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## **THE PROMINENCE OF HUMAN RESOURCE IN LIFE INSURANCE CORPORATION OF INDIA**

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### **Abstract:**

The Life Insurance Corporation of India (LIC) is a statutory insurance and investment company. It was founded on September 1, 1956, when the Indian Parliament approved the Life Insurance of India Act. The main objective of the LIC is to disseminate the word of life insurance and to give affordable life insurance to the public. In recent years, the Indian insurance business has grown at a faster rate than the global insurance market. The explanation might be the advent of competition, but the credit for the most of the credit goes to LIC, which serves more than 10% of the country's population. Employees are an organization's backbone. Employees' efforts help to make company ambitions a reality. Employees with the proper abilities for the right positions are invaluable assets to a company. Particularly, agents are the backbone of the life insurance industry, and a life insurance company's strength is determined by the quality and competency of its agency staff. The LIC has assigned lakhs of agents, and the number of agents has risen year after year, owing to the importance of agents. It was acknowledged that human resources are the most valuable asset, and that by providing a development environment, a company can help individuals reach their greatest potential. Furthermore, human resource competencies may be developed at any moment, and as a model employer, the firm must support employee development.

**Key Words:** Human Resource, Training and Development, Life Insurance Corporation

### **Introduction:**

The Life Insurance Corporation of India (LIC) is a statutory insurance and investment company with its headquarters in Mumbai, India. It was founded on September 1, 1956, when the Indian Parliament approved the Life Insurance of India Act, which nationalised the Indian insurance business.

The state-owned Life Insurance Corporation of India was formed through the merger of over 245 insurance firms and provident societies.

India is one of the countries where the life insurance industry, as well as other parts of life welfare, has flourished. Before

examining the performance of the Life Insurance Corporation of India, it is unavoidable that the goal of spreading life insurance much more widely, especially to rural areas, with the goal of reaching all insurable persons in the country and providing them with adequate financial cover at a reasonable cost, must be considered.

Apart from its corporate headquarters, LIC had 5 zonal offices, 33 divisional offices, and 212 branch offices in 1956. Because life insurance contracts are long-term contracts that require a range of services during the policy's life, the necessity to extend operations and open a branch office at each district headquarters was felt in subsequent years. The LIC was reorganised, and a substantial number of new branch offices were formed. Servicing tasks were assigned to the branches as a result of the reorganisation, and branches were created accounting units. It had a huge impact on the company's success.

### **Objectives of Life Insurance Corporation:**

The corporation was founded with the following goals and objectives.

- To disseminate the word of life insurance and to give affordable life insurance to the public.
- Using savings linked insurance programmes to mobilise public savings.
- To invest the money in a way that protects the policyholders' and the country's best interests.

- To serve as policyholder trustees by conducting business with great care and to safeguard individuals and groups of policyholders.
- To develop and implement innovative schemes to satisfy people's evolving life insurance needs.
- Encourage workers and agents to work with courtesy and determination in order to achieve the company's objectives.

Life Insurance Corporation of India has done a good job of developing the industry since its start, spanning the length and breadth of the country. Indeed, it has functioned admirably well since 1956, contributing significantly to the country's advancement and economic development. It's worth noting that, in recent years, the Indian insurance business has grown at a faster rate than the global insurance market. The explanation might be the advent of competition, but the credit for the most of the credit goes to LIC, which serves more than 10% of the country's population.

### **Corporation:**

It is a body of high-ranking officials selected by the Indian government. Members of the Corporation include eminent individuals from the domains of trade, industry, trade unions, and financial institutions, as well as representatives of the Government of India (officials), subject to a maximum of 6 members, which may be altered at the discretion of the Government. A person appointed as a member of the Corporation

should not have any financial or other interests that might jeopardise his ability to perform his duties as a member. The Life Insurance Corporation of India Act 1956 gives the Corporation the authority to use powers in order to ensure the growth of the life insurance industry in India. Steps necessary to carry out life insurance business, investment decisions to purchase and dispose of assets, lending and borrowing decisions, and any other profitable activity in connection with the Corporation's business are among the Corporation's functions. The guidelines from the Ministry of Finance, Government of India, govern the Corporation while making policy choices.

