CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 Introduction

The human resource is considered as the backbone of any economic enterprise i.e., public, private or corporate. The term human resource management refers to the task of handling people who belong to different strata of the society, i.e., students, employees, employers, the self-employed, sportsmen, housewives etc. For the successful functioning of any business organization, finance, machines, materials and manpower or the human resource occupies a very important place. The term “human resource” with reference to an organization, refers to its employees. The human resource is happens to be the most dynamic and important and various kinds of resources that are needed to more the wheels of an economic activity. In recent years economists added human resources as the key factor for building and developing a nation. The optimum utilization of natural resources and the inputs of the capital and technology depend on the extent use of human resources.

Human Resource Development techniques include performance analysis and development, training development, career planning and development, organization change and development and quality circles. Quality of work life deals with various aspects of work environment, which facilitates the human resources. The much concerned issue today was about decent wages, convenient workings hours, conducive working conditions etc. The term “Quality of Work Life” appeared in research journals and the press in USA only in 1970s. There is no generally acceptable definition about this term. It refers to the favourableness or unfavourableness of a job environment for people. In simple terms QWL refers to the extent to which the members of an organization find the work environment conducive. It is concerned with improving labour-management co-operation to solve many organizational problems, achieving the desired level of performance and securing greater employee satisfaction. Quality of work life (QWL) is one of the major components for the employees’ motivation in organization.
Historically, work had been an important part in the life of human beings. The management in every organization should sincerely invite their employees to suggest ways to improve their operations and the Quality of their work life. The concept of QWL is based on the assumption that a job is more than just a job, which was center for a person’s life. There arises no question that the cultural conversation about work and around work more than hints at negativity. Who wouldn’t rather spend a month, a week even on vacation than at work. There was no doubt some people who would choose work every time, but most of them look for ways to escape work because of the lack of quality of work life.

1.2. Statement of the problem

Service organizations play a crucial role in any economy. In our country, it is backbone in terms of creation of employment potential and contribution to the National Income. The study of Quality of Working Life was considered to be important and critical area in management and organizational performance for past several years especially in the LIC. Work as an integral part of our everyday life, in our livelihood or career or business. On an average the time spends around twelve hours daily in the work place i.e., one third of our entire life. It does influence the overall quality of our life. LIC of India concentrates the attributes, such as employees’ morale, attrition & turnover, absenteeism, communication, interpersonal relationship, productivity, individual efficiency, attitude, profitability and organizational efficiency. For the research, based on the literature review and brainstorming with academicians eight important dimensions were identified. They were organizational climate & culture, work life balance, compensation of employees, participation of decision-making, opportunity for growth and development, work environment, Welfare measures, Social relevance of work, Life Insurance Corporation of India which concentrate all these factors. This study was undertaken in order to find out the perception of the employees share about what is important in an organization obtained through their expectation and support system towards their Quality of Work life in the corporation.
1.3. Scope of the study

The scope of the present study reflects the existing Quality of Work Life in Life Insurance Corporation of India, Salem Division. The empirical study was limited to Salem Division only, covering the three districts, which includes 18 branches. The Life Insurance Corporation of India is one of the biggest public sector undertakings in the country with tremendous employment potentiality which can be properly geared to meet required needs. Quality of work life of employees in any organization is more important. It helps to increase the productivity, efficiency, sense of belongingness of the employees towards the organization. It aims to gain an insight into current working life policies and practices as well as work-life balance issues of employees. This study helps respondent to convey the feelings regarding motivational techniques to enrich the Quality of Work life. Mainly this study helps the management to evaluate the existing Quality of Work life. It helps the society in general regarding the determinants of training programmes provided to people at work. It will also help us to understand how good working conditions help the employees to work more effectively and productively.

1.4. Significance and need for the study

Life Insurance Corporation of India is a very important part of service organizations in countries like India. In a planned economy like ours the part played by Corporation is very significant. Quality of work life programmes focus strongly on providing a work environment to the satisfaction on individual needs. The focus of quality of work life programme must be kept on the joint objective of increasing the quality of work and maintaining corporation efficiency. There is no inherent incompatibility between the interest of the worker and the interest of the organization.

