

Sales Force Environment in Life Insurance Corporation of India – An Analysis



Management

KEYWORDS : Life Insurance, Sales force Environment, Training needs, Risk coverage

Dr. D. Jaganmohana Rao Associate Professor, DMS SVH College of Engineering, Machilipatnam, Krishna District, Andhra Pradesh, India.

Prof. V. Narasimha Rao Director: P.G. Department of Business Administration, Akkineni Nageswara Rao College, Gudivada – 521 301. Krishna District, Andhra Pradesh, India

ABSTRACT

Insurance is a social device in which a group of individuals (insured) transfer risk to another party (insurer) in order to combine loss experience, which permits statistical prediction of losses and provides for payment of losses from funds contributed (premiums) by all members who transferred risk. In India, insurance have a deep-rooted history. Insurance sector in India has come a long way since the time when businesses were tightly regulated and concentrated in the hands of a few public sector insurers. Following the passage of Insurance Regulatory and Development authority (IRDA) Act in 1999, India allowed private sector in favour of market driven competition. LIC was set up in 1956 when the life insurance business was nationalized. It took over the assets and liabilities of 245 private insurers engaged in the transaction of life insurance business in India. In view of aggressive stance of private insurers, the public sector behemoth LIC is rejuvenating itself to fight back through launching of aggressive marketing strategies and innovative products. An attempt is made in this paper to analyse the Sales Force Environment in LIC of India.

I. Insurance Sector - An Overview:

Insurance is a social device in which a group of individuals (insured) transfer risk to another party (insurer) in order to combine loss experience, which permits statistical prediction of losses and provides for payment of losses from funds contributed (premiums) by all members who transferred risk. The financial definition focuses on an arrangement that redistributes the cost of unexpected losses. It means the collection of small premium payment from all exposed and distributed to those suffering loss. The legal definition focuses on a contractual arrangement whereby one party agrees to compensate another party for losses. The financial definition provides for the funding of the losses where as the legal definition provides for the legally enforceable contract that spells out the legal rights, duties and obligations of all parties of the contract. According to Britannica Encyclopedia, "Insurance may be described as a social device whereby a large group of individuals through a system of equitable contributions may reduce or eliminate certain measurable risks of economic loss common to all members of the group".

The primary function of insurance is the equitable distribution of the financial losses of insured, in other words, compensating the few who have lost from the fund built up by the contribution of all the members. The insured member's contribution to the fund is the proportion to the risk from which he is protected and is the special function of the insurer to calculate and charge this contribution or premium. It is also his function to manage the fund so built up and pay compensation to the insured who have suffered losses. The insured feels secured that he would be protected from the insurance fund and this given him freedom from anxiety. The insurer benefits from investing the fund. Some of the indirect advantages of insurance are – investment of funds, Reduction of cost of insurance, effect on prices, invisible and the reducing cost of social services.

In India, insurance have a deep-rooted history. It was found in the writings of Manu (Mannsmithi), Yagnavalka (Dharmasastra) and Kautilya (Arthasastra). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine. This was probably a precursor to modern day Insurance. Insurance in its modern form first arrived in India through a British Company called the Oriental Life Insurance Company in 1818, followed by the Bombay Assurance Company in 1823 and the Madras Equitable Life Assurance Society in 1829. They insured the lives of Europeans living in India. Before 1871, Indians were charged with a leading fee of upto 20 percent more than the British Consumers of the same age. Regulation of insurance companies began with the Indian Life Assurance Companies Act, 1912. In 1928, the Indian Insurance Companies Act was enacted to enable the

Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. The insurance Amendment Act of 1950 abolished the principal agencies existing. The Government of India decided to nationalize insurance business to channel more resources for the national development programmes. An ordinance was issued on 19th January 1956 nationalising the Life Insurance sector and Life Insurance Corporation of India (LIC) came into existence in the same year.

