

## A STUDY ON SATISFACTION OF DEVELOPMENT OFFICERS IN LIC OF INDIA

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### ABSTRACT

Life Insurance Corporation is a public sector company. The motto of the company is “Yogakshemam Vahamyaham: which means – “Your Welfare is our Responsibility”. It is governed by the LIC Act 1956. The Development Officers help the corporation for its smooth functioning. They are the employees of the corporation. The important duty of a development officer is locating markets for life insurance business. The marketing of the products of the LIC of India depends on the agents and development officers. Their work commences from the identification of prospects and ends with closure of sale. The sales potentiality of an agent and development officer is determined by some external and internal factors. He has to improvise a lot and find his own style of operation, draft his own plans, devise his own strategies for the development of insurance business. This study is focus on the satisfaction of Development Officers in LIC of India. The objective formulated are to study the contribution of Development Officers; to study the Methods suggested by the respondents to their team to attract new Customer adopted by Development Officers and to compare the demographic variables with the level of satisfaction of the selected respondents. For this, the researcher selected 50 development officers and used Percentage and Chi-square test for analysing the data. The researcher also compared the socio economic factors with the Level of satisfaction and concluded that the Null Hypotheses were accepted in all. One of the suggestions for the growth and development of insurance sector is to appoint more female Development Officers and in turn they promote more female agents in order-to motivate the female policyholders. The other one is Development Officers will help their agents to overcome the hurdles in the insurance business with their experiences and to achieve the targets.

**Key words:** Life Insurance Corporation of India, Development Officer, Agents, Savings.

## INTRODUCTION

In today's global environment, the service sector occupies a key role in our economy. Life Insurance Corporation (LIC) is one among them. It was started in 1956 by merging 245 insurance companies and provident societies. It is fully owned by the Central Government. It is a public sector company. The motto of the company is "Yogakshemam Vahamyaham: which means – Your Welfare is our Responsibility". It is governed by the LIC Act 1956. It is the largest Life Insurance Company in India. LIC of India has its headquarter in Mumbai. Life Insurance is a contract that pledges payment of an amount to the person assured or his nominee on the happening of the event insured against or on the maturity date. It provides wide range of life insurance plans from pure term insurance plans to savings and investment products. It has a phenomenal presence in both urban and rural India. The Development Officers help the corporation for its smooth functioning. They are the employees of the corporation. Development Officer is a sales profile job in LIC of India. Development Officers are very important in the modern ever-widening insurance market by making distribution of insurance products to the public in an easy way. Development officers concentrate their effort on insurance products through agents. They have real concern and care for their agents. They improvise a lot and use their own style of operation, draft their own plans, derive their own strategies for the development of insurance business.

### Statement of the Problem

The development officer is the representative of the LIC of India. The important duty of a development officer is locating markets for life insurance business. The success of marketing depends on the marketing practices adopted by the agents and development officers along with the product innovation. The marketing of the products of the LIC of India depends on the agents and development officers. Their work commences from the identification of prospects and ends with closure of sale. Further the agents and development officers should have the talent to convert the probable policy-holders into potential buyers. The sales personality of an agent and development officer is determined by some external and internal factors. The internal factors are the attitude and the personality traits. The external factors are the education, culture and socio-economic factors of the development officers and agents. They may shape them to be a better salesman and also play a definite role on their marketing. Hence, the present study has been undertaken to evaluate the contribution of development officers and compare the level of satisfaction of Life Insurance Corporation of India.

### Review of Literature

Sucheta Rani and Anil Kumar Soni (2019), " Role of CRM Initiatives of Life Insurance Corporation of India to Satisfy the Customers", they concluded that CRM practices of LIC have seen a drastic change over the past few years to achieve successful CRM, a company should understand what is and why it is beneficial to customers in order to retain them for long time. Customers give priority only to satisfy their needs. The success rate of CRM depends upon the quality of CRM. From the paper it is concluded that although LIC has taken a large number of initiatives to satisfy their customers, yet there is a need to build a strong database of customers. It is possible only if the LIC will conduct regular surveys and interact with the customers. Moreover

most of CRM services are at fingertips, sometimes, some customers are not comfortable with technology. Some assistants should be provided to assist them. LIC should introduce new ways that makes the customers more delightful and help to attract new customers

**Dr. Krishna Banana and R. Vijaya Naik** (2018), “A Study on Customer Perception on Life Insurance Policies in India”, their conclusion was LIC dominates the Indian insurance industry. In today’s competitive world, customer satisfaction has become an important aspect to retain the customers, not only to grow but also to serve. Increased competition, wide range of product offerings and multiple distribution channels cause companies to value satisfied and highly profitable customers. Customer service is the critical success factor in a company and providing top notch customer service differentiates great customer service from indifferent customer service.

