CHAPTER - V

HUMAN RESOURCE DEVELOPMENT IN LIC OF INDIA
CHAPTER - V

HUMAN RESOURCE DEVELOPMENT IN LIC OF INDIA

This chapter examines LIC of India policies and practices with regard to development function in terms of performance appraisal, training and development, promotions and transfers. Also opinions of employees on these aspects are analysed.

Performance appraisal

Performance appraisal is the “systematic evaluation of the individual with respect to performance on the job and potential for development”. Performance appraisal also known as performance evaluation, personnel rating, merit rating, employee appraisal or employee evaluation, compares an individual job performance against standards or objectives developed for the individual’s position. A performance appraisal is a process of evaluating an employee performance of a job in terms of it’s requirements. Performance appraisal provides information about the performance ranks based on which the decisions regarding salary fixation, conformation, promotion, transfers and demotions are taken. It also provides feed back information about the level of achievement and behavior of subordinates. This helps to review the performance of the subordinates, rectifying performance deficiencies and to get new standards of work.

The success of appraisal in an organization heavily depends on the mutual cooperation, understanding and help between appraiser and appraisee. If trust,
confidence and respect, exist in the relationship will lead to healthy relations. So it is valuable to the extent that its results improve decisions those are valuable to the organization.

**A performance evaluation helps meet the needs of employers and employees**

1. Giving employees the opportunity to indicate the direction and level of their ambition.

1. Giving managers the opportunity to indicate interest in employees development. This interest can help retain ambitious capable employees instead of losing them to competitors.

1. Identifying areas where specific training is needed or desired and available.

1. Providing encouragement to the employee who has been trying to perform well.

1. Providing a means of communicating and documenting dissatisfaction with un acceptable performance and efforts to improve it².

By above observations employer can assess the employees A. Quality of Work, B. Knowledge of job, C. Personal Quality, D. Ability and willingness to work with associates, Supervisors and subordinates towards common goals, E. Earnestness in seeking increased responsibilities.

**Performance Appraisal Methods**

Different authors have suggested different methods and techniques for performance appraisal. Among them, the widely used categorisation is that given by
Straus and Sayles. They have classified performance appraisal methods into traditional and newer or modern methods. The traditional methods lay emphasis on the rating of the individual's personality traits, such as initiative, dependability, drive, responsibility, creativity, integrity, leadership, potential, intelligence, judgement, organizing ability etc., On the other hand, newer methods place more emphasis on the evaluation of work result - job achievements - than on personality traits. Results oriented appraisals tend to be more objective and worthwhile, especially for counselling and development purposes. Traditional methods consist of Graphic Rating Scales, Ranking Method, Paired Comparison Method, Forced Distribution Method, Checklist Method, Essay or Free Form Appraisal, Group Appraisal and Confidential Reports, Critical Incident Technique, Behavior Observation Scales, Forced Choice Method. Modern methods consist of behaviorally Anchored Rating Scales, Assessment Centre, Human Resource Accounting, Management by Objectives and Psychological Appraisals. While formulating a performance appraisal system care should be taken to avoid problems such as shifting standards, rater’s bias, different rater patterns, and the halo effect.

Performance Appraisal in LIC of India:

The mechanism of performance appraisal in LIC of India is not systematic, it is following a system of confidential reports (CR) and annual confidential reports (ACR) systems. It is organising like any other Govt. Organisations LIC of India is a business and service oriented organisation. Hence it should follow all modern techniques of performance appraisal.

The Annual Confidential Report (ACR) written annually by one's immediate boss about one's performance and it is not disclosed to the appraisee. Varkkey et al.
(2008) had remarked "effectiveness and credibility of the existing ACR system, that is based on the philosophy of control and secrecy has been questioned and viewed negatively. The process is viewed as unreliable, since it fails to distinguish between performance levels and is not linked to any other HRM system than promotions" in LIC of India.

**Nature and extent of performance appraisal in LIC of India.**

For individual development, appraisal provides the feedback essential for discussing Strengths and weaknesses as well as improving performance. The appraisal process provides an opportunity to identify issues for discussion, eliminate any potential problems, and set new goals for achieving high performance. Performance appraisal is also directly related to a number of other major HR functions, such as promotion, transfer and salary determination, termination and lay off decisions. It is important to recognize that the success of entire HR programme depends on knowing how the performance of employees compares with the goals established for them. This knowledge is best derived from a carefully planned and administered HR appraisal programme.

Well designed appraisal system has the capability to influence employee behaviour, there by leading directly to improve organizational performance. In view of this to know the employees perception towards the nature and extent of performance appraisal system in Life Insurance Corporation of India shown in Table 5.1. Sl. No. 1. The performance appraisal system was fair and transparent and reports are based on objective assessment and adequate information. As such it is enquired to what extent the LIC following the fair and transparent P.A. system. For this, the
rating given by the respondents is 2.25. The rating given by the employees could be understood that employees feel the periodical evaluation of work performance in LIC of India is done just below moderate extent. As such it is treated as not satisfactory. Hence, it is suggested that there should be an objective performance appraisal system with fair treatment to all the employees. The system should be transparent to the employees.

Table 5.1: Nature and Extent of Performance Appraisal in LIC of India

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Performance appraisal system is fair and Transparent and Reports are based on objective assessment and adequate information</td>
<td>2.25 (0.42)</td>
</tr>
<tr>
<td>2.</td>
<td>Performance appraisal parameters and methods are appropriate and Relevant in LIC, not on favors</td>
<td>2.50 (0.57)</td>
</tr>
<tr>
<td>3.</td>
<td>There is wide scope for employee participation in the appraisal process</td>
<td>1.59 (0.55)</td>
</tr>
<tr>
<td>4.</td>
<td>The performance appraisal system is employee development oriented in LIC</td>
<td>2.71 (0.48)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation

The perception no. 2 in Table 5.1. is about, whether performance appraisal parameters and methods are appropriate and relevant in LIC, not on favors. For this, the rating given by the respondents is 2.50. The rating given by the employees could be understand that employees feels that LIC of India’s present Performance Appraisal (P.A.) process done through the confidential reporting system is not upto the mark. Hence, it is suggested that the present system should be changed and
employees must be informed by management about the performance appraisal parameters and methods followed by LIC of India.

Performance discussions between superiors and subordinates is very important so the superiors must provide wide scope for employee participation in the appraisal process because these discussions reveals the strong and weak areas of performance of subordinates and superiors may support to over come the weak areas of performance, so that the targets could be achieved in view of this, a question is asked to employees (Sl No. 3, Table 5.1) the rating of employees is 1.59. These rating reveal that the employees attitude about employee participation in appraisal process is not upto to the moderate extent. In view of this, it is suggested that employee participation in the appraisal process should be provide so that it is useful in identifying their short comings.

Development of organization directly depends upon the improvement in Human resources of that organization. As such a question is asked to employees whether the LIC organization is following the performance appraisal system is employee development oriented. (Item No. 4, Table 5.1) For this the rating given is 2.71. The rating is not upto the moderate extent, it needs improvement.

**Performance Appraisal Feed back**

The feed back of performance appraisal must be given to the employees. As such, employees would come to know about the strong / weak areas of their performance and thus, they can plan for improvement. More over, due to this employer can also send employees for training to develop weak areas of performance which would support to development of the organization as a whole.
Table 5.2: Performance Appraisal Feedback to Employees in LIC of India

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Weakness of employees are communicated to them in non-threatening way</td>
<td>2.47 (0.44)</td>
</tr>
<tr>
<td>2.</td>
<td>When behavior feedback is given to employees, they take seriously and use it for development.</td>
<td>2.33 (0.52)</td>
</tr>
<tr>
<td>3.</td>
<td>Employees are afraid to express or discuss their feelings with their supervisors</td>
<td>3.54 (0.45)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation

Whether weakness of employees is communicated to them in a non-threatening way about their performance is shown in item no. 1 in Table No. 5.2. The ratings given by the employees is 2.47. It is not upto the moderate level. It means that employees feel threatened on feedback. In view of the above, it is suggested that the LIC organization should improve the feedback system so that the employees can aware of their weakness so that they can develop their performance.

