders become annoyed and are not satisfied with the corporation.

It is found that the corporation is giving financial assistance to the central government and many states as well as many companies by way of loans and by contributing to their shares and debentures. At last the researcher found that mainly the operating unit of the corporation is the Branch office which is the center of profit and growth. The source for selling plans is the branch office. All the structure of the corporation is stand with the help of Branch offices. The corporate body of the corporations very old and there has been no change in the corporate body so the corporation is facing many problems.

It is found that there is no proper planning for Human Resource Development. They do not know the proper meaning of Human Resource Development because there are no sufficient programs for HRD in the corporation. Human Resource planning is one of the most important elements in the corporation but the corporation is facing many challenges in Human Resource planning. The corporation has a method of job analysis. It spends 10% of their sales on payroll. The managers of the corporation always try to choose the right person for the job but due to inexperienced
managers, the work of job design and job analysis are not being done properly. The staff Recruitment and selection in the corporation is being done every year. Few years ago the recruitment and selection was used to do by the corporation but now the situation is very different. The Corporation is giving contract to private employment agencies for conduction some written tests for recruitment are taken by the corporation itself. And some recruitment is being made by the internal and external sources of the corporation. It is found that the process of recruitment and selection of the corporation is superior to other industry but there are some deficiencies in recruitment and Selection, which are being resolved by the corporation.

It is found that one of the major pit-fall in the actual operation of the performance appraisal system in the corporation is that the managers at different levels do not have the experience in conduction of performance review and analysis with the result that they may often make snap judgment. In the corporation, periodic assessment of the employee’s work is not being done. The corporation gives incentives only to its Development officers and some financial appreciations are given to administrative staff for their good performance, which is not sufficient. Confidential report is one of the most important appraisal for employees performance, which are written at the end of the year for employee’s performance. Employees are harassed by the
management for confidential report because the confidential report is only the source for promotions of the employees. The employees are always under pressured to the management. Thus it can be said that there is only confidential report for the appraisal of administrative staff of the corporation. It is found that training and Development program, is to remove performance deficiencies and it is very essential for Life Insurance corporation because the policyholders want to get as good service as other organizations are providing them with new technologies but there are many challenges in training and development which the corporation is facing. Training and Development programs are necessary in the corporation because of fast changing technology, changing values and environment. It is found that there are many methods for implementing training and Development. The corporation is not implementing proper training and development program from among the many that are available. It is found that a number of attempt have been made to identify various dimension of improving productivity and quality of working life by the corporation but the corporation has not received complete success in this field because there are many conceptual categories that together make up quality of work life and the corporation is not adopting them completely so the corporation is facing many contemporary challenges in improving
productivity and quality of working life. Many training centers has been opened by the corporation and each training center has their own importance but due to technological advancement training centers of the corporation are being unable to train the staff and the training schedule of the training centers are lacking of modern technology which are being used in the corporation.

New Business of the corporation is increasing day by day and the services of the policy holders are being increased but the training programs of the corporation are very old so the policyholders are not receiving proper services from the corporation. The result of this, many policyholders are dissatisfied with the corporation and the interest of the public is being finished with the corporation day by day.

It is found that the corporation is improving its services day by day by providing sufficient training to staff. New business of the corporation has been increased since corporation has started many training centers. In the improvement of the corporation, the part of the training and development is very important.

Basically, the office work of the corporation is very easy and any person can do easily that work after some experience but the main office work of the corporation is, the customer’s satisfaction because the policyholders are the
God for the corporation and they should not be dissatisfied. Mainly all the training centers of the corporation are providing the training of customer's satisfaction to its trainers. But it can be said; today there are some employees and officers of the corporation, who are negligent about the customer's satisfaction so some policyholders are not satisfied with the services of the corporation. There is no failure of the corporation in customer's satisfaction, corporation has arranged good facilities of training for employees and is arranging but there are some employees and officers who do not want to be trained and do not want to satisfy the customers. But majority employees of the corporation are providing good services to the policyholders. Because of many trained employees, the corporation has achieved a better financial position.

Career planning chalks out specific career paths of employees who have made clear commitment to the organization through spending some years in it. It helps the employees plan his career in terms of his capabilities. Career planning is not any commitment to promote an employee. It only implies that individual after becoming aware of some of his capabilities, career opportunities and developmental opportunities; choose to develop himself in directions that improve his chance of handling responsibilities. Questionnaires have been addressed to many officers of the rank of ADM
above asking for their career options for position in various groups of assignments like involving outdoor work, Analytical work. Specialist work, work involving people and technical work.