### **Human Resources:**

In a business, personal relationships are extremely important. It has the potential to be the key to success if properly managed. This entails overseeing the interaction between employees and their representatives. Because the idea of the organisational relationship is changing, it is critical for managers and executives to gain appropriate abilities, as well as a shift in perspective and approach, in order to increase managerial effectiveness and employee engagement in management. Employees were asked about their attitudes about employee engagement in management using a survey. Employees' attitudes are that LIC of India strongly supports formal employee engagement in management. Employees' ratings for this are substantially lower than moderate. This is an area where there is room for improvement. As a result, it

is proposed that formal employee engagement in management be fostered.

If necessary, do you recommend formal employee engagement in management? Employees have given this a rating that is above satisfactory. As a result, all LIC workers are advised that formal employee engagement in management should be offered in the LIC of India. Are you happy with the current method of employee engagement in LIC management? For this reason, the ranking is substantially lower than moderate. As a result, it's understandable that LIC employees are dissatisfied with the current method of employee engagement in the company's administration. As a result, it can be stated that the LIC of India must give both official and informal employee engagement in management in order to boost motivation and productivity, preserve industrial peace and harmonious labour relations, and develop the most active human resource.

Employees are an organization's backbone. Employees' efforts help to make company ambitions a reality. Employees with the proper abilities for the right positions are invaluable assets to a company. Keeping these realities in mind, the corporation's employees are classified into two categories: officers and employees. Almost the whole research period was marked by the same pattern. However, the number of officers has been steadily increasing, while the number of employees has been steadily decreasing.

According to the preceding information, LIC's personnel resources have decreased from 1,24,385 in 1998-99 to 1,14,045 in 2007-08. Human resource growth, on the other hand, increased somewhat in 2008-09 and 2009-10. Presently, the number of employees of the Corporation as on 31.03.2021 is 1,08,987 only. Furthermore, it is noted that the number of officials is gradually increasing while the number of employees is decreasing. This demonstrates that the number of workers in the LIC is significantly more than the number of officials. In this regard, it is proposed that the business maintain a work-life balance between officials and workers. Furthermore, it is recommended that the business not shrink workforce, since public sector enterprises, such as LIC, must provide job possibilities rather than downsize manpower.

### **Training:**

The term "training" refers to the process of teaching certain skills, talents, and information to personnel. "Any endeavour to enhance present or future employee performance by boosting an employee's capacity to perform via learning, generally by altering the employee's attitudes or expanding the skills and knowledge," according to the definition of training.

All personnel of the LIC of India get on-the-job (internal) and off-the-job (external) training from various organisations / agencies, depending on their needs and requirements. IIM, Kolkata hosted customised training programmes for all Regional Managers - P&IR and HRD, as

well as Principals of Zonal Training Centers, with the goal of improving professionalism in human resource management, training, and policy execution in light of the corporation's long-term needs. IIM, Kolkata devised a 6-day "management development programme" for Sr. Divisional Managers who have been assigned to divisions, with the goal of acquiring an understanding of growing business difficulties in the insurance business area, as well as improving skills and capacities. Indian School of Business, Hyderabad, hosted a workshop on marketing tactics for top executives for LIC of India. Development side devised a training programme for Asst. Branch Managers (Sales) who are in the promotion zone. These sessions took place in management development centres, the National Insurance Academy, and Zonal Training Centers. Field staff, like as agents and development officials, were trained in LIC of India training centres. Professional agencies taught selected faculty from training centres in order for them to improve the same for agents and development officers. The training programmes are also being run by the LIC of India's Management Development Centre (MDC) at Borivli.

