Leadership styles in insurance sector: a critical appraisal of life insurance corporation of India
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ABSTRACT

The objective of any insurance is to provide economic protection against the losses incurring out of uncertain such as: death, disability, medical expenses, home or automobile damage, etc. Life insurance is a contract between the policy owner and the insurer, where the insurer agrees to pay the designated beneficiary, a fixed sum of money on the occurrence of the insured mishappenings. LIC was enjoying monopoly in Insurance sector and for a long time there was no competition of LIC in life insurance. With the wave of liberalization and globalization Indian government decided to open the gates of Insurance sector for some renowned worldwide players. Till now, LIC is undoubtedly uncrowned king of Life Insurance industry in India, but if it wants to maintain the same prestigious status in comparison to its competitors, it has to reschedule the cards of leadership. Presently, the insurance industry as a whole is facing a tough time because of low growth of unit linked plans due to fluctuating share market. This research paper is an attempt to focus on the study of Leadership styles in LIC and also to find out the effectiveness of Leadership on the overall performance of the organization as well as development of the employees. The study further moves to SWOT analysis pertaining to leadership styles in LIC. Lastly, the research work ends with certain useful recommendations to make the prevailing leadership styles more effective and contributory for micro and macro development of insurance sector.

Keywords: Leadership, insurer, liberalization, globalization, SWOT.

1. Introduction

In the present complex and rapidly changing socio-economic environment, no business or organization can exist or grow without effective management of human resources. Leadership is undoubtedly one of the most relevant dimensions of Human Resource Management. Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. Leaders carry out this process by applying their leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills. Leadership is the integrated sharing of vision, resources, and value to induce positive change. It is the ability to build up confidence and zeal among people and to create an urge in them to be led. Leadership is an important element of directing function of management.

Following styles of leadership are adopted by leaders in their respective organizations

1. **Autocratic or Authoritarian Style Leader:** An autocratic, also known as authoritarian style of leadership implies yielding absolute power. Under this style, the
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leader expects complete obedience from his subordinates and all decision making power is centralized in the leader.

2. Democratic or Participative Style Leader: Under this style of leadership, the supervisor acts according to the mutual consent and the decisions are taken after consulting the subordinates. This is also known as collective wisdom.

3. Laissez-faire or Free-rein Style Leader: Under this type of leadership, maximum freedom is allowed to subordinates. They are given free hand in deciding their own policies and methods and to make independent decisions.

1.1 Life Insurance Corporation of India: A brief outline

Life Insurance in its modern form came to India from England in the year 1818. Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian soil. The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost. Today, LIC functions with 2048 fully computerized branch offices, 109 divisional offices, 992 satellite offices and 8 zonal offices. LIC’s Wide Area Network covers 109 divisional offices and connects all the branches through a Metro Area Network. LIC has tied up with some Banks and Service providers to offer on-line premium collection facility in selected cities. LIC’s ECS and ATM premium payment facility is an addition to customer convenience. With a vision of providing easy access to its policyholders, LIC has launched its SATELLITE SAMPARK offices. The satellite offices are smaller, leaner and closer to the customers. The digitalized records of the satellite offices will facilitate anywhere servicing and many other conveniences in the future.

Existing as a towering insurance company for over 50 years, LIC has acquired almost monopoly power in the solicitation and sale of life insurance policies in India for a long time. In addition to this, LIC have extended its activities in 12 countries, other than India with the objective of catering the insurance needs of Non Resident Indians. The enforcement of New Economic Reforms in 1991 coupled with the formation of Insurance Regulatory and Development Authority Act (IRDA) of 2000 (which started issuing licenses to private life insurers) has diluted the monopolistic attitude commanded by LIC. The only insurance company belonging to the public sector now has to compete with several other corporate entities of its kind which often are heavyweight Indian as well as Multinational Life Insurance Brands in themselves.

1.2 Need of the study

The insurance industry has been growing between fifteen and twenty percent, but it lags far behind its global counterparts on account of the main reasons such as: lack of products as per market requirements, low awareness among the general public, improper promotion of term plans, low returns from insurance products, inefficient management and leadership. LIC has enjoyed the status of monopoly in Insurance sector for about more than forty years, but now it is bound to face tough competition with some global giants. Although, so far it is leading significantly, yet if it wants to retain its position, some strong measures are required at all levels. Till now, LIC is undoubtedly uncrowned king of Life Insurance industry in India, but
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if it wants to lead in the same manner, it has to reshuffle the cards of leadership. As leadership refers to think tank of any organization it can bring out the best of best from its employees. Tough time does not last but tough people do. With this belief, change in leadership will lead to change in performance and development of the organization. In the light of above facts the present topic justifies the need of the study.