The study of Quality of Work Life in Life Insurance Corporation of India assumes greater significance in view of economic liberalization and need for qualitative human resources. Special attention was to be paid to the studies on service oriented organization which play an important role in liberalized economy. Life Insurance Corporation is one of the biggest public sector undertakings in the country, where there is dearth of research studies on Quality of Work Life.
Hence, it was felt that there was a greater need of a study on Quality of Work Life in Life Insurance Corporation of India, which would enhance the employee as well as the organization. Salem Division of LIC was chosen for the study as the situation in one division of the LIC reflects the situations in other divisions and that too in the organization as a whole. As such, attempt is made to conduct a study on Quality of Work Life in Insurance Corporation of India in Salem Division. The studies on quality of work life help the researcher to find the important factors influencing the satisfaction. The studies try to give valuable information to the organization to improve the Quality of Work Life of the employees.

1.5. Objectives
1. To study the socio-economic and organizational profile of the employees in LIC of India, Salem Division.
2. To analyze the factors influencing Quality of Work Life among the employees in the study area.
3. To identify the perceptual difference among the employees towards their Quality of Work Life.
4. To measure the impact of Quality of Work Life of employees on their organization.
5. To find the influence of demographic and organizational profile of the employees on their perception towards Quality of Work Life.

1.6. Hypotheses
1. There is no significant difference among the factors of Quality of Work Life among the LIC employees.
2. The employees do not differ in their perception towards Quality of Work Life.
3. There is no significant impact of Quality of Work Life of the employees as well as in the organizational profiles.
4. There is no significant influence of personal profile of the employees on their Quality of Work Life.
5. There is no significant influence of organizational profile of the employees on their Quality of Work Life.
1.7. Dimensions of QWL

The dimensions of QWL are Participation in Decision-making, Opportunity for Growth and Development, Compensation and Rewards of Employees, Working environment, Organizational climate and culture, Social relevance of work, Welfare measures, and Work life balance. Each of the dimensions of QWL from the perspectives of employees is briefly discussed below.

Participation in Decision-making

Employee participation is the process whereby employees are involved in decision making processes, rather than simply acting on orders. Employees want to participate in deciding matters which affect their lives. Deutsch and Schurman (1993), suggested that strategies in the USA developed by unions are to increase the amount of employee participation and involvement in decision-making around the areas of new technology, work environment and skill training and development. This move is set within a context of a split between anti-union and pro-union factions who would like to see different kinds of activities among the employees. The existence of and the quality of the relationship between unions and management is an important factor in the success of cooperative undertakings. Therefore, quality circles, management by objectives, suggestion system and other forms of employees’ participation in management help to improve QWL.

Opportunity for Growth and Development

Opportunities for growth and development help employees expand their knowledge, skills and abilities, and apply the competencies they have gained to new situations. It is relates to career aspects of employees and play a central role in QWL. The opportunity to gain new skills and experiences can increase employee motivation and job satisfaction and help workers more effectively manage job stress. This can translate into positive gains for the organization by enhancing organizational effectiveness and improving work quality, as well as by helping the organization attract and retain top-quality employees. By providing opportunities for growth and development.
development, organizations can improve the quality of their employees’ work experience and realize the benefits of developing workers to their full potential.

**Compensation and Rewards of Employees**

When most people hear the term "employee compensation," they think about wages. Wages are a major part of compensation, but compensation goes beyond wages. It is basic construction of employees like a construction of buildings. Because of human beings work for livelihood. Compensation consists of all of the tangible things that employees get in return for working. Compensation is not just about regular rewards for work done but also attempts made by employers to retain employees. It goes beyond salary and transcends this boundary to include benefits and other incentives, such as salaries, wages and bonus payments. Compensation and rewards are motivational factors, the best performer is given the rewards, and this builds competition among the employees to work hard and achieve both organizational and individual goals.

**Working Environment**

In Quality of work life especially Work environment factor has recently emerged as an important area of concern and receiving widespread attention in more and more organization. Work environment is a place in which one works. It is a social and professional environment in which employees are supposed to interact with a number of people, and have to work in co-ordination with one another. Today’s booming economy, workers have become more important to their employers than their employers are to them. Learn what’s really important to your employees and keep them from getting away!

