

HRD CLIMATE IN SERVICE SECTOR (With Special Reference to Life Insurance Corporation of India)

DR. SANTOSH M. SINGH

Associate Professor & P. G Coordinator of Commerce, Govt. First Grade College & P G Center
Sedam, kalaburgi, Karnataka.

ABSTRACT:

Organization is a structure manned by a group of individuals who are working together for achieving institutional objectives. To plan, coordinate and control its various activities, an organization employees managers who, in their day to day interactions, bring into play a variety of leadership styles and skills on dealing with their subordinates. The sum total of these managerial policies, norms and practices create an unique environment within each organization. Employees of an organization working together are continuously influenced by this internal environment, which is also referred to as organizational climate.

Key words: HRD Climate, Organizational, Service sector, Employees, Environment.

Introduction:

Organization climate is a relatively enduring quality of the internal environment that is experienced by the employees, influences their behaviour and can be described as code of values and a set of characteristics of the organizations. As such, organizations culture derives from the perceived aspects of an organization internal environment. But, within the same organization, there may be very different climates. This might happen because employees with different length of experience or at different levels of organizational hierarchy may perceive internal environment of an organization differently. Organization can build an internal image for itself by showing a genuine and concrete interest in the well being of the employees. In such situation, HRD becomes an integral part of every manager is responsibility and this puts a stop to the evasive tendency of treating merely as the responsibility of the corporate office of the personnel department. Each one has to play his/her role for developing appropriate HRD climate. It is imperative for the organizations to have a supportive and growth oriented environment.

Need for HRD Climate:

Man is a creature composed of heredity and environment and creates values within himself. In the context of his interactions with others, the values manifest spontaneously. Human beings are tempted by all kinds of emotions, impulses, instincts, prejudices, wishful thinking, hopes, fears, desires, and almost everything. A normal person carries within him sets of expectations involving perceptions, attitudes, feelings and behaviour, which can be organized in various ways. Further, human mind is just like a parachute, which starts functioning when it is open.

A human being is more than a mixture of mind and matter and the initiative to do a thing does not come from above or below but starts from within. In the words of Aristotle "No man is

intentionally bad". Even the body is the product of will. The will to know builds the brain just as the will to grasp forms the hands and thus the action of the body is nothing but objectified will.

Importance of HRD Climate in Service Sector

As the world is becoming a global village, a new breed of human resources which is trained and upward mobile is of utmost urgency. The young recruits expected the insurance sector environment to be a haven for career satisfaction, growth and scope to do intelligent, hard and effective work. Further, then look for challenges, freedom and good assignment. At the same time, the present day insurance sector has become a challenging field which is full of exciting tasks for the employees. Organizational prosperity and progress depends upon the climate it creates for the employees which encourages them to release their potential. Thus the employees and their behaviour are critical determinants of a insurance performance. Employees are the internal customers of the organizations. Organizations cannot hope to give external customer satisfaction if they cannot ensure internal customer satisfaction

Review of literature

A lot of work is done on Human Resource Development in general and HRD Climate in Insurance in particular.

Bilimoria and Singh (1985) in one of their studies found that the development of human resources can only be achieved through a systematic process of planning and growth, whereby individuals gain and apply knowledge, skills, insights and attitudes to manage their work effectively.

Maitin, T. P. (1987) in his study on Human Resource Development highlighted that proper guidance is essential to motivate Human Resource Development. An overall improvement in the work environment has been suggested to promote efficient human resources.

M. K. Panchal (2002) in his M. Phil. dissertation "A Study Of Human Resource Management Practices In Life Insurance Corporation of India With Special Reference To Solapur District" reported that, there should be uniformity In recruitment process for all the categories of personnel. Further he stated that, training should be arranged frequently and especially computer training is necessary for employees, again LIC should concentrate on employee welfare facilities such as canteen facility, recreation facility etc.

Statement of the problem and scope of the study

Today there is a cut throat competition in the insurance industry. It is being crowded with not only national players, but also with global giants. Each player, at regular intervals, is coming out with innovative products and innovative ideas to woo the investors. Insurance companies apart from ensuring security are also offering a fair return to the policy holders, LIC, under such situation, has to make extra efforts to maintain its leadership position in the insurance business.