The Item No. 2 is when behavior feedback is given to employee they take seriously and use it for development. The rating given by the employees is 2.33. This shows that the attitude of employees towards the feedback utilization for employee development is not upto the moderate extent. It is suggested that the Management may take up training programme on performance feedback and educate them to use it for improvement.
To know whether employees are afraid to discuss their feelings on performance appraisal with supervisor is questioned. The rating given by the employees is 3.54 it reveals that the employees are afraid to discuss with supervisor. The supervisors are middlemen between Management and employees. They should give freedom of expression to the employees. In view of this it is suggested that performance discussion should be held between manager and employees in a friendly manner so that employees can reveal their opinions and can plan for better performance to achieve organization goals/ targets

**Training and Development**

Every modern management has to develop the organisation through Human Resources Development (HRD). Employees' training and development is an important sub-system of HRD and a fundamental of creative function of HRM. The process of training and development aims at increasing the ability of individuals and groups to contribute to organisational effectiveness.

Dale, S. Beach defines training “as the organised procedure by which people learn knowledge and /or skills for a definite purpose. According to him training is an exercise which attempt to improve human knowledge in a systematic manner. The enhanced knowledge has a definite purpose of making employees more useful and efficient human resource for the organisation”.

Training is a process of learning a sequence of programmable behavior. It refers to organisational efforts to provide those experience calculated to facilitate the development attitude, skills and knowledge to personnel for satisfactory job performance".

- 152 -
Development is a related process. It covers not only those activities which improve job performance but also those which bring about growth of the personality; help individuals in the progress towards maturity and actualisation of their potential capacities so that they become not only good employees but also better men and women in organisational terms, it is intended to equip persons to earn promotion and hold greater responsibilities.

While “training” refers only to instruction in technical and mechanised operations, “development” refers to philosophical and theoretical educational concepts. “Training” is designed to improve skills in the present job, whereas ‘development’ is designed to educate employees beyond the requirement of their present position so that they will be prepared to perform wide variety of roles within and outside the organisation.

The need for training of employees on a continuous basis has been recognised as an essential activity by all types of organisations. It has assumed greater significance done to unprecedented rate of change in the internal and external environments of organisations. Training programmes bring about change in behaviour of employees so as to enable them to meet the current and future requirements of their tasks and roles. Every employee regardless of his qualifications, skills and abilities require training. Thus, training is one of the interventions of HRD process for improving competence and the ultimate goal of raising the standards of organisational performance. Hence, all training efforts should be directed to develop training activities which are relevant and appropriate to ensure organisational needs.
Planning Training Activities

The major decisions in planning training activities are: (i) Determining the training needs and objectives, (ii) Choosing training methods (iii) Evaluation results.

Determining the training needs and objectives

The first issue is to identify training needs relevant to the organisation's objectives. Assessing needs is important because other decisions hinge on it. The content of training programmes, the techniques used, and even the trainees chosen depend on the objectives of the training programme.

Choosing Training Methods

After determining training needs and objectives, the contents and format of training methods are decided. The training methods commonly used and classified into on-the-job and off-the-job training methods.

On-the-Job Training: These are most widely used methods of training. Under 'On-the-Job Training' the employees are placed into actual work situations and shown the job and tricks of the trade by an experienced employee or supervisor. It is learning by doing. On-the-Job Training methods include job rotation, coaching, job instruction and committee assignments.

Off-the-Job Training: Under these methods of training, trainee is separated from the job situation and his attention is focussed upon learning the material related to his future job performance. Since the trainee is not distracted by job requirements, he can place his entire concentration on learning the job rather
than spending his time in performing it. Off-the-Job-Training methods include vestibule training, role playing, lecture, conference and programmed instruction.

**Evaluation of Results**

Evaluation is the final phase of the training. Evaluation leads to controlling and correcting the training programme. The base of evaluation and the mode of collection of information for the purpose of evaluation should be determined at the planning stage. John Newstrom lists four bases for evaluating training: (1) trainees’ reaction, (2) learning that occurs, (3) behavioral changes, and (4) results of those behavioral changes.

Thus besides knowing the trainees reaction, it is also necessary to evaluate the efficiency training programmes by means of cost-benefit analysis.

**Training in LIC of India:**

Training refers to imparting of specific skills abilities and knowledge to the employees. Training is defined as “any attempt to improve current or future employee performance by increasing and employee’s ability to perform through learning, usually by changing the employees attitudes or increasing the skills and knowledge.”

In LIC of India all employees are provided with both on the job (internal training) and off-the-job (external) training though various institutions / agencies based on the needs and requirements. Customised training programmes were held by IIM, Kolkata for all Regional Managers - P & IR and HRD and Principals of Zonal training centres with a focus to enhance professionalism in human resource management, training and policy implementations in the light of long term need of
the corporation. A customised 6 day "Management development programme" for Sr. Divisional Managers, who have been placed in charge of divisions, was designed by IIM, Kolkata, which was aimed at developing an appreciation of emerging business challenges in insurance business domain, developing skills and capabilities. A programme for LIC of India on marketing strategies for senior executives was conducted by Indian School of Business, Hyderabad. Training programme for Asst. Branch managers (sales) designed by development side for who are in the promotion zone. These training were carried out in management development centre, National Insurance Academy and in Zonal Training Centers. Training to the field personnel i.e., agents, Development officers, at LIC of India training centres was carried out. Selected faculties from training centers were trained by professional agencies to enable them to improve the same to agents and development officers. Management development centre (MDC) of LIC of India at Borivli also conducting the training programmes16.

The duration of training depends on the need and purpose of the training programme. It is reported that usually the period of training ranges from 1 day to 6 days in LIC of India. Yearly once all employees except Class IV employees trained for 3 days at Zonal training centers.

The training imparted to the staff must be effective and benefited to the members as well as to the organization to a large extent. If not so it is not completely successful in achieving its objectives. There must be adequate number of competent staff with necessary knowledge and skills for conducting the training and capacity building programme in a successful and efficient manner, improves superior and subordinate relationship also in organisation.
Attitude of Employees Towards Training:

Training helps to remove deficiencies in employees which are caused by lack of ability. Moreover it provides good climate for learning, growth and coordination. Training enhances the human resource capabilities and strengthens the organization's competitive edge regarding, a question was enquired about the attitude of employees towards feeling of employees in LIC organization offers with adequate training programme. Item no. 1 in table 5.3 is regarding adequacy of training programmes in LIC. The rating given by the sample employees is 2.33. It is below to the moderate extent. This reveals that the training programme is not adequate in LIC. As such it is suggested that adequate training programmes should be designed in regular intervals based on the requirement of the employees.

Relevance of training to the job requirements must be compatible. If the training compatible with job requirements the employees would acquire the needed skills and knowledge relevance to the job. In view of this a question is asked to employees in table 5.3 Sl.no. 2 relevance of training to the job requirements compatible. For this, the rating given by the sample employees is 2.47. It is much below to the moderate extent. It reveals that the training received by the employees is not relevant to the job performance. Hence the LIC of India organization should thoroughly analyse the job requirement, abilities and training must be given to the employees accordingly. So that the employees can perform well in day to day functioning of LIC organization.
Table No. 5.3: Attitude of Employees Towards Training in LIC of India

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Do you feel that the employee in the LIC organization offers with adequate Training Programme</td>
<td>2.33 (0.43)</td>
</tr>
<tr>
<td>2.</td>
<td>Relevance of Training to the job Requirement is compatible</td>
<td>2.47 (0.35)</td>
</tr>
<tr>
<td>3.</td>
<td>Periodicity of Training is adequate in LIC</td>
<td>2.52 (0.44)</td>
</tr>
<tr>
<td>4.</td>
<td>Do you agree that adequate training centres are available in LIC of India</td>
<td>1.59 (0.52)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire

Note: Figures in parenthesis are standard deviation

Employees training needed to fill the gaps to cope up with the changing environment, technological advances, organizational complexity, and change in the job assignment to know whether training in accordance with the organisation culture and climate. The question in table no. 5.3 Sl.no. 3 periodicity of training is adequate in LIC of India is posted to the sample employees. For this the rating given by employees is 2.52. It is below to the moderate extent. Hence, it is concluded that periodicity of training in not adequate in LIC of India. Thus, it is suggested that employees must exposed to training much frequently by which their skills are improved to better performance over the job in new changing environment and technological advances.
Adequate training centers need to provide effective training programmes for employees in organization in regular periodicity in accordance with this a question posted in table 5.3 Sl.no. 4 that do you agree that adequate training centres are available in LIC of India. For this the sample employees rated as 1.59 is much below average extent. It reveals that training centers are very meager. Thus it is suggested that adequate training centers must be established in accordance with the employee training needs.