2. Objectives of the study

The research work carries the following key objectives

1. To study leadership styles in Life Insurance Corporation of India.
2. To know the effectiveness of leadership styles on the overall performance of the organization.

3. Research methodology

For achieving the above stated objectives the following Research Methodology has been used:

5.1. Data collection

Both primary and secondary data have been used. Primary data have been collected with the help of a self-structured questionnaire and for secondary data research journals, periodicals, research thesis, newspapers, policies framed by the organization, special issues published by other agencies have also been taken into account for proper analysis, interpretation and generalization of findings of the present study.

3.1 Sample size and sample profile

107 respondents were surveyed during the research work.

<table>
<thead>
<tr>
<th>S.no.</th>
<th>Category</th>
<th>LIC {Life Insurance Corporation of India}</th>
<th>Designation</th>
<th>Size of population</th>
<th>Size of sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Top level management</td>
<td>SDM, ADM, SBM, AO, BM</td>
<td>188</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Middle level management</td>
<td>ADO, PDO, DO</td>
<td>252</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Floor level management</td>
<td>STAFF</td>
<td>625</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>1065</td>
<td>107</td>
<td></td>
</tr>
</tbody>
</table>

Exhibit1: Sample Profile of the Study Source: (Primary survey)

3.2 Justification of sample size

As far as LIC of India is concerned there are 2048 branch offices, 100 divisional offices, 8 zonal offices and the corporate office throughout the nation. To be more specific 10 percent of the population has been selected as sample size. So the researchers have chosen Agra zone
for the above study, which includes Agra CBO (City Branch Office) 1, 2, 3, 4, 5, 6, Agra CAB (Career Agents Branch), Agra DBO (Divisional Branch Office). A Questionnaire has been executed to the organization personnel at the above stated places.

3.3 Sampling technique

Stratified random sampling method has been used.

3.3.1 Hypotheses: - The following hypotheses have been framed in order to make the study more scientific and behavioral

1. H01 Leadership styles followed in the organization and performance of the organization are independent to each other.
2. H02 Leadership styles followed in the organization and development of the employees are independent to each other.

3.4 Statistical tools

To test the given hypotheses and survey findings scientifically, data have been analyzed by using appropriate statistical methods like weighted Average and Chi-square test.

4. Review of literature

A study by Katz, Maccoby, and Morse (1950) investigated the relationship between the productivity of clerks in an insurance company and various leadership characteristics. Twelve pairs of work groups which performed the same type of work but which differed in their productivity were studied. McCurley and Eber (1953) studied groups composed of authoritarian and democratic subjects. Their leaders were coached in either democratic or authoritarian patterns of behavior. Authoritarian groups were somewhat more effective than the democratic groups in speed of problem solving on a group maze, although the differences were not significant. Calvin, Hoffman and Harden (1957) conducted a series of three group problem solving experiments, comparing democratic and authoritarian leadership styles. They found that no consistent trend emerged in favor of either style. However, their less intelligent subjects performed better under authoritarian leaders, while the more intelligent ones did a shade better under democratic leaders. Fox (1957) explored the effects of participative and autocratic leadership styles (he called these as ‘positive’ and ‘negative’ styles) on member satisfaction in conference groups. The participative style created more permissive atmosphere, greater member satisfaction with the leader, and easier acceptance of group decisions, as compared to ‘negative’ or authoritarian leadership styles.

In another study Vroom and Mann (1960) investigated the effects of leadership styles on employee’s attitude. They used two samples of employees. It was found that highly interdependent employees in small work groups having great deal of interaction among themselves, and between themselves and their supervisors had more favorable attitudes toward democratic leaders. Mullen (1965) compared the leadership styles of managers in three divisions of a large automobile insurance company, and its relationship to each division’s efficiency and effectiveness. Each manager showed a distinct leadership style: one was democratic, another laissez faire, and the third was authoritarian. It was concluded that all three divisions were operating at an equally high rate of efficiency. Measures of effectiveness did not show any difference between divisions.
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T.V. Rao and Raju Rao (2002) conducted a study on “Leadership Styles and their Impact” and identified the impact of three different leadership styles on the learning climate generated in the organization as perceived by 48 top level managers in a company. The leadership styles studied are: benevolent or paternalistic style, critical style and developmental style. The study indicated that while benevolent style creates dependence and resentment, critical style creates resentment and it is developmental style that tends to create learning and job satisfaction.