Human factor plays an important role in the insurance industry. Unlike in the bricks and mortar industries human beings are indispensable in the service industry like insurance. Life Insurance Corporation of India is one of the biggest service organizations with huge manpower. Its units are spread throughout the length and breadth of the country

Objectives of the study

- 1.To evaluate the existing HRD climate prevailing in the LIC of India.
- 2.To suggest alternative ways and means to improve the HRD climate in LIC of India in general and division of Raichur in particular.

Methodology

In tune with the objectives mentioned above a close study has been carried out by selecting 35% of the total population of LIC Raichur division. The domain for data collection is restricted to the Raichur division of Karnataka area.

Source of data

The present study has been conducted with the help of both the primary secondary data.

Primary data:

The study is mainly based on the primary data. The primary data were collected through a questionnaire consisting both open and close ended questions on a five point scale basis.

Secondary data:

The primary data has been supplemented by the secondary data. The secondary data are drawn, classified and studied from the government publications, monthly bulletins of LIC of India.

Sample:**TABLE – 1.1****SAMPLE SIZE**

Districts	Total employees			Sample		
	Clerical	Officers	Total	Clerical	Officers	Total
Raichur	297	112	409	87	26	113
Bellary	79	47	126	40	18	58
Gulbarga	157	66	223	40	18	58
Bidar	73	39	112	40	18	58
Koppal	79	37	116	40	18	58
Total	685	301	986	247	98	345

Source: Minuty Review Meeting of Sr. Branch Manger – 2006

A sample size of 345 employees representing 35 percent of the total employee force at different stages of hierarchy was selected on random basis. To give a caution to indifferent attitude of the respondents 35 percent stand by sample was also selected on random basis.

Tools and Techniques :

Data collected form different sources were tabulated and classified chapter wise so as to make the study systematic and scientific. Different tables were prepared for the purpose to concentrate on each and every aspect of the study.

After tabulation of the data an analysis was made using different statistical tools such as simple percentages, factoring, correlation coefficient and ANOVA test have been used wherever necessary.

TABLE –1.2
FACTOR STRUCTURE FOR HRD CLIMATE

Human Resource Development Climate		
1	The personal policies in the LIC facilitates employee development	.428
2	Performance appraisal reports in the LIC are based on objective assessment and adequate information and not on favoritism	.590
3	When behavior feedback is given to employees they take it seriously and use it for development	.612
4	The LIC ensures employee's welfare to such an extent that the employees can save a lot of their mental energy for work purpose.	.601
5	Promotion decisions are based on the suitability of the promote rather than on favoritism	.632
6	There are mechanisms in the LIC to reward any good work done or any contribution made by employees	.564
7	Job rotation in the LIC facilitates development of the employees	.723
8	The organizational climate in the LIC is very conducive for development of the employees in acquiring knowledge and skill	.678
9	Delegation of authority to encourage juniors to develop skills of handling higher responsibilities is quite common in the LIC	.538
10	When problems arise employees discuss those problems openly and try to solve them rather than keep accusing each others	.645
11	Team spirit is of high order in the organization	.554
12	The LIC future plans are made known to the administrative staff to help them develop their juniors and prepare them future.	.713

Source: Field Investigation

TABLE – 1.3

TOP MANAGEMENT INITIATIVES IN HUMAN RESOURCE DEVELOPMENT

Statement	No response		Strongly agree		Agree		Neither agree nor disagree		Disagree		Strongly disagree		WA
	F	%	F	%	F	%	F	%	F	%	F	%	
The authorities of the LIC go out of the way to make sure that employees enjoy their work	10	2.9	62	18.0	156	45.2	84	24.3	28	8.1	5	1.4	3.72
The top authorities believe that human resource is an extremely important resource and that they have to be treated more humanly	13	3.8	80	23.2	150	43.5	74	21.4	23	6.7	5	1.4	3.83
The top management is more respectful to the suggestions of the employees for better work culture	14	4.1	40	11.6	125	36.2	109	31.6	46	13.3	11	3.2	3.41
The management holds a formal/informal meeting to provide information of the strengths and weaknesses	13	3.8	53	15.4	130	37.7	100	29.0	36	10.4	13	3.8	3.52
The top management views the employees as an important resource and pays much attention for their development.	13	3.8	52	15.1	133	38.6	93	27.0	42	12.2	12	3.5	3.52
The attitude of the higher authorities is that of guiding rather than fact-finding.	15	4.3	62	18.0	128	37.1	94	27.2	37	10.7	9	2.6	3.60