Insurance sector in India has come a long way since the time when businesses were tightly regulated and concentrated in the hands of a few public sector insurers. Following the passage of Insurance Regulatory and Development authority (IRDA) Act in 1999, India allowed private sector in favour of market driven competition. At the end of 2010, the Indian Insurance market (in terms of premium volume) occupied the 11th rank in the world. Yet there seems huge potential for insurance sector in India. The insurance sector is a colorful one and is growing at a speedy rate of 21 percent. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long-term funds for infrastructure development and at the same time strengthening the risk taking ability of the country. In the year 2012, there were 49 insurance companies operating in India, of which 24 are in the Life insurance business and another 24 are in general insurance business.

In order to bring out reforms in insurance sector, in 1993, the Malhotra Committee headed by former finance secretary and RBI Governor, R.N. Malhotra, was formed to evaluate the Indian insurance sector and recommend its future direction. The Malhotra Committee submitted its report in 1994 which made key recommendations on structure, Competition, Regulatory Body, Investments and customer service. The committee emphasized that to improve customer services and increase accessibility of insurance products, the sector should be opened up for competition. It asserted the need to exercise control, it had proposed setting up of an independent regulatory body, viz., the Insurance Regulatory and Development Authority (IRDA). Reforms in the insurance sector were initiated with the passage of the IRDA Act, 1999 and IRDA was established on 19th April 2000. Since its inception IRDA has fastidiously struck to its schedule of framing regulations and registering the private insurance companies and also put in framework the globally compatible regulations. As a result of globalization, the insurance sector is undergoing major restructuring as firms are moving from being national to global in scope, as economics of scale become increasing by important in commodity product lines.

II. Life Insurance Corporation of India:

LIC was set up in 1956 when the life insurance business was nationalized. It took over the assets and liabilities of 245 private insurers engaged in the transaction of life insurance business in India. The LIC has emerged as the largest and most important financial institution in India. LIC with its central office in Mumbai and seven zonal offices at Mumbai, Kolkata, Delhi, Chennai, Hyderabad, Kanpur and Bhopal operates through 100 divisional offices and 2048 branch offices. The emergence of LIC as the largest channel of individual savings and the biggest investing institution is a significant even in the socio-economic development of the country. In the lives of millions in the rural areas, LIC created a new sense of awareness of building for the future in the spirit of claim confidence, which insurance alone can give. The LIC is essentially an investment institution and its investment policy has been designed after providing a thoughtful consideration to cardinal principles of safety of principal, diversification of investments in terms of securities.

The investment policy of the LIC is subject to regulation by the provision as contained in section 6(i) of the LIC Act, 1956, enjoining on the corporation the duty of carrying on its business to the best advantage of the community and the primary obligation of holding the policy holders' money in trust with the help of dynamic and vigorous management imbued with spirit of trusteeship. It can be noted that, section 27 A, as initially made applicable to the LIC, stipulated that balance of funds after investments in government and other approved securities have to be invested in scheduled investments. Of late, IRDA changed the pattern of deployment of funds by life insurance companies. Accordingly, LIC can now invest up to 50 percent of its investible resources in government securities, 15 percent in infrastructure bonds and similar instruments while holding a discretionary control, subject to conditions, on 35 percent of assets. This balance 35 percent can be put into equities, corporate funds and mutual funds. In 2008, the IRDA has changed the rules of the game for insurance companies by amending investment regulations. In view of aggressive stance of private insurers, the public sector behemoth LIC had is rejuvenating itself to fight back through launching of aggressive marketing strategies and innovative products. In its efforts to improve the market share, LIC has recently decided to change its focus from geo-physics to modern distribution companies and banks work on a Pan - India basis and to give a channel - specific relationship.

III. Review of Literature:

Ramadoss, M (2009) described that in the context of life insurance, the tendency of the investor is to calculate how much he will get back after ten or fifteen years. Life insurance industry's growth has been phenomenal mainly because of the investment angle to that. Also mentioned the non-availability of health service provides in the rural areas is another issue by which we are not able to penetrate the rural market to have health insurance.

