

Linkage of Grievance Redressed Procedure and Performance of Employees in LIC of India

Puja Kathuria

Assistant Professor, Business Management & Commerce, Desh Bhagat University, Mandi
Gobindgarh, Punjab

Abstract:

Customer Relationship Management becomes more important in case of market driven and people- centric service sector like insurance. In insurance sector, CRM cannot be achieved without having an effective procedure for redressing the complaints of dissatisfied customers. The study is based on the secondary data collected from IRDA annual reports and research papers from various journals. The study evaluates the performance of the Life Insurance sector regarding redressal of grievances escalated to IRDA. The study also presents a comprehensive view of grievance redressal procedure followed by LIC of India, the only public sector life insurance company working in India. An effort also has been made to find out relationship between number of policies sold and grievance received to find out the year in which grievance is likely to come.

Keywords: Grievance, Grievance redressal, Life Insurance, Insurance Regulatory and Assessment Authority (IRDA)

Introduction

In today's era, the human resources are considered as one of the key natural resources of any country's economy. They are the biggest asset for an organization and as well as for the country. Unlike other resources, dealing with human resources is a tedious job. They are probably the most critical but difficult to manage resource in an organization. Managing human resources implies dealing with living beings that have heterogeneous characteristics, feelings, likes and dislikes, habits, emotions which also changes with time. They are the only active resources at the disposal of any organization and demand to be treated differently to non-living resources. Every aspect of organizational activities requires human resources for the effective use of all other resources and this is subject to the competence, motivation and general effectiveness of its human resources. Here, comes the need for managing human resources. Human resource management (HRM) involves determining the human resource requirement in the organisation and then planning the process of fulfilling the personnel needs of the organisation. The execution of planned process involves recruiting and

selecting a candidate, and then providing training, and developing employees to make them capable; placing them in the right role and work environment; and rewarding their performance. The present study is focusing on one of the important human resource practices that are grievance redressal procedure.

Objective of the Study

To measure effectiveness of grievance redressal procedure on satisfaction and performance of employees of the Branches in Chandigarh Division of LIC of India

Research Hypothesis of the Study

H₀₁: Human Resource Practices like grievance redressal do not significantly influence the performance of employees of the Branches in Chandigarh Division of LIC of India.

H₀₂: Human Resource Practices like grievance redressal significantly influence the performance of employees of the Branches in Chandigarh Division of LIC of India.

Research Methodology and Database of the Study

The study is descriptive and analytical in nature. The study is based on both the primary data and secondary data.

Sample Size

Insurance Corporation of India having a complete network all over India with its eight zones, 113 divisions and 2048 branches is a vast subject of study. In order to assess the management of Human Resources as it prevails as a Culture, Chandigarh Divisional Office of Northern Zone with its 20 branches has been taken as a sample to study the subject. Questionnaires were circulated to 25% of each category of Class I, II III and IV employees.

Sampling Technique

Stratified random sampling technique has been used to select employees of the respective branches of Division. The sample selected was divided according to level of employment. The Sample of different categories was selected through simple random sampling technique.

Grievance Redressal Procedure of LIC

Grievances of employees are critical issue for the organization. The organization need to establish a mechanism for lodging complaints, hearing complaints and providing its redressal to the employees. LIC of India has its own redressal system where responsibilities are assigned in a three-tier structure.