F- Frequency, % - Percentage, WA - Weighted Average

Source: Field Investigation

TABLE – 1.4

DESCRIPTIVE STATISTICS TOP MANAGEMENT INITIATIVES IN HUMAN RESOURCE DEVELOPMENT CLIMATE

Top management initiatives in human resource development	N	Mean	Std. Deviation
The authorities of the LIC go out of the way to make sure that employees enjoy their work	330	3.72	.96003
The top authorities believe that human resource is an extremely important resource an that they have to be treated more humanly	330	3.83	1.01172
The top management is more respectful to the suggestions of the employees for better work culture	323	3.41	1.16005
The management holds a formal/informal meeting to provide information of the strengths and weaknesses	326	3.52	1.11808
The top management views the employees as an important resource and pays much attention for their development.	315	3.52	1.13010
The attitude of the higher authorities is that of guiding rather than fact-finding.	326	3.60	1.22602

Source: Field Investigation

TABLE – 1.5

EMPLOYEE COMMITMENT

Statement	No response		Strongly agree		Agree		Neither agree nor disagree		Disagree		Strongly disagree		WA
	F	%	F	%	F	%	F	%	F	%	F	%	
The employees are conscious of the ever-changing needs of the organization.	19	5.50	52	15.10	116	33.60	107	31.00	38	11.00	13	3.80	3.48
To achieve corporation objectives the employees exercises self-direction and control.	17	4.90	50	14.50	123	35.70	88	25.50	55	15.90	12	3.50	3.44
The employees involve themselves in work and are ready to share responsibilities in the LIC	17	4.90	45	13.00	114	33.00	113	32.80	39	11.30	17	4.90	3.40
Employees in the LIC take pains to find out their strengths and weaknesses from their supervising officers or colleagues.	20	5.80	46	13.30	115	33.00	105	30.70	46	13.30	13	3.80	3.41

Source: Field Investigation

Analyzing the factors:

Top management initiatives in human resource development.

Table 1.3 and 1.4 give the results for top management initiatives in HRD along with the mean scores. The employees feel that the top authorities believe that human resource is an extremely important resource and that they have to be treated with human. The

mean score of 3.83 is high compared to other statements. The employees also feel that the authorities of the LIC go out of the way to make sure that employees enjoy their work this statement is rated second with a mean score of 3.71. The lowest rating for the statement top managements receptiveness to the suggestions of the employees for better work culture is matter of concern for top management. This statement has got mean score of only 3.41. The employees feel that the management 2 hold hard a formal/informal meeting to provide information of the strengths and weaknesses and also top management should view the employees as an important resource and pays much attention for their development. These statements are equally given a score of 3.52. The employees also feel that the attitude of the higher authorities is that of guiding rather than fact-finding with a high mean score of 3.60.

TABLE – 1.6**DESCRIPTIVE STATISTICS FOR EMPLOYEE COMMITMENT**

Employee Commitment	N	Mean	Std. Deviation
The employees are conscious of the ever-changing needs of the organization.	327	3.48	1.08234
To achieve corporation objectives the employees exercises self-direction and control.	328	3.44	1.06881
The employees involve themselves in work and are ready to share responsibilities in the LIC	328	3.40	1.05448
Employees in the LIC take pains to find out their strengths and weaknesses from their supervising officers or colleagues.	327	3.41	.94043

Source: Field Investigation

Employee commitment

The opinions of employees towards employee commitment statements are low suggesting a low level of commitment among employees (Table 1.5 and 1.6). Amongst all the factors the employees slightly agree that the employees are conscious of the ever-changing needs of the organization. The score for these statements is 3.48. The employees also feel that to achieve corporation objectives the employees exercises self-direction and control. The score for this statement is 3.44. The other two statements Employees in the LIC take pains to find out their strengths and weaknesses from their supervising officers or colleagues and the employees involve themselves in work and are ready to share responsibilities in the LIC have got very low, mean score of 3.41 and 3.40 respectively, which show a lack of commitment among employees.