**Vanitha and Rajakrishnan** (2017) highlighted Life Insurance Corporation of India (LIC) is a monolithic company from last few decades. After the successful implementation of economic reforms in life insurance Sector on India, LIC of India has made several positive efforts to triumph the hearts of the people. To achieve that LIC of India have adopted a number of new trends in marketing strategies for introducing innovation technologies. The study is an attempt to know about the recent trends followed by LIC of India order to make their products available to each and every forth coming customer in the life insurance market. The present research paper is a comprehensive study to know whether the implemented strategies have truly helped LIC of India in the changing trends of the society and will also suggest how these recent trends have helped LIC of India as a whole to manage the existing leading position in the life insurance market. The present study thus reveals those important areas where more contribution on the part of LIC of India required. LIC of India must increase their agent’s base to retain its dominating market share because agents are the back bone of the corporation. The increased number will not only help the corporation to facet their visible presence in the market but also in turn help in increasing their business volume too.

## Definitions

### Insurance

Insurance is a co-operative method for spreading over the loss suffered by one or more, caused by a particular risk, over a number of persons who agree to share the loss.

### Development Officer

In Life Insurance Corporation of India Development Officers are the full-time employees. They belong to the Class II officer category. They are in charge of their territory for the development of insurance policies. The primary job is to appoint agents and through them try to boost insurance business.

### Agent

An agent is a person who represents an insurance firm and sells insurance policies on its behalf.

### **Contribution**

Contribution in LIC refers that to give directions, instructions and guidance to a group of agents, for the purpose of achieving the goal of the insurance corporation.

### **Savings**

### **Quality of a Successful Development Officer**

Quality of a successful Development Officers are the sum total of the impression made on people with whom one comes into contact. There are a number of qualities which make a Development Officer to become successful. They must possess some traits to achieve their objectives. Quality of a successful Development officer is based on the following factors such as personality of a Development Officer, knowledge of the insurance products, fixing the targets, planning the work, knowledge of the agents and their performance and the like. The following are some of the important qualities of a Development officer we discuss them in brief.

#### **➤ Quick Action**

A Development officer must be alert, quick in action. He has to face many prospects of different temperaments. He must have the mental ability to face any situation and be ready to answer any questions. He should not be an absent-minded man. He must have quick thought of answering, what throwing away the agents and policy holders.

#### **➤ Self Confidence**

A confident man never fails. He should have confidence in his work capacity and power. Confidence makes him optimistic and enthusiastic. He can meet any situation in the insurance product line. He engages or talks with agents, act on his suggestions. Confidence makes him to meet any situation with courage. Knowledge through experience is the base for confidence.

#### **➤ Initiative**

A Development Officer must have initiative. He must learn the tricks of insurance trade and the knowledge of various schemes of insurance products. Active initiator is a self-starter. His job can be successfully carried out. He must have skill and be able to face tackle situations intelligently.

#### **➤ Observation**

A Development Officer must be keen observer. He must have to update knowledge about different types of insurance products, assignment, nomination, settlement of claims, changes in rules and regulations, attitude of the competitors and government and the like. With all the latest information he can easily make suggestions to insurance agents and help them in achieving their targets.

➤ **Co-operation**

Co-operative attitude is essential for the success of a Development Officer. He must co-operate with the insurance agents. Progress of insurance company depends on the mutual co-operation of all the employees.

➤ **Sincerity**

It is an value added quality within a person. He must be sincere towards his assigned duties. By sincerity, one can win similar other favors. Dependability is increased through sincerity.

➤ **Self-Management**

Everyone works to achieve an aimed target of insurance business. A self-governed Development Officer can easily achieve his target through his agents. This is because he plans his work in advance and works according to the plan. So, the Development Officer finds enough time in feeling of self-assurance.

### **Contribution of Development Officer**

The Main Contribution of Development officers are ensuring that all agents have proper licensing and training to sell products on the firm's behalf, distributing marketing, collateral attracting and educating potential policy holders and monitoring the performance of agency.

➤ **Recruitment of agents**

An important duty of a Development officer is to find or select suitable persons to work as agents. The Development Officers should make an arrangement for appointing suitable persons on the basis of their educational qualifications, abilities, experience, written test and interviews.

➤ **Training of agents**

Training is the process or state of being guided, drilled or prepared. Training enables a person to do the Job correctly, effectively and conscientiously to produce the high result. After the appointment of agents the main duty of Development Officer is to give proper training to the agents. By training an agent can increase knowledge in an insurance field.

➤ **Supervision of agents**

Supervision becomes necessary when a goal has to be attained which depends upon the cumulative efforts of a group of people. The Development officer has to develop individual abilities, so that he can get the best out of every one of his agents.

### ➤ Motivation of agents

Agents are the backbone of an insurance business. A good agent makes poor selling insurance product into a progressive one. The success or failure of an insurance company depends upon the ability and initiation of insurance agents. The will and willingness to work is a motivational factor.