Chari (2005) cited that the Insurance industry's marketing efforts are being focused more on the urban middle class and affluent sections. IRDA, the insurance regulator, has made it mandatory for the insurance companies to increase their business coverage to rural and social sectors as well. The cost effectiveness and conversion efficiency of different distribution strategies is crucial in ensuring the success of insurance business.

Anant Sardeshmukh (2005) mention that risk is inherent in the insurance business. Although insurance companies assure the risk of their customers or clients, risk is a fact of their business too. Assuming and managing risk is as important to an insurer as it is for other business.

Dave Thomas (2005) in his paper "Professional liability in the medical arena" discussed that being aware of what is going on in the medical world these days, providing professional liability coverage to the people who take care of the world's sick seems to be more changing the diagnosing a patient problem.

Steward Doss and Kaveri (2003) identified that the assessment of agent's service indicated that customer satisfaction of both

pre-sales as well as after sales service was 'moderate'. In particular, the low moderate satisfaction of after-sales service as compared to the pre-sales service is the moderate concern for improvement. The analysis further revealed that professionalism is the important factor in determining the satisfaction.

Banarjee, I.K. (2004), Member of Insurance Regulatory & Development Authority stated that IRA will continue to work together with the insurance industry to achieve international best practices and standards. Market practitioners can help regulator generate ideas, keep abreast of market developments, anticipate global trends and review our financial sector strategies.

P.K. Gupta (2010) in his book "Insurance and Risk Management" has made an attempt to give an in depth view of the insurance business and risk concepts. He explores how risk is mitigated via insurance markets principles underlying insurance contracts and legal environment covering various insurance laws.

Krishnaswamy, G (2009) with his vast experience as an employee in Life Insurance Corporation of India, has walk around the most important practical aspects of the Life Insurance business such as insurance intermediaries, insurance products, premium and bonus, underwriting, insurance documents, life insurance claims and legislative matters.

Sesha Iyyar (2005) in his article "Right Insurance" explained that the world is full of uncertainties and insurance could be the one channel to offer some of the solutions. Maximum security can be experienced if the insured makes appropriate decisions about the insurer, insurance amount, price of the policy, and also the right plan.

The Geneva Association (2009) in its Report "The Insurance Industry and Climate change - contribution to the Global Debate" had discussed about the climate change insurance and other aspects such as the positive role and impact that insurance has in a modern economy. The availability of insurance has important positive effects and externalities that go far beyond the purely financial.

IV. Objective of the Study:

The specific objective of this research paper is to analyse true perceptions of sample sales force concerning sales force environment in Life Insurance Corporation of India, with special reference to LIC of India, Machilipatnam Division.

V. Data Sources and Tools of analysis:

The study is based on both primary and secondary data. The primary data have been collected with the help of questionnaire. The secondary data are collected from the sources - Annual Reports of LIC, IRDA, Reports of RBI, National and International journals on insurance and sales force management, News Papers, periodicals, Magazines and various websites.

The study is with special reference to the LIC of India, Machilipatnam Division. The study was confined to Development Officers and Agents. The sample was based on convenience sampling. The data are analysed with the help of various statistical tools such as ratios, mean, standard deviation, factor analysis, ANOVA.

VI. Results and Discussion:

Removal of regulatory barriers to market entry have shown a greater impact on the business of LIC which was a monopolized company before reforms. So far LIC is concerned, there is a fall in market share in new business both in number of policies and the market share. This indicates that Indian Life Insurance in general has expanded since liberalization and market has been increasingly becoming more competitive. Escalating promotion and accelerated issues have forced the LIC to rethink sales strategies. The sales force environment shall be in such a way that it places the sales force on the path to significantly higher performance. The significant aspects of the environment provided by the LIC for the sales force are as follows.

1) Elimination of Motivation Hurdle: People who are motivated exert a greater effort to perform than those who are not motivated. Managers play a significant role in motivating the subordinates. The opinion of officers/agents on elimination of hurdles in LIC is as exhibited in Table - 1.