Statement	No response		Strongly agree		Agree		Neither agree nor disagree		Disagree		Strongly disagree		WA
	F	%	F	%	F	%	F	%	F	%	F	%	
The psychological climate in LIC is very conducive for any employee interested in developing himself by acquiring new knowledge and skills.	16	4.60	38	11.00	124	35.90	110	31.90	46	13.30	11	3.20	3.40
Employees are encouraged to experiment with new methods and tryout creative ideas	19	5.50	37	10.70	114	33.00	114	33.00	55	15.90	6	1.70	3.37
When employees are sponsored for training they take it seriously and try to learn from the training programmes	19	5.50	31	9.00	116	33.60	119	34.50	52	15.10	8	2.30	3.34
Employees returning from training programmes are given opportunities to try out what they have learnt.	22	6.40	34	9.90	120	34.80	117	33.90	44	12.80	8	2.30	3.40
Employees are encouraged to take initiatives on their own and do things on their own without having to wait for instructions from their superiors.	21	6.10	35	10.10	103	29.90	123	35.70	47	13.60	16	4.60	3.29
Employees lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.	25	7.20	37	10.70	114	33.00	115	33.30	46	13.30	8	2.30	3.39

TABLE – 1.7
EMPLOYEE SUPPORT AND ENCOURAGEMENT

TABLE – 1.8

DESCRIPTIVE STATISTICS FOR EMPLOYEE SUPPORT AND ENCOURAGEMENT

Employee support and encouragement	N	Mean	Std. Deviation
The psychological climate in LIC is very conducive for any employee interested in developing himself by acquiring new knowledge and skills.	329	3.40	.97693
Employees are encouraged to experiment with new methods and tryout creative ideas	326	3.37	.95449
When employees are sponsored for training they take it seriously and try to learn from the training programmes	326	3.34	.93953
Employees returning from training programmes are given opportunities to try out what they have learnt.	323	3.40	.93463
Employees are encouraged to take initiatives on their own and do things on their own without having to wait for instructions from their superiors.	324	3.29	1.00575
Employees lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.	320	3.39	.95410

Source:FieldInvestigation

Employee support and encouragement

The opinions of employees towards employee support and encouragement are low suggesting a low level of encouragement among employees (table 1.7 and 1.8). Amongst all the factors the employees feel they are not encouraged to take initiatives on their own and do things on their own. With a score of only 3.29 this is lowest ranked statement. All other statements are also rated poorly with scores of 3.40 and below which is matter of immediate concern for LIC.

TABLE –1.9

EMPLOYEE RELATIONSHIPS AND UNDERSTANDING

Statement	No response		Strongly agree		Agree		Neither agree nor disagree		Disagree		Strongly disagree		WA
	F	%	F	%	F	%	F	%	F	%	F	%	
Employees are helpful to each other	22	6.40	40	11.60	106	30.70	128	37.10	40	11.60	9	2.60	3.40
Employees in the LIC are very informal and do not hesitate to discuss their personal problems with their supervisors.	22	6.40	37	10.70	102	29.60	128	37.10	49	14.20	7	2.00	3.35
Seniors guide their juniors and prepare them for the future responsibilities /roles they are likely to take them up.	24	7.00	38	11.00	89	25.80	145	42.00	34	9.90	15	4.30	3.31
Employees in LIC do not have any fixed mental impressions about each other	22	6.40	43	12.5	122	35.40	99	28.70	41	11.90	18	5.20	3.41
Employees trust each other in LIC	22	6.40	34	9.90	126	36.50	118	34.20	34	9.90	11	3.20	3.43
Employees are not afraid to express or discuss their feelings with their supervisors.	26	7.50	37	10.70	120	34.80	119	34.50	31	9.00	12	3.50	3.44

F- Frequency, % - Percentage, WA - Weighted Average Source: Field Investigation

ABLE – 1.10

DESCRIPTIVE STATISTICS FOR EMPLOYEE RELATIONSHIPS AND UNDERSTANDING

Employee relationships and understanding	N	Mean	Std. Deviation
Employees are helpful to each other	323	3.40	.95110
Employees in the LIC are very informal and do not hesitate to discuss their personal problems with their supervisors.	323	3.35	.94486
Seniors guide their juniors and prepare them for the future responsibilities /roles they are likely to take them up.	321	3.31	.97343
Employees in LIC do not have any fixed mental impressions about each other	323	3.41	1.04832
Employees trust each other in LIC	323	3.43	.93424
Employees are not afraid to express or discuss their feelings with their supervisors.	319	3.44	.94907

