

Research Article

Impact of Promotion on Employees Performance of LIC of India with Special Reference to Pasighat, Naharlagun and Itanagar Branches

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Abstract: LIC of India being a public sector corporation follows the rules and regulations prescribed by the Central Government of India from time to time. The present study reveals that, there is a high scope of promotion in LIC of India as 91 percent of the sample respondents have strongly agreed on availability of promotional opportunities. The present study unveiled a fact that, the employees' unions of LIC of India don't much interrupt in the promotional matters of its members. It is also noticed that, LIC of India has its own well defined promotion policies and accordingly, follow the same. The employees of the study units also hold a positive attitude on boosting of moral due to promotions as majority of the respondents have shown agreement to this. Moreover, the study has revealed that, out of turn promotion for outstanding employees has positive impact on their performance. The calculated Chi-square value is 48.167. Whereas, the table values at 0.05 level of significance is 9.49 (at Degree of freedom= 4). Thus, the calculated value of Chi-square is much greater than the table value which alludes to significant impact of out of turn promotion of employees on employees' performance.

Keywords: Arunachal Pradesh, Itanagar, LIC; Naharlagun, Pasighat, Promotion

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INTRODUCTION

The word 'Promotion' means a vertical transfer of an employee which ensures higher salary, status, responsibilities, facilities etc. Promotion is one of the most motivating factors for any employee. An employee will have little incentive for self development if, he has not been provided any opportunity for promotion in an organization. Therefore, it is very much important for a management to prepare a promotional plan and scheme for their existing employees. When it comes to government sector, promotion is treated as an ultimate desire of any employee for services rendered by him in an organization. The career development of an employee is only achieved through promotion. It helps to avoid the generation of frustration among employees which are already in service and have the scope of promotion in future. In general sense, promotion can be defined as an upward reassignment in an organizational hierarchy accompanied by more responsibilities, enhanced status with increase in income. The primary objective of promotion is to increase morale of employees so that, they may be motivated to give their best services to an organization. Thus, promotion of an employee means the upward advancement of an employee in a given organization with higher responsibilities and opportunities, better

pay, better status, better working environment along with higher pay.

LIC of India is a public sector corporation and therefore, strictly follows the rules and regulations prescribe by the central government. The central government frames and amends various rules and regulations of the LIC of India from time to time. Of course, the same is notified to the corporation for compliance. In case of promotion of various categories of the employees of LIC of India, the central government has formulated various rules and regulations. Thus, for the promotion of employees in organizations, LIC of India considers the prescribed promotional rules and regulations provided by the Central Government. The promotional policies of the LIC may be different for different categories of employees. They follow various promotional rules like-Promotion Rules, 1987 for Class III and IV employees; Promotion Regulation, 1976 etc.

OBJECTIVES OF THE STUDY

The study has been undertaken with the following objectives:

1. To examine promotion system followed by LIC of India in the Study Units.

2. To analyze the impact of Out of Turn Promotion on Employees' Performance.

HYPOTHESIS OF THE STUDY

H⁰: Out of turn promotion for outstanding employees doesn't have positive impact on performances of employees.

RESEARCH METHODOLOGY

- **Research Method and Tools:** While conducting the present study, efforts have been made to make the study empirical. The present study has been purely based on Field Survey. It is an Analytical and Descriptive Research in nature. During the study, Personal Interview, Telephonic Contacts and Observation Methods have been used to collect pertinent field data. Moreover, structured schedules, mobile phone and other stationeries have been widely used as research tools for the study.
- **Sources of Data:** During field survey, the data have been collected from both primary and secondary sources. The collection of primary data has been done through Personal interview. For the collection of primary data, a structured questionnaire has been framed, administered and collected after the interview and discussion. To study the Human Resource Management of LIC of India in context of Arunachal Pradesh, the researcher has consulted and collected information

from various secondary sources. Secondary data have been collected from LIC Journals, LIC of India Report, Year book of LIC, existing data from both the LIC offices of Papum Pare and East Siang Districts, books, journals, thesis, dissertations, published and unpublished sources. Beside, internet has been extensively used while collecting secondary information for the present study.

- **Universe of the Study:** The Universe of the present study encompasses all the employees who are presently working in Naharlagun, Itanagar and Pasighat branches of LIC of India hereafter, called as 'Study Units'. Moreover, the study has been carried across two districts of Arunachal Pradesh namely- Papum Pare and East Siang respectively. Henceforth, these two districts have been called hereafter, 'Study Area'.
- **Sampling Techniques and Size:** During the present study, Convenience Sampling under non-probability sampling technique has been used. For the present study, 60 permanent employees (both male & female) including subordinates, clerks and officers have been selected from Naharlagun, Itanagar and Pasighat LIC offices. Moreover, formal and informal discussions with the branch managers and other officials as well as other non-official staffs of Papum Pare and East Siang District offices of LIC of India have also been made to uncover some relevant and pertinent facts. Sample distribution and size of the study has been highlighted in Table 1.