The length of training is determined by the training program's demand and goal. According to reports, at India's LIC, training lasts anywhere from one to six days. Every year, all employees except Class IV employees attended a three-day training session at a Zonal training facility.

The training provided to employees must be effective and beneficial to both members and the organisation as a whole. If this is not the case, it will not be totally effective in attaining its goals. There must be an enough number of competent personnel with the requisite knowledge and abilities to carry out the training and capacity building programme successfully and efficiently, which enhances the connection between superiors and subordinates in the organisation.

### **Agents of LIC:**

Agents are the backbone of the insurance industry, and a life insurance company's strength is determined by the quality and competency of its agency staff. The LIC has assigned lakhs of agents, and the number of agents has risen year after year, owing to the importance of agents. In this context, the LIC's agency force was expanded over the period 2000-01 to 2009-10. The number of agents climbed steadily from 7,43,064 in 2000-01 to 10,98,910 in 2003-04, according to the data. The number of agents decreased somewhat the next year, reaching 10,41,737. From 2004-05 to 2009-10, the number of agents has steadily climbed, reaching 14,02,807 in 2009-10. Between 2000-01 and 2009-10, the percent change in agents ranged between a low of (-) 5.20 percent in 2004-05 and a high of 21.80 percent in 2003-04.

The largest strength of LIC is its agent network, which is larger than that of all private life insurance companies in India. LIC's agent network numbered 13.5 lakh people as of March 31, 2021, compared to

11 lakh for the total private life insurance business. Between March 2019 and March 2021, the number of individual LIC agents in India rose at a compound annual growth rate (CAGR) of 7%, compared to a CAGR of 4% for private enterprises.

LIC also had the greatest agent productivity, both in terms of premiums (Rs. 4,13,000 in FY21) and policy numbers (15.3 in FY21). LIC also had the highest new business premium per employee in FY21. If all of the agents put their hearts and souls into their profession, LIC's business would skyrocket. In this regard, the firm should employ qualified agents who can generate good revenue for the company.

### **Summary and Conclusion:**

Human resources play a critical part in the organization's performance. Human resources are the individuals who work in and run a company. Human resource management (HRM) is an organisational function that deals with people and issues concerning them, such as remuneration, hiring, performance management, and training. As a result, human resource management is critical to the organization's success. Human resources are essential for effective financial and market management. As a result, regardless of the size or structure of the business, effective HRM procedures are required. HRM practises are aimed at attaining the organization's goals and ensuring that its services are used effectively. Human resource management takes on added relevance in an organisation since the quality of its human resources and

the extent to which they are motivated are critical to its success.

- In India, insurance businesses adopt HR procedures, namely HRD techniques. HRD is extremely beneficial and useful if it is applied in the appropriate direction, and it is feasible to get the intended outcomes from HRD when employees are honest and updated.
- It is concluded that private players' engagement in insurance sector competition is quite strong, and that in order to thrive in that sector, corporations employ human resource techniques and work toward their company's goals.
- Employee quality is improved through practises such as incentive, self-learning, and knowledge sharing.
- HRM is critical in the insurance industry; it is the backbone of the industry.
- Employees will only be productive and devoted to their jobs if they are given the necessary inputs, whether it be a machine, material, or skill set.
- Training is a technique for increasing an organization's production and profitability.

It was acknowledged that people are the most valuable asset, and that by providing a development environment, a company can help individuals reach their greatest potential. Furthermore, people's competencies may be developed at any

moment, and as a model employer, the firm must support employee development. The findings of this study contribute to the expanding body of information indicating that progressive HRD practises are the most common HRD methods used by the LIC.

The following conclusions are formed based on the study's analysis and findings:

- Employee perceptions are unaffected by designation since everyone understands its significance. It demonstrates that the need for staff development is felt in all situations.
- It demonstrates that employee perceptions are unaffected by qualification because both are linked to improvement and advancement.
- Because each component is interconnected with the others, there is a beneficial link between HRD practises and employee productivity. In a nutshell, they are intertwined for the corporation's insurrection.

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