3.1 ANALYSIS OF LIC

LIC has been analyzed on the basis of certain parameters based on secondary data, which can be summarized as follows:

3.1.1 HISTORICAL BACKGROUND

The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost. Mr. A.K. Shukla is chairman of the organization and Mr. T.S. Vijyan is managing director of the organization.

3.1.2 NATIONAL NETWORK

Today, LIC functions with 2048 fully computerized branch offices, 100 divisional offices, 7 zonal offices and the corporate office. LIC’s Wide Area Network covers 100 divisional offices and connects all the branches through a Metro Area Network. LIC has tied up with some banks and service providers to offer on-line premium collection facility in selected cities. LIC’s ECS and ATM premium payment facility is an addition to customer convenience. Apart from on-line Kiosks and IVRS, Info Centers have been commissioned at Mumbai, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune and many other cities.

3.1.3 MARKET SHARE

LIC continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. The organization still remains the largest life insurance company accounting for 64% market share.
3.1.4 BUSINESS
During the financial year 2008-09, 325.84 lakh (Rs.32.584 million) individuals were insured for the first time for a total Sum Assured of Rs. 360937.07 crore (Rs.3609.37 billion) as against the previous year’s figures of 355.47 lakh (Rs.35.55 million) policies for S.A. of Rs.260873.23 crore (Rs.2608.73 billion). The ratio of First Insurance to the Total Business completed for the year comes to 90.78% and 92.54% in respect of Number of Policies and Sum Assured respectively.

3.1.5 PRODUCTS
In a competitive market, there is a greater need to provide insurance products that meet the needs of the customers. LIC therefore offers a wide variety of products which fulfills the needs of different segments of the society. As at the end of the financial year 2008-09, the corporation had 52 plans available for sale. During the year corporation introduced 6 new Plans viz. Money Plus-1, Market Plus-1, Jeevan Bharti-1, Child Fortune Plus & two closed ended plans viz Jeevan Astha and Jeevan Varsha.

3.1.6 CORPORATE COMMUNICATION
During the year 2009 the emphasis was on fortifying the brand “LIC” more effectively through various corporate communication strategies. All media activities were focused on achieving optimum value for the money spent. A conscious effort was made to enhance the brand presence throughout the year across various media with cost effective communication. Four new TV commercials were produced on products viz., Jeevan Anand, LIC's Children Plans, Jeevan Aastha and Jeevan Varsha. Jeevan Aastha and Jeevan Varsha commercials became extremely popular and were widely appreciated.
3.1.7 AGENCY STRENGTH
The number of employees working for the corporation as on 31st March 2009 is 1,14,916 as against 1,14,045 at the end of the previous financial year. The total number of Agents on are 13,44,856 as on 31st March 2009 against 11,93,744 as on 31st March 2008. The number of Active Agents is 12,75,611 as at 31st March 2009 as compared to 11,17,908 as on 31st March 2008.

3.1.8 OVERSEAS OPERATION

3.1.8.1 Foreign Branches:
The Corporation directly operates through its branch offices at Port Louis in Mauritius, Suva & Lautoka in Fiji and at Wembley in the United Kingdom. During the year 2008-09, these three foreign Branches together issued 1,073 policies with sum assured of US$ 85.1 million and first premium income of US$ 4.52 million.

3.1.8.2 Representative Office:
First ever representative office was opened in Singapore on 6th November, 2008. This Office is engaged in market research, study of regulatory issues and assessment of potential for viable operations through appropriate route.

3.1.8.3 Foreign Joint Venture Companies:
Life Insurance Corporation of India has a number of subsidiaries which help it in leveraging its potential to the maximum, providing an enhanced set of diversified services to its customers. These subsidiaries include LIC International, LIC Nepal, LIC Lanka, LIC Housing Finance and LICHFL Care Homes.

3.1.9 MARKETING ACTIVITIES
Table 3.1 shows the business performance of LIC for the year 2009-10 in terms of No. of policies and first premium income.
CHAPTER 3: LEADERSHIP PRACTICES IN SELECTED ORGANISATIONS – AN ANALYSIS OF SECONDARY DATA

### TABLE 3.1 MARKETING ACTIVITIES OF LIC

<table>
<thead>
<tr>
<th>Business</th>
<th>No. of Policies (in Lakh)</th>
<th>First premium income (Rs.Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>323.89</td>
<td>33113.30</td>
</tr>
<tr>
<td>Banking and alternate channels</td>
<td>8.62</td>
<td>1076.00</td>
</tr>
<tr>
<td>Chief life insurance advisor (CLIA)</td>
<td>10.99</td>
<td>1100.71</td>
</tr>
<tr>
<td>Micro Insurance</td>
<td>15.41</td>
<td>31.20</td>
</tr>
<tr>
<td>Total Individual first premium</td>
<td>358.91 (35.89 million)</td>
<td>35321.21 (353.21 billion)</td>
</tr>
</tbody>
</table>

Source: www.lic.org.in

Table 3.1 represents the business, number of policies and first premium income in the financial year 2009-10. In the conventional business the number of policies done by the organization are 323.89 lakhs and earn a premium income of Rs. 33113 crore. In the banking and alternate channel, number of policies done by the organization are 8.62 lakhs and the premium income earned from that business is of Rs.1076 crore. In case of chief life insurance number of policies done by the organization is 358.91 million and the premium income earned from that is of 353.21 billion. 9

#### 3.1.10 RECENT AWARDS, AWARDED TO LIC

Various awards, awarded to LIC from the financial year 2008-09 are shown in table 3.2:

### TABLE 3.2 AWARDS, AWARDED TO LIC

Some of the recent awards, awarded to LIC

- Reader’s digest trusted brand award (platinum) 2009.
- Brand equity’s most trusted brands 2009. Top in insurance category
- Declared “superbrand 2009 by business superbrand India
- Loyalty award, 2009 from loyalty summit 2009
- CNBC awaaz consumer award, 2008
- NDTV profit business leadership award, 2008
- Asia brand congress brand leadership award, 2008
- It user 2008 NASSCOM award
- Golden peacock innovative product award, 2008
- Best corporate film award (silver) in INDY’s awards 2008
- Best house magazine award (silver) in NDY’s awards, 2008
- No.1 among India’s top 50 service brand in pitch/IMRB international survey
- Customer and brand loyalty award 2008 in the life insurance category from India times minds cap

Source: www.blogspot.com
The table 3.2 shows the awards awarded to LIC are Readers digest trusted brand, 2009, brand equity’s award for top performer, loyalty award 2009, CNBC awaaz consumer award, 2008, NDTV profit business leadership award, Asia brand congress brand leadership award, 2008, golden peacock innovative product award 2008, etc.

