CHAPTER - II

THE STUDY
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This chapter deals with review of literature, need for the study, objectives, methodology, scope, study plan etc.

Introduction

Life insurance is the greatest blessing that modern times have bestowed upon mankind. It enables men to overcome the barrier of death and also to overcome the grim fear that his loved ones may some day become dependents upon the charity of others. Insurance in its modern form originated in the Mediterranean during the 13th century. The earliest references to insurance have been found in Babylonia, the Greece and Italy. The use of insurance appeared in the accounts of North Italian merchant banks, which dominated the international trade in Europe at that time. Marine insurance is the oldest form of insurance followed by life insurance and fire insurance. The patterns that have been used in England followed in other countries also in these kinds of insurance.

Life insurance activity in its modern form started in India in 1818 to provide insurance cover for English widows when Oriental Life Insurance Company was incorporated in Calcutta. Thereafter, other companies like Bombay Life Assurance company in 1823 and Triton insurance company for general insurance in 1850 were incorporated. Foreign insurance companies dominated insurance business in India and enjoyed near monopoly right up to the end of 19th century. Subsequently,
insurance regulations formally began in India through the passing of two Acts, Life Insurance Company's Act of 1912 and the Provident Fund Act of 1912.

The first comprehensive legislation was introduced with the Insurance Act of 1938 to control the insurance business in the country. The main concern was to protect the interests of the insuring public. After independence, the Indian insurance business witnessed severe competition as a result of which the non-Indian insurers were dislodged by Indian life insurance companies. The decision of nationalization of life insurance business took place in 1956 by the first prime minister of independent India, Pandit Jawaharlal Nehru, when 245 Indian and foreign insurance and provident fund societies were first merged and then nationalized.

Review of the Literature

The Insurance sector of the country has attracted the attention of a number of academicians, writers, administrators, and statutory committees to study on different aspects of its functioning. In view of this, it is essential to review the research and literature on insurance sector in general and LIC in particular. In this context, some of the important studies on the area are reviewed in the following pages in order to pinpoint the importance of the present study. The LIC has been rated the "most trusted" service brand in The Economic Times-Brand Equity Survey 2008. Further, it has won the "Brand Leadership Award" from World Brand Congress in 2009. Though, the LIC is the largest Insurance Corporation in India, few studies dealing with its business performance is undertaken. Some of the studies have been outlined here under.
Wyudham in his book-"The Students Guide to Life Insurance in Theory and Practice" discussed the concepts of insurance and also explained different types of insurance plans and their features. Underwood in his book-"The Students Book of Life Assurance" sets the basis of compound interest and tables of mortality, which play a significant role in the calculation of insurance premium.

Walter and Thomas in their book-"Safeguarding Life Insurance Proceeds" discussed the important aspects to be kept in mind by an insurance company to safeguard the money collected from insuring public. The authors adopted the policyholder's point of view while suggesting ways to safeguard the life insurance business. Huebner in his book-"The Economics of Life Insurance" explained the economic value of human life. The economic importance of human life is comparable to the economic importance of property, business etc. He felt that life insurance is the most practical way of protecting the economic value of human life just as General insurance to protect the economic value of properties and business affairs.

Harris in his book- "Life Insurance Salesmanship" felt that insurance selling is an art, which is acquired by one through experience and exposure but not through teaching. According to him, planning is essential for an agent to succeed in the job of selling insurance. Robert and Jerome in their book-"Insurance Principles and Practices" focused on the general principles of insurance relevant to the chemistry of insurance concept. Melir and Osler in their book-"Modern Life Insurance" dealt with the principles of life insurance at length. Anderson and Dow in their book-"Actuarial Statistics-Construction of Mortality and Other Tables" examined the factors to be considered for constructing a mortality table.
Churchill in his book "Compound Interest simplified" discussed at length the concepts of present value and accumulated value. Compound interest plays the role of a bridge between present value and accumulated value. He said that all insurance companies charge the customers an insurance premium, which is equal to the present value of a future claim. It reveals that the period of investment (insurance term) and rate of interest will determine the present value of a future claim or future accumulated value of present payment.