Table - 1 : Elimination of Motivation Hurdle by Management in LIC

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	54	2	23	2	1	103
%	52.4	22.3	22.3	1.9	1.0	100.0
%	46.2	48.9	56.1	100.0	100.0	49.5
Sales Agent	63	24	18	0	0	105
%	60.0	22.9	17.1	0	0	100.0
%	53.8	51.1	43.9	0	0	50.5
Total	117	47	41	2	1	208
%	56.3	22.6	19.7	1.0	5	100.0
%	100.0	100.0	100.0	100.0	100.0	100.0

Source: Field Survey

It can be observed from the table - 1 that 52.4 percent development officers are highly satisfied and 22.3 per cent are just satisfied with the elimination of motivation hurdle in LIC. As regards sales agents, 60 percent are highly satisfied and 22.9 percent are satisfied. The impression of majority of the development officers and sales agents signifies a healthy tendency in LIC.

2) The sales force and Integrating Device: The opinion of the sales force that it is an integrating is presented in Table - 2.

Table - 2 : Sales Force and the Integrating Device

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	46	36	18	2	1	103
%	44.7	35.0	37.5	1.9	1.0	100.0
%	46.9	73.5	37.5	18.2	50.0	49.5
Sales Agent	52	13	30	9	1	105
%	49.5	12.4	28.6	8.6	1.0	100.0
%	53.1	26.5	62.5	81.8	50.0	50.5
Total	98	49	48	11	2	208
%	47.1	23.6	23.1	5.3	1.0	100.0
%	100.0	100.0	100.0	100.0	100.0	100.0

Source: Field Survey

It is apparent from the table - 2 that 44 per cent of the development officers and 49 per cent of sales agents are highly satisfied. However 37.5 per cent of development officers and 28.6 per cent sales agents have stated that they are neither satisfied nor dissatisfied.

3) Performance Appraisal System: People differ in their abilities and aptitudes. Performance appraisals of employees are necessary to understand each employee's abilities, competencies and relative merit and their worth for the organization. The opinion of the sales force regarding the use of system of performance appraisal as a tool for feed back to sales force in the LIC of India is shown in Table - 3.

Table - 3 : Performance Appraisal System - A Tool For Feedback

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	68	15	8	12	0	103
%	66.0	14.6	7.8	11.7	0	100.0
%	55.3	32.6	61.5	85.7	100.0	49.5
Sales Agent	55	31	5	2	12	105
%	52.4	29.5	4.8	1.9	11.4	100.0
%	44.7	67.4	38.5	14.3	100	50.5
Total	123	46	13	14	12	208
%	59.1	22.1	63	6.7	5.8	100.0
%	100.0	100.0	100.0	100.0	100.0	100.0

Source : Field Survey

It can be observed from the table that 68 out of 103 development officers accounting for 66 per cent stated that they are highly satisfied as compared to 11.7 per cent (12) who stated dissatisfied. Similar tendency has also cross witnessed in the case of sales agents, as 55 out of 105 sales agents accounting for 52.4 per cent stated that they are highly satisfied with utilization of performance appraisal as a tool for feedback as compared to 1.9 per cent (2) who stated that they are dissatisfied.

4) Assessment of Training Needs: The assessment of training needs of the employees in the organization is an essential feature, before the training programme has been designed and launched. Table - 4 shows the opinions of the managers recording carryout the assessment of training needs frequently.

Table - 4 : Assessment of Training Needs

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	59	23	18	1	2	103
%	57.3	22.3	17.5	1.0	1.9	100.0
%	48.4	52.3	48.60	33.3	100.0	49.5
Sales Agent	63	21	19	2	0	105
%	60.0	30.0	18.1	1.9	0	100.0
%	51.6	47.4	51.4	66.7	0	50.5
Total	122	44	37	3	2	208
%	58.7	21.2	17.8	1.4	1.0	100.0
%	100.0	100.0	100.0	100.0	100.0	100.0

Source: Field Survey

In the cross tabulation, it is encouraging to note that 59 out of 103 development officers accounting for 57.3 per cent stated that they are highly satisfied, regarding the fact that managers carryout assessment of training needs as compared to 1 per cent who stated they are dissatisfied. Similar tendency can also be observed in the case of sales agents as 63 out of 105 accounting for 60 per cent stated that they are satisfied against 1.9 per cent (2) who stated dissatisfied. It is clear that majority of the development officers as well as sales agents are highly satisfied with the view that management has to carry out the practice of carrying out the assessment of training needs as compared to dissatisfied.