**Attitude of employees towards learning facilities and course contents of training in LIC of India:**

Learning facilities at the training colleges or training centres are very important for the trainees to learn needed skills. These facilities include well equipped class rooms with adequate lighting and ventilation, well stacked libraries, overhead projectors, multimedia equipment, study/reference material and a climate for learning to the trainees to gain knowledge and skills.
Table 5.4: Attitude of Employees Towards Course Contents of Training

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Available of Training Material is good</td>
<td>3.07 (0.39)</td>
</tr>
<tr>
<td>2.</td>
<td>Course contents of Training is good</td>
<td>2.42 (0.46)</td>
</tr>
<tr>
<td>3.</td>
<td>Supply of course material is adequate</td>
<td>3.22 (0.51)</td>
</tr>
<tr>
<td>4.</td>
<td>Is employee receive Training through experienced and competent trainers</td>
<td>3.52 (0.49)</td>
</tr>
<tr>
<td>5.</td>
<td>Is LIC offered you the training such as Yoga Dhyana!</td>
<td>1.29 (0.55)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation

Table 5.4 shows data on learning facilities and course contents of training in LIC of India. The first item in this table asked respondents to rate whether availability of training material is good. For this the sample employees have rated 3.07. It is above moderate level. This reveals that training centers are providing good training material. The training centers have well staked libraries containing good training material but there is a scope for improvement.

Item no. 2 in table 5.4 is about whether course contents of training are good. For this the sample employees have rated 2.42. This reveals that the course contents of training is not up to the mark, it is much below to the moderate extent and needs improvement. As such it is suggested that the staff colleges should able to provide proper course contents in training for employees. The course content should have all the aspects of the jobs in LIC.
Item no. 3 in table 5.4 is about supply of course material is adequate. For this the sample respondents have rated 3.22. This reveals that the training centers are providing adequate training course material for trainees as the rating is just above to the moderate extent. Successful classroom training requires abilities like through knowledge of the subjects to be taught as well as the methodology of teaching adult learners. Apart from these core abilities, the trainers should have adequate motivation for effective teaching. Moreover, faculty members should be more experienced and competent. Table 5.4 Sl. no. 4 shows the data is employee receive training through experienced and competent trainers. For this the sample employees rated 3.52 which is above to the moderate extent. This shows that the trainers have adequate knowledge, experience about the subject they teach their employees.

As Swamy Vivekananda says, “a concentrated mind is really a search of light. A search light makes to see the objects lying in the dark corner”. Then the things which seem us impossible today will become absolute realities and doubts will be vanished. If we develop our concentration and inner power by Dyana and Yoga, we shall able to go on doing our duties without feeling any reaction (stress or strain). In view of this a question asked to the sample employees on table 5.4 Sl. no. 5 is LIC offered you the training such as Yoga, Dyana. For this the rating given by the employees is 1.29. It is below to small extent. From this it can be ascertained, employees are not exposed to Yoga and Dyana in training sessions. As such it is suggested that every day before starting training session all trainees must be practice Yoga and Dyana to remove their stress and to increase their concentration on learning skills for doing the job successfully to achieve the goals of organization.
Transfer of training to the job and post training evaluation of employees in LIC of India:

The employees is likely to find themselves unusually clumsy during the early stages of learning, by the motivation and giving appropriate material time and interest of the employee depends on success of a training course. As such to know the employee participation in training a question asked in table 5.5 Sl.no.1 employee participation of training is good in LIC. For this the rating given by the sample employees is 2.47. It is almost too small extent. Thus it is understood that the employee participation in training is not much. It is suggested that trainees must be motivate and trainers should encourage trainees to participate in training programme.

Transfer of learning to work place is very important. The main purpose of training is to enhance the performance of employees at workplace. If the knowledge and skills acquired in training cannot be transferred successfully then it will lead to wastage of training cost at the same time loss of employee performance. There are many issues involved in transfer of learning to work place performance and important among them the trained employee finds it easy to apply the training they received. In the work trained employees must be evaluated upto the norms, training programme followed by the organization must be related to the workplace knowledge and skill development oriented. Table 5.5 Sl. no. 2 presents the data how training transferred to work situation or on to the job. Is employee finds it easy to apply the transfer they received in the work. For this the rating given by sample employees is 2.33. It is much below moderate extent. It can be understood that the inputs in the training process effective only to a very small extent. So, it is suggested that the inputs knowledge in the training institute should be clear and effective so that
employees can acquire the skills and put the efforts at the actual work place.

Table 5.5: Attitude of Employees Towards Post Training Evaluation of Employees in LIC of India

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employee Participation in Training is good in LIC</td>
<td>2.47 (0.46)</td>
</tr>
<tr>
<td>2.</td>
<td>Is the employee finds it easy to apply the training they received, in the work</td>
<td>2.33 (0.35)</td>
</tr>
<tr>
<td>3.</td>
<td>Evaluation of the Trained employee is good in LIC</td>
<td>2.33 (0.42)</td>
</tr>
<tr>
<td>4.</td>
<td>Are you satisfied with the method of Training programme following in your organization</td>
<td>1.92 (0.58)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation

The process of training evaluation has been defined as “any attempt to obtain information on the affects of training performance and to assess the value of training in the light of that information”. Evaluation leads to controlling and correcting the training programme. Hamblin suggested five levels at which evaluation of training can take place, Viz., reaction, learning, job behaviour, organization and ultimate value. In the immediate sense, the specific course of training can be evaluated in terms of written and performance tests. Evaluation of trained employees help a company to fulfill its future personnel needs. Towards this fact an enquiry made to know what extent the respondents are satisfied by the evaluation of the trained employee is
good in LIC of India. It is observed from table 5.5 Sl.no. 3 the rating given by the sample employees is 2.33. It is much below to the moderate extent. As such it is suggested that they have to develop tactical plan to evaluate their performance continuously for the obtainment of the corporation's mission.

All kinds of knowledge and skills cannot be taught or learnt through a single methodology. Training has flexibility of accommodating several methods of learning like lectures, discussion, role play, case analysis, business games etc., Trainees are adult learners and they need innovative and participative methodology of learning, towards this fact an enquiry made to know what extent the sample employees satisfied the method of training programme following in LIC of India organization for this, on table 5.5 Sl.no.4 the respondents given the rating 1.92 is much below to the moderate extent. As such it is suggested that the organization has to follow modern training methods such as case study method, brain storming, discussions, committee assignment methods etc. These methods will improve the employee participation in training. These methods may be adopted along with traditional lecture method.

**Employee Career Development in LIC of India**

In Life Insurance of India because of the supportive and ballistic approach to managing performance the organization following the mechanism of performance appraisal is the annual confidential report (ACR or CR) it is relic of an old Government practice. In LIC organization the CR plays an important part in promotion decisions. The process is viewed as unreliable, if the content of CRs is biased and incorrect its impact reveals on promotion decisions.
In view of this the item No. 1 in Table No.5.6 to know the perceptions of the employees satisfaction with the carrier opportunities available in LIC. The rating given by the employees is 1.96. This shows that the attitude of employees towards the carrier opportunities in LIC is not upto the moderate extent and positive. The performance appraisal system in LIC is confidential report (CR) the CRS may not provide the complete reflection of a person many times people are some what over rated and some time adverse. In view of this it is suggested that LIC should adopt modern performance appraisal methods. It should improve the career advancement opportunity by improving the different grades and scales so that the employees will have chances to go up in their career.