Margot Naylor in his book "The Trusts about Life Insurance" stated that death is inevitable and hence life insurance is a must for one and all. He discussed the various types of insurance plans and analyzed their respective benefits both from investment as well as tax benefits point of view. Desai in his book "Life insurance in India-Its history and Dimensions of Growth" explained and elaborated the historical background of life insurance industry in India and its growth since nationalization.

Dodds and Groom in their book, "The Insurance Behavior of British Life Insurance Companies" critically analyzed the investment behavior of insurance companies with an aim to provide guidelines to set the future investment pattern.

Dorffman in his book "Introduction to Insurance" explained the fundamentals of insurance and various arms of insurance such as Life, Fire and Marine. All basic aspects of life insurance are discussed in detail to give a very clear idea on life insurance. Rao conducted a research study on "Functioning of LIC-An Appraisal", wherein he critically appraised the operations of LIC in India over a period of two decades taking into consideration the objectives set forth and...
expectations aroused at the time the life insurance business was nationalized in the country.

Satyanarayana in his thesis – “Marketing of Life Insurance – A Study on LIC of India with reference to Visakhapatnam Division” discussed the marketing practices of LIC of India in terms of product, price, promotion and people. However, the scope of the study is highly limited as it is confined to one of the divisions in North Coastal Andhra pradesh.

Venkateswara Rao in his thesis, “Marketing of Life Insurance Business in India - A Study on LIC” discussed the marketing policies and practices of LIC in detail. He concluded the study with a note that LIC is invincible and indomitable. Bhanu Kiran in his thesis, “Life Insurance Marketing” discussed the marketing practices of different players in the industry in India. The study found that the LIC is far ahead of other players in the industry due to its strong marketing network.

Krishna Murthy in his article- “Life Insurance Corporation-Bracing for Competition” discussed the Malhotra committee recommendations and the resultant opening up of the insurance sector. He also explained and elaborated the various measures taken by LIC in terms of technology up-gradation, products and market creation, training programs undertaken to meet the competition. Sudhakar in his article- “LIC and the Internet Revolution” examined the various types of information given in LICs website. He also discussed the benefits of Internet from various dimensions with special emphasis on cost benefit analysis.

Lakhotia Subash in his article- “Security for the Retirees” examined the pros and cons of Annuity plans especially Jeevan Suraksha Annuity plan. He felt that
the plan is highly beneficial to self-employed professionals, businessman and the employees of un-organized sector. Vaidyanathan\textsuperscript{21} in his article-“Pension Products for the Self-employed in India” discussed the different pension products and their pros and cons for the self-employed. He felt that the current pension and provident fund systems cover less than the 11% of the working population and hence he emphasized the need for social security for people.

Vaidyanathan\textsuperscript{22} in his article-“Voluntary Pension Market: The Untapped Potential” explained the huge potential for pension market in India. He stated that there are three types of schemes namely social security schemes sponsored by the government, Occupational schemes sponsored by employers and private voluntary schemes. He felt that neither of the schemes covers substantial portion of the self-employed groups. He has suggested insurers to introduce innovative products to capture at least a part of the voluntary pension market.

Gupta Nikhil\textsuperscript{23} in his article “We will be Amongst the Top Three” felt that need based, customized products marketed through personalized interactions by professional life insurance agents and advisers will make a significant impact in shaping the Indian life insurance market. Anand\textsuperscript{24} in his article-“Insurance Sector-Threats and Opportunities” examined the various challenges faced by insurance companies especially by LIC in the market due to the liberalization of insurance sector. He stated that considerable insurance potential exists in India but the falling of interest rates is a cause of concern to insurers especially to LIC.

Agarwalla\textsuperscript{25} in his article-“Presenting Plans Pictorially” emphasized the importance of training to agents. He stated that trained agents are successful in achieving the sales targets as they can present insurance plans systematically thereby
they can convince the potential customers to buy the plans. Kutty in his article-
"Life insurance Across the Frontier" felt that LIC was confined to formal sector middle class only as a result of which its business has not grown to the extent as desired by the Corporation. He felt that LIC would make significant amount of business if it concentrates on the informal sector, which has immense market potential.

Rangachary in his article-“Insurance: Regulators Crucial Role” examined the major reasons for the liberalization of insurance sector in India. He also discussed the role of Insurance Regulatory Development Authority (IRDA) in controlling the insurance industry for the benefit of insured public.