5) Friendly atmosphere and Training each other: Maintaining friendly relations lays foundations for coherent human relations and placing confidence, and trust each other is sinequonous for successful endeavours in the organization. Table – 5 shows the position regarding this in LIC of India.

Table – 5 : Friendly Atmosphere and Trusting Each Other

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	44	22	20	17	0	103
%	42.7	21.4	19.4	16.5	0	100.0
%	43.1	39.3	71.4	85.0	0	49.5
Sales Agent	58	34	8	3	2	105
%	55.2	32.4	7.6	2.9	1.9	100.0
%	56.9	60.7	28.6	15.0	100.0	50.5
Total	102	56	28	20	2	208
%	49.0	26.9	13.5	9.6	1.0	100.0
%	100.0	100.0	100.0	100.0	100.0	

Source: Field Survey

It can be observed from the table that 44 out of 103 development officers' accounting for the 42.7 per cent have stated, highly satisfied, against 16.5 per cent (17) who responded dissatisfied. Against the above tendency, 58 out of 105 sales agents accounting for 55.2 per cent stated positively highly satisfied as compared to 1.9 per cent (2) who stated highly dissatisfied. It can be concluded that majority of the sales agents have opined that, the atmosphere is friendly and people trust each other in the organization as compared to development officers who denied.

6) Discover and use own capability and potentiality in work: Majority of the today's organizations are learning organization, where there is existence of continuous learning, innovating, discovering and utilization of ones own capability at the place of work. Table – 6 shows the opinion of the sales force that is given opportunity to discover and use own capability and potentiality to work.

Table – 6 : Discover and Use Own Capabilities and Potential in Work

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	33	25	30	10	5	103
%	32.0	24.3	29.1	9.7	4.9	100.0
%	37.1	43.9	66.7	100.0	71.4	49.5
Sales Agent	56	32	15	0	2	105
%	53.3	30.5	14.3	0	1.9	100.0
%	62.9	56.1	33.3	0	28.6	50.5
Total	89	57	45	10	7	208
%	42.8	27.4	21.6	4.8	3.4	100.0
%	100.0	100.0	100.0	100.0	100.0	

Source: Field Survey

It is delineated from the table that sale agents numbering 56 out of 105 accounting for 53.3 per cent stated highly satisfied against 1.09 per cent (2) who stated highly dissatisfied. It is also encouraging to observe that 30.5 per cent (32) stated satisfied, against 14.3 per cent (15) who stated neither satisfied nor dissatisfied. From the above analysis it is noted that pertinent to majority of sales agents segment of the sales force have derived satisfaction regarding the opportunity given to discover and own capacities and potential in work as compare to the development officers.

7) Setting the examples by seniors for the juniors to follow:

Table – 7 : Setting Examples by Seniors for Juniors to follow

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	43	27	23	9	1	103
%	41.7	26.2	22.3	8.7	1.0	100.0
%	41.7	49.1	62.2	90.0	33.3	49.5
Sales Agent	60	28	14	1	2	105
%	57.1	26.7	13.3	1.0	1.9	100.0
%	58.3	50.9	37.8	10.0	66.70	50.5
Total	103	55	37	10	3	208
%	49.5	26.4	17.8	4.8	1.4	100.0
%	100.0	100.0	100.0	100.0	100.0	

Source: Field Survey

The above table – 7 shows the opinion of the sales force stating that seniors set examples for juniors to follow. It is found that the development officers are not favourable to the above statement as compare to sales agents. It can also be observed from the table that 43 out of 103 development officers accounting for 41.7 per cent stated that they are highly satisfied as compared to 1 per cent who stated highly dissatisfied. It is surprising to observe that 60 out of 105 sales agents accounting for 57.1 per cent stated, highly satisfied, as compare to 1 per cent (1), who stated dissatisfied.