3.1.11 INVESTMENTS

Life Insurance Corporation (LIC) has emerged as a major counterweight to foreign institutional investors (FII) in the equity markets if one goes by latest data on the insurance major’s total equity investment, which has grown nearly 50% in 2009-10. In 2009-10 LIC, made an equity investment of Rs 61,463 crore. Yet, the investment made by India’s largest life insurer has been a bulwark for the relative stability of the Indian equity markets in a year of massive global turmoil. The trend of deeper LIC presence in the equity market is persisting in the current financial year too. In just April and May, the company has invested Rs 8,363 crore in equities.

3.1.11.1 LIC’S INVESTMENTS IN GOVT. AND SOCIAL SECTOR

Table 3.3 represents the organization’s investment in the government and social sector:

<table>
<thead>
<tr>
<th>LIC’s investments in Govt. and Social sectors (Rs. In crores)</th>
<th>As on (provisional)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/07</td>
</tr>
<tr>
<td>Central govt. securities</td>
<td>2,72,498</td>
</tr>
<tr>
<td>State govt. and other govt. guaranteed marketable securities</td>
<td>64,285</td>
</tr>
<tr>
<td>Sub-total (A)</td>
<td>3,36,783</td>
</tr>
<tr>
<td>Housing and infrastructure investment</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>22,451</td>
</tr>
<tr>
<td>Power</td>
<td>37,881</td>
</tr>
<tr>
<td>Irrigation/water supply and sewerage</td>
<td>7,500</td>
</tr>
<tr>
<td>Road. Port and bridges</td>
<td>1,516</td>
</tr>
<tr>
<td>Others</td>
<td>4,398</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>73,746</td>
</tr>
<tr>
<td>Total</td>
<td>4,10,529</td>
</tr>
</tbody>
</table>

Source: www.indianexpress.com

~ 67 ~
Table 3.3 represents the total investments of the Corporation amounted to Rs. 815483.95 crore as at 31st March, 2009. This table shows the investment of LIC in Govt. and social sector. With the help of this table one can easily analyze that in the year 2009 the overall investment of LIC is Rs.5,30,159 crore which is Rs. 60,960 crore more than that of the previous year^12.

### 3.1.11.2 LIC'S CONTRIBUTION TO INDIA'S 5 YEAR PLANS

True to the spirit of nationalization, the Corporation has deployed its funds to the best advantage of LIC policyholders as well as for the community as a whole. National priorities and the obligation of reasonable returns to the policy holders are the main criteria of LIC's investments. Table 3.4 represents the organization’s contribution in India’s five year plans:

**TABLE 3.4 LIC'S CONTRIBUTION TO 5 YEAR PLANS**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Year</th>
<th>Rs.Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>II</td>
<td>1956-1961</td>
<td>184</td>
</tr>
<tr>
<td>III</td>
<td>1961-1966</td>
<td>285</td>
</tr>
<tr>
<td>IV</td>
<td>1969-1974</td>
<td>1530</td>
</tr>
<tr>
<td>V</td>
<td>1974-1979</td>
<td>2942</td>
</tr>
<tr>
<td>VI</td>
<td>1980-1985</td>
<td>7140</td>
</tr>
<tr>
<td>VII</td>
<td>1985-1990</td>
<td>12969</td>
</tr>
<tr>
<td>VIII</td>
<td>1992-1997</td>
<td>56097</td>
</tr>
<tr>
<td>IX</td>
<td>1997-2002</td>
<td>170929</td>
</tr>
<tr>
<td>X</td>
<td>2002-2007</td>
<td>394779</td>
</tr>
<tr>
<td>XI</td>
<td>2007-2009</td>
<td>218510</td>
</tr>
</tbody>
</table>

Source: www.3.bp.blogspot.com

Table 3.4 represents the contribution of the organization in India’s five year plans. The organization contributes Rs.184 crore in first five year plan and which increases year to year. The contribution in the XI five year plan for the first 2 years is 218510 crore^13.

### 3.1.12 VALUES AND CULTURE IN LIC

Table 3.5 shows the values and culture prevailing in the organization which can be summarized as follows:
Table 3.5 represents the values of the organization like caring and courtesy, the organization believes in initiative taking and innovation, there is integrity and transparency in the work of the organization, the returns from the product are good and the organization provides quality products to the customers. The participation of the employees in organization’s work is good and the employees are having good relationship, LIC is very old organization and the core feature of this organization is trustworthiness and reliability. The culture of LIC includes agility, adaptability according to the condition, collaboration, commitment level is good, the employees are disciplined, empowerment, sensitivity and excellence.

### 3.1.13 HRD PRACTICES

HRD is a specialized area of human resource management. It has a three-dimensional focus: building competencies, building commitment and building a learning culture. HRD functions are carried out through various HRD systems and subsystems. The eight HRD values viz. OCTAPACE values (openness, trust, pro-action, confrontation, authenticity, autonomy and experimentation), give a sense of direction to the HRD function. HRD outcomes include: competent people, well developed roles, high commitment, high job involvement, high job satisfaction, team work and synergy, collaborative problem solving, and a happy
organizational climate. Following are the HRD practices prevailing in the organization:

### 3.1.13.1 TRAINING POLICY
Training is not merely about improving individual’s performances without consideration of enterprise goal. It has to be in tune with organizational goals. In the organization a conscious policy for the development of the human resources available. Various programs related to training policies were organized by the organization like “Business Leadership” program was held by Indian School of Business, Hyderabad for 50 officers in the cadre of Deputy Zonal Manager and Zonal Manager, **Post Graduate Executive Program (PGEP)** programme initiated in collaboration with Indian Institute of Management - Ahmedabad. There were other major programmes where training inputs were given both on technical subjects and general management in various institutions of repute in India.

#### 3.1.13.1.1 FOREIGN TRAINING
The organization provides foreign training to its employees. Foreign training is organized on a regular basis. The organization thinks that it is important to expose their senior executives to emerging trends and innovation across the globe as well as global best practices for insurance industry. To this end, foreign training is organized on a regular basis.

#### 3.1.13.1.2 CUSTOMIZED PROGRAMMES
The organization looks at the expert and professional training institutions like IIMs, ISB, XLRI, and MDI for customized programs for specific needs of our organization. The training policy will take a look at the capacities of the institutions, specially the training faculty and their willingness to provide a framework for formulating customized programmes for the corporation.
3.1.13.2 DEPUTATION POLICY FOR LIC

Deputation Policy consists of: Objective of Deputing Employees, Eligibility and Selection Criteria for Deputing Employees, Duration of Deputation, Competent Authority to approve deputation, Salary Structure, Other Benefits. The objectives of deputation policy is to provide managerial support to subsidiary organizations and to ensure that there is a correlation and compatibility between the broad policies and principles of the Parent and Subsidiary Organizations and the policy also provide an opportunity for officers to undertake certain specific and technical assignments so that they imbibe domain specific knowledge and gain wider exposure. Period of deputation of an employee should be normally of 3 years extendable by two terms of one year each in exceptional circumstances.

3.1.13.3 COMPETENCY MAPPING AND PERFORMANCE MANAGEMENT EXERCISE IN LIC

The objective of the exercise is to develop a competency model after redefining the roles and articulating the competencies required for each role, it develop a process to assess the competencies of our officers. Develop a structured methodology to identify talent and potential of the officers for career growth and development. Review of the current appraisal system and design a comprehensive performance management system (PMS).