Table 5.6: Employee Career Development in LIC of India

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The employees are mostly satisfied with the career opportunities available in LIC</td>
<td>1.96 (0.32)</td>
</tr>
<tr>
<td>2.</td>
<td>The employees jobs are secured in LIC</td>
<td>3.85 (0.45)</td>
</tr>
</tbody>
</table>

Sl.No. 2 in table no. : 5.6 is about to know the employees attitude about the job security in adverse confidential reports. The rating given by the employees is 3.85. This reveals that the job security in LIC is good and employees are strongly agreed even if the ACR are adverse they do not have any job security problem.

Identifying Training Needs:

In general most part of the employee appraisal based on identifying the training and development needs for career planning and to know the job design errors. In
performance appraisal system employees are encouraged to identify their career needs, to know the attitude of sample employees a question posted in table 5.7. Sl.No. 1. employees are encouraged to take the initiative in determining their career needs. For this, the sample employees gave the rating as 2.59. It is below moderate level. Due to the mechanism followed by LIC of India for Performance Appraisal. Is Annual Confidential Reports (A.C.R.s) there is no scope for employee determination of career needs. It is suggest the employees should be encouraged to determine their career needs and accordingly they should be given career options.

Table 5.7: Attitude of Employees Towards Identifying Training needs

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employees are encouraged to take the initiative in determining their career needs</td>
<td>2.59 (0.52)</td>
</tr>
<tr>
<td>2.</td>
<td>Is the Training needs are identified in order to develop critical skills of employee for assigned tasks.</td>
<td>2.29 (0.46)</td>
</tr>
<tr>
<td>3.</td>
<td>Apart from organization development, the top management is also interested in the individual development of employees.</td>
<td>2.60 (0.62)</td>
</tr>
<tr>
<td>4.</td>
<td>Top Management is ready to invest in development oriented activities</td>
<td>2.47 (0.45)</td>
</tr>
<tr>
<td>5.</td>
<td>Is there any opportunities available for employee to cross - train and as well as Learn new skills.</td>
<td>2.32 (0.46)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation
Item No. 2 in table 5.7 training needs is identified in order to develop critical skills of employees for assigned tasks. For this, the rating given by sample employees is 2.29. This shows that the attitude of sample employees towards identifying the training needs in Performance Appraisal (PA) system is not upto the moderate extent. It can be inferred that the present system is not suitable to identify training needs. Hence, it is suggested to improve performance appraisal to find out the training needs.

Item No. 3 in table 5.7 apart from organisation development, the top management is also interested in the individual development of employees. For this, the rating given by sample employees is 2.60. This shows the attitude of sample employees of LIC of India towards top management interest in individual development of employees is not upto the moderate extent. It is suggested that the attitude of Management should be develop individual employees along with their development.

Item no. 4 in table 5.7 in any organisation top management should have interest to invest in employee development oriented activities. In order to achieve its goal. To know the perception of sample of top management is ready to invest in development oriented activities. The rating given by the sample employees is 2.47. It is not upto the moderate extent. Identifying training needs is very important. Training needs can be identified by anticipating future requirements or problems of the organisation, more over if training needs are assessed properly, then, employees would get knowledge about how to meet the changing requirement of the job and the organisation. It prepares employees for higher level tasks and buildup competent managers. Good or bad performance on job implies strengths or weakness in the personnel department procedures appraisal helps to assess the employee skills. In
order to know the perception of sample employees Item No. 5 in table 5.7 a question is posted to sample employees is there any opportunities available for employee to cross-train and as well as learn new skills. For this rating given by the sample employees is 2.32. It is not upto the moderate extent it needs to be improved.

By above observations it is suggested that the LIC of India organisation has to modify its Performance Appraisal (PA) system (A.C.R.) and implement bell labs model for star performance of its employees. “Stars are made; not born”20 is the argument advanced by Robert E. Kelly, Prof. at Carnegie mellon University, Conducted a study on Star performance at Bell labs. The study led to gain valuable insights into the issue. The implication for organizational practice is that average employees can be turned into Star performers through well designed training and reward oriented strategies. The investment on these efforts will be worth keeping.

Goal Setting and Team Spirit in LIC of India:

Successful goal attainment is related to conscious goal setting, awareness of forces related to the goal, high expectations of success, high psychological safety, a concern for measuring progress and emphasis on self evaluation. Kolb and Boyatzis explain individuals must be aware of their goals by focusing ability and intra-personal exploration21. Table 5.8 shows the attitude of employees towards goal setting and team spirit. The first item in table 5.8 ascertains whether goals are clearly set in the organisation. For this, the rating given by the employees is 3.34. It is above moderate extent. Thus it can be concluded that organization goals are clearly explained and set to the employees.
Table 5.8: Employee Attitude Towards Goal Setting and Team Spirit in LIC of India

<table>
<thead>
<tr>
<th>SL.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Goals are clearly set in the organization</td>
<td>3.34 (0.60)</td>
</tr>
<tr>
<td>2</td>
<td>Team spirit is of high order in LIC</td>
<td>3.39 (0.54)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation

Teams are created to pool talent, energy and initiative of several persons so that they can together achieve what may be hard for any individual to achieve by himself. Team work is also a powerful instrument for developing and motivating people as social beings. Leadership, roles and tasks are the key constituents of a team to achieve team mission and strategy through its programme. At work employees must be effective as team players. Table 5.8 SL.no. 2 shows the data about employees team spirit. Team spirit is of high order in LIC. For this the rating given by employees is 3.39. It is above to the moderate extent. The employees should maintain unity among them and work with the same team spirit to accomplish the job tasks.

Employee Learning Culture and Climate

"The managerial art of creating and maintaining an atmosphere that supports people working together to accomplish a mutually-agreed vision, mission and set of goals using minimal time, money and materials, using their talent". For this the organization culture and climate has to be induced in the way that organisation and
its sub system deal with their members and environment. Organisation culture and climate has an impact on the outcome of any development process. The H.R.D. activities such as talent management etc., have to be successful the organisation climate & culture has got to be proactive so as to enable people to learn and contribute their best to the organization.

The roles of employee provide the responsibility, challenge and autonomy required to create role engagement and motivation table 5.9 shows data about employee learning culture and climate by using talent management. Item no. 1 in table 5.9 ascertains from the sample employees whether the work is challenging in LIC organization for this the rating given by the employees is 3.58. It is above moderate extent. It can be understood from the above LIC has initiated measures to create challenging tasks among employees. It has to adopt the serious challenges from the complex turbulent environment. In long term strategies with regard to the social system.

The organization has to provide employees opportunities for learning new and varied skills. Thus making the work more satisfying and meaningful Item No. 2 in table 5.9 is LIC provides opportunity for using variety skills. For this the rating given by sample employees is 2.51. It is below the moderate extent. It can be understood that LIC is not providing opportunities for learning new and varied skills on job. Hence, it is suggested that LIC should include varied skills in their training programmes. It should include Human Resource skills, Marketing skills and also Financial skills development in their training programmes.
### Table 5.9: Employees Learning Culture and Climate

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Work is challenging in organization</td>
<td>3.58 (0.52)</td>
</tr>
<tr>
<td>2.</td>
<td>LIC provides opportunity for using variety skills</td>
<td>2.51 (0.48)</td>
</tr>
<tr>
<td>3.</td>
<td>Job provide high sense of Achievement in LIC</td>
<td>3.73 (0.45)</td>
</tr>
<tr>
<td>4.</td>
<td>Job provides opportunities for growth and self fulfillment in LIC</td>
<td>2.39 (0.44)</td>
</tr>
<tr>
<td>5.</td>
<td>People in our organization are helpful to each other</td>
<td>2.61 (0.55)</td>
</tr>
<tr>
<td>6.</td>
<td>Employee get Regular feed back from manager or superior in LIC</td>
<td>2.47 (0.58)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire

Note: Figures in parenthesis are standard deviation

The job has to be provide high sense of achievement to the employee, the superior/Managers by communicating the importance of job to the employee and he may be helped to see how his job is useful for the section/department, for the organisation, for a large sections of the community, the profession and the society or for the Nation. Item No. 3 in table 5.9 is job provide high sense of achievement in LIC for this the rating given by sample employees is 3.73. It is above to the moderate extent. It can be understood the LIC provide environment of job to provide high sense of Achievement.
If people feel that what they do in the jobs help them to learn new things and contributes to their development their motivation will be high to know the attitude towards this table no. 5.9 Sl.No. 4 employees job provides opportunities for growth and self fulfillment in LIC, for this the sample employees rated as 2.39. It is below moderate extent. It reveals that employees of LIC employees jobs are not providing opportunities for growth and self fulfillment basis on their performance and ability. It is suggested that LIC should provide new opportunity in their job by dividing the job categories into more, so that the employees will get change in their career for growth and development.