4.1 Analysis of data

In order to study leadership styles, all the three styles of leadership were taken into consideration and thereafter each style has been analyzed separately with the help of various related questions. The researchers have calculated the combined weighted average score regarding leadership styles.

Exhibit 2: Combined Weighted Average of leadership styles

<table>
<thead>
<tr>
<th>Styles</th>
<th>W.A {1}</th>
<th>W.A {2}</th>
<th>W.A {3}</th>
<th>W.A {4}</th>
<th>Combined W.A</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democratic</td>
<td>3.82</td>
<td>3.76</td>
<td>4.14</td>
<td>3.96</td>
<td>3.92(98)</td>
<td>I</td>
</tr>
<tr>
<td>Autocratic</td>
<td>4.13</td>
<td>3.71</td>
<td>3.89</td>
<td>3.67</td>
<td>3.85(96)</td>
<td>II</td>
</tr>
<tr>
<td>Laissez-faire</td>
<td>3.82</td>
<td>3.81</td>
<td>3.61</td>
<td>3.56</td>
<td>3.7(93)</td>
<td>III</td>
</tr>
</tbody>
</table>

Figures in bracket denote percentage (rounded off) of total respondents
W.A.= Weighted Average Source: (Primary survey)

After calculating weighted average for each question of leadership, combined weighted average of all the three styles of leadership has been calculated. Exhibit 2 clearly represents that the most preferable style in the organization is democratic followed by autocratic and laissez-faire style.

Exhibit 3: Profile of leadership styles (in percentage) Source: (Primary survey)
Figures in bracket denote percentage (rounded off) of total respondents

With the help of Exhibit 3 one can easily interpret, that various scores of weighted average are quite close to each other. The difference between the degree of these three styles in not very significant which reveals that on a continuum they keep shifting their styles frequently. For analyzing the contribution of leadership styles on the overall performance of the organization and development of the employees two separate questions were framed related...
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Exhibit 4: Leadership styles and performance factors
Source: (Primary survey)

<table>
<thead>
<tr>
<th>Factors</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>W.A (RANK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productivity</td>
<td>51</td>
<td>38</td>
<td>18</td>
<td>0</td>
<td>0</td>
<td>4.30 (87) I</td>
</tr>
<tr>
<td>Profitability</td>
<td>41</td>
<td>51</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>4.24 (85) II</td>
</tr>
<tr>
<td>Reputation of the organization</td>
<td>50</td>
<td>34</td>
<td>23</td>
<td>0</td>
<td>0</td>
<td>4.25 (85) III</td>
</tr>
<tr>
<td>Organizational effectiveness</td>
<td>29</td>
<td>47</td>
<td>18</td>
<td>13</td>
<td>0</td>
<td>3.85 (77) IV</td>
</tr>
</tbody>
</table>

Figures in bracket denote percentage (rounded off) of total respondents
A=Strongly Agree, B=Agree, C=Neither Agree nor Disagree, D=Disagree, E=Strongly Disagree
W.A.=Weighted Average

Exhibit 4 lists those factors which are affected by leadership styles. This table shows the weighted score of various parameters and their ranking. Different parameters were productivity, profitability, reputation of organization and organizational effectiveness and these parameters were ranked on the basis of weighted average. Productivity and profitability are top two leading factors being affected by leadership styles.

Exhibit 5: Contribution of leadership styles on the overall performance of the organization (in percentage)

![Exhibit 5](image)

Figures in bracket denote percentage (rounded off) of total respondents
Source: (Primary survey)

The results showed in exhibit 5 make it very clear that prevailing leadership styles play a very effective role in increasing the productivity of the organization. 87% of the respondents agree that leadership styles which are followed in the organization positively increase the productivity of the organization. 85% of them believe that it leads to profitability and also enhances the reputation of the organization and 77% of the respondents advocate that due to leadership styles the organizational effectiveness also increases. So, one can easily conclude that prevailing leadership styles in the organization contribute significantly in increasing the overall performance of the organization.
4.2 Contribution of leadership styles on the development of the employees

The table shows various factors related to development of employees which are affected by leadership styles.