3.1.13.4 PERFORMANCE APPRAISAL

The appraisal process through DOPA formats attempts to link it to performance and potential. Performance appraisal is an ongoing process and not a one-time event. A well designed and well operated performance appraisal system helps in bringing confidence in people, create an environment of growth and recognition and lead to involvement of all concerned in the process. In short, the whole appraisal process integrates goal setting, objective performance assessment and personal development in an open and constructive manner. It encourages every
individual to build his capabilities and supports Personnel or HR functions viz. identification of growth potential, career planning, promotion and placement.

3.1.13.5 RECOGNIZING GOOD PERFORMANCES
A system of recognizing exceptional merit and performance is necessary at all employee levels. The factor to determine this should be how challenging a work plan had been drawn and achieved and how consistent had been the pattern of high performance. The recommendations for merit promotion should be submitted through Management Committee and a percentage of promotion on that basis should be decided in advance.

3.1.13.6 MANAGEMENT DEVELOPMENT AND CAREER PLANNING
The organization develops a basis for projecting requirements – a model, Prepare a basis for placement of personnel to gain rounded experience – job rotation, project work etc. Plan to develop requisite skills for Zonal/Divisional Managers. Inspection by CO/ZO to ensure that policy is followed in spirit\textsuperscript{15}.

3.1.14 ROLE OF HRD PRACTICES
The role of HRD department is to identify the needs of their employees and evaluate the inputs imparted by their various centers. The practices which are provided by the organization contribute a lot in shaping the values of the organization, disseminating them throughout the organization, helps in building the relationship between organization’s mission & strategies of their employees, promote employees’ engagement & develop a sense of pride & belongingness\textsuperscript{14}.

3.1.15 LEADERSHIP PRACTICES PREVAILING IN THE ORGANISATION
Leadership practices are further classified into two broad categories. One part comprises of leadership styles and the other part comprises of leadership
theories. Various practices related to leadership styles and theories prevailing in the organization are as follows:

### 3.1.15.1 LEADERSHIP STYLES

Leadership style refers to a leader’s behavior. It is the result of the philosophy, personality and experience of the leader. Major leadership styles followed in the organization are as follows:

- After reviewing the annual journals and periodicals of the organization, the researcher came to know that the most prevailing style of leadership in the organization is Autocratic style of leadership. In the organization all the policies and procedures framed by the top level management and the middle level management and lower level management follow these instructions, like punctuality in attendance and presence of employees should be ensured, disposal of files, issues and matters should be on day-to-day basis, maintenance of offices should be given top priority, creation of business-like environment and all meetings or conferences to be held and concluded in a business-like fashion with a view to achieve the objective of organizing such a meeting.

- After reviewing various HRD practices the researcher has a view that sometimes the leaders behave in democratic fashion and they motivate their employees effectively and positively and also ask them to cooperate them in taking various decisions of the organization.

### 3.1.15.2 LEADERSHIP THEORIES

Leadership is organizing a group of people to achieve a common goal. The leader may or may not have any formal authority. There are various theories supported by the organization which are as follows:
After reviewing various magazines the researcher had come to know that the most prevailing theory of leadership in the organization is great man theory because organization conducts various tests and interviews for selecting the employees and select the superb candidate from all.

Second theory that prevails in the organization is trait theory because the organization organizes various training programs and practices for developing the talent in the employees like business leadership program, post graduate executive programs and many more. The common thing between them is that the programs help the employees in motivating and beaming with energy. This positive attitude of the leaders helps the organization in their outstanding performance year after year.

Sometimes the theory which prevails in the organization is situational theory as the leaders think that the fundamental truth of the situational leadership theory is there is no single "best" style of leadership. Effective leadership is task-relevant and that the most successful leaders are those that adapt their leadership style to the maturity of the individual or group they are attempting to lead or influence. That effective leadership varies, not only with the person or group that is being influenced, but it will also depend on the task, job or function that needs to be accomplished.

3.1.16 VARIOUS PROGRAMMES ORGANISED BY LIC

Various programs for developing the leaders in the organization are as follows:

3.1.16.1 Business Leadership programs in association with ISB, Hyderabad for Sr. Divisional Managers and Regional Managers will be continued this year to help them cope with challenges of competition and increase market share.
3.1.16.2 PGEP program in association with Indian Institute of Management, Ahmedabad for 50 officers to provide trained personnel for managing business verticals profitably.

3.1.16.3 Use of competency based assessment centre tools for appraisal of officers to enable the Organization for best person – position fit.

3.1.16.4 Customized program for prospective and existing Branch-In-Charges to give them the competitive edge in a dynamic market.

3.1.16.5 Employee Engagement Survey conducted for employees so that they can be improved in a positive direction.

3.1.16.6 Develop Training Data Base for all officers both at Zonal Offices and at Central Office for assessing expertise and identifying & correcting knowledge gaps and to enhance their leadership quality.

3.1.16.7 Issue guidelines to ZTCs in connection with their calendar & special programs related to leadership as & when required\textsuperscript{15}.

3.2 ANALYSIS OF BAJAJ ALLIANZ

Bajaj Allianz has been analyzed on the basis of certain parameters based on secondary data, which can be summarized as follows:

3.2.1 HISTORICAL BACKGROUND

Bajaj Allianz Life Insurance Company is a joint venture between Allianz SE of Germany and India based Bajaj Auto Limited. BALIC came into being on 12th March 2001. It is characterized by global presence with a local focus and is driven by customer orientation to establish high earning potential and financial strength. The company received IRDA (Insurance Regulatory & Development
Authority) Certificate of Registration (R3) No. 116 on 3rd August 2001 to conduct Life Insurance Business in India. Mr. Rahul Bajaj is Chairman of the Company, an Honours Graduate in Economics & Law and MBA from Harvard Business School. He is a member of Rajya Sabha and Chairman of Bajaj Auto Ltd16.

3.2.2 NATIONAL NETWORK
BALIC has its head office at Pune with 1100 branches. The organization has 7 Processing HUBS located at Bhilwara, Chandigarh, Kolkata, Pune, Salem, Bangalore and Coimbatore, 28 Regional/ state Offices and State Operations Managers. It has over 9,000 Sales Managers, over 3,00,000 Insurance Consultants, more than 10 Banc assurance partners across country, the organization has strong alternate channel with over 1421 Franchisees, over 233 corporate agents, more than 28 brokers and over 133 Direct Marketing Branches operating nationwide17.

3.2.3 MARKET SHARE
Bajaj Allianz Life Insurance Co Ltd has reported a growth of 52% and its market share went up to 6.98% in 2007-08 form 5.66% in 2006-07. The company ranked second (after LIC) in number of policies sold in 2007-08, with total market share of 7.36%.

3.2.4 POSITION
Within its first year of operations itself, the company had acquired the No. 1 status among the private non-life insurers.