For complete growth the corporation must provide to employees perceives a nurturing environment. There would be a positive response to matching individual aspirations with organisational needs. Employees who are not able to contribute to the organisation fully due to reasons beyond their control, can also give the best if they are taken care of providing proper environment and conditions by the group of employees and managers. To know whether LIC employees are providing such help environment to the employees on table 5.9 Sl.No. 5 people in our organisation are helpful to each other to accomplish the tasks for this the rating given by the sample employees is 2.61. It is below to the moderate extent. As such it is revealed that employees and managers have to share knowledge among other staff members so that others get benefited through shared learning.

For employees work has to be challenging and it should provide opportunity for using variety skills, opportunities for growth and self fulfillment employee has to know to what extent his work achieved the objectives of job for this employees should get regular feed back from the managers for this employees should get regular
feed back from managers Table 5.9 Sl. No. 6 an enquiry made on this, as employee get regular feedback from manager or superior in LIC. For this the rating given by employees is 2.47. It is below to the moderate extent. Thus it can be understood that the employees are not getting regular feed back from managers. As such it is suggested that managers should give feed back to the employees on their performance on job with this the employees will be able to correct themselves and perform more.

Communication

Communication is a process by which all forms of information are transferred from one person to the other. Scott and others define “communication as a process involving the transmission and accurate replication of ideas reinforced by feedback purporting to stimulate actions to accomplish organizational goals”23.

The analysis of communication process involves the following four elements: Communication can be made effective through the effective use of these elements.

(a) The content: It calls for clear thinking about objective (must be definite), message (frank and sensible), wording (accurate, clear, convincing and un-twistable), and presentation (planned, appropriate and effective).

(b) The system must be clearly defined and recognized.

(c) The technique: It involves selection of the most appropriate technique. The techniques are oral, written, graphic and psychological.

(d) The media: The media of communication are personal contract, meetings, conferences, telephone talks, letters, reports, minutes, notices, handbooks, periodicals, schedules, balance sheets, organizational charts, attitude, gestures, expression, inflexion etc24.
A proper regard for content, system technique and medium will help to communicate effectively. But, there are no substitute for real basic elements of good communications viz., honesty, sincerity, clear thought and simplicity.

In absence of communication no individual employee can appreciate overall objectives of an organization. In this context to know the attitude of LIC employees towards communication system, a question posted as there is an effective communication system prevailing in the organization and the results are given in table 5.10. For this the rating given by sample employees is 3.39. It is above to the moderate extent. It can be understood that LIC of India has initiated measures for effective communication system in organization.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>There is an effective communication system prevailing in the organization.</td>
<td>3.39 (0.52)</td>
</tr>
<tr>
<td>2.</td>
<td>The organization has identified its own needs to develop communication system.</td>
<td>3.04 (0.46)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire

Note: Figures in parenthesis are standard deviation

No organization can function without communication. It is an ever present activity among participants in the organization. Every organization has to identify its own needs to develop communication system for information and knowledge has to transfer from one person to another. Employees have to motivated and directed by the help of communication. To increase acceptance of the organizational tasks. For seeking commitment to organizational objectives, to provide data necessary
or rational decisions, to clarifying duties, authority and accountability. As such, to know the employees attitude towards communication system item no. 2 in table 5.10 ascertains from employees whether the organization has identified its own needs to develop communication system, for this, the rating given by the employees is 3.04. It is just above to the moderate extent. It can be understood that the LIC of India organisation has identified its own needs to develop communication system moderately and it needs some improvement. As such, it is suggested that the LIC of India organization has to collect all relevant information, sorting out and check facts from opinion and inferences by evaluating the information and drawing conclusions, identify its own needs to develop better communication system.

**Employee assistance towards organization development**

Every manager counseling his employee knowingly or unknowingly in his day to day work life. An effective manager is one who helps his employees to become more aware of their strengths and weaknesses and helps them to grow to improve further on the strong points and overcome weakness. Item no. 1 in table 5.11 ascertains the employees views to what extent manager is always helpful when employees are in need. For this the employees have rated 2.75. It is just above to small extent. This reveals that managers are not cordial and they are not helpful to employees when they need help. As such it is suggested that managers should cooperate in clearing employees doubts. In this direction the LIC should design training programmes and provide to the Manager cadre employees.

Employee should be recognised appropriately by the superiors for the value additional work they render. Item no. 2 in table 5.11 enquiry on employee rewards and recognition as supervisors immediately recognizes and reward for out standing
work of employees. For this, the sample employees have rated 2.64. It is below to the moderate extent. It reveals that work achievement by staff is not appropriately appreciated and recognised by the management. This will discourage the well performing employees. The performers must be encouraged.

Table 5.11: Employees Attitude Towards Employee Assistance

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>My manager is always helpful when I am in need</td>
<td>2.75</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.32)</td>
</tr>
<tr>
<td>2.</td>
<td>My superiors immediately recognizes and reward for outstanding work</td>
<td>2.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.44)</td>
</tr>
<tr>
<td>3.</td>
<td>Mutual trust exists among the work force in organization</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.48)</td>
</tr>
<tr>
<td>4.</td>
<td>Employees are involved in decision making that directly affects their work in organization</td>
<td>1.92</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.54)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation

Culture has to provide a sense of identity to members and increase their commitment to the organization when employees internalise the values of the company they find their work intrinsically rewarding identity with their fellow employees. Motivation is enhanced, and morale boosts mutual trust exists among the work force in organization. Table 5.11 Sl. no. 3 ascertains from the employees whether mutual trust exists among the work force in organization for this, the rating given by employees is 2.25. It is much below to the moderate extent. It can be understood that organization culture not entrusts mutual trust among the work force
in the organisation. It is suggested that the LIC organization should develop superior subordinate relationship and subordinate-subordinate relationship accordingly. This will enhance the mutual trust in the employees.

**Employee Participation in decision making:**

The organization has to provide facilitating conditions of initiative to improve is of the self. The job of the manager is to develop practices that help individuals to accept ownership work oriented behaviours, multirole relationship are a part of organizational roles. Employees are much reliable and trust worthy as the managers. Consequently the superiors have to develop the sense, and utilise it for action. If the sense of responsibility in decision making developed in all employees it leads to success of organization goals and target.

To what extent employees are involved in decision making that directly affects their work in organisation. Item no. 4 in table 5.11. The employees rated as 1.92. It is below to small extent. Thus it is understood that employees are not encouraged to take decisions that directly affects their work. As such it is suggested that work plan review (WPR) approach becomes meaningful in LIC organization to build employee development practices. If the employees are given involvement in decision making, taking. They will be prepared for higher positions in future. Hence the employees should be involved in decision making

**Promotions**

When an organisation prefers to fill a vacancy only by the internal candidates, it assigns that higher level job to the selected employee from within through promotional tests and interviews. Such upward movement can be said
as promotion. It should also usually result in changes in duties and higher level of responsibility, status and value. According to Paul Pigors and Myers, "Promotion is advancement of an employee to a better job - better in terms of greater responsibility, more prestige or status, greater skill and especially increased rate to pay or salary". Thus promotion refers to upward movement of an employee from the present job to another job which has higher pay, responsibility and/or organisational level.

The primary purpose of promotion is to increase the effectiveness of the organisation in attaining its objectives and to provide opportunity for the personal advancement of the personnel working in the organisation. A promotion policy is a valuable adjunct to any personnel policy provided it can be worked to on a sound basis. Promotion of an employer from lower to higher grade benefits the organisation as well as employees. It serves the following purposes:

(i) To utilise the employees' skill, knowledge at the appropriate level in the organisation hierarchy resulting in organisational effectiveness and employee satisfaction.

(ii) To develop competitive spirit and inculcate the zeal in the employees to acquire the skill and knowledge, etc., required by higher level jobs.