8) Expressing problems and difficulties freely:

In today's organizations under bureaucratic setup free communication, voicing and projecting the problems and difficulties is a difficult task as, the rigid structures do not allow the people to air their voice so easily the cumbersome and complex procedures have to be followed. Table – 8 demonstrates the position regarding this aspect of the study.

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	40	32	23	7	1	103
%	38.8	31.1	22.3	6.8	1.0	100.0
%	40.8	57.1	53.5	87.5	33.3	49.5
Sales Agent	58	24	20	1	2	105
%	55.2	22.9	19.0	1.0	1.9	100.0
%	59.2	42.9	46.5	12.5	66.7	50.5
Total	98	56	43	8	3	208
%	47.1	26.9	20.7	3.8	1.4	100.0
%	100.0	100.0	100.0	100.0	100.0	

Source: Field Survey

Table – 8 reveals that sales agents numbering 57 accounting 54.3 per cent stated highly satisfied against 1.9 per cent (2) who are highly dissatisfied. Following this trend it is also encouraging to observe that 22.9 per cent (24) stated satisfied against 1 per cent (1) who stated dissatisfied. However, it is regretting to observe that 19 per cent (20) stated that they are neither satisfied nor dissatisfied. It is discouraging to observe that 40 out of 103 development officers accounting for 38 per cent stated highly satisfied followed by 31.1 per cent (32) satisfied against 1 per cent (1) highly dissatisfied and 6.8 per cent (7) satisfied. It is pertinent to note that greater amount of dissatisfaction lies with development officers as far as communicating their problems to higher ups as compared to sales agents.

9) Faith in Sales Force by Higher Officials:

Mistrust and lack of faith between and among parties lead to disastrous results believing the achievements of the goals and objectives of the organizations. Against this backdrop, an analysis of the opinion of respondents is provided in the following table – 9.

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	51	33	14	3	2	103
%	49.5	32.0	13.6	2.9	1.9	100.0
%	46.8	53.2	53.8	33.3	100	49.5
Sales Agent	58	29	12	6	0	105
%	55.2	27.6	11.4	5.7	0	100.0
%	53.2	46.8	46.2	66.7	0	50.5
Total	109	62	26	9	2	208
%	52.4	29.8	12.5	4.3	1.0	100.0
%	100.0	100.0	100.0	100.0	100.0	

Source: Field Survey

It appears from the above table that sales agents have greater faith in higher officials as 58 out of 105 accounting for 55.2 per cent have expressed higher satisfaction, followed by 27.6 per cent (29) expressed satisfaction as compared to 5.7 per cent who are dissatisfied. Against this tendency a little over 45 per cent out of 103 development officers expressed satisfaction as compared to 1.9 per cent (2) and 2.9 per cent dissatisfied and highly dissatisfied respectively. It can be concluded that sales agents have lot of faith in higher officials as compared to development officers.

10) Appreciation of good performance and special achievement:

The recognition of good performance and special achievements by the higher officials is always reinforcing as it fulfills the secondary motive of the employees in the organization. Table – 10 demonstrates the opinion of the respondents regarding this issue.

Officer / Agent	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied	Total
Development Officer	51	38	10	1	3	103
%	49.5	36.9	9.7	1.0	2.9	100.0
%	45.1	54.3	66.7	16.7	75.0	49.5
Sales Agent	62	32	5	5	1	105
%	59.0	30.5	4.8	4.8	1.0	100.0
%	24.9	45.7	33.3	83.3	25.0	50.5
Total	113	70	15	6	4	208
%	54.3	33.7	7.2	2.9	109	100.0
%	100.0	100.0	100.0	100.0	100.0	

Source: Field Survey

It can be observed from the above table that 62 out of 105 sales agents accounting for 59 per cent who expressed higher level of satisfaction as compared to low level of response to the extent of 1 per cent (1) and 4.8 per cent (5) highly dissatisfied and dissatisfied respectively. The development officers numbering 51 out of 103 accounting for 49.5 per cent stated highly satisfied, followed by 36.9 per cent (38) satisfied against 2.9 per cent (3) and 1 per cent (1) stated highly dissatisfied and dissatisfied respectively. From the above analysis it is pertinent to note that some amount of dissatisfaction lies with the development officers as compared to sales agents as far as the tendency of the higher officials to appreciate good performance and special achievements of the sales force. However it is a healthy practice in the organization to boost up the employees.