Sabharwal Manish in his article – “Pension reform: The Future’s Now” felt that a large pension industry exists in India and pension reforms offer an opportunity for insurance companies to develop their business. He further stated that effective pension reforms would revolutionize old age security, financial markets and corporate governance.

Khurana in his article-“Building Relationship that Last” felt that agents play a pivotal role in the success of insurance organizations. He stressed the need for personalizing relations with existing customers and prospective customers so as to get more new business.

Phaneesh in his article-“Investment Regulations for Life Insurers” examined the regulations prescribed by IRDA for the investment to be made by insurance companies. He also examined the impact of investment regulations on the profitability of LIC. Swarnaprabha in her article-“Public Relations” discussed the techniques and methods to be employed in public relations so as to retain existing customers
and attract new customers. She also discussed specifically about the various public relation programs undertaken by LIC

Ojha in his article-“Insurance – A Tight Ropewalk” examined the impact of competition on LIC comprehensively. He also examined the place of new players in the market in terms of market leadership, contenders for leadership, strong performers and companies which are trying to establish their presence. Roy and Benarjee in their article-“Some Aspects of Insurance in the Context of Risk Management” examined the various risks involved from insurers point of view with special emphasis on product and investment risks. They stated that many products of LIC turned unattractive due to the falling of interest rates. They felt that LIC has no option except withdrawing products on which it has given high interest guarantee.

Narayanan in his article – “Pension – The New Concerns” discussed the different pension plans marketed by various life insurance companies with special emphasis on the pension plans of LIC. Sharma in his article-“Pensions: New Solution for an Old Problem” discussed different pension plans such as varishta pension Bima Yojana (VPBY), Jeevan Dhara, Jeevan Akshay and Jeevan Suraksha of LIC and also the Standard pension plan of IRDA. He also examined the existing concerns in the pension sector and suggested possible remedial measures.

Bansal Neera in her article-“Life Insurance Awareness” explained the various measures taken by insurance companies to increase insurance awareness among people. She also felt that due to the entry of private players, insurance awareness has increased as a result of which insurance is now bought as well as sold.

Chandra sekhar in his article – “A Moral way of Conducting Insurance Business” discussed the various risks in life and the measures taken by people to
protect themselves from these risks. He also explained how insurance minimizes the loss in the event of the happening of the risk. He also elaborated the insurance practices of various countries.

Dhoot in his article – “Morbid Mission” presented the mortality rates and trends comprehensively. He also stated that insurers need mortality statistics for relevant parts of the population and not the entire population as different groups of people have different mortality profiles. Rama Murthy in his article-“Life Insurance Corporation: Advantage of strong Base” discussed the organizational structure and performance of LIC. He also examined the various customer orientation programs undertaken by the Corporation. He felt that LIC is invincible due to its strong presence in the market as well as its corporate image.

Liu Dong Jiao in his article – “Insurance Intermediators” said that an insurance intermediary is the bridge that connects the selling party and the buying party. He felt that the behavior of insurance intermediary influences the two parties and at the same time is influenced by the two parties and hence the behavior of the intermediary is very important in getting new business. Denenberg in his article – “Insurance Overview for 2003” examined the major problems faced by the U.S. insurance Industry. He stated that government insurers can reduce risk by acquiring the largest number of insurable units. He has also suggested some measures like adopting new technology and innovations.

Balachandar in his article-“LIC Southern Zone” stated that how the southern zone of the LIC emerged first in achieving the targeted premium income and also in selling the highest number of pension plans. He also examined the factors that contributed to the success of the southern zone. Chenappa in his article-
“Development of Insurance in India – A Study” examined the history of life insurance industry in India and the various Acts and legislations passed from time to time. He also discussed the reasons for the liberalization of insurance sector and the consequent changes in the insurance sector. However his study is more general in nature.

Dobhal Shailesh in his article – “Brokers Excuse: IRDA makes Broking Unattractive”, explained the unethical practices of brokers and the action initiated against the brokers by the Insurance Regulatory Development Authority in the form of penalties and termination of licenses. Rama Krishna Rao and Jawaharlal in their article-“Training for Competence Building in Insurance” felt that the need for well-trained work force is enormous in the highly competitive insurance business and hence insurers need to focus on training their staff on a regular basis in some areas of business like information technology and claims management.