3.2.5 INVESTMENTS
The Assets under Management as on 31 March 2009 were Rs 171.56 billion which included shareholder funds Rs 7.7 Bn; traditional policyholder funds Rs 23.21 Bn and Unit linked funds of Rs 140.65 Bn. The unit-linked funds increased by 28.40% from Rs 109.54 Bn in the previous year. The traditional portfolios were
managed keeping in mind the regulatory asset allocation requirements and delivered superior returns at very low risk. The performance of the ULIP funds, for the year ended 31 March, 2009, was excellent. The funds outperformed both the benchmark as well as the peer group in all categories. The cash fund outperformed by almost 200 basis points over the CRISIL Composite Liquid Index and the bond fund outperformed the CRISIL Composite Bond Index by almost 700 basis points. The large cap funds and mid cap equity funds also outperformed the benchmark handsomely. The Pure Stock Fund, outperformed the Nifty Index by almost 20%.

3.2.6 PRODUCTS
The Company has a basket of 51 products comprising of 17 group products & 34 individual products. During the year 2009 new products have been launched by the Company. This includes the Unit Linked Insurance Products modified and reintroduced as per the IRDA circular to comply with the directives on cap of charges. Among the new products launched by your Company, the product guaranteeing highest NAV over a 7 year period (Max Gain) and single premium linked product guaranteeing 170% of the original NAV (Shield Plus) were the most popular.

3.2.7 CORPORATE COMMUNICATIONS
The Company was ranked 32 in the Economic Times most trusted service brand survey and was ranked 30 in the Pitch Magazine India's top 50 service brand. The Company sponsored Rajasthan Royal's Team in the Indian Premier League which went on to win the tournament and emerged as a successful campaign for the Company. The Company also sponsored Miss Confident section of Femina Miss India Pageant. The Company implemented various TV and Radio the Directors has pleasure in presenting their Eighth Annual Report & Audited Statements of Accounts for the year 2008-09.
3.2.8 CAPITAL STRUCTURE
Capital base of the Company was maintained at Rs.12.10 Bn. with no fresh infusion in FY 2008-09. The Company placed special emphasis on capital efficiency and had the highest ratio of gross written premium to capital invested by shareholders among the private sector\textsuperscript{18}.

3.2.9 POSITION AMONG PRIVATE LIFE INSURERS
According to IRDA results September 2005 positions Bajaj Allianz at No 1. Bajaj Allianz life Insurance market share amongst pvt. sector life cos. jumps to 28.6 % with 360% growth in month of Sept 05 - highest amongst all life insurance cos. Bajaj Allianz Life Insurance Company has moved up to the number one position among the private life insurers as per the latest IRDA results for the month of September. This accreditation from the IRDA is reinforcement to our decentralized management practices and to the wide array of services/ plans that we have on offer. Bajaj Allianz is poised for an accelerated growth in the market and has already become the fastest growing private life insurance company in India for more then a year\textsuperscript{19}.

3.2.10 GROWTH RATE
Bajaj Allianz Life registered the highest growth of 237 % amongst all life Insurance cos. First year premium for Apr-Sept 2005 was Rs 643 cr. and during the corresponding period for the previous FY this fig stood at Rs 190 cr. Not only in percentage terms but in actual terms also Bajaj Allianz Life added Rs 453 cr of growth in business, highest by any pvt. sector Life insurance co. this FY. Bajaj Allianz Life market share saw a significant jump for the first half of FY 2005 with market share of 22% amongst pvt sector life insurance cos. Last year the share was 12% for the corresponding period\textsuperscript{20}.
3.2.11 SERVICES
Bajaj Allianz Life Insurance Company has developed insurance solutions that cater to every segment and age-income profiles. For companies it provides comprehensive 'Employee Benefit Solutions' (Group Term Life, EDLI, Gratuity, Superannuation, Keyman Insurance and more); for the individual InvestGain (a unique life insurance plan where sustenance of income is combined in the same plan that also pays a lump sum), Cash Gain (Money Back), Child Gain (Children's plan), Risk Care (Pure Term), Lifetime Care (whole life), Term Care (term with return of premium), Swarna Vishranti (Retirement Plan), Protector (Mortgage term insurance plan), UnitGain (Unit Linked Plan), UnitGain Single Premium, Unit Gain Plus, Unit Gain Plus SP, Lifelong Gain Plan, Unit Gain Single Pension & Unit Gain Easy Pension Plans21.

3.2.12 REGIONAL RURAL-BANK TIE-UP
Bajaj Allianz Life’s big entry into rural areas with 7 Regional Rural Banks tie-up. It Makes Life insurance available at over 1100 rural & semi rural branches and retains leadership position in country’s widest distribution network amongst pvt. sector life insurance cos. Bajaj Allianz life has forged partnerships with the following leading & profitable Regional Rural banks with extensive reach in rural areas like: Karnataka Vikas Gramin Bank 480 Branches (Karnataka), Rayalseema Gramin Bank 150 Branches (Andhra Pradesh), Gurgaon Gramin Bank 130 Branches (Haryana), Sree Ananta Gramin Bank 81 Branches (Andhra Pradesh), Pinakini Gramin Bank 102 Branches (Andhra Pradesh), North Malabar Gramin Bank 160 branches (Kerala), Prathama Bank 170 branches (Uttar Pradesh).

3.2.13 BUSINESS
The company has the largest distribution network. Rahul Bajaj, chairman, Bajaj Allianz Life insurance has said, “Crossing the $1 billion in new business premium and a healthy profit of Rs 63 crore. in such a short span of time speaks highly of
the management team spearheading this accelerated growth.” Sam Ghosh, country manager Allianz & CEO Bajaj Allianz Life said, “This feat was achieved by efficient capital management, strong cost controls across the company.” The company has collected more new business premium in this one year alone, then the total of last 5 year’s new business (Rs 3821 crore).

3.2.14 MARKETING ACTIVITIES

Table 3.6 shows the business performance of Bajaj Allianz for ten financial years in terms of No. of Policies and First premium income.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>No. of Policies</th>
<th>New Business Premium (Rs cr)</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002 (6 Months)</td>
<td>21,376</td>
<td>7</td>
<td>7th</td>
</tr>
<tr>
<td>2002-2003</td>
<td>1,15,965</td>
<td>61</td>
<td>6th</td>
</tr>
<tr>
<td>2003-2004</td>
<td>1,86,443</td>
<td>180</td>
<td>6th</td>
</tr>
<tr>
<td>2004-2005</td>
<td>2,88,189</td>
<td>856</td>
<td>2nd</td>
</tr>
<tr>
<td>2005-2006</td>
<td>7,81,685</td>
<td>2,717</td>
<td>1st</td>
</tr>
<tr>
<td>Total of first five years</td>
<td>1,393,658</td>
<td>3,821</td>
<td></td>
</tr>
<tr>
<td>2006-2007</td>
<td>20,79,217</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rank for 2006-07 as per IRDA results</td>
<td>1st in Policy</td>
<td>2nd in New business premium</td>
<td></td>
</tr>
<tr>
<td>2007-2008</td>
<td>15,53,829</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008-2009</td>
<td>50,26,704</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009-2010</td>
<td>About</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-2011</td>
<td>60,00,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: http://www.bajajallianzlife.co.in/news-details.asp?id=62

India’s leading private life insurer, Bajaj Allianz Life Insurance Company crossed another major milestone and issued 50 lac (5 million) individual policies since inception in October 2001. Continuing the strong growth momentum this financial year, YTD have issued over 15 lac polices and collected over Rs 2500 cr in premiums.

