

## CHAPTER – I

# RESEARCH DESIGN

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#### 1. INTRODUCTION

Life Insurance is the most popular form of insurance and has acquired a leading position all over the world, because it touches every section of the society and provides economic security. The great philosopher J. Royce has rightly opined, “Insurance principle comes to be more and more used and useful in modern affairs, not only does it serve the ends of individuals, it tends more and more both to pervade and transform our modern social order it brings in to new synthesis not merely pure and applied science but private and public interest, individual prudence and a large regard for the general welfare, thrift and charity.”

Considering the pervasiveness and economic importance of Life Insurance, the Government of India nationalized life insurance business in 1956. Life Insurance business in India can now be carried on only by the Life Insurance Corporation of India. The public Corporation set up by the Government took over the business of 243 different Life Insurance Companies and assets and liabilities of such insurance companies, relating to life insurance business. The central office of Life Insurance Corporation of India is located at Mumbai. For the administrative convenience the functioning of the Corporation has been

decentralized into 7 zonal offices, 100 divisional offices which hold important position in the organizational structure of the Corporation. The Corporation's branch offices are situated all over India. The number of the branches is 2046. The total H.R. strength of the Corporation is over 1.25 lakh in addition to 5.23 lakh agents. For achieving its objectives, the Corporation has set up training centres a) Management Development b) 07 Zonal training centres, c) 23 sales training centres. Human Resource Management has become significant for Life Insurance Corporation of India, in recent years as the environment in which Life Insurance Corporation is operating has changed significantly. New technologies, fiercest competition, heightened customer expectation for more diverse services and increased aspirations have made the task of L.I.C. more complicated and challenging of employees- consequent to job specialization. Customer satisfaction is the key to success of any organisation but the same has to be achieved by the employees whose competence and involvement are of prime importance for the Human Resource Management (HRM) of the organisation. In order to face the challenges effectively, HRM has to develop a strong and effective leadership for the operational levels, capable of responding to every situation, be it production, distribution or HRD including development of professional competence and expertise. The HRM in Life Insurance Corporation has to take cognizance of this volatile environment.

## **2. STATEMENT OF PROBLEM**

The present study, therefore, strives to bridge the gap by focusing attention on important aspect of Human Resource Management practices followed by Life Insurance Corporation of India, like human resource planning, recruitment, selection, training and development, salary structure and its administration, absenteeism and labour turnover. Such comprehensive study having regard to extent of employment standing in the market, type of employment is the need of the hour and the researcher has under taken the study with a view to fill this vaccum. Thus the present study is broad based, comprehensive and gives due weightage to all the important aspects of HRM in Life Insurance Corporation as well as to improve the quality of service rendered to the customer.

## **3. AIMS AND OBJECTIVES OF THE STUDY**

Survival, growth, development and profitability of any organisation depends upon its Human Resource Management. Therefore, every organisation attempts to have capable, efficient, sincere, and loyal workforce. It attempts to increase the potentialities, capabilities, knowledge of its manpower for increasing performance and the profitability of its human resource by way of giving them training and undertaking the development activities. These acts of the organisation refurbish the image of the organisation and create a loyal workforce.

Hence, the present study has been undertaken with the following objectives.

1. To look into the H.R. planning in L.I.C.
2. To study the H.R. recruitment and selection practices in L.I.C.
3. To study training and development facilities of employee of L.I.C..
4. To examine the salary structure and its administration in L.I.C.
5. To examine the absenteeism and labour turnover issue in L.I.C..

#### **4. SCOPE AND LIMITATION OF THE STUDY**

The present study is related to the HRM practices followed by the L.I.C. of India. The HRM practices have been analysed on the basis of the questionnaires, interview and office records of L.I.C..

The present study is confined to five branches in L.I.C. of India in Solapur District. Due to the time and cost factor, it is not possible to cover all branches of L.I.C..

The study covers a period of four years from 1995-1999. The idea behind the selection of this period is to trace the recent trends in Human Resources Management practices in L.I.C..

## 5. SAMPLE SIZE

There are 4 categories of employees in Life Insurance Corporation of India viz.

|   |                     |   |  |
|---|---------------------|---|--|
| 1 | Class- I Officers   | 1 | Sr. Branch Manager   |
|   |                     | 2 | Branch Manager   |
|   |                     | 3 | A.B.M. assist Branch Manager   |
|   |                     | 4 | A.O. Administrative Officer  |
|   |                     | 5 | A.A.O. Asst. Administrative Officer  |
| 2 | Class- II Officers  | 1 | Grade I Development Officer  |
|   |                     | 2 | Grade II Development Officer   |
| 3 | Class- III Officers | 1 | Superintendent, HGN/ IAB, Stenographers, section head, Assistant, cashier, Typist.     |
| 4 | Class- IV Officers  | 1 | Machine operator, Record Clerk, Driver, Head peon, water liftman, sweeper and cleaner. |

Total number of employees working in five selected branches is around 200 stratified random sampling method is used for the research work and a sample of 50% is selected.

## 6. SOURCES OF DATA

To achieve the above objectives, following tools and techniques of the research are used.

1. Questionnaires
2. Interviews
3. Observation and discussions

The study uses both the primary and secondary data. Primary data is collected through personal interview and through administering questionnaires to the officers and employees of the Life Insurance Corporation of India.

The secondary data is collected from office records, statements, reports, publication's etc.

And lastly discussions were held with the managerial personnel from various departments of selected branches of L.I.C..

## **7. DATA PROCESSING**

Data thus collected is classified, tabulated, analysed and interpreted with help of various statistical tools.

## **8. THEORETICAL FRAME WORK**

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| III            | Profile of Life Insurance Corporation |
| IV             | Human Resource Management Practices   |
| V              | Findings and Suggestions              |