(iii) To develop competent internal source of employees ready to take jobs at higher levels in the changing environment,

(iv) To promote employee self-development and make them await their turn of promotion. It reduces labour turnover.

- 178 -
(v) To promote a feeling of content with the existing conditions of the company and a sense of belongingness,

(vi) To build loyalty and to boost morale,

(vii) To reward committed and loyal employees.

Bases of Promotion

Fundamental to any policy of promotion is the basis on which promotion are to be made. The issue around merit or seniority or seniority-cum-merit.

Merit

Merit is taken to denote an individual employee's skill, knowledge, ability, efficiency and aptitude and measured from educational, training and post employment record. If promotion is to be an incentive the best performing employees should be promoted. However, measuring merit is not easy and the techniques of merit measurement are subjective. Moreover, trade unions, distrust the management's integrity in judging merit there may be favoritism.

Seniority

Seniority refers to relative length of service in the same job and in the same organisation. The logic behind considering the seniority as a basis of promotion is that there is a positive correlation between the length of service in the same job and the amount of knowledge and the level of skills acquired by an employee in an organisation. This system is also based on the custom that the first in should be given first change in all benefits and privileges. It is easy to
measure seniority and it promotes objectivity and equity. But promotion through seniority may result upward management of some incompetent persons and kills zeal and interest of young and more deserving persons.

**Seniority-cum-Merit**

Management prefers merit as the basis of promotion. But trade unions favours seniority as the sole basis for promotion in order to satisfy the interests of most of the employees. Hence Management cannot ignore the demands of trade unions and resort to promotion solely on merit basis. Consequently, there is a need of strike a balance between merit and seniority. Thus ‘Seniority-cum-merit’ is the sound basis for promotion. However, when adopting such a system there is a need to decide relative weights to be given to seniority and merit in promotion decisions.

**Promotion Policy**

Every organisation has to clearly specify its promotion policy based on its corporate objectives. The policy should clearly specify the norms and guidelines for promotion and the indicate methods of deciding seniority and evaluation of merit. The policy should be fair and partial and applied uniformly to all employees without giving room for nepotism, favouritism, etc., Implementation of promotion policy should be entrusted to an appropriate authority created for this purpose. In the Indian context, Central Government has stipulated introduction of reservation in promotions also in all government organisations. Accordingly, certain percentages of posts are to be reserved for persons belonging to specified categories like Scheduled Castes, Scheduled Tribes etc., while making
promotions. Hence, whatever applicable, promotion policy should also make adequate safeguard and reservations for these specified categories of persons.

**Promotion Policy and Procedure in LIC of India**

The promotion policy and procedures followed by LIC of India are based on the rules framed by the Central Government in accordance with promotions of the Life Insurance Corporation of India act 1956, (Appointment and Promotion of Officer and Employees) Rule, which are subject to revision from time to time.

As per these rules the Board of Directors of LIC of India is the competent authority to decide the promotions. It is reported that LIC of India, like any other Insurance Company, adopts ‘seniority-cum-merit method’ in making all promotion from one cadre to another.

**Maintaining Seniority Lists**

As per the promotions are base on both seniority and merit, the personnel department of LIC of India maintains seniority lists in respect of each cadre of officers and other employees separately. The seniority lists are reviewed and updated from time to time. Broadly, the employees of LIC of India are divided into three groups as follows:

**Class-I officer cadre employees**

This group is subdivided into

(a) Officers Scale-I : Sr. Divisional Manager / Divisional Manager, Assistant Divisional Manager
(b) Officers Scale-II & III: Administrative Officers and Assistant.

Administrative Officers come under this scale of pay.

Class-II Development Officers

This group consists of Development Officers only.

Class-III Clerical Cadre Employees

This group consists of Higher grade Assistants, Assistant, record clerks,
Clerk-cum-Cashiers, Stenographers.

Class-IV - Subordinate Staff

Messengers, Messenger-cum-Sweepers, Driver-cum-Messengers, Security
Guards, Drivers, etc., fall in this group.

For the above groups and categories of employees seniority lists are
prepared and maintained separately to decide the number of employees to be
considered for promotion to higher scale.

Deciding Number of Vacancies to be filled by Promotions

Every employee of LIC of India working in a junior cadre aspires to go
up the ladder and occupy higher positions. In fact it is this aspiration for promotion
to higher positions that induced these employees to exhibit merit and ability to
their jobs. Therefore, a promotions serve as an incentive and motivates the
employees to work with commitment. At the same time promotions avoid
stagnation, discontentment and external mobility of employees. In addition to
this, as the volume of business of the LIC grows there arises a need for more
number higher cadre employees, Hence employees in lower cadre are to be promoted to higher cadre. Taking the above aspects into consideration, the Board of LIC periodically reviews and decides the number of vacancies to be filled by promotion and notifies the same to all eligible employees for consideration for promotion. While deciding number of vacancies to be filled by promotion norms prescribed by Central Government are observed.

Fixing Eligibility Criteria for Promotion

Since promotion is based on both seniority and merit, certain minimum years of experience in lower cadre, appraisal performance reports, (annual confidential reports) for preceding three to five years, and success in the written test and performance in the interview are considered while making promotion from lower cadre to higher cadre. Also reservation for SC, ST employees as per Government rules is provided while making promotions.

Promotion Procedure

As already stated LIC has been following seniority-cum-merit principle while making promotions. As and when vacancies are to be filled by promotions, the personnel department itself sends call letters to all eligible candidates on seniority basis in the ration of 1:4 or 5 to appear for written test and /or interview as per the schedule prescribed by the LIC of India. The LIC entrusted the responsibility of conducting written test to Actuarial Society of India, an independent organization specially established by the Central Government for this purpose. Interviews are conducted by a duly constituted selection committee. After completion of interview merit list is prepared and selection of candidates
for promotion is done by taking into account inter-se-seniority among eligible candidates. After the selections are approved by the Board, appointment letters are sent to the promotees. In what follows the promotions procedure adopted by the LIC for various positions is described.

The promotion procedure followed by the LIC is based on IRDA (Insurance Regulatory and Development Authority) Rules, framed by the Central Government. The eligibility criteria for promotion to different cadres under these revised rules are given below:

Promotion from Scale I to Scale II and from Scale II to Scale III

a. Eligibility : Minimum 5 years of Service as Officer in Scale I / II in LIC of India at the time of notification

b. Mode of Selection : Seniority - cum - merit principle

c. Criteria of Selection : Assessment is made by taking into account seniority, Annual Confidential reports for proceeding 5 years, and interview. A total of 75 marks are allotted for these criteria as follows:

1. Qualification Max 10 Marks
2. Seniority Max 20 Marks
Max for 1 & 2 above 25 Marks
Reservation for SC/ST Candidates

Reservation for SC/ST candidates shall be made in accordance with prevailing government rules.

Final Selection

The selected list of officers who secure minimum bench marks of 50 percent as stated above shall be arranged in the order of seniority on the basis of their inter-se-seniority by applying the selection rule of seniority-cum-merit and will be considered for promotion subject to the number of vacancies available.

Promotion from Class III to Class I

Eligibility minimum 5 years as in the Scale of HGA or 5 years service in the scale of Assistant or Higher Grade Assistant (HGA) and maximum age of 37 years with metric / HSC and FIII, Mumbai or passed in minimum 5 subjects of Institute of Actuarial Society of India and pass in promotion test employees may apply for promotion into the cadre of AAO (Assistant Administrative Officer) in LIC.

Mode of Selection: Seniority-cum-merit principle
Criteria of Selection: Assessment shall be made by taking into account seniority in service, Annual confidential reports for
the proceeding 5 years and interview. A total of 75 marks are allotted for these criteria as follows:

1. Qualification Max 10 Marks
2. Seniority Max 20 Marks
Max for 1 & 2 above 25 Marks
Work record 25 Marks
Interview 25 Marks
Total 75 Marks

Minimum Merit / Bench Mark for Promotion

Assistant and Higher Grade Assistants (HGA) who are qualified in the written test and called for interview shall secure a minimum of 50 percent of total marks allotted for qualification, seniority, interview, and Annual Confidential reports put together. Candidates who fail to attend the interview will not be considered for promotion.