3.2.15 PROFITABILITY

Table 3.7 shows the profitability of Bajaj Allianz life insurance for the financial year 2008-10.
CHAPTER 3: LEADERSHIP PRACTICES IN SELECTED ORGANISATIONS – AN ANALYSIS OF SECONDARY DATA

Table 3.7 PROFITABILITY OF BAJAJ ALLIANZ FOR FY 2008-10

<table>
<thead>
<tr>
<th>Profit (Rs. in Crores)</th>
<th>Financial Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>2008-2009</td>
</tr>
<tr>
<td>427</td>
<td>2009-2010</td>
</tr>
</tbody>
</table>

Source: www.blogspot.com

The life insurance venture between Bajaj Finserv and Germany’s Allianz achieved break even in 2008/09 with a profit of 450 million rupees. Till September 30, Bajaj Allianz’s profit rose to 1.93 billion rupees on a premium income of 45.21 billion rupees. ULIPs are insurance policies sold as units like mutual funds and the corpus is mainly invested in equity and debt markets. Bajaj Allianz Life Insurance today reported a profit of Rs 427 crore in FY 10 as compared to Rs 41 crore in the previous year.

3.2.16 FINANCIAL PERFORMANCE OF BALIC

Table 3.8 shows the financial performance of Bajaj Allianz life insurance for the financial year 2008-09 and 2009-10.

Table 3.8 FINANCIAL PERFORMANCE OF BAJAJ ALLIANZ FOR FY 2008-09

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2009-10 (In billion)</th>
<th>2008-09 (In Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross written premium</td>
<td>114.2</td>
<td>106.2</td>
</tr>
<tr>
<td>New business premium</td>
<td>44.5</td>
<td>44.9</td>
</tr>
<tr>
<td>Renewal premium</td>
<td>69.7</td>
<td>61.3</td>
</tr>
<tr>
<td>Annualised Premium Earning</td>
<td>36.6</td>
<td>40.6</td>
</tr>
<tr>
<td>Policyholder surplus/(deficit)</td>
<td>0.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Shareholder Profit/(Loss)</td>
<td>5.4</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Profit / (Loss)</td>
<td>4.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Net contribution to policy holders account</td>
<td>0.7</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Source: www.blogspot.com

Table 3.8 shows the financial performance of the organization for the financial year 2008-09 and for the year 2009-10. With the help of the table one can easily analyze that in case of gross written premium the organization is at upward trend and in case of new business premium the organization is at downward trend. After distribution of Surplus from the revenue account to the Shareholders, shareholders’ profit stands at Rs 4,170 million and balance Par-Policyholders ‘profit is Rs 104 million. In addition to the distribution of surplus to the
shareholders, there has been a transfer of Rs 1,253 million from Funds for Future Appropriation (out of Rs 1,253 million; Rs 1,100 million is on account of release from "Reserve for ‘Lapsed unit linked’ policies unlikely to be revived"). The total Shareholders’ profit after tax thus stands at Rs 5,423 million.

### 3.2.17 BUSINESS PERFORMANCE IN THE FINANCIAL YEAR 2009-10

- Continuing with its strategy of focusing on growth without compromising on profitability, balic’s overall profit was Rs.169 crores as compared to profit of Rs. 68 crores in 2009-10.
- New business premium for 2010-11 increased to Rs.603 crores as compared to Rs.578 crores in 2009-10-growth of 4%
- Renewal premium for 2010-11 was Rs.1242cr as against rs.1423 cr during the 2009-10. The drop is partly attributed to some policyholders surrendering the policies, after expiry of the mandatory three year’s lock in period.
- GrossWritten Premium(GWP) for 2010-11 was Rs.1845cr as compared to Rs. 2001 cr.2009-10
- Solvency ratio stood healthy 286% as on 30th June 2010 as against the minimum regulatory req. of 150%
- Total investments at 30th June 2010 stood at rs.34694 cr.

### 3.2.18 PERFORMANCE OF BAJAJ ALLIANZ IN THE YEAR 2009-10

Table 3.9 shows the performance on the basis of gross written premium, new business premium, renewal premium, policy holders’ surplus and the total profit for the financial year 2009-10 and for the quarter year 2010-11
Table 3.9 shows the performance of Bajaj Allianz for the year 2009-10 and for quarter year 2010-11. With the help of the table 3.9 it can be reveal that the performance in the quarter year 2010-11 is at declining mode in comparison to the previous quarter year.

### 3.2.19 BAJAJ ALLIANZ LIFE’S BIG ENTRY INTO RURAL AREAS WITH 7 REGIONAL RURAL BANKS TIE-UP

Bajaj Allianz Life Insurance Company Limited, the fastest growing life insurance company, has kick started it’s big leap to reach the rural heartlands with first of it’s kind tie-up with topmost & most successful Regional Rural Banks in the country and in doing so Bajaj Allianz Life will be able to provide valuable benefits of the most flexible and easy Life Insurance products to a vast array of the rural population. Tie-up with these Regional Rural Banks (sponsored by Syndicate Bank) will make available Bajaj Allianz life’s insurance policies to millions of people at over 1100 branches in rural areas. Bajaj Allianz life has forged partnerships with the following leading & profitable Regional Rural banks with extensive reach in rural areas which are: Karnataka Vikas Gramin Bank 480 Branches (Karnataka), Rayalseema Gramin Bank 150 Branches (Andhra Pradesh), Gurgaon Gramin Bank 130 Branches (Haryana), Sree Ananta Gramin Bank 81 Branches (Andhra Pradesh), Pinakini Gramin Bank 102 Branches.
3.2.20 HRD PRACTICES IN THE ORGANISATION

Following are the HRD practices prevailing in the organization:

3.2.20.1 PROBATION PERIOD

The Probation Period is 6 months for all employees and can be extended at Management’s discretion. On completion of the probation period, the Company informs the employee for their appointment. The probation period is deemed to be a part of your total period of service.

3.2.20.2 PERSONAL RECORDS

The Company keeps a record of bio-data, performance appraisal, etc. The employees required to inform the Human Resource Department of any change in bio-data, such as address, contacts number, marital status, and educational and professional achievements. If there is a change in marital status, then they opt to change the default nominee.

3.2.20.3 PERFORMANCE MANAGEMENT

The objective of this process is to assess the performance of all non-sales employees and selected sales employees against their pre-defined targets. It is also a platform for the supervisors to give feedback on performance, managerial skills and behavior or attitude to the team reporting to them to enable enhanced performance, productivity and employee engagement. Reward good performers suitably.