Table 1: Sample Distribution

LIC Offices	Subordinate	Clerk	Officer	Total
Naharlagun	04	14	09	27
Itanagar	02	05	02	09
Pasighat	03	14	07	24
Total	09	33	18	60

Source: *Field Study, 2017*

- **Tools of Data Analysis:** For analysis of data, frequency distributions, pie chart, standard deviation, chi-square test etc., have been used to draw inferences on the Universe. Moreover, statistical packages like MS Excel and SPSS (21 Version) have been widely used to analyses field data as per need and requirements of the study.

ANALYSIS AND INTERPRETATION OF DATA

A. Perception of employees on their Promotional Opportunity in the Study Units: It is evident from Table 2 that, 91.7 percent of the total respondents have agreed that, there is an ample scope for promotion in the organization. However, 8.3 percent of the respondents hold views that, they

have no idea about it. Also, the employees who are found to have no ideas regarding promotion opportunities in the LIC of India belong to subordinate group, who are not being promoted in spite of long service tenure. It is also observed that, the education qualifications of these employees are at very minimum level. It is also observed that, out of total 18 sample officers, all of them are found to have agreed on availability of promotional opportunities in the Study Units. Interestingly, even not a single respondent is found to have disagreed on it. Further, most of the sample respondents from Pasighat have agreed that, there is availability of promotional opportunities in LIC of India. It is followed by sample respondents of Naharlagun and Itanagar branches in the order.

Table 2: Perception of employees on their promotional opportunity in the Study Unit

Basis	Subordinate	Clerk	Officers	Total
Yes	06	31	18	55 (91.7)
No	00	00	00	00 (00)
No Idea	03	02	00	05 (8.3)
Total	09	33	18	60(100)

Source: *Field Study, 2017*

Note: *Figure in the bracket shows percentage to the total sample units*

B. Opinions of Employees on the Basis of Promotion in the Study Units: It is observed from Table 3 that, 23.3 percent of the total respondents think that, the promotion may be done on the basis of seniority. These groups of respondents felt that, the promotion should be considered by following the seniority i.e. in the term of numbers of time spent by the employees in the organization. At the same time, 15 percent of the other group of respondents felt that, the promotion should be done by considering the performance of the employees. These groups of

respondents mostly preferred the promotion on the basis of merit. Also, 53.4 percent of the respondents opined that, both the seniority and merit system should be the criteria of promotion. And again, 8.3 percent of the respondent felt that, they have no idea with regard to criteria of promotion. In addition, it is clear from Table 3 that, the majority of the respondents preferred both seniority and merit system as a basis of promotion in Study Units irrespective of the various classes of employees.

Table 3: Opinions of Employees on the Basis of Promotion in the Study Units

Basis	Subordinate	Clerk	Officers	Total
Seniority	05	06	03	14 (23.3)
Merit	00	02	07	9 (15)
Both	01	23	08	32 (53.4)
Any Other	00	00	00	00 (00)
No Idea	03	02	00	05 (8.3)
Total	09	33	18	60(100)

Source: *Field Study, 2017*

Note: *Figure in the bracket shows percentage to the total sample units*

C. Opinions of Employees on Promotional Policy in the Study Units: It is clear from Table 4 that, 88.4 percent of the respondents felt that, different policies and procedures for promotion should be followed for upper and lower levels of employees. It is also evident from Table 4 that, only 3.3 percent of the respondents, irrespective of different job status felt that, the criteria of promotion should be the same. Around 8.3 percent of the respondents felt that, they have no idea whether the promotion criteria should be the same or different. It is

interesting to note that, the entire officers respondents felt that, different policies and procedures for promotion should be followed for various categories of employees. Further, majority of the sample respondents who felt that, different promotional policies and procedures to be followed for various categories of employees are from Pasigat LIC branch. It is followed by respondents from Naharlagun and Itanagar branches respectively.

Table 4: Opinions of Employees on Promotional Policy in the Study Units

Basis	Subordinate	Clerk	Officers	Total
Same Policy	06	02	18	02(3.3)
Different Policy	06	29	18	53 (88.4)
No Idea	03	02	00	05 (8.3)
Total	09	33	18	60 (100)

Source: *Field Study, 2017*

Note: *Figure in the bracket shows percentage to the total sample units*

D. Interference of Employees' Union in Promotional Issues: It is evident from Table 5 that, 5 percent (basically subordinate respondents) of the total sample respondents have strongly felt

that, their union plays important roles in promotional matters. The majority of the respondents which constitutes 71.7 percent of the total sample hold opinions that, employees' union

do not make any interference into promotional matters. However, 8.3 percent of the respondents are found to have no ideas on the matter. During the field study, it is also observed that, LIC of India

has its own well defined promotion policies for various levels of employees and accordingly they follow the same.