Source: Field Investigation

Employee relationships and understanding

The opinions of employees towards employee relationships and understanding statements are low suggesting a low level of understanding among the employees (Table 1.9 and 1.10). Amongst all the factors the employees slightly agree that Employees are not afraid to express or discuss their feelings with their supervisors and Employees trust each other in LIC. The scores for these statements are 3.44 and 3.43 respectively. Some of the employees feel that Employees in LIC do not have any fixed mental impressions about each other and are helpful to each other. The scores for this statement is 3.41 and 3.40 respectively. The employees response towards there seniors is also not good as they feel Seniors do not guide their juniors and prepare them for the future responsibilities /roles they are likely to take them up. This is low ranked statement with a score of only 3.31.

Organization culture

The opinions of employees towards organization culture statements are mixed with scores as high as 3.6 to as low as 3.28 (table 1.11 and 12).

TABLE – 1.11 HUMAN RESOURCE DEVELOPMENT CLIMATE

Statement	No response		Strongly agree		Agree		Neither agree nor disagree		Disagree		Strongly disagree		WA
	F	%	F	%	F	%	F	%	F	%	F	%	
The personal policies in the LIC facilitates employee development	23	6.70	52	15.10	138	40.00	89	25.80	37	10.70	6	1.70	3.60
Performance appraisal reports in the LIC are based on objective assessment and adequate information and not on favoritism	19	5.50	51	14.80	123	35.70	100	29.00	39	11.30	13	3.80	3.49
When behavior feedback is given to employees they take it seriously and use it for development	22	6.4	35	10.1	100	29.0	127	36.8	47	13.6	14	4.1	3.29
The LIC ensures employee's welfare to such an extent that the employees can save a lot of their mental energy for work purpose.	16	4.6	34	9.9	116	33.6	120	34.8	39	11.3	20	5.8	3.32
Promotion decisions are based on the suitability of the promote rather than on favoritism	19	5.5	42	12.2	121	35.1	106	30.7	42	12.2	15	4.3	3.41
There are mechanisms in the LIC to reward any good work done or any contribution made by employees	33	9.6	44	12.8	94	27.2	110	31.9	40	11.6	24	7.0	3.30
Job rotation in the LIC facilitates development of the employees	20	5.8	45	13.0	112	32.5	112	32.5	43	12.5	13	3.8	3.41
The organizational climate in the LIC is very conducive for development of the employees in acquiring knowledge and skill	22	6.4	43	12.5	140	40.6	107	31.0	27	7.8	6	1.7	3.58

Delegation of authority to encourage juniors to develop skills of handling higher responsibilities is quite common in the LIC	36	10.4	46	13.3	105	30.4	94	27.2	48	13.9	16	4.6	3.38
When problems arise employees discuss those problems openly and try to solve them rather than keep accusing each others	21	6.1	51	14.8	103	29.9	95	27.5	50	14.5	25	7.2	3.32
Team spirit is of high order in the organization	27	7.8	35	10.1	128	37.1	111	32.2	34	9.9	10	2.9	3.45
The LIC future plans are made known to the administrative staff to help them develop their juniors and prepare them future.	24	7.0	41	11.9	118	34.2	109	31.6	40	11.6	13	3.8	3.42

Source: Field Investigation

Amongst all the factors the employees agree that the personal policies in the LIC facilitates employee development and the organizational climate in the LIC is very conducive for development of the employees in acquiring knowledge and skill. The scores for these statements are 3.60 and 3.58 respectively. The employee's response towards training programmes is not good. The employees do not feel that they are sponsored for training programmes on the basis of genuine training needs. The employees also feel that when behavior feedback is given to them they don't take it seriously and use it for development. These two statements have mean scores of 3.28 and 3.29 respectively.

TABLE 1.12

DESCRIPTIVE STATISTICS FOR THE FACTOR

Factor	N	Mean	Std. Deviation
Organization culture	12	3.4142	.10291

Source: Field Investigation

organization culture are almost ranked equally with mean scores of 3.43 and 3.41. Employee relationships and understanding, Employee support and encouragement,

Correlation Analysis

An important aspect of the study was to identify the relationship between the factors. Correlation analysis can assist to identify the association between the factors that define the HRD climate. Thus it was decided to conduct correlation analysis in the present study.