### Objectives of the Study

- To study the Methods suggested by the respondents to their team to attract new Customer
- To know the growth of development officers in LIC of India
- To compare the Demographic Variables of the respondents and Level of Job Satisfaction of the respondents

### Growth of Development Officers in LIC of India

The following table indicates the growth of development officers in LIC of India, from the year of 2009-2010 to 2019-2020.

**Table - 1**  
**Growth of Development Officers in LIC of India**  
**2009-2010 To 2019-2020**

Year	Development Officers
2009-10	23634
2010-11	24517
2011-12	25638
2012-13	26430
2013-14	28621
2014-15	24715
2015-16	23281
2016-17	24836
2017-18	22830
2018-19	21588
2019-20	24388

**Source: Respective annual report of LIC, India.**

The above table expresses that the growth of development officers in LIC of India, from the year of 2009-10 to 2019-20. The number of development officers during the year 2009-2010 was recorded as 23,634 but in the year of 2019-2020 it was 24388.

### Research Design

The present study is of Descriptive in nature. Sample size selected for the study was 50 respondents out of 24388 Development officers in India. Convenience sampling technique was adopted in the selection of the respondents. For analyzing the data, Percentages and Chi square test were applied.

### Limitations of the Study

- The study area is a very limited one the data were collected only from 50 Development Officers.
- Most of the time respondents were not available at the time of filling the questionnaire.
- The employees may or may have not given honest answers.

**Table – 2**  
**Demographic Variables of the Respondents**

VARIABLES		No of Respondents	Percentage
Sex	Male	40	8
	Female	10	20
	<b>Total</b>	<b>50</b>	<b>100</b>
Age	Below 35	15	30
	36-45	18	36
	46-55	8	16
	Above 56	9	18
	<b>Total</b>	<b>50</b>	<b>100</b>
Marital Status	Married	44	88
	Un-Married	6	12
	<b>Total</b>	<b>50</b>	<b>100</b>
Educational Qualification	Post-Graduation	15	30
	Professional	5	10
	Graduation	22	44
	Others	8	16
	<b>Total</b>	<b>50</b>	<b>100</b>
Experience	1-5	12	24
	5-10	8	16
	10-15	11	22
	15-20	10	20
	Above 20 years	9	18
	<b>Total</b>	<b>50</b>	<b>100</b>

#### Source: Primary data

Table No.2 shows demographics wise distribution of the respondents. It reveals that male respondents are higher than female respondents. Majority of respondents in the age group of 36-45 years, Married respondents were higher and Graduation were high as compared to other Educational groups. Majority of the respondents 1-5 years Experience were high as compared to other Experience level of the respondents.

### Level of Satisfaction of the Respondent

The frequency distribution of respondents on the basis of level of satisfaction has been given in the table below.

**Table - 3**  
**Level of Job Satisfaction of the Respondent**

Satisfaction	No of Respondents	Percentage
Highly Satisfied	19	38
Satisfied	15	30
Dissatisfied	13	26
No Opinion	03	06
<b>Total</b>	<b>50</b>	<b>100</b>

**Source: Primary Data**

It is identified from table that out of the 50 respondents, 19 of the sample respondent express that they are highly satisfied with their present job, followed by 15 of the sample respondents are satisfied, 03 of the members are not willing to response this option and 13 of the sample respondents are dissatisfied with their present job in the study area. The overall observation of the table indicates that the majority of the development officers are highly satisfied and satisfied with their present employment.

**Gaining Knowledge about LIC**

The sample respondents acquired knowledge about insurance in different ways. It has been given in the table below.

**Table- 4**  
**Gaining Knowledge About LIC**

Opinion	No of Respondents	Percentage
Field training at the time of Appointment	16	32
Through Journal and Magazines	05	10
Through Internet	06	12
Through Orientation given by officials	11	22
Through Peer officers	04	08
Through Personal Experience	05	10
Through the study of related courses	03	06
<b>Total</b>	<b>50</b>	<b>100</b>

**Source: Primary Data**

The above table indicates about gaining knowledge related to LIC. In it, 16 respondents were getting knowledge through Field training at the time of Appointment and three respondents were getting knowledge through the study of related courses.

**Methods Suggested by the respondents to their Team to attract New Customer**

The development officers suggest the different methods to attract new customers. It has been given in the table below.



**Table - 5**  
**Methods Suggested to attract New Customer**

Opinion	No of Respondents	Percentage
Direct Marketing	09	18
Regular Visit	19	38
Contacting through Friends and Relatives	08	16
Contact through Social Club	03	06
Personal Help	05	10
By Offering to pay initial Premium	06	12
<b>Total</b>	<b>50</b>	<b>100</b>

**Source: Primary Data**

The above table indicates the methods suggest by development officer to their team members to attract the new customers in the study area. It has the identified 50 sample. Out of this, 19 respondents identified the regular visit their new customer., it has highest level of total respondents, 03 respondents identified the Contact through Social Club their new customer., it has lowest level of total respondents.