VII. Conclusion:

The analysis reveals that, the development officers and sales agents are highly positive towards various aspects of LIC, such as the steps taken to eliminate motivation hurdles by the management, managers use the system of performance appraisal as a tool for feedback to sales force in the organization, the frequency of assessment of training needs by the managers. They are also highly satisfied with setting the examples by two seniors for juniors to follow, the clarity of their tasks they are expected to perform, regarding faith in sales force by higher officials, with the appreciation of good performance and special achievement by higher officials and top managers have good inclination to develop the skills as majority of the respondents are permitted to attend training programmes.

Even though the sales force is highly satisfied with some of the aspects, but in some other aspects the sales force are not that much satisfied, they feel that the management function style is not 100 per cent people oriented, the atmosphere in the organization is not friendly and people trust each other, less opportunity is given to sales force to discover and use own capabilities and potential in work, the sales force is not so free to communicate their problems and difficulties to the higher officials due to bureaucratic setup and rigid rules, the training in LIC does not make the respondents, especially development officers, to be

competent and resourceful. Only half of the respondents, were highly satisfied with respect to the clarity of working norms and stands in LIC. However, the sales agents were not as much satisfied as that of development officers in this regard. In today's environment, sales people have to nurture and grow business relationships with customers. The environment in LIC shall facilitate for learning to help promote and good relation and trust amongst the members of the organization which in turn assist them to gain practical knowledge when they approach customers.

REFERENCE

1. Rakesh Agarwal (2010), "General Insurance – Year Book", Kolkata, The Insurance Times, p.11 | 2. Swiss Re Sigma No. 3/2011, "State Involvement in Insurance Markets", Switzerland, Swiss Reinsurance Company Limited – Economic Research & Consulting, p.2 | 3. The, S.M. (2008) "Services Marketing", New Delhi, Himalaya Publishing House, p.161 | 4. Neelam C. Gulati (2010), "Principles of Insurance Management", New Delhi, Excel Books, pp. 24-27 | 5. Swiss Re Sigma No. 2/2011, "World Insurance in 2010 – premiums back to growth – Capital increases", p.8 | 6. Reports of IRDA (website) | 7. IRDA Annual Reports 2004-05 to 2010-11 | 8. P.K. Gupta (2010), "Insurance and Risk Management", New Delhi, Himalaya Publishing House, p.49 | 9. David A. Decenzo and Stephen P. Robbins (2003), "Personnel / Human Resource Management", New Delhi, Prentice Hall of India, p.312 | 10. Jerald Greenberg and Robert A Baron, (2009), "Behaviour in Organizations", New Delhi, Prentice Hall of India, p.281 | 11. Subba Rao, P. (2005), "Management and Organizational Behaviour", New Delhi, Himalaya Publishing House, p. 306 | 12. Srinivasa Rao R.M, and Divya Nigam, (2010), "Dynamics of Financial Markets and Institutions in India", New Delhi, Excel Books, p. 572 | 13. Tapen Sinha, "The Indian Insurance Industry : Challenges and Prospects", (Website) | 14. M.N. Srinivasan (2002), "Principles of Insurance Law-Life-Fine-Marine-Meter & Accident", Nagpur, WADHWA Company, pp, 4-5 | 15. Cravens, D.W. (1995), "The Changing Role of the Sales Force", Marketing Management, Summer, pp 45-57 | 16. Alok Mohan and Elanchezhyan, E., (2011), "The Constitutional Promises to keep : Rural Insurance Perspective", Insurance Times, June 2011. |