Reservation for SC/ST candidates

Reservation for SC/ST candidates shall be made in accordance with the prevailing government rules.

Final Selection

The selection list of Assistant and Higher Grade Assistants (HGA) who secure minimum bench mark of 50 percent as stated above shall be arranged in the order of seniority on the basis of their inter-se-seniority by applying the selection rule of seniority-cum-merit and will be considered for promotion subject to the number of vacancies available.
Promotions from Messengers/Messenger-cum-Sweeper/Driver-cum-Messenger to Clerical Cadre

Eligibility: Minimum 2 years of service as Messenger/Sepoy, watchman, in the LIC at the time of notification and pass in Departmental test or 2 years service in Class IV and a pass in S.S.C. or above

Mode of Selection: Seniority-cum-merit principle

Criteria of Selection: Assessment shall be made by 2 methods as 10 A and 10 B taking into account seniority in service, and interview.

A total of 85 marks are allotted for 10 A criteria is as follows:

<table>
<thead>
<tr>
<th>Qualification</th>
<th>10 Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seniority</td>
<td>15 Marks</td>
</tr>
<tr>
<td>Work Record</td>
<td>30 Marks</td>
</tr>
<tr>
<td>Interview</td>
<td>30 Marks</td>
</tr>
<tr>
<td>Total</td>
<td>85 Marks</td>
</tr>
</tbody>
</table>

A total of 100 marks are allotted for 10 B criteria is as follows:

| Promotion test  | 50 Marks |
| Work Record     | 25 Marks |
| Interview       | 25 Marks |
| Total           | 100 Marks |

Minimum Merit / Bench Mark for Promotion

Candidates who are qualified in the written test or having qualification called for interview shall secure a minimum of 50 percent of total marks allotted for qualifying written test and interview together. Candidates who fail to attend the interview will not be considered for promotion.
Reservation for SC/ST Candidates

Reservation for SC/ST candidates shall be made in accordance with the prevailing government rules.

Final Selection

The selection list of candidates who secure minimum bench mark of 50 percent as stated above, shall be arranged in the order of seniority on the basis of their inter-se-seniority by applying the selection rule of seniority-cum-merit and will be considered for promotion subject to the number of vacancies available.

Attitude of Employees towards promotion policy in LIC of India:

Promotion refers to elevation from lower grade or cadre to upper grade or cadre. Promotions are an acknowledgement of past performance and future potential to shoulder higher responsibilities. Performance linked promotions can keep the employees motivated for superior performance. Promotions help the organizations to place experienced people in top positions. In LIC of India, promotions elevates the designation of employee, change in job content and increase in status, increase in emoluments and a reassurance to the individual that he is valued.

Job performance is very important because based on performance of the individual, many decisions are taken like compensation adjustments, placement decisions, training and development needs, career planning and development etc., More over, performance measures employee's job related behaviour and out comes to discover how and why employee is presently performing the job and how the employee can perform more effective in future so that the employee, organization and society all benefit. Management prefers merit as the basis of promotion, but
trade unions support seniority as the sole basis for promotion. Is that there should be a positive correlation between the length of service in the same job and the amount of knowledge and the level of skill acquired by an employee in an organization. This system is also based on the custom that the first in should be given first chance in all benefits and privileges. Hence a balance between seniority and merit can be considered as the basis for promotion, satisfying the management for organization effectiveness and the employee and trade union for respecting the length of service. The attitude of employees on promotion policy is ascertained and presented in Table 5.12

Table 5.12: Attitude of Employee Towards Promotion Policy

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Weighted Averages)</td>
</tr>
<tr>
<td>1.</td>
<td>Do you feel satisfactory about promotions you got so far in LIC of India</td>
<td>2.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.38)</td>
</tr>
<tr>
<td>2.</td>
<td>There are ample opportunities for promotion in the organization</td>
<td>2.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.44)</td>
</tr>
<tr>
<td>3.</td>
<td>Seniority only basis for promotion in the organization</td>
<td>3.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.59)</td>
</tr>
<tr>
<td>4.</td>
<td>Merit is the only basis for promotion in organization</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.56)</td>
</tr>
<tr>
<td>5.</td>
<td>Seniority cum merit is the basis for promotion in the organization</td>
<td>2.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.48)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation
Item no. 1 ascertains from employees do you feel satisfactory about promotion you got so far in LIC of India. For this the employees have rated as 2.64. It is below to the moderate extent. Thus it is concluded that employees are not getting promotions satisfactorily in LIC of India.

Item no. 2 in table 5.12 is about there are ample opportunities for promotion in the organization. For this the sample employees have rated as 2.50. It is below moderate extent. Thus, it can understood that the promotion opportunities are very meager in LIC of India. Item no. 3 in table 5.12 about seniority only basis for promotion in the organization for this the rating given by the the employees is 3.50. It is above to the moderate extent. Thus it can understood that the organization is considering seniority as the basis for promotion.

Item no. 4 in table 5.12 is about merit is the only basis for promotion in organisation for this the rating given by the employees is 2.25. It is much below to the moderate extent. Thus it can be concluded that the organization is not considering merit as the basis for promotion. Item no. 5 in table 5.12 is about the employee perception about the seniority cum merit is the basis for promotion in the organization. For this, the rating given by the sample employees is 2.05. It is far below to the moderate extent. Thus it can be concluded that LIC of India is not even following seniority cum merit as basis for promotions. It can be concluded from the above that the employees are not satisfied promotions in LIC. They feel that the promotional opportunity are very less. LIC is following only seniority is the basis for promotions. In view of all this it is suggested that LIC should improve the chances of promotion by dividing the positions into more grades. It is also suggested that along with seniority, merit also should be considered for promotions in LIC.
Transfers

A transfer is a shift of a person from one job, organisational level, or location to another. Dale Yoder et. al. defined ‘transfer’ as a lateral shifting causing movement of individual from one position to another usually without involving any marked change in duties, responsibilities, skill needed or compensation”32. It is a horizontal movement of employees between jobs with same level of pay. It does not imply any ascending (promotion) or descending (demotion), change in status or responsibilities.

The purpose of transfer generally are : (i) to meet the organisational requirement like change in technology, organisational structure, etc., (ii) to satisfy the employee needs, (iii) to utilise employee skill, knowledge etc., where they are more suitable (iv) to improve employee background by placing in different places (v) to correct inter-personnel conflicts (vi) to punish the employees (vii) to minimise fraud, bribe, etc33.

Types of Transfers

Transfers can be classified into the following types :

(i) Production Transfer : Transfer caused due to changes in production.
(ii) Replacement Transfer : Transfer caused due to replacement in an employee working on the same job for a long time.
(iii) Rotation Transfer : Transfers initiated to increase the versatility of employees.
(iv) Shift Transfer: Transfer of an employee from one shift to another

(v) Remedial Transfer: Transfer initiated to correct the wrong placement

(vi) Penal Transfers: Transfers initiated as a punishment for indiciplinary action of employees.

Transfer Policy

Organisation should clearly specify their policy regarding transfers. Otherwise superiors may transfer their subordinates arbitrarily if they do not like them. It causes frustration among employees. Similarly, subordinates may also request for transfers even for the petty issues. Most of the people may ask for transfer to riskless and easy jobs and places. As such organisation may find it difficult to manage the transfer policy. Hence an organisation should formulate a systematic and well defined transfer policy.

Transfer Policy in LIC of India

As per Staff Service Regulations of LIC of India every Officer/other employee is liable for transfer to any office or branch of the LIC of India at any time. It is the prerogative of the Board of Directors of the LIC of India to transfer all categories of staff to meet the administrative exigencies of the organization. While making transfers the management also keeps in view the performance and suitability of an Officer/other employee at a particular place / branch / office. Also the completion of stipulated years of continuous service at a particular place / office by an officer / other employee is taken into consideration. The Board of
Directors of the LIC of India has powers to frame norms and guidelines with regard to transfer policy and it can revise the norms and guidelines from time to time to meet its administrative requirements. It is also reported that bringing outside influence in the matter of transfers will be viewed seriously and staff doing so are liable for disciplinary action. The transfers made by LIC of India broadly fall under the following types.