Fairs Davis in his article-“Pensions: Work Till you Drop”? felt that employees can not rely on their employer for a full retirement pension due to the voluntary retirement schemes implemented in various organizations. He stated that employees have to make their own arrangements to make their retired feature secure. Jagannathan in his article-“The Market is ready for New Products” explained and elaborated the various new products / plans introduced by different players in the market such as ICICI prudential, HDFC standard life and SBI life. He also made a comparative analysis of different plans offered by these insurance companies.

Parihar Rachana in her article – “Bancassurance: Challenges and Opportunities in India” discussed the concept of bancassurance, its motives and advantages to various parties concerned. She also examined the bancassurance concept from global point of view as well as Indian point of view. She felt that bancassurance
is the major route for insurers to grow and develop in the market. Srujan in his article - "Rural Insurance Market in India" explained the insurance potential in rural markets. He felt that rural India contributes up to 55% of the national GDP and hence the success of insurance companies to a great extent depends upon tapping this rich rural market potential.

Narayanan in his article - "Step Down Plan, Just Right Price" emphasized the importance of declining liability insurance plans. He felt that these plans protect the family from financial shocks particularly the responsibility of having to pay off loan in the event of policyholder's death. He also made a comparative study of plans offered by Allianz Bajaj, AMP Sanmar, HDFC standard life, Met life India and SBI life.

Jagannathan in his article-"The Actuarial Tax Debate" examined the pros and cons of imposing service tax on insurance premium. He felt that life insurance works on the principle of pooling risks and from this perspective, providing life insurance can be considered to be a form of service and taxing this service may not be inappropriate. Clark Ron in his article "Golden Years Ahead for Industry" felt that life insurance and financial services industry has a bright future in India due to a large number of uninsured and under insured population.

Elliot Sue in her article-"Pricing for guarantees" critically examined the cost implications of guarantee on income protection business. She felt that care is required in determining appropriate premium loadings and reserving requirements for long-term guarantees or else insurance companies are bound to collapse in the market. Vaidyanathan in his article-"Mandatory Retirement Schemes: Challenges Ahead" felt that EPF schemes pertaining to coverage, exemption, contributions, returns and
investment norms have not been adequately addressed and it is time for the government as well as to the experts to look into some of the issues in the context of changing demography, decline in joint family support and increased life aspirations.

Rao in his article- "Insurance: A Challenging Career" felt that insurance business depends wholly on the Knowledge, expertise, skills, attitudes and the quality of human resources and hence every organization should develop its human resources in the areas of knowledge, attitudes, skills and habits.

Venkatesh in his article- "Risk Management Practices in the Insurance Sector" explained the various risks such as product risks, pricing risks, underwriting risks, legal and regulatory bindings, sales risks and investment risks involved in insurance business. He also explained the various strategies used by insurance companies to overcome the various risks. Jawaharlal in his article- "Indian Insurance – Market Scenario" examined the Indian insurance market before liberalization and after the liberalization. He felt that after the liberalization of the insurance sector, the market share of the public sector giant has shown a declining trend and it may decline further.

Rajadhyaksha Niranjan in his article- "The Rise of Financial Conglomerates" explained the growth and development of HDFC, ICICI, SBI life and KOTAK MAHINDRA Insurance companies. He also dealt with the various activities of these insurance companies and also the key success factors for their growth and development. Subedhar in his article - "Legal Framework for Insurance" examined the legal framework in terms of the nature of insurance legislation, components of legislation and supervision, product and premium rates, expenses control, asset liability
management, solvency requirements, allocation of surplus, investment parameters etc.

Sharma Shikha in the article—"Life Insurance: Benefits of Competition" felt that privatization of insurance sector helped in enhancing consumer awareness and increased penetration of insurance. The author felt that pension market has huge potential in India and the future prospects of insurance companies to a great extent depends upon tapping the pensions market.