- (i) **Appointing Authority:** Appointing Authority includes those persons who are given the responsibility to appoint the appellate authority. For each cadre,

there is one appointing authority and also within a cadre there is a different appointing authority for each position.

a. Class I:

- For the Post in the Zonal Manager Cadre and above: Executive Committee
- For the Post in the Deputy Zonal Manager Cadre/Senior Divisional Manager/Divisional Manager: Chairman
- For the Post of Assistant Divisional Manager/Sr. Branch Manager and equivalent cadre: Managing Director
- For the Post of Branch Manager/Administrative Officer and equivalent cadre: Executive Director
- For other posts: Zonal Manager/ Executive Director (Personnel) Chief (Audit & Inspection).

b. Class II: Divisional Manager c: Class III & IV:

- Superintendent: Appointing authority is Zonal Manager or Executive Director (Personnel) or Chief (Audit & Inspection).
- Other Employees: Divisional Manager

(ii) **Disciplinary Authority:** Disciplinary authority and the appointing authority are mostly handled by a single person for each of the cadre. The disciplinary authority is responsible for imposing all kinds of penalties on the person for guilty of some offense.

(iii) **Appellate Authority:** The person in the grievance redressal mechanism who is responsible for hearing the appeal. Mostly the senior rank person is given such responsibility. The hierarchy followed in LIC involves: a. Class I:

- For the Post in the Zonal Manager Cadre and above: Corporation
- For the Post in the Deputy Zonal Manager Cadre/Senior Divisional Manager/Divisional Manager:
- For the Post of Assistant Divisional Manager/Sr. Branch Manager and equivalent cadre: Chairman
- For the Post of Branch Manager/Administrative Officer and equivalent cadre: Managing Director • For other posts: Executive Director

b. Class II: Zonal Manager

c: Class III & IV:

- Superintendent: Appointing authority is Managing Director
- Other Employees: Zonal Manager or Executive Director (Personnel) or Chief (Audit & Inspection).

LIC India also maintains Welfare Cells that actively functioning at Central Office, Zonal Office and Divisional Office levels for discussing issues related to reservation policy and grievances redressal of SC/ST/OBC/XSM/PWD employees. Chief Liaison Officers is appointed for SC/ST/PWD/XSM employees and also for OBC employees at Central Office level.

Results & Discussions

The HR practices under Grievance Redressal are measured using five statements on a five point scale. The scale denotes '1' for strongly disagree, '2' for disagree, '3' for neutral, '4' for agree and '5' for strongly agree. Employees' viewpoint is collect through questionnaire on each HR practice on the above mentioned five point scale and scores received are used for further analysis.

Table 1: Practices under Grievance Redressal System

Sr. No.	Statements	HR Practices
GR1	Grievances in LIC are mainly against Supervisor and Co-workers	Against Supervisors and co-workers
GR2	Grievances in LIC are mainly against Management	Against Management
GR3	The grievance redressal procedure is very effective	Effective Redressal Procedure
GR4	The redressal procedure works for the satisfaction of employees	Satisfactory Redressal Procedure
GR5	The grievance redressal procedure finally leads to an improved performance of the	Linked with Performance employees

In this regards, the responses are taken from the employees of LIC working under Chandigarh division on the HR practices of LIC. The results are discussed below:

Grievances in LIC are mainly against Supervisor and Co-workers

Table 2: Against Supervisors and co-workers				
	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	4	1.5	1.5	1.5
Disagree	52	19.5	19.5	21.1
Neutral	46	17.3	17.3	38.3
Agree	121	45.5	45.5	83.8
Strongly agree	43	16.7	16.2	100.0
Total	266	100	100	

The responses have been taken on the statement that grievances in LIC are mainly against Supervisor and Co-workers. It is found that 62.2 percent employees under study agree that grievances are against supervisors and coworkers. However, 21 percent disagrees with this and 17.3 are neutral on this. The results indicate that there are differences in viewpoint of employees on the aspect of grievances.

Grievances in LIC are mainly against Management.

Table3:AgainstManagement				
	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	2	0.8	0.8	0.8
Disagree	43	16.2	16.2	16.9
Neutral	88	33.1	33.1	50.0
Agree	108	40.6	40.6	90.6
Strongly agree	25	9.4	9.4	100.0
Total	266	100	100	

The responses have been taken on the statement that grievances in LIC are mainly against management. It is found that 51 percent employees under study agree that grievances are against supervisors and coworkers. However, 17 percent disagrees with this and 33 percent are neutral on this. The results indicate that there are differences in viewpoint of employees on the aspect of grievances.