**Organizational Climate and Culture**

Organization culture is a set of properties and organization climate behavior of people that are part of an organization values, vision, norms, etc., Organizational features such as policies and procedures, leadership styles, subordinate relationship, communication channel, all have a profound effect on how staff views the quality of work life. The concept of culture is seen as a kind of bridge between the individual and the organization. Culture performs a number of functions within an organization. It
creates a distinction between one organization and another, it conveys a sense of identity for role incumbents, it facilitates the generation of commitment, and it enhances social system stability. Finally, culture sells as a sense-making and control mechanism that guides and shapes the attitudes and behaviour of employees.

According to Venkatramraju et al (2013), they analyzed the existing organizational climate and quality of work life, in Indian Industry and their levels perceived by the employees. Climate refers to the psychological environment as reflected in attitudes and perceptions. They revealed that there is a correlation between organizational climate and quality of work life. The major implication of the study is to bring out the importance in orienting the employees of better organizational climate and to improve their quality of work life and heighten job satisfaction.

**Social relevance of work**

Universally, Employees must be given the perspective of their work in the organization helps the society. The discharge of social responsibility of business organization also contributes to QWL. On the contrary, lack of organization’s concern for social causes like waste disposal, low quality product, overaggressive marketing, etc impinge upon self-esteem of workers. This is essential to build relevance of the employee’s existence to the society he/she lives in.

**Welfare Measures**

Employee welfare means “the efforts to make life worth living for workmen.” According to Todd” employee welfare means anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not a necessity of the industry.” Employee welfare is a dynamic concept. Employee welfare measures are also known as fringe benefits and services. Welfare measures help to improve the goodwill and public image of the enterprise. It helps to improve industrial relations and industrial peace. It helps to improve employee productivity.

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**Work life balance**

Work-life balance is a concept that supports the efforts of employees to split their time and energy between work and the other important aspects of their lives. Work-life balance is a daily effort to make time for family, friends, community participation, spirituality, personal growth, self-care, and other personal activities, in addition to the demands of the workplace. Organization must focus their attention in bringing a balance between work & family i.e. work life and personal life. The underlying assumption is that work life balance will ultimately ensure QWL.

**1.8. Impact on QWL**

The improvement in the Quality of work life has brought about a lot of changes. These changes are impact on QWL in the organization i.e., employees are emotionally attached, involvement, loyalty, individual efficiency, psychological involvement, transparency, job assignment, organizational efficiency, good attachment of the work environment, conducive relationship among the employees. These items are expressing the employees’ opinion in the existing organization.

a) It increases the employees morale  
b) It decreases attrition & turnover  
c) It decrease the absenteeism  
d) It improves better communication, and capabilities  
e) Interpersonal relationship  
f) Reputation of the organization  
g) It increase the productivity  
h) Individual efficiency increased  
i) Changes in the attitude  
j) Good profitability  
k) Goal accomplishment  
l) Organizational efficiency

**1.9. Research design**

The research design is the basic framework or a plan for a study that guides the collection of data and analysis of data. Employee satisfaction and opinion about this study was used Descriptive Research Design in nature. The information were collected
from the employees in Life Insurance Corporation of India, Salem Division and analyzed with help of different statistical tools, for describing the relationship between variables, pertaining the Job satisfaction and Quality of Work Life.

Method of data collection

1.10. Primary data

Primary data are those which are collected afresh and for the first time, and thus happen to be original in character. For collecting primary data OBSERVATION and QUESTIONNAIRE methods are used.

1.11. Secondary data

Secondary data consists of the information that already exists somewhere collected for some other purpose. In this study the secondary data collected from books, periodicals, journals, research thesis, dissertations and so on.

1.12. Sampling Design

A sample is a smaller representation of a larger whole. When some of the elements are selected with the intention of finding out something about the population from which they are taken, that group of elements is referred as a sample, and the process of selection is called Sampling.

1.13. Sampling Unit

The respondents of the study are part of population of employees of Life Insurance Corporation of India, Salem Division. Each employee is considered to be the sampling unit.