**General Transfers**

These are routine transfers done to meet the administrative exigencies. In order to place the right persons in the right jobs and also to avoid overstay of a person in a particular branch / centre / office these transfers are done. Since the jurisdiction of the LIC of India extends to all over India and is functioning in all districts of Andhra Pradesh transfers of officers / other employees from one area office in a division to another area office in that division or from one zone to another zone are done. Since these officers / other employees cannot be retained in the same area / division after completion of stipulated number of years of service in that area / division.

Usually transfers are made every year in the month of May/June. For this purpose, during April to March of every financial year, personnel department of the LIC of India at Regional office prepares a list of officers/other employees who have completed stipulated term of service at a particular centre / office / area. Basing on this list and depending on administrative exigencies, the management of the LIC of India implements transfers. Under this policy, officers who have completed 3 to 4 years of continuous service at a centre and clerical cadre employees who have completed 5 to 7 years of continuous service at a centre are liable to be considered...
for transfer from that centre to another centre in the same area / division or another area / division depending on administrative exigencies. Messengers-cum-sweepers who have completed 7 years of service in a centre are also liable for transfer normally within the area/division and some times they are also liable to transfer outside that division depending upon needs of the administration.

**Request Transfers**

Besides general transfers on administrative grounds, request transfers are also entertained. Though the transfer is a prerogative of the management, the management may receive requests for transfer in the month of May / June every year from the staff members who are interested and who have completed stipulated terms (Officers 3 years, clerical cadre 5 years and messenger 7 years), in a particular centre. The Management of the LIC of India considers these requests after giving due weightage to performance of staff and their contribution to the growth and development of the LIC of India.

Request transfers on compassionate grounds from the staff who have not completed stipulated terms of service at a particular centre are also considered by the management. Also in cases where both wife and husband are employees of the LIC, and one of them is transferred, the spouse may be also be considered for transfer as for as possible to same / near by place (but not to the same branch/department) provided there is request for the same from the concerned staff member.

**Disciplinary / Punishment Transfers**

In the case the performance of any officer / other employee is not satisfactory and the management feels that retaining him / her at a particular branch /office is
deteriorated to the interest of the LIC of India, such person may be transferred even if he/she has not completed the stipulated term of service in that branch/office.

**Transfer on Medical Grounds / Physical Disability**

Under the category management gives special consideration every year for transfer of staff suffering from certain ailments/physical disability provided such ailment/disability is certified by the competent Government Doctor. The following are the ailments/disabilities considered for the purpose: (a) Staff suffering from physical disability (who is unable to lead normal life without the help of others), (b) Staff who have undergone bypass surgery/open heart surgery for cardiac ailment, (c) Staff suffering from cancer, (d) Staff suffering from kidney ailment involving dialysis, (e) Staff who have met with major accident resulting in permanent physical disability.

**Transfer to Hardship Branches**

Every Officer/Clerk who has completed stipulated years of service in branches other than hardship branches are liable to be transferred to hardship branches and every such person has to serve at least 2 years in such hardship branches.

**Employee Opinion on Transfer Policy in LIC of India:**

Transfers involve a change in the job (accompanied by a change in the place of job) of an employee without change in responsibilities or remuneration. The basic reason for transfer is that over a period of time, the productivity of an employee may decline because of the monotony of his/her job. To break this monotony, and increase employees job satisfaction, to improve employee skills, knowledge, morale the employee is transferred.
In LIC of India, there is a well defined transfer policy. Employees are transferred periodically for every 5 years. Transfers are compulsory, because of the reason that a change has been taken place in the interest of capacities of an individual, necessitating his or her transfer to a different job. The attitude of employees on transfer policy is given in table 5.13.

Table 5.13: Employee Attitude Towards Transfer Policy in LIC of India

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Statement</th>
<th>Employees Rating (Weighted Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Management &amp; Employee both have decisive influence on transfers</td>
<td>2.25 (0.52)</td>
</tr>
<tr>
<td>2.</td>
<td>Only Employees have decisive influence on transfers</td>
<td>1.29 (0.46)</td>
</tr>
<tr>
<td>3.</td>
<td>Only Union has decisive influence on transfers</td>
<td>2.25 (0.56)</td>
</tr>
<tr>
<td>4.</td>
<td>Only management has decisive influence on transfers</td>
<td>3.44 (0.33)</td>
</tr>
<tr>
<td>5.</td>
<td>The present policy of transfers is good</td>
<td>2.29 (0.47)</td>
</tr>
</tbody>
</table>

Source: Information collected through employee questionnaire
Note: Figures in parenthesis are standard deviation

Sl.no. 1 in table 5.13 ascertains from the employees whether management and employee both have decisive influence on transfers. For this, the rating given by the employees is 2.25. It is much below to the moderate extent. Thus it can be understood that management and employees both together are not deciding transfers of employees.
Item no. 2. is about, whether only employees have decisive influence on transfers. For this, the rating given by the employees is 1.29. It is much below to the moderate extent and even small extent. Thus it can be understood that employees do not have decisive influence on transfers. Item no. 3 is about, whether only union has decisive influence on transfers. For this, the rating given by the employees is 2.25. It is much below to the moderate extent. Thus it can be understood that unions do not have decisive influence on transfers. Item no. 4 in is about whether only management has decisive influence on transfers. For this the rating given by the sample employees is 3.44. It is above to the moderate extent. Thus it can be concluded that the management of LIC of India organization only have decisive influence on transfers. Item no. 5 in table 5.13 is about whether the present policy of transfers is good. For this the rating given by the sample employees is 2.29. It is much below to the moderate extent.

Thus it can be understood that most of LIC employees are not satisfied with present policy. As such it is suggested that employees should be transferred in such a way that they are placed in right position which enhances their performance and then employee get satisfied. There must be consultation with the employees before transferring employees to different places. It will also help the Management as the employees are satisfied with transfers. They will concentrate on work.

It can be summed up that performance appraisal helps an organisation to achieve its goals by developing productive employees. LIC of India is adopting Annual Confidential Report (A.C.R's) method of performance evaluation and it is conducted on an annual basis. Majority of sample employees belonging to Four categories have indicated that they are aware of the Annual Confidential
criteria adopted by the LIC of India and felt that feedback of performance appraisal is highly useful for identifying their shortcomings. Overall opinion indicates that most of the sample employees belonging to Four categories under study are fully satisfied / satisfied with the A.C.R. procedure adopted by LIC of India.

Training and development programmes aim at increasing the abilities and skills of the employees of an organisation. LIC of India is organising both on-the-job and off-the-job training methods for the employees on regular basis. The LIC of India is deputing employees for training in various institutions so as to improve their knowledge and works skills, Selection of trainees is based on seniority as well as need and requirements. On an average all sample employees attended atleast three training programmes. Most of the respondents in all categories are fully satisfied with the methods of training and various training inputs provided during the training programmes. Overall opinion revealed that most of the employees in all categories are satisfied to a great or considerable extent about training and development policies and procedures adopted by LIC of India.

Promotion is a process of vertical mobility of an employee within an organisation. It provides an opportunity for the personnel advancement of the personnel working in the organisation. Promotion policy and procedures adopted by LIC of India are based on guidelines and rules framed by Central Government in this regard. As per these guidelines, LIC follows 'seniority-cum-merit' method in making promotions. Most of the sample employees in all categories have agreed that 'seniority-cum-merit' method is a best method for promotion. Overall
opinion indicates that most of the respondents in all the four categories are fully satisfied / satisfied with promotion policies and procedures followed by the LIC of India.

Transfers involve horizontal mobility of an employee within an organisation. It reduces monotony and improves employees' skill and abilities. As per the Staff Service Regulations of LIC of India, it is the prerogative of the management of the LIC of India to transfer all categories of employees to meet the administrative needs and exigencies of the LIC of India. Usually, employees who complete stipulated number of years of service at particular place are liable for transfer. But sometimes transfers on request of employees are also made. It is observed that most of the sample employees have been transferred at least thrice during their period of service for various reasons. Most of the sample employees agreed that management plays a decisive role in making transfers. Respondents in all categories are fully satisfied / satisfied with transfer policies and procedures adopted by the LIC of India.
REFERENCES


5. Noel Machado, The Trust within, SIRM India, Mumbai, May-2010p13


16. LIC of India Annual Reports