The grievance redressal procedure is very effective

Table 4 Effective Redressal Procedure				
	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	6	2.3	2.3	2.3
Disagree	20	7.5	7.5	9.8
Neutral	44	16.5	16.5	26.3
Agree	159	59.8	59.8	86.1
Strongly agree	37	13.9	13.9	100.0
Total	266	100	100	

As per results in Table 4, a majority of employees agree that the grievances mechanism in the organization follows an effective procedure. The results indicate that 59.8 percent employees agree to this and 13.9 employees showed a strong agreement to this. Further, 9.8 percent says that they disagree that LIC has effective grievance redressal procedure. However, 16.5 percent are neutral to this. The results indicate that LIC need an improvement in the grievance redressal procedure.

The redressal procedure works for the satisfaction of employees

Table 5				
Satisfactory Redressal Procedure				
	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	4	1.5	1.5	1.5
Disagree	21	7.9	7.9	9.4
Neutral	57	21.4	21.4	30.8
Agree	150	56.4	56.4	87.2
Strongly agree	34	12.8	12.8	100.0
Total	266	100	100	

In Table 5, it is indicated that 184 out of 266 employees agrees that redressal procedure of LIC works for the satisfaction of employees. However, 9.4 percent employees showed resentment on this and 21.4 showed neutral attitude. The results indicated that a majority of employees are satisfied with the grievance redressal procedure, but some employees are not in favour of the redressal procedure.

The grievance redressal procedure finally leads to an improved performance of the employees

Table 6				
Linked with Performance				
	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	4	1.5	1.5	1.5
Disagree	29	10.9	10.9	12.4
Neutral	51	19.2	19.2	31.6
Agree	144	54.1	54.1	85.7
Strongly agree	38	14.3	14.3	100.0
Total	266	100	100	

The grievance redressal procedure leads to an improved performance of the employees, and in LIC, 68 percent of the employees are in favour of this. But, 12.4 percent employees disagree with this. Further 19.2 percent of the employees remain neutral on this. The results show that some employees show resentment on the statement, though a majority of employees agree that LIC redressal mechanism leads to improve performance.

So, the grievance redressal mechanism as shown in the analysis indicates that grievance redressal system of LIC India is effective and a majority of employees are satisfied with it. The grievances can be made against management and also against supervisors and coworkers. The study also showed some resentment in employees for grievance redressal mechanism, and thereby, further improvement is required.

Effectiveness of grievance redressal procedure on satisfaction and performance of employees with reference to different Cadre

Impact of grievance redressal system of LIC on their employee performance is studied when class of employee have an influence on the relation (equation 12). In this regard, a new variable, 'GRscorexCadre' is created by multiplying mean score of grievance redressal system with class of employees. In the regression model, firstly, the model summary is prepared to know the explainable power of the two independent variables.

Table 7

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.975 ^a	.951	.951	.1525

Model Summary

a. Predictors: (Constant), GRscorexCadre, Gscore

The summary table indicates that the GRscore and its interaction with class of employee explain 95 percent changes in the performance of the employee of LIC as the $R = 0.975$ and $\text{Square} = 0.951$. After this AVOVA table is prepared and fitness of the model is tested in

Table 8
ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	118.761	2	59.380	2.554E3	.000 ^a
	Residual	6.114	263	.023		
	Total	124.874	265			

a. Predictors: (Constant), GRscorexCadre, Gscore

b. Dependent Variable: Perfscore

The ANOVA table presents the F statistics value and the p-value to measure the model fitness. As per the results, the model is fit with $F(2, 263) = 0.00$ which is significant at p=value less than 0.05 percent.

After testing the model fitness, the coefficient is measured explaining the relationship of GRscore and GRcorexCadre on Perfscore using the regression model.