1.14. Reliability Analysis

The aim of the pilot study is to check the feasibility and reliability of the Questionnaire which was used as a main tool for collecting primary data. Reliability Analysis was done for the eight factors separately and consists of 63 items. For this purpose of study was conducted with 50 sample respondents of Life Insurance Corporation of India, Salem Division. The obtained information was systematically transferred into the data spread sheet with suitable numerical coding and necessary modifications were incorporated after the pilot study as suggested by sample respondents.
Table No.1.1
Pilot Study Result

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>50</td>
<td>0.901</td>
</tr>
</tbody>
</table>

The Cronbach’s Alpha criterion was applied to test the reliability. The value was determined as 0.901 (90.1%) collected from the employees. The quality of the Questionnaire was ascertained and the test showed high reliability. The variables considered for the analysis are satisfied the normal probability distribution.

1.15. Sample Size

The Employees’ strength of Life Insurance Corporation of India, Salem Division is identified the entire universe. Meanwhile the sampling size is confined only for 300 employees for among various cater of position in their jobs. Disproportionate Stratified random sampling is adopted to get insight about the study.

1.16. Sample selection

For the purpose of the study, Salem Division of the Life Insurance Corporation of India was selected disproportionately. The number of employees of Life Insurance Corporation of India, Salem Division by the end of August 2014 was 770. Samples of 300 were selected from same categories of employees like Class I, Class II, and Class III. Class I are considered to be Officers (Chief Managers, Branch Managers, Assistant Branch Managers), and Class III are considered to be clericals (Higher Grade Assistants, Accountants, Typists and Record Assistants) the sample is selected from different categories of employees on the basis of Disproportionate Stratified random sampling technique.

Class- I : It includes officers belonging to the cadre of Assistant Administrative Officers, Administrative Officers, Assistant Divisional Managers, Divisional Managers and Chief Managers.

Class- II : Development Officers belong to the Sales wing.

Class- III : Employees belonging to the Administrative wing under the cadre of Higher Grade Assistants, Typists, Stenos, Cashiers.
Table No.1.2

Sample Frame

<table>
<thead>
<tr>
<th>Employees Category</th>
<th>Population</th>
<th>Collected samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class I</td>
<td>120</td>
<td>78</td>
</tr>
<tr>
<td>Class II</td>
<td>200</td>
<td>108</td>
</tr>
<tr>
<td>Class III</td>
<td>450</td>
<td>114</td>
</tr>
<tr>
<td>Total</td>
<td>770</td>
<td>300</td>
</tr>
</tbody>
</table>

It could be observed that for the research study of 64 percentage of class I employees, 54 percentage of class II employees, 26 percentage of III employees had been taken. Therefore, the total number of respondents in Salem Division is 300. The Salem Divisions was divided into 18 branches, and from each branch respondents was selected randomly. The sample respondents selected at random from each branch is not the same, so disproportionate stratified random sampling method adopted.

Since the researcher mentioned the sample collection was above 25%. The collection of samples would fluctuate from 25% to maximum 45%. Therefore disproportionate sampling method was justified.