Table 5: Interference of Employees’ Union in Promotional Issues

Rating Scale	No. of Respondent
To Great Extent	03 (5)
To Some Extent	09 (15)
Not at All	43 (71.7)
No Idea	05 (8.3)
Total	60(100)

Source: *Field Study, 2017*

Note: *Figure in the bracket shows percentage to the total sample units*

E. Employees’ Opinions on impact of Promotion on their Moral in the Study Units: It is observed from Table 6 that, 81.7 percent of the respondents have strongly agreed that, promotion increases morale of the employees. Hence, their productivity increases due to promotion. Further, 10 percent of them hold opinions that, the same has affected to some extent. So, the present study has revealed that, employees’ promotion has a positive impact on employees’ morale and productivity as 92

percent of the totals respondents have agreed on it. Fascinatingly, 100 percent respondents of officer category have agreed that promotion increased their morale as well as productivity. The present study unearthed that, majority of the sample respondents who have agreed that, promotion increase moral and productivity are from Pasighat LIC branch. Likewise, Naharlagun and Itanagar branches have occupied the second and third slots in the order.

Table 6: Opinions of the employees on impact of promotion on their moral in the Study Unit

Basis	Subordinate	Clerk	Officers	Total
To Great Extent	02	29	18	49 (81.7)
To Some Extent	04	02	00	06 (10)
To Little Extent	00	00	00	00 (00)
No Idea	03	02	00	05 (8.3)
Total	09	33	18	60 (100)

Source: *Field Study, 2017*

Note: *Figure in the bracket shows percentage to the total sample units*

F. Testing of Hypothesis: It is evident from Table 7 that, 53.3 percent of the sample respondents have strongly agreed on the statement that, ‘out of turn promotion for outstanding employees have a positive impact on the performance of employees’.

Another, 23.3 percent of the sample respondents have moderately agreed on it. While, 11.8 percent and 3.3 percent of the respondents have moderately disagreed and strongly disagreed on it.

Table 7: Positive impact of Out of Turn Promotion for outstanding employees on their performances

Rating Scale	Subordinate	Clerk	Officers	Total
No Comment	05(55.6)	00(00)	00(00)	05 (8.3)
Strongly Disagree	02(22.2)	00(00)	00(00)	02 (3.3)
Moderately Disagree	02(22.2)	05(15.2)	00(00)	07 (11.8)
Moderately Agree	00(00)	11(33.3)	03(16.7)	14 (23.3)
Strongly Agree	00(00)	17(51.5)	15(83.3)	32 (53.3)
Total	09(100)	33(100)	18(100)	60 (100)

Source: *Field Study, 2017*

Note: *Figure in the bracket shows percentage to the total sample units*

Table 8: Descriptive Statistics

Statement	Numbers	Minimum	Maximum	Mean	Standard Deviation
Positive Impact Out of Turn Promotion for Outstanding Employees on their Performance	60	1	5	4.10	1.245

Source: *Field Study, 2017*

Table 9: Chi-Square Test

Particular	Positive impact on performance of employees due to out of turn promotion for outstanding performing employees
Chi-Square	48.167
Degree of freedom	4

Source: *Field Study, 2017*

It is evident from Table 8 that, the calculated mean value of the statement is 4.10 with a positive standard deviation of 1.245. Moreover, so far the Chi-square test is concerned; the calculated value is 48.167 as observed from Table 9. Whereas, the table values at 0.05 level of significance is 9.49 (at Degree of freedom= 4). So, the calculated value of Chi-square is much greater than the table value. Thus, the present null hypothesis is rejected which alludes to out of turn promotion for outstanding employees has positive impact on employees' performance of the Study Units.

CONCLUDING REMARKS

LIC of India is a public sector corporation. It follows the rules and regulations prescribed by the Central Government. The Central Government frames and amends various rules and regulations for the Public Sector Undertaking which is followed by the corporation from time to time. The promotional policies of the LIC are found to be dissimilar for different categories of employees. The present study unveiled that, there is a high scope of promotion in Study Units as 91percent of the sample respondents have strongly agreed on availability of promotional opportunities. The study also unleashed a fact that, employees unions don't not interrupt in the promotional matters as 71 percent of sample respondents have agreed upon it. It is also noticed that, LIC of India has its own well defined promotion policies. Accordingly, they follow the same. The employees of the study units also hold a positive attitude on boosting of moral due to promotions, as majority of the respondents have shown agreement to this.

So, the study has revealed that, out of turn promotion for outstanding employees has positive impact on their performance. The calculated Chi-square value is 48.167. Whereas, the table values at 0.05 level of significance is 9.49 (at Degree of freedom= 4).

Thus, the calculated value of Chi-square is much greater than the table value which alludes to significant impact of out of turn promotion of employees on employees' performance.

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