3.2.20.4 APPRAISAL CYCLE

The performance appraisal process in BALIC is a biannual. The review period is as follows: Mid-year Appraisals: 1st April to 30st September, Annual Appraisals: 1st October to 31st March.
### 3.2.20.4.1 APPRAISAL FLOW

Figure 3.1 shows the performance appraisal of the organization. Performance appraisal flows in this direction:

**FIG 3.1 APPRAISAL FLOW IN BAJAJ ALLIANZ**

![Appraisal Flow Diagram]

The figure 3.1 shows the appraisal flow in the organization. Appraisal flow from the employee to the reviewer.

### 3.2.20.5 EMPLOYEE DEVELOPMENT TRAINING

Bajaj Allianz believes in empowering its employees with knowledge. The company provides the training required for effective performance at your work. Apart from on-the-job trainings, the company asks employees to participate in the required training programs, as decided by the company. Bajaj Allianz also offers Professional Development Incentives to its employees. Any Team Member appearing and qualifying in any of the exams as per the Professional Development Policy is eligible to claim the entire course fee, the examination fees and the incentive on production of proof of qualification²⁴.

### 3.2.21 LEADERSHIP PRACTICES PREVAILING IN THE ORGANISATION

Leadership practices are further classified into two broad categories. One part comprises of leadership styles and the other part comprises of leadership theories. Various practices related to leadership styles and theories prevailing in the organization are as follows:
3.2.21.1 LEADERSHIP STYLES

Leadership styles refer to behavioral tendencies, and characteristic methods of a person in a leadership position. An important dimension of leadership style is the extent to which the leader is willing to delegate responsibility and encourage input from followers; some key styles here are those of the authoritarian leader, democratic leader, and laissez-faire leader. Major leadership styles followed in the organization are as follows:

- After reviewing the annual journals and periodicals of the organization, researcher came to know that most prevailing style of leadership in the organization is autocratic style of leadership. In the organization all the policies and procedures framed by the top level management and the middle level management and lower level management should follow these instructions like punctuality, presence of employees in every meeting of the organization. The organizations confidential matters are not shared with the employees of every level only top level management engage with this concern.

- After reviewing various HRD practices and came to know that some times the leaders behave in democratic fashion and they develop the morale and motivate them for performing effectively and efficiently in the organization. Many times the superiors ask the subordinates to participate in the decision-making process and for this the superiors arrange various meetings in the organization. The leaders produce a work environment that employees can feel good about. Workers feel that their opinion counts, and because of that feeling they are more committed to achieving the goals and objectives of the organization. Since employers or followers have an equal say in the decision-making process, they are more committed to the desired outcome. The collaborative environment created by this style often results in more thorough solutions to problems. This
creates an ideal environment for collaborative problem-solving in addition to decision-making environment in the organization.

- Sometimes the leaders in the organization behave in laissez-faire fashion with their agents and ask them to do work according to their comfort but at the same time decide the target for them.

### 3.2.21.2 LEADERSHIP THEORIES

Leadership theory has not lived up to its promise of helping practitioners resolve the challenges and problems that occur in organizational leadership. There are various theories supported by the organization which are as follows:

- After reviewing various magazines the researcher had come to know that the most prevailing theory of leadership in the organization is situational theory. The manager chose the best fit style of leadership that suits the situation.

- Second theory that prevails in the organization is behavioral theory. The managers in the organization depend on behavioral determination they thought that understanding behavioral change can improve the services offered in these areas.

- Sometimes the organization follows the trait approach of leadership in the organization for this they conduct various leadership development programs, various business development training, seminars on enhancing leadership quality and various management development programs for the employers at top level management so that they can enhance their leadership quality and helps the organization to be leaders in the market.
3.2.22 VARIOUS PROGRAMMES ORGANISED BY BAJAJ ALLIANZ

Various programs for developing the leaders in the organization are as follows:

3.2.22.1 SALES BUSINESS AND LOCAL LEADERSHIP

To support sales business and local leadership in terms of recruitment of Sales front line Managers by ensuring induction of talent & ensuring maintenance of talent pool per business requirement. This involves supporting recruitment and selection process through various sources by identifying or developing good job consultants, employing scientific selection tools. Pre-joining Co-ordination and building process efficiency and effectiveness for better results, issuance of appointment letter or relieving letter or transfer letter in Sales Manager category.

3.2.22.2 BAJAJ ALLIANZ LEADERSHIP VALUES

The Allianz Leadership Values are as below:

3.2.22.2.1 They work together to deliver a consistent business strategy. One of their main responsibilities is to communicate their strategy to all our stakeholders.

3.2.22.2.2 They promote a high performance culture, provides feedback and coaching to our employees to encourage and reward exceptional performance.

3.2.22.2.3 They Focus on Customers and ensure a relentless focus on customers. The organization develops and grows strong customer relationships and seeks to achieve profitable growth and thereby increase shareholder value. This requires them to deliver excellence in all our products, operations, processes and behaviors.
3.2.22.2.4  The organization develops their employees. They select and develop potential according to high standards, leverage diversity and encourage a culture that respects, values and benefits from different backgrounds and perspectives, leaders are transparent in the way they create career opportunities based on personal achievements and capabilities. They want to be an employer of choice.

3.2.22.2.5  Build on mutual trust and feedback they build their success based on mutual trust, fairness, integrity, and clear and open communication. Leaders encourage employees to innovate, identify business opportunities, share knowledge and ideas, and provide constructive feedback.

3.2.22.2.6  The Allianz Leadership Values introduced in 2003, helped various Allianz companies to use these values as a guideline and set more precise targets with regard to human resource development.

3.2.22.2.7  Allianz Leadership Values was developed to link business targets and desired leadership behaviors, to support and foster cultural improvements and organizational change, to accelerate the development of a high performance culture, to raise the quality of leadership in the whole Allianz group. A survey on the progress is also conducted regularly. The first one was conducted in 2004 and subsequently in 2005 also.
3.3 COMPARITIVE ANALYSIS OF LIC AND BAJAJ ALLIANZ

In this section the researcher has compared both the organizations on various grounds like their performance, market share, policies, HRD practices, leadership styles and leadership theories. The researcher has gone through various magazines, journals, websites, etc. for this purpose item wise detailed analysis is as follows:

3.3.1 TRACK RECORD

The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956 whereas Bajaj Allianz Life Insurance Company is a joint venture between Allianz SE of Germany and India based Bajaj Auto Limited. BALIC came into being on 12th March 2001. It is characterized by global presence with a local focus and is driven by customer orientation to establish high earning potential and financial strength. The company received IRDA (Insurance Regulatory & Development Authority) Certificate of Registration (R3) No. 116 on 3rd August 2001 to conduct Life Insurance Business in India.