Krishna Murthy et al in their article, "Insurance Industry in India: Structure, Performance, and Future Challenges" discussed the growth and development of insurance industry in India. They also discussed the prospects and problems of Indian insurance industry. Venkateswara Rao in his article, "LIC-New Business Lacks Vigor" felt that though LIC retained its leadership share in the insurance market, its market share in terms of new business premium income declined to a low of 78.07 percent in 2004-05. In view of this, he suggested to LIC to focus on key result areas such as improving the productivity of agents, marketing of high sum assured policies and also the introduction of customer friendly plans or products.

Rajesham and Rajender in their article, "Changing Scenario of Indian Insurance Sector" highlighted the developments of insurance sector in India in a phased manner. They also discussed the reasons for the entry of private and foreign insurance players into the Indian Insurance market. Further, they suggested strategies that need to be adopted by Indian Insurance companies in the light of global scenario.

Venkateswara Rao and Prakasha Rao in their article, "Training and Development Practices and Performance of LIC" discussed the impact of training
and development on the performance of LIC. The study concluded that the training and development programs undertaken by the corporation to its employees helped it to improve its performance.

Rama chandran in his article, “Issues of Insurance Industry in India”, felt that the competition in the industry would ensure reduction of insurance premium rates and efficiency in service delivery. Further, he felt that consolidation of industry through mergers and acquisitions is inevitable as only a few business houses would be able to survive the competition.

Satish in his article, Indian Insurance Companies-All Set for Listing” felt that many of the Indian Insurance Companies are all set to go in for Initial Public offerings (IPO’s) not only to improve their capital base but also to fund their expansion plans in the fast growing Indian Insurance market. Chakraborthy in his article, “Private Life Insurance Companies in India – Growing prospects and Challenges faced by the private players while marketing their products and the measures they have taken for overcoming them.

Gopala Krishna in his article, “Protection of the Economic Value of Asset through Life Insurance” stated that insurance is a mechanism that provides compensation for the pre-final value of the asset in case of loss and damage. It does not get back and replace the asset, but only compensates the loss suffered. Rampratap Sinha in his article, “Financial Inclusion, Micro Insurance and the Indian Insurance Sector” discussed the major issues relating to the growth of micro insurance market in India in the light of the various studies on the potential market as well as the initiation taken by the IRDA regarding the development of micro insurance.
Karuna in her article, “Relevance of ULIP’s as a Good Investment Tool” felt that after the liberalization of the insurance sector, Unit Linked Insurance Plans have gained special importance as it combines the multi aspects of insurance investments and tax benefits. He also felt that ULIP’s will continue to be a good investment option to the investors even in a plunging stock market scenario. Gopala Krishna in his article, “Conservation of Business” stated that the need for conservation of insurance business should be the top priority of all insurance companies. This is because, lapsation of insurance contract is bad for the insured who loses valuable protection for the family. The agent also does not get his commission and for the insurer, it is a loss of premium income and an erosion on the profits.

Gupta, in his article, “Exploring Rural Markets for Private Life Insurance players in India” critically examined the marketing strategies of private insurance players in the rural segment. He also offered suggestions for enhancing penetration and brand image in the rural markets.

Jayamma. A in her thesis, “Quality of work life in LIC of India” a case study of Kadapa division. Discussed about different aspects of quality of work life. The study found that awareness among the workers to different aspects of quality of work life should be improved.

Noel Machado in his research report “The Trust within” a case study of the Life Insurance Corporation of India (LIC) discussed about over view of performance at LIC, nature, Antecedents and Consequences of trust, the bridge between business strategy and HR practices: Trust at LIC.
Need for the study

Pandit Jawharlal Nehru on the eve of the Inauguration of Life Insurance Corporation of India observed “Its objective is to serve the Individuals as well as the state. The profit motive goes out of it and the service motive becomes much more dominant” In such service sector Human resources of organization plays a vital role to render services to the people living in the country and also to the organization.

To explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns and by rendering resources for economic development effectively to the utmost satisfaction of the people and organization. The Life insurance Organization must be manned by efficient and committed employees with required level of skills and knowledge.