**ASSOCIATION BETWEEN SOCIO-ECONOMIC CHARACTERISTICS AND LEVEL OF SATISFACTION OF THE RESPONDENT**

The non-parametric chi-square test is applied to find the association between Socio-Economic Characteristics and Level of Satisfaction of the Respondent factors such as sex, age, marital status, education and experience.

**Table – 6**  
**Sex and Level of Satisfaction of the Respondent**

Sex	Highly Satisfied	Satisfied	Dissatisfied	No Opinion	Total
Male	16	12	10	2	40
Female	3	3	3	1	10
<b>Total</b>	<b>19</b>	<b>15</b>	<b>13</b>	<b>3</b>	<b>50</b>

Sources: Computed data

Results of chi-square test are as follows

Chi-Square test	Calculated value	Df	Table Value	Result
	0.62	3	7.81	Accepted

Above table indicate that the Table Value is less than Calculated value. Therefore, test is accepted.

**Table – 7**  
**Age and Level of Satisfaction of the Respondent**

Age	Highly Satisfied	Satisfied	Dissatisfied	No Opinion	Total
Below 35	7	6	1	1	15
36-45	8	4	6	0	18
46-55	2	2	3	1	8

Above 56	2	3	3	1	9
<b>Total</b>	19	15	13	3	<b>50</b>

Sources: Computed data

Results of chi-square test are as follows

<b>Chi-Square test</b>	<b>Calculated value</b>	<b>Df</b>	<b>Table Value</b>	<b>Result</b>
	14.45	9	16.92	<b>Accepted</b>

Above table indicate that the Table Value is less than Calculated value. Therefore, test is accepted.

**Table - 8**

**Marital Status and Level of Satisfaction of the Respondent**

Marital Status	Highly Satisfied	Satisfied	Dissatisfied	No Opinion	Total
Male	17	13	12	2	44
Female	2	2	1	1	6
<b>Total</b>	19	15	13	3	<b>50</b>

Sources: Computed data

Results of chi-square test are as follows

<b>Chi-Square test</b>	<b>Calculated value</b>	<b>Df</b>	<b>Table Value</b>	<b>Result</b>
	1.59	3	7.81	<b>Accepted</b>

Above table indicate that the Table Value is less than Calculated value. Therefore, test is accepted.

**Table –9**

**Education and Level of Satisfaction of the Respondent**

Education	Highly Satisfied	Satisfied	Dissatisfied	No Opinion	Total
Post-Graduation	7	3	3	2	15
Professional	1	2	1	1	5
Graduation	7	9	6	0	22
Others	4	1	3	0	8
<b>Total</b>	19	15	13	3	<b>50</b>

Sources: Computed data

Results of chi-square test are as follows

<b>Chi-Square test</b>	<b>Calculated value</b>	<b>Df</b>	<b>Table Value</b>	<b>Result</b>
	9.08	9	16.92	<b>Accepted</b>

Above table indicate that the Table Value is less than Calculated value. Therefore, test is accepted.

**Table – 10**

**Experience and Level of Satisfaction of the Respondent**

Experience	Highly Satisfied	Satisfied	Dissatisfied	No Opinion	Total
1-5	5	4	2	1	12
5-10	1	2	4	1	8
10-15	6	4	1	0	11
15-20	2	5	3	0	10
<b>Total</b>	19	15	13	3	<b>50</b>

Sources: Computed data

Results of chi-square test are as follows

Chi-Square test	Calculated value	Df	Table Value	Result
	19.58	12	21.03	<b>Accepted</b>

Above table indicate that the Table Value is less than Calculated value. Therefore, test is accepted.

### Suggestions of the Study

- The female development officer's strength is very less when compare to male development officer's strength. Therefore, the insurance authority should take initiative to recruit the more female development officers. Hence, they can easily approach the potential female customers and contribute the growth and development of insurance sector in the study area.
- The development officer to meet his agents, discuss with them their problems, attend to joint etc., and also undertake training of the agents. The tour should therefore be a productive tour, not only in respect of new business but also in respect of motivation and building up the morale of the agency organisation.

### CONCLUSION

Development officer duties is to create a proper corporate image in the public mind. He carries the message of social security to all nooks and corners of his area, rural or urban, through his team of agents. He, thus, plays a very vital role in attaining one of the primary objectives of the nationalized insurance. By this, who to provide financial security to all sections of the community, in the farthest corner of the country. But, the job of the development officer not only conclude the procuration of a handsome amount business but also actively imparts adequate training to the agents.

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