3.3.2 OBJECTIVE

The objective of LIC is spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost whereas, the objective of Bajaj Allianz life insurance is to ensure excellent insurance and investment solutions by offering customized products, supported by the best technology.

3.3.3 COVERAGE

LIC functions with 2048 fully computerized branch offices, 100 divisional offices, 7 zonal offices and the corporate office. LIC’s Wide Area Network covers 100
divisional offices and connects all the branches through a Metro Area Network. LIC has tied up with some banks and service providers to offer on-line premium collection facility in selected cities whereas, BALIC has its head office at Pune with 1100 branches. The organization has 7 Processing HUBS located at Bhilwara, Chandigarh, Kolkata, Pune, Salem, Bangalore and Coimbatore, 28 Regional/ state Offices and State Operations Managers. It has over 9,000 Sales Managers, over 3,00,000 Insurance Consultants, more than 10 Banc assurance partners across country, the organization has strong alternate channel with over 1421 Franchisees, over 233 corporate agents, more than 28 brokers and over 133 Direct Marketing Branches operating nationwide.

3.3.4 CORPORATE RELATIONS
During the year 2009 the emphasis was on fortifying the Brand “LIC” more effectively through various Corporate Communication strategies. All media activities were focused on achieving optimum value for the money spent. Four new TV commercials were produced on products viz., Jeevan Anand, LIC’s Children Plans, Jeevan Aastha and Jeevan Varsha. Jeevan Aastha and Jeevan Varsha commercials became extremely popular and were widely appreciated whereas, Bajaj Allianz was ranked 32 in the Economic Times most trusted service brand survey and was ranked 30 in the Pitch Magazine India's top 50 service brand. The Company sponsored Rajasthan Royal's Team in the Indian Premier League which went on to win the tournament and emerged as a successful campaign for the Company. The Company implemented various TV and Radio the Directors has pleasure in presenting their Eighth Annual Report & Audited Statements of Accounts for the year 2008-09.

3.3.5 PRODUCTS AVAILABLE
LIC offers a wide variety of products which fulfills the needs of different segments of the society. As at the end of the financial year 2008-09, the Corporation had 52 plans available for sale. During the year Corporation introduced 6 new Plans viz.
Money Plus-1, Market Plus-1, Jeevan Bharti-1, Child Fortune Plus & two closed ended plans viz Jeevan Astha and Jeevan Varsha whereas Bajaj Allianz life insurance has a basket of 51 products comprising of 17 group products & 34 individual products. During the year 2009 new products have been launched by the Company. This includes the Unit Linked Insurance Products modified and reintroduced as per the IRDA circular to comply with the directives on cap of charges.

3.3.6 BUSINESS

During the financial year 2008-09, 325.84 lakh (Rs.32.584 million) individuals were insured for the first time for a total Sum Assured of Rs. 360937.07 crore (Rs.3609.37 billion) as against the previous year’s figures of 355.47 lakh (Rs.35.55 million) policies for S.A. of Rs.260873.23 crore (Rs.2608.73 billion). The ratio of First Insurance to the Total Business completed for the year comes to 90.78% and 92.54% in respect of Number of Policies and Sum Assured respectively whereas Bajaj Allianz Life insurance has collected more new business premium in this one year alone, then the total of last 5 year's new business (Rs 3821 crore).

3.3.7 GROWTH RATE

In case of LIC the total income for the financial year 2008-09 was Rs.2,00,280.65 crore, total premium income of the organization was 157 crore, total policies payaments done by the organization were 53,250 crore, total life funds on 31st march 2009 was 8,07,317 crore and total assets were 8,73,551 crore. Whereas, Bajaj Allianz life registered the highest growth of 237 % amongst all life insurance company’s first year premium for Apr-Sept 2005 was Rs. 643 cr. and during the corresponding period for the previous financial year 2003-04 this figure stood at Rs. 190 cr. not only in percentage terms but in actual terms also Bajaj Allianz life added Rs. 453 crore of growth in business, highest by any private sector life insurance companies this financial year i.e. 2005. Bajaj Allianz life market share
saw a significant jump for the first half of financial year 2005 with market share of 22% amongst private sector life insurance cos. last year the share was 12% for the corresponding period.

3.3.8 COMPARISON OF BAJAJ ALLIANZ AND LIC ON THE BASIS OF NO. OF POLICIES AND NO. OF LIVES COVERED

The table 3.10 shows the comparison of both the organizations on the basis of premium, number of policies and number of lives covered under group schemes:

<table>
<thead>
<tr>
<th>Insurer</th>
<th>Premium</th>
<th>No. of policies/schemes</th>
<th>No. of lives covered under group schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aug, 10</td>
<td>Up to Aug,09</td>
<td>Aug, 10</td>
</tr>
<tr>
<td>Bajaj Allianz</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual single</td>
<td>88.85</td>
<td>312.2</td>
<td>103.9</td>
</tr>
<tr>
<td>Individual non-single</td>
<td>213.8</td>
<td>769.2</td>
<td>871.8</td>
</tr>
<tr>
<td>Group single premium</td>
<td>6.28</td>
<td>19.48</td>
<td>15</td>
</tr>
<tr>
<td>Group non-single</td>
<td>36.67</td>
<td>135.2</td>
<td>632</td>
</tr>
<tr>
<td>LIC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual single</td>
<td>5730</td>
<td>5839</td>
<td>92251</td>
</tr>
<tr>
<td>Individual non-single</td>
<td>1854</td>
<td>6583</td>
<td>22156</td>
</tr>
<tr>
<td>Group single premium</td>
<td>1760</td>
<td>8315</td>
<td>28867</td>
</tr>
<tr>
<td>Group non-single</td>
<td>5308</td>
<td>248</td>
<td>0</td>
</tr>
</tbody>
</table>

source: www.irda.org

Table 3.10 shows the comparative analysis of both the organization on the basis of premium, number of policies and number of lives covered under group schemes. In case of number of policies, individual single premium is more in case of LIC and less in case of Bajaj Allianz. All the values either related to premium or number of policies or number of lives covered under group schemes LIC is at first
position which reveal that the employee believes in LIC and less believes in Bajaj Allianz.

### 3.3.9 INDUSTRY PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2010

Table 3.11 shows the performance of both the organizations for the year ended 31st March 2010.

**TABLE 3.11 PERFORMANCE OF BOTH THE ORGANISATIONS FOR THE YEAR ENDED 31ST MARCH 2010**

<table>
<thead>
<tr>
<th>Insurer</th>
<th>NB, YTD Mar 10</th>
<th>Market Share</th>
<th>Group as a % of NB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bajaj Allianz</td>
<td>44,511</td>
<td>4.1%</td>
<td>12.7%</td>
</tr>
<tr>
<td>LIC</td>
<td>708,910</td>
<td>64.9%</td>
<td>29.3%</td>
</tr>
</tbody>
</table>

Here, NB=New Business
YTD=Year to Date
Source: financial express.com

With the help of the table 3.11, one can easily analyze that in case of market share LIC captured 64% of market share and Bajaj captured only 4.1% of market share. In case of new business premium LIC is at first position in comparison to Bajaj Allianz.