**Exhibit 6: Contribution of leadership styles on the development of the employees**

Source: (Primary survey)

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>W.A</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENT IN MORALE</td>
<td>57</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>0</td>
<td>4.32(86)</td>
<td>I</td>
</tr>
<tr>
<td>TALENT DEVELOPMENT</td>
<td>50</td>
<td>4</td>
<td>8</td>
<td>5</td>
<td>0</td>
<td>4.29(86)</td>
<td>II</td>
</tr>
<tr>
<td>INCREASE IN EFFICIENCY AND EFFECTIVENESS</td>
<td>45</td>
<td>4</td>
<td>1</td>
<td>9</td>
<td>0</td>
<td>4.24(85)</td>
<td>III</td>
</tr>
<tr>
<td>EMPOWERMENT OF EMPLOYEES</td>
<td>28</td>
<td>5</td>
<td>2</td>
<td>9</td>
<td>0</td>
<td>3.99(80)</td>
<td>IV</td>
</tr>
</tbody>
</table>

Figures in bracket denote percentage (rounded off) of total respondents
A=Strongly Agree, B=Agree, C=Neither Agree nor Disagree, D=Disagree, E=Strongly Disagree W.A.=Weighted Average

Exhibit 6 lists different parameters related to development of employees like improvement in their morale, talent development, increase in efficiency and effectiveness and empowerment of employees. The researchers have once again calculated weighted average of these parameters, which is showed in the exhibit and which reveals the percentage of contribution of leadership styles in the development of employees.

**Exhibit 7: Contribution of leadership styles on the development of the employees (in percentage) Source: (Primary survey)**

Figures in bracket denote Percentage (rounded off) of total respondents

Exhibit 7 represents the contribution of prevailing leadership styles in the development of the employees and it is clearly visible that leadership styles play an important role in developing the employees as 86% of the respondents advocate the same with special reference to talent development and empowerment in the morale of employees.
4.3 Overall effectiveness of leadership styles in the organization

For analyzing the overall effectiveness of leadership styles in the organization the researchers have framed an exclusive question related to the effectiveness based on different parameters answered by the respondents.

**Exhibit 8:** Overall effectiveness of leadership styles in the organization

![Exhibit 8](image)

Figures in bracket denote Percentage (rounded off) of total respondents

Source: (Primary survey)

Exhibit 8 represents the overall effectiveness of leadership styles in the organization. With the help of the graph one can easily analyze that 45% of the respondents believe that leadership styles followed in the organization are effective and only 10% of the respondents were totally disagreed depicting them very ineffective.

4.4 Analysis of hypotheses

H01 → “Leadership styles followed in the organization and performance of the organization are independent to each other”. For testing the H01 Chi-Square test has been used. The hypothesis is tested at 95% confidence level and at 4 degrees of freedom with the help of the following formula

\[ X^2 = \sum \frac{(fo-fe)^2}{fe} \]

**Exhibit 9:** Test of first Null Hypothesis (H01)

<table>
<thead>
<tr>
<th>S.No</th>
<th>Parameter</th>
<th>Chi-square test at 95% confidence level for 4 degrees of freedom</th>
<th>Comparison of cv with tv</th>
<th>Decision Rule</th>
<th>Source: (Primary survey) C.V=Calculated value, T.V. =Table value.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Table value</td>
<td>Calculated value</td>
<td>CV&gt;TV (Rejection)</td>
<td>CV&lt;TV (Acceptance)</td>
</tr>
<tr>
<td>H01</td>
<td>Leadership styles followed in the organization and performance of the organization are independent to each other.</td>
<td>9.49</td>
<td>5.18</td>
<td>CV&lt;TV</td>
<td>C.V=Calculated value, T.V. =Table value.</td>
</tr>
</tbody>
</table>
4.4.1 Result

The calculated value for chi-square was 5.18, and the table value was 9.49. After comparing the table value with the calculated value it was found that the calculated value is lower than the table value, which reveals that the hypothesis falls in the acceptance zone. With the help of this, one can easily conclude that Leadership styles followed in the organization and performance of the organization are independent to each other, and leadership styles have no significant impact on the overall performance of the organization. Hence there are some other crucial factors that are affecting the overall performance of the organization significantly.