For employees in Assistance HGA cadre the beginning of carrier planning is in the matter of providing opportunities to learn various skills in the organization for which rotation in various assignment in Divisional offices and Branch offices is necessary respect necessary instructions have been issued to the various divisions to provide opportunities to the staff in various depth/sections. Plans are also a foot for rotating officer is AAOs/AOS cadre among the

It is found after the visits of many offices of the corporation that many types of new technologies are being used in the corporation as mechanical, electronic and electrical technologies. The new business of the corporation has increased, empire to that time when no technologies were not implementing because after introducing new necrologies, services of the corporation has improved and the policyholder are satisfied with the services of the corporation. The make problem of the policyholders was to deposit the premium. At the cash counter, they spent allot of time and become annoyed. Now the position is better, corporation has introduced ECR in the
cash counter after the introduction of ECR; policyholders are depositing their premium within no time.

When the corporation had decided to install computers in the corporation, Trade Unions had opposite and they feared that after installation of computers, promotions and new recruitment would be stopped. But the management of the corporation has assured them that new recruitment and promotions would not be stopped. Trade unions beloved them and have given their consent for instilling computer in the corporation. But after proper installation of computers the promotions and recruitment became very slow and up to few years, promotions and recruitment were stopped totally. It has found that the management of the corporation is very happy and satisfied with the implementation of new technologies but the attitude of some employees are not good, they are not in the favor of new technological development but gooey want that due to technological development, there should not be any singer is employee’s career and mew recruitment should not be stopped. During the investigation, the searcher found that 90% of the policyholders have welcomed he said that mostly people, employees and policyholders are satisfied with the technological development. New Business and investment of the corporation have increased and policyholders are being satisfied with the services of the corporation.
CHALLENGES OF THE FUTURE IN L.I.C.

L.I.C. is passing through series of crises both potential and economic which affect one as individuals and as an organization. Discussions are taking place in various forums on the upheavals that are taking place around us like economic policy, Industrial policy, competition, globalization, etc. opinion are expressed on the actions of the Government which range from grave fears and misgivings about the consequences to high praise for the Government for its bold actions which could solve all our problems and bring in outpost.

Both the extreme shades of opinion appear to be far fetched. Ones as lay man can not claim expertise to analyze and comment on the merits or demerits of the contemplated challenges and the consequences they may bring. It can be said with certainty that change or no change, the ultimate outcome will depend upon the people who belong to the system, the people who will operate the system, their will power to succeed and excel and their motivation.

This is a slight difference in the current change scenario while the previous changes we underwent were triggered internally within the organization or within the country the present changes are consequence of international compulsions and have global implications. Being a vibrant organization
quick to absorb and adapt to changes. It is hoped that it can probably face the future with confidence.

Competition can arise from other organizations within the country who are allowed to do life insurance business. At the same time LIC is already in areas other than life insurance like mutual funds & housing finance where the performance of LIC can be said to be satisfactory if not spectacular. This has tended to give to the public wider choice and better service. It is also true that LIC is sharpening the. Competitiveness in these areas both product wise and service wise.

As a consequence of globalization and government policies the tax concession that our products attract are likely to be reduced or withdrawn. Our products and services will then have to stand on their own merits and innovative new products will come to be marketed by us.

Strategies have to be developed to prepare ourselves for these challenges and most of them well have some HRD angle.

**Learning:-**

At present LIC has a network of training establishments providing learning inputs to various levels. These can be said to be having high standards but due to the size of Kick's staff strength comprehensive coverage of all persons in all desirable areas are seldom possible.
LIC can think of developing a culture of self learning both by studies as also by experience learning. Apart from deriving job satisfaction by means of achievement of targets, well executed projects etc. can our people get satisfaction by learning from experience, from unexpected results, from innovative ideas which they are encouraged to practice.

Apart from the “learning” being acquired by individuals it is worthwhile to think about learning by the organizations as a whole - by way of socio-economic surveys, scenario analysis both inside the country and globally. To some extent, this is being done at central office level but this has to spread to zonal and Divisional offices levels and the results of the studies need to be communicated widely and discussed at different levels.

**Customer Factor:-**

Being sensitive to the existence of a customer from top to bottom in the organization to the top in the market place. Customer needs can arise in the areas of (a) new product requirements and product innovation (b) service flexibility (c) quality management both in products and services.

In Life Insurance Corporation of India, HRD has developmental dimensions too. It provides for growth and self renewal for employees. Each employee is responsible for conditions for the growth. Some developmental dimensions of HRD in Life Insurance corporation are as follows:-
* HRD matches the role and the person by selection, recruitment, placement and promotion.

* HRD Analyses the role of the persons by providing role descriptions by spelling out the purpose of each position, prescribed element of the role in each position and also the discretionary element in each position.

* HRD develops the person in the role by means of performance appraisal, career development, career planning and training systems.

* HRD develops the role for the persons means of job rotation, job enrichment and job re-design.

* HRD also develops equitability among the employees by managing appropriate salary and perks, management of incentives and regards, standardizing and administering rules equitability among the employees.

* HRD develops self renewing capacity for the individual.