This emphasizes as the significance of human resource management in Life Insurance Corporation of India. This study attempts to examine the present state of human resource management, analyze the defects therein and offer suggestions for effective human resource management in Life Insurance Corporation of India. The review of literature presented above reveals there are very few studies concentrated on Human Resource Management in LIC. In particular there are no studies on Human Resource Management in LIC of India. Kadapa Division. Hence, the study assumes greater significance and there is need for the study on human Resource Management in Life Insurance in general and in Kadapa Division in particular.
Statement of the problem

The present study deals with a conceptual background of human resource management in Life Insurance Corporation of India. For evaluating the human resource activities in Life Insurance Corporation of India, the researcher has chosen to study at Kadapa Division, Andhra Pradesh. The study assumes assessment of activities like Manpower Planning, Recruitment, Selection, Induction, Training, Performance Appraisal, Promotional Policies, Transfers, Reward Management. Therefore, the research problem has been stated as Human Resource Management in Life Insurance Corporation of India - A study with reference to Kadapa Division.

Objectives of the study

The objectives of the study are:

1. To analyze and highlight the human resource policies and practices in Life Insurance Corporation of India.

2. To appraise procurement practices - recruitment, selection, induction policies and procedures in Life Insurance Corporation of India.

3. To assess the human resource development through performance appraisal and training practices in Life Insurance Corporation of India.

4. To examine the reward management and career development practices in Life Insurance Corporation of India.
5. To examine the employee welfare, human relations and trade unionism in Life Insurance Corporation of India.

**Methodology and sampling**

In order to achieve the Objectives stated above both primary and secondary sources of information and data are relied upon.

*Primary Data*: The primary data was collected through a structured questionnaire. The questionnaire was designed to collect the opinions and attitudes of employees on various aspects such as Manpower Planning, Recruitment, Selection, Performance Appraisal, Training, Welfare, Human Resource Development climate and Trade Unionism. Apart from this discussions and interviews with executives of Life Insurance Corporation of India were also relied upon.

*Secondary Data*: The secondary data was collected from the records of the administrative offices of Life Insurance Corporation of India and its divisional offices other related offices. The Annual administrative reports, periodical performance reports, office files, wage slips circulars and orders, relevant acts, service regulations, delegation of powers, recruitment rules and various reports and publication of Life Insurance Corporation of India, as well as reports of various study teams and consulting agencies were also made use of. Further, various books and journals pertaining to the theory and practice of human resource management were also studied. Data was also collected from Life Insurance Corporation of India institutes, offices of trade unions and Life Insurance Corporation of India employees unions, university libraries. The national and regional news papers, broachers', pamphlets and other published and unpublished literature on the subject were also studied.
Sampling

Life Insurance Corporation spread in to 108 divisions all over India. The researcher has taken Kadapa Division for the study purposefully based on its size, spread and accessibility. The division spreads over three districts i.e., Kadapa District, Anantapur district and Kurnool District. There are 20 Branches in this division. Out of these, 9 branches, (three branches from each district) have been taken for the study. Among the three branches one is urban and two are semi urban. The employee strength of Kadapa Division is given in the table 2.1.
Table 2.1: Employee Strength in LIC branches of Kadapa Division

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Branch</th>
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<th>Class-II</th>
<th>Class-III</th>
<th>Class-IV</th>
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<td>5</td>
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<td>P &amp; G (Pension Groups) Kadapa</td>
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<td>18</td>
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<td>22</td>
<td>Divisional Office, Kadapa</td>
<td>58</td>
<td>--</td>
<td>88</td>
<td>4</td>
<td>150</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>213</td>
<td>277</td>
<td>636</td>
<td>15</td>
<td>1141</td>
</tr>
</tbody>
</table>

Source: Annual Reports of LIC of India.
### Table 2.2: District wise employee strength in Kadapa division

<table>
<thead>
<tr>
<th>S.No.</th>
<th>District</th>
<th>Urban Branches</th>
<th>Semi Urban Branches</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KADAPA</td>
<td>234</td>
<td>203</td>
<td>437</td>
</tr>
<tr>
<td>2</td>
<td>ANANTAPUR</td>
<td>112</td>
<td>256</td>
<td>368</td>
</tr>
<tr>
<td>3</td>
<td>KURNOOL</td>
<td>141</td>
<td>195</td>
<td>336</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>487</strong></td>
<td><strong>654</strong></td>
<td><strong>1141</strong></td>
</tr>
</tbody>
</table>

There are as many as 1141 employees (Table no. 2.1) working in Kadapa division. The District wise classification of employees in urban and semi urban branches are given in Table no. 2.2. These employees are classified in to four classes as class one, class two, class three and class four employees. A sample of 25 percent of the total is taken by using simple random sampling method for the study. It comes to 285 employees. For the convenience of researcher 300 employees are taken as sample. The respondents are taken proportionately from urban and semi urban areas. Care is taken to cover all the classes of employees. District wise sample is presented in the table 2.3.