Table 9

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.183	.051		3.576	.000
	GRscore	.975	.014	1.006	68.171	.000
	GRscorexCadre	-.016	.003	-.090	-6.073	.000

a. Dependent Variable: Perfscore

From the results in the above table, it is revealed that grievance redressal system in LIC ($\beta = 0.975$, $t = 68.171$, $p = 0.000$) has a significant and positive relation with employee performance at less than 5 percent level of significance. So, with improvement in grievance redressal system, there is a direct proportional change in the employee performance. Further, there is a statistically significant impact of class of employees on the relation between grievance redressal system and employee performance as variable 'GRcorexCadre' is significant at p-value 0.000.

Based on the responses received from the employees under study, different inferences are drawn on the HR practices of LIC India related to compensation. These are as under:

- i) The results show that a good number of 62.2 percent employees under study agree that grievances in LIC are against supervisors and coworkers. However, 21 percent disagrees with this and 17.3 are neutral on this.
- ii) On the other hand, 51 percent responses are also found in favour of statement that grievances are against supervisors and coworkers. But, 17 percent disagrees to this and 33 percent of employees are neutral on this.
- iii) The results indicate that majority of employees agreed effective grievance redressal procedure of LIC. However, there is some disagreement on this and many employees are neutral to this. The results indicate that LIC need an improvement in the grievance redressal procedure.

Conclusions

Human resource are said to be the biggest asset for the organization. In other words, the organization is said to be performing when their employees are performing well. Further, employees perform well when organization follows best human resources practices. The present study have showed that there is a direct relationship between HR practice grievance redressal followed by LIC India, Chandigarh Division and the performance of their employees. These practices help the employee to be confident, skilled, learned, and decision maker. Betterment of employees are taken care of through grievance redressal proves to be a great support system for the employees.

References

- Aburumman, O. J., et al. (2020). The influence of HRM practices and employees' satisfaction on intention to leave. *Management Science Letters*, 10, 1887-1894.
- Anitha, R., & Kumar, M. A. (2016). A study on the impact of training on employee performance in private insurance sector, Coimbatore district. *International Journal of Management Research & Review*, 6(8), 1079-1089.
- Ashraf, N., Ghafoor, S., & Shaukat, H. (2015). Impact of human resource management practices on employees' performance. *Middle-East Journal of Scientific Research*, 23(2), 329-338.
- Battu, N., & Nallamottu, S. S. (2019). A study on HRM practices of public and private hospitals in Amaravathi capital region: A comparative. *IMPACT: International Journal of Research in Business Management (IMPACT: IJRBM)*, 7(3), 31-38.

- Biswas, S., Giri, V. N., & Srivastava, K. B. L. (2006). Examining the role of HR practices in improving individual performance and organizational effectiveness. *Management and Labour Studies*, 31(2), 111-133.
- Chandan. (2017). Human resource development practices: A study of public and private life insurance companies. *IOSR Journal of Business and Management (IOSR-JBM)*, 19(6II), 10-21.
- Bhatnagar, S. (2010). Employee grievances and organizational performance: A study of select Indian organizations. *International Journal of Management*, 27(3), 514-525.
- Dhar, R. L. (2008). Employee grievances and organizational performance: A study of Indian industry. *Journal of the Indian Academy of Applied Psychology*, 34(1), 77-83.
- LIC of India. (Year). Grievance redressal procedure. Retrieved from [URL if applicable]
- Mishra, P., & Tuli, A. K. (2015). Impact of grievance handling on organizational performance: An empirical study. *Global Journal of Finance and Management*, 7(1), 11-20. [https://doi.org/10.18843/ijcmas/5\(7\)101-106](https://doi.org/10.18843/ijcmas/5(7)101-106)
- Singh, S., & Kumar, A. (2013). Grievance redressal mechanism in organizations: A study with reference to Indian context. *Indian Journal of Industrial Relations*, 49(4), 619-631.