### 3.3.10 HRD PRACTICES

In both the organizations some HRD practices prevails. The comparison on the basis of HRD practices is as follows:

#### 3.3.10.1 TRAINING AND DEVELOPMENT

In the organization a conscious policy for the development of the human resources available. Various programs related to training policies were organized by the organization like “Business Leadership” program was held by Indian School of Business, Hyderabad for 50 officers in the cadre of Deputy Zonal Manager and Zonal Manager, *Post Graduate Executive Program (PGEP)*
program initiated in collaboration with Indian Institute of Management - Ahmedabad. There were other major programmes where training inputs were given both on technical subjects and general management in various institutions of repute in India whereas in Bajaj Allianz believes in empowering its employees with knowledge. The company provides the training required for effective performance at your work. Apart from on-the-job trainings, the company asks employees to participate in the required training programs, as decided by the company. Bajaj Allianz also offers Professional Development Incentives to its employees. Any Team Member appearing and qualifying in any of the exams as per the Professional Development Policy is eligible to claim the entire course fee, the examination fees and the incentive on production of proof of qualification.

3.3.10.2 PROBATION AND DEPUTATION POLICY
Deputation Policy consists of: objective of deputing employees, Eligibility and Selection Criteria for deputing employees, duration of deputation, competent authority to approve deputation, salary structure, other benefits. Period of deputation of an employee should be normally of 3 years extendable by two terms of one year each in exceptional circumstances whereas the period of deputation in Bajaj Allianz is of 2 years and probation period is of 6 months for all employees and can be extended at Management’s discretion. On completion of the probation period, the Company informs the employee for their appointment. The probation period is deemed to be a part of your total period of service.

3.3.10.3 PERFORMANCE MANAGEMENT
The organization develops a basis for performance management like a model prepare for a basis for placement of personnel to gain rounded experience – job rotation, project work etc. Plan to develop requisite skills for Zonal/Divisional Managers. Inspection by CO/ZO to ensure that policy is followed in spirit. In Bajaj Allianz performance management is done for of all non-sales employees and selected sales employees against their pre-defined targets. It is also a
platform for the supervisors to give feedback on performance, managerial skills and behavior or attitude to the team reporting to them to enable enhanced performance, productivity and employee engagement. Reward good performers suitably.

3.3.10.4 APPRAISAL OF PERFORMANCE
Performance appraisal is an ongoing process in LIC and not a one-time event. A well designed and well operated performance appraisal system uses in LIC and helps in bringing confidence in people, create an environment of growth and recognition and lead to involvement of all concerned in the process. In short, the whole appraisal process integrates goal setting, objective performance assessment and personal development in an open and constructive manner. It encourages every individual to build his capabilities and supports Personnel or HR functions viz. identification of growth potential, career planning, promotion and placement. The performance appraisal process in BALIC is a biannual. The review period is as follows: Mid-year Appraisals: 1st April to 30st September, Annual Appraisals: 1st October to 31st March. The Appraisal flow from the employee to superior to reviewer.

3.3.11 LEADERSHIP PRACTICES
Leadership practices are further classified into two parts leadership styles and leadership theories:

3.3.11.1 LEADERSHIP STYLES
- The most preferred style of leadership in both the organization is autocratic style of leadership because in LIC all the policies and procedures framed by the top level management and the middle level management and lower level management follow these instructions and same in the case with Bajaj Allianz.
The second preferred style of leadership in LIC is democratic style because the leaders behave in democratic fashion and they motivate their employees for motivating them effectively and positively and also ask them to cooperate them in taking various decisions of the organization and in Bajaj Allianz also the second preferred style is democratic because leaders develop the morale among the employees and motivate them for performing effectively and efficiently in the organization. Many times the superiors ask the subordinates to participate in the decision-making process and for this the superiors arrange various meetings in the organization.

3.3.11.2 LEADERSHIP THEORIES

In LIC the most prevailing theory of leadership in the organization is great man theory because organization conducts various tests and interviews for selecting the employees and selects the superb candidate from all whereas the most prevailing theory of leadership in Bajaj allianz is situational theory. The manager chose the best fit style of leadership that suits the situation.

Second theory that prevails in LIC is trait theory because the organization organizes various training programs and practices for developing the talent in the employees like business leadership program, post graduate executive programs and many more. The common thing between them is that the programs help the employees in motivating and beaming with energy. This positive attitude of the leaders help the organization in their outstanding performance year after year and in case of Bajaj Allianz second theory that prevails in the organization is behavioral theory. The managers in the organization depend on behavioral determination they thought that understanding behavioral change can improve the services offered in these areas.
Sometimes the theory which prevails in LIC is situational theory as the leaders think that the fundamental truth of the situational leadership theory is there is no single "best" style of leadership whereas sometimes Bajaj Allianz follows the trait approach of leadership in the organization for this they conduct various leadership development programs, various business development training, seminars on enhancing leadership quality and various management development programs for the employers at top level management so that they can enhance their leadership quality and helps the organization to be leaders in the market.

3.3.11.3 PROGRAMS ORGANISED TO ENHANCE LEADERSHIP QUALITY

LIC organizes programs like Business Leadership programs in association with ISB, Hyderabad for Sr. Divisional Managers and Regional Managers will be continued this year to help them cope with challenges of competition and increase market share, PGEP program in association with Indian Institute of Management, Ahmedabad for 50 officers to provide trained personnel for managing business verticals profitably, customized programme for prospective and existing Branch-In-Charges to give them the competitive edge in a dynamic market whereas in Bajaj Allianz employees work together to deliver a consistent business strategy. One of their main responsibilities is to communicate their strategy to all our stakeholders, they Promote a high performance culture, provide feedback and coaching to our employees to encourage and reward exceptional performance, the organization develops their employees. They select and develop potential according to high standards, leverage diversity and encourage a culture that respects, values and benefits from different backgrounds and perspectives, leaders are transparent in the way they create career opportunities based on personal achievements and capabilities. Leaders
encourage employees to innovate, identify business opportunities, share knowledge and ideas, and provide constructive feedback.

3.4 CONCLUSION

The researcher after analyzing various HRD practices and leadership practices of both the organizations on the basis of secondary data concludes that in case of both the organizations the most preferred style of leadership is autocratic style followed by the democratic style and laissez-faire style of leadership. In case of leadership theories, the most prevailing leadership theory in LIC is great man theory followed by the trait approach and situational theory, whereas in case of Bajaj Allianz the most preferred theory of leadership is situational theory followed by the behavioral approach and situational theory. Both the organizations well focus on the trait theory and for this they conduct various programs based on leadership in the organization. The researcher has also compared both the organizations on the basis of various parameters like their track record, coverage, business, various HRD practices like training and development, performance appraisal, deputation policy, probation period and many more. Overall LIC is preferred organization because it is very old and it has a large network, large business, high market share in comparison to Bajaj Allianz life insurance.
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