### Table 2.3: District wise sample of employees

<table>
<thead>
<tr>
<th>S.No.</th>
<th>District</th>
<th>Urban Branches</th>
<th>Semi Urban Branches</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KADAPA</td>
<td>65</td>
<td>55</td>
<td>120</td>
</tr>
<tr>
<td>2</td>
<td>ANANTAPUR</td>
<td>30</td>
<td>60</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>KURNOOL</td>
<td>40</td>
<td>50</td>
<td>90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>135</strong></td>
<td><strong>165</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>
Statistical Tools for analysis

A well designed questionnaire with likert's five point scale is distributed among the respondents and based on their opinions in order to process the data collected through questionnaire SPSS package has been used. For the analysis of the data the researcher applied percentages, weighted averages and standard deviation. The attitude of the employees has been inferred based on above measures.

Period of the Study

The secondary data are collected for a period of 10 years from 2000-01 to 2009-10 for the analysis of Human Resource management in LIC of India during that period. The questionnaire survey is conducted during June to October 2010.

Limitations of the Study

The study is an attempt to present the H.R. management in LIC in a comprehensive way. As the study is mostly based on both primary data and secondary data, the truthfulness of the study to a considerable extent depends upon the exactness of the data published by LIC and various other agencies and organizations. Surprisingly, uniformity in the presentation of data is not found in some of the reports even published by the same authority. So, cent percent accuracy cannot be attached to the data. Any change in data may warrant a revision of ideas. Hence, studies of this nature can, therefore, be seldom all inclusive or final. As mentioned earlier, the study period has been 10 years from 2000-01 to 2009-10. But, due to non-availability of data, the period has been restricted wherever necessary. However, the thesis incorporated considerable amount of information for the study period from 2000-
01 to 2009-10. In spite of the above limitations, all efforts have been made to make the study comprehensive and analytical. But analytical deficiencies in any form cannot be ruled out in the study.

**Chapterization**

The study is presented in eight chapters as given below

**Chapter-I - Insurance Industry in India - An overview**

The first chapter provides a theoretical setting for the study and includes historical perspective, significance and emergence of Life Insurance Corporation of India etc.

**Chapter-II - The Study**

The second chapter deals with the introduction need for the study, review of literature, objectives, methodology, scope, study plan etc.

**Chapter-III - Profile of the LIC of India**

The third chapter deals with the organizational framework, which includes management, objectives, mission, goals, customer service, diversified activities etc.

**Chapter-IV: Procurement Practices in LIC of India**

It deals with the process of Recruitment, Selection and Induction of employees in LIC of India.

**Chapter-V: Human Resource Development in LIC of India**

It deals with the Performance appraisal, Training and development, Career
Development, Communication system policies and practices in LIC of India and evaluation of performance of training and development programmes. The Promotional policies and the attitude of employees on promotions and Transfers of the employees in LIC of India are also dealt in this chapter.

Chapter – VI – Employee Rewards and Welfare in LIC of India.

It deals with salary administration, pay allowances, anomalies and evaluation and appraisal of wage policies in LIC of India.

Chapter – VII – Employee Relations and Unionism in LIC of India

It deals with employee Integration welfare activities, organization of trade unions, their objectives, activities and the trade union policies in LIC of India and the status of relation between the administration and employees.

Chapter VIII: Summary and Suggestions

The eight chapter deals with summarizing the whole study along with relevant suggestion wherever necessary
REFERENCES


30. Phaneesh, M.S.V.S. "Investment Regulations for Life insurers" Yogakshema, Vol. 46 No. 3 March, 2002 p 15