H02 → “Leadership styles followed in the organization and development of the employees are independent to each other”. For testing another hypothesis once again Chi-Square test has-been used. Even this hypothesis is tested at 95% confidence level and at 4 degrees of freedom with the help of the following formula

\[ X^2 = \sum \frac{(fo-fe)^2}{fe} \]

**Exhibit 10:** Test of second Null Hypothesis (H02)

<table>
<thead>
<tr>
<th>S.no</th>
<th>Parameter</th>
<th>Chi-square test at 95% confidence level for 4 degree freedom</th>
<th>Comparison of cv with tv</th>
<th>Decision rule</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Table value</td>
<td>Calculated value</td>
<td>CV&gt;TV(rejection)</td>
</tr>
<tr>
<td>H02</td>
<td>Leadership styles followed in the organization and development of the employees are independent to each other.</td>
<td>9.49</td>
<td>11.27</td>
<td>CV&gt;TV</td>
</tr>
</tbody>
</table>

Source: (Primary survey) C.V=Calculated value, T.V. =Table value.

4.4.2 Result

Since the computed value of Chi-square for H02 was 11.27 which is greater than its table value 9.49, it was found that the hypothesis falls in the region of rejection which reveals that the leadership styles followed in the organization and development of the employees are not independent to each other, rather they are inter dependent. Hence, leadership styles carry positive impact on the development of the employees.

5. SWOT analysis

SWOT is the abbreviation for strengths, weaknesses, opportunities, and threats. These four factors provide a framework which an organization can use to conduct a structured analysis of its operations.

**Strengths:** Attributes of an organization that are helpful to achieve the objectives.

**Weaknesses:** Attributes of an organization that are internal limitations or obstacles in achieving the objectives.
Opportunities: External conditions those are helpful in achieving the objectives.

Threats: External conditions which could do damage in accomplishing the objectives.

Strengths, Weaknesses, Opportunities and Threats of Leadership Styles have been analyzed in the following manner

5.1 Strengths

Strength is an intrinsic capacity, which an organization can use to gain planned advantage over its competitors. The strengths are related to internal environment which give power to achieve pleasing performance. With a view to take opinion of respondents about strengths of leadership in their organization, the respondents were asked to rank the listed items on a 10 point scale. Exhibit 11 represents the frequencies and weighted average of each strength related to leadership. Top three strengths related to Leadership styles in the organization are commitment of leaders towards their work, consistency, knowledgeable back up and trustworthy environment followed by others listed in exhibit 11.

Exhibit 11: Strengths of Leadership in the organization

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Rank</th>
<th>W.A.</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed</td>
<td>26</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Consistent</td>
<td>15</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>Knowledgeable</td>
<td>7</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Friendly</td>
<td>12</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Learning attitude</td>
<td>17</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Responsive</td>
<td>12</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Visionary</td>
<td>9</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Planned</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Communicative</td>
<td>2</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Confident</td>
<td>15</td>
<td>2</td>
<td>9</td>
</tr>
</tbody>
</table>

W.A. = Weighted Average Source: (Primary survey)

5.2 Weaknesses

Strengths and weaknesses are two different sides of the same coin. On one side there are strengths, helping in development of an organization, on the other side there are weaknesses creating obstacles in performance.

Exhibit 12: Weaknesses of leadership in the organization

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Rank</th>
<th>W.A.</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of confidence</td>
<td>1</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>Lack of</td>
<td>1</td>
<td>23</td>
<td>12</td>
</tr>
</tbody>
</table>
The preferences of respondents on various weaknesses/hindrances are shown in exhibit 12 and the frequencies and weighted averages of all the parameters are also shown. Major weaknesses comprise of lack of confidence, unenthusiastic attitude, and lack of transparency in the work followed by several other weaknesses already listed in the same exhibit.

### 5.3 Opportunities

Opportunities are good-looking areas for one’s action providing a positive environment to reinforce its position. The success of an organization depends on how it uses its strengths keeping opportunities in mind. Some of the opportunities related to leadership were drawn out from the review of various researches and reports which are further shown in exhibit 13. The most prominent opportunity with respect to leadership is liberalization. As the policies of the government become liberal it gave huge opportunities to leaders in the market. The respondents ranked the information technology advancement as second opportunity. The next is professionalism. Today, every organization gets the professionals or qualified leaders from the market only and there is no need to give them special type of training for leadership, hence it is an opportunity for leadership in the organization. The last but not the least is continuous development in the market.