From the correlation matrix of table 1 it can be seen that all the correlations are significant at .01 and .05 % levels. This means that association between all the factors is significant. There is high level of association for performance appraisal and top management initiatives. Employee support and encouragement and Employee relationships and understanding also show very high association. A strong correlation was also noticed for Officers role towards employee development and organization. Most of the other combinations show some degree of association.

The correlation analysis was also done to find the association between the demographic variables and factors HRD climate. It is found that the association is weak for most of the factors, which suggest that there is no association between demographic differences, and factors of HRD climate.

Findings:**Employee commitment**

The opinions of employees towards 'employee commitment statement' are low suggesting a low level of commitment among employees. The employees slightly agree that the employees are conscious of the ever-changing needs of the organization. The score for this statement is 3.48. The employees also feel that to achieve corporation objectives the employees exercises self-direction and control. The score for this statement is 3.44. The other two statements Employees in the LIC take pains to find out their strengths and weaknesses from their supervising officers or colleagues and the employees involve themselves in work and are ready

to share responsibilities in the LIC have got very low, mean score of 3.41 and 3.40 respectively, which show a lack of commitment among employees.

Employee support and encouragement

The opinions of employees towards employee support and encouragement are low suggesting a low level of encouragement among employees. The employees feel they are not encouraged to take initiatives on their own and do things on their own. With a score of only 3.29 this is lowest ranked statement.

Employee relationships and understanding

The opinion of employees towards employees' relationships and understanding statements are suggesting a low level of understanding among the employees. In LIC, employees are not afraid to express or discuss their feelings with their supervisors and employees trust each other. The mean scores for these statement in 3.44 and 3.43 respectively.

Organization culture

The opinions of employees towards organization culture statements are mixed with scores as high as 3.6 to as low as 3.28.

The employees agree that the personal policies in the LIC facilitates employee development and the organizational climate in the LIC is very conducive for development of the employees in acquiring knowledge and skill. The scores for these statements are 3.60 and 3.58 respectively.

Suggestions

The management should create good climate in the organization by conducting formal type of discussions. This helps employees to discuss with their superior without any hesitation.

The management of LIC of India should ready to accept important suggestions of employees if made in time. This results in better work culture and employees feel that they a voice in the decision making process of the organization.

CONCLUSION

The opinions of employees towards 'employee commitment statement' were low suggesting a low level of commitment among employees. The employees slightly agree that the employees are conscious of the ever-changing needs of the organization. The opinions of employees towards employee support and encouragement were low suggesting a low level of encouragement among employees. The employees feel they are not encouraged to take initiatives on their own and do things on their own. It was observed that in LIC, employees were not afraid to express or discuss their feelings with their supervisors as well as they trust each other. Usually, the employees were agreed that the personal policies in the LIC could facilitates employee development. The organizational climate in the LIC was very conducive for development of the employees in acquiring knowledge and skill. The management should create good climate in the organization by conducting formal type of discussions. This helps employees to discuss with their superior without any hesitation. The management of LIC of India should

ready to accept important suggestions of employees if made in time. This results in better work culture and employees feel that they a voice in the decision making process of the organization.

Reference:

1. Limayee, G. D., "Human Climate", Excel Publishing Co. Pvt. Ltd., New York, 1992, p. 66.
2. Udai Pareek, "Studying organizational Ethos", HRD News Letter, October – December, 1992, Vol. 8, No. 4, p. 4.
3. Fred, Lathans, "Organizational Behaviour", (Auckland, McGraw Hill International Book Co., 1981), p. 596.
4. Baldev Sharma: "HRD Climate in organizations", Himalaya Publishing Co. Pvt. Ltd., New Delhi, 1994
5. Billimoria and Singh, "Human Resources Development: A study of the Airlines in Asian Countries", Vikas Publishing House (P) Ltd., New Delhi, 1985, pp. 72-75.
6. Panchal M.K. "A Study Of Human Resource Management Practices In Life Insurance Corporation of India With Special Reference To Solapur District", Unpublished M.Phil. Dissertation, Shivaji University, Kolhapur, 2000.