Table No.1.3

Number of Respondents taken for study Branch-wise sample Selection

The following table discloses branch wise distribution of sample respondents in Salem District.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Branch</th>
<th>Samples</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Salem North</td>
<td>25</td>
<td>55</td>
</tr>
<tr>
<td>2.</td>
<td>Salem South</td>
<td>18</td>
<td>51</td>
</tr>
<tr>
<td>3.</td>
<td>CA Branch</td>
<td>13</td>
<td>30</td>
</tr>
<tr>
<td>4.</td>
<td>Salem East</td>
<td>16</td>
<td>47</td>
</tr>
<tr>
<td>5.</td>
<td>Omalur</td>
<td>14</td>
<td>48</td>
</tr>
<tr>
<td>6.</td>
<td>Dharmapuri</td>
<td>21</td>
<td>52</td>
</tr>
<tr>
<td>7.</td>
<td>Krishnagiri</td>
<td>23</td>
<td>49</td>
</tr>
<tr>
<td>8.</td>
<td>Hosur</td>
<td>20</td>
<td>55</td>
</tr>
<tr>
<td>9.</td>
<td>Palacode</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>10.</td>
<td>Namakkal</td>
<td>18</td>
<td>43</td>
</tr>
<tr>
<td>11.</td>
<td>Rasipuram</td>
<td>15</td>
<td>37</td>
</tr>
<tr>
<td>12.</td>
<td>Attur</td>
<td>20</td>
<td>51</td>
</tr>
<tr>
<td>13.</td>
<td>Harur</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td>14.</td>
<td>Mettur</td>
<td>21</td>
<td>39</td>
</tr>
<tr>
<td>15.</td>
<td>Kumarapalayam</td>
<td>13</td>
<td>42</td>
</tr>
<tr>
<td>16.</td>
<td>Tirchengode</td>
<td>12</td>
<td>35</td>
</tr>
<tr>
<td>17.</td>
<td>Sankari</td>
<td>11</td>
<td>36</td>
</tr>
<tr>
<td>18.</td>
<td>P.Velur</td>
<td>12</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>300</td>
<td>770</td>
</tr>
</tbody>
</table>
The following table discloses employees’ wise distribution of sample respondents in Salem Division.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Branch</th>
<th>Class I</th>
<th>Class II</th>
<th>Class III</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>S</td>
<td>P</td>
<td>S</td>
</tr>
<tr>
<td>1.</td>
<td>Salem North</td>
<td>5</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>2.</td>
<td>Salem South</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>3.</td>
<td>CA Branch</td>
<td>4</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>Salem East</td>
<td>5</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Omalur</td>
<td>5</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>6.</td>
<td>Dharmapuri</td>
<td>5</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>7.</td>
<td>Krishnagiri</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>8.</td>
<td>Hosur</td>
<td>4</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>9.</td>
<td>Palacode</td>
<td>3</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>10.</td>
<td>Namakkal</td>
<td>4</td>
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<td>6</td>
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<td>11.</td>
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<td>12.</td>
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<td>15.</td>
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<td>5</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>16.</td>
<td>Tirchengode</td>
<td>3</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>17.</td>
<td>Sankari</td>
<td>3</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>18.</td>
<td>P.Velur</td>
<td>4</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>78</strong></td>
<td><strong>120</strong></td>
<td><strong>108</strong></td>
</tr>
</tbody>
</table>

**1.17. Sampling Justification**

The population is finite and well defined. It consists of three strata of employees the researcher intended to collect at least 25% of population to chance the sample. (Since many national and international literature argued lesser the population higher the sample size would have perfect representations for the population. It should be noted that there are several other considerations or factors which influence the sample size, i.e. the size of the population, Nature of respondents, and so on).³

**1.18. Period of the study**

The study was conducted for a period of September 2013 to September 2014.

1.19. Statistical tools used

- Percentage analysis
- Factor analysis
- Cluster analysis
- Multiple Regression
- ANOVA
- Chi-square test
- t-test
- Structured equation Model, (SEM)

1.20. Limitations of the study

- The respondents were busy with their work.
- The respondents tent to be biased in answering the questionnaire.
- The respondent’s opinion differs from one to another.
- Some respondents did not show interest in filling the questionnaire.

1.21. Chapter scheme

The study consists of the following chapters.

- FIRST chapter deals with the introduction, Quality of Work Life, Statement of the problem, Objectives, Scope of the study, Dimensions of QWL, Methodology, and Hypothesis, Limitation of the study and chapter scheme of thesis.

- SECOND chapter deals with Review of Literature. This section dealt with three parts, viz, Definition of QWL, Critical Dimension of QWL, and Finally Impact on QWL.

- THIRD chapter discuss about the Conceptual background of the study. This section dealt with overview of Quality of work life, QWL in India and abroad, QWL in insurance sector, Objectives of QWL, and so on.

- FOURTH chapter deals with first part of the analysis and interpretation of the data. It includes Personal Information, Organizational Information, Factors Identification and Employees Classification.
FIFTH chapter deals with second part of the analysis and interpretation of the data. It includes Association between Demographic & QWL factors, Influence of Demographic details of the employees on QWL sub factors and Impact on QWL.

SIXTH chapter covers the summary of Findings, Suggestions, Scope for further research, and Conclusions.