**Exhibit 13: Opportunities related to leadership**

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>W.A</strong></td>
<td>Rank</td>
</tr>
<tr>
<td>Liberalization</td>
<td>1</td>
</tr>
<tr>
<td>Information technology advancement</td>
<td>2</td>
</tr>
<tr>
<td>Professionalism</td>
<td>3</td>
</tr>
<tr>
<td>Continuous development</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: (Primary survey)
5.4 Threats

Threat is an unfavorable condition which adversely affects the productivity, performance and efficiency of an organization. These are challenges posed by an unfavorable trend or development of an environment that would lead in the absence of purposeful action, to the erosion of position. Exhibit 14 represents the threats related to leadership in the market and frequencies and weighted average of each parameter. Some of the critical threats related to leadership are political challenge, recession, excessive competition and deregulation.

**Exhibit 14**: Threats related to leadership

<table>
<thead>
<tr>
<th>Threats</th>
<th>Rank</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>W.A.</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political challenge</td>
<td>34</td>
<td>25</td>
<td>13</td>
<td>16</td>
<td>19</td>
<td></td>
<td>3.36</td>
<td>I</td>
</tr>
<tr>
<td>Excessive competition</td>
<td>18</td>
<td>30</td>
<td>22</td>
<td>25</td>
<td>12</td>
<td></td>
<td>3.16</td>
<td>II</td>
</tr>
<tr>
<td>Recession</td>
<td>29</td>
<td>20</td>
<td>15</td>
<td>25</td>
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<td></td>
<td>3.15</td>
<td>III</td>
</tr>
<tr>
<td>Economic factors</td>
<td>15</td>
<td>18</td>
<td>19</td>
<td>19</td>
<td>36</td>
<td></td>
<td>2.95</td>
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<tr>
<td>Deregulation</td>
<td>16</td>
<td>18</td>
<td>20</td>
<td>13</td>
<td>40</td>
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<td>2.59</td>
<td>V</td>
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</tbody>
</table>

Source: (Primary survey)

5.6 Conclusion and Recommendations

The researchers after analyzing the styles of leadership in a comprehensive manner could easily draw the following conclusions and recommended a few suggestive measures:

It has been clearly revealed that all the three styles were followed in the organization. Although the organization should focus on all the styles at different points but it should focus more on democratic style in order to enhance overall performance. Leadership contributes a lot to the productivity of the organization. When the overall effectiveness of leadership styles in the organization was analyzed it was found that though they are effective yet the organization should use various tools and techniques for making them more effective. The organization should pay more attention on the democratic style of leadership. On the basis of null hypotheses the research work genuinely reveals that leadership styles followed in the organization and performance of the organization are independent to each other signifying that it has negligible impact on the overall performance of the organization. After analyzing the strengths, weaknesses, opportunities and threats related to leadership in the organization, it was found that the major strengths of leadership in the organization were commitment level, consistency of work, knowledgeable personnel, etc. and the weaknesses encompass lack of confidence, unenthusiastic attitude, lack of transparency which can be reduced by using the diverse tools and techniques within the organization. The major highlighted opportunities were liberalization in the government policies, information technology advancement, professionalism and continuous development which helps the new leaders to grow in the market.
Leadership styles in insurance sector: a critical appraisal of life insurance corporation of India
Pradeep Kumar

Major threats for leadership in the market were political challenge, excessive competition and deregulation.

LIC is a renowned organization and it is having socio motive, the organization is having a good track record, the people trust on it and want to invest in LIC in comparison to other insurance companies. The Corporation should give a serious thought for maintain its strengths and find various ways to overcome its weaknesses. The organization in order to maintain its popularity should explore various opportunities and keep a constant check on the upcoming threats. At last the researchers would like to state that the organization should maintain its strengths related to leadership in the organization, so that it can use its various strengths to overcome its weaknesses, the organization should focus on the various weaknesses and should resolve them by using different tools and techniques. To sum up, the researchers would like to comment that LIC should keep a continuous check on various issues related to leadership styles in the organization. Effectiveness is doing right things where as efficiency is doing things right. LIC by improving its leadership styles should focus on improving both effectiveness and efficiency to safeguard the interest of employees along with the organization as a whole.

6. References


16. Litwin, G.H. and Stringer R.A. (1968), Motivation and Organizational Climate. Boston: Division of Research, Graduate School of Business Administration, Havard University.


