
A CRITICAL ANALYSIS OF LEADERSHIP PRACTICES IN INSURANCE SECTOR FOR CREATIVITY AND GROWTH WITH REFERENCE TO BAJAJ ALLIANCE LIFE INSURANCE COMPANY

Dr. Gaurab Kumar Sharma, Mr. Kavish Sharma

Assistant Professor

Acharya Vishnu Gupta Subharti Institute of Management and Commerce

Swami Vivekanand Subharti University, Meerut

ABSTRACT

This research paper is an attempt to focus on the study of Leadership styles in Bajaj Allianz and also to find out the effectiveness of Leadership on the overall performance and growth of the organization as well as development of the employees. The researcher framed two hypotheses and uses tools like weighted average and chi-square to test the hypotheses. The researcher has also given an action plan for better growth of the organisation.

Key Words: Leadership, Insurer, Liberalization, Globalization.

INTRODUCTION

Human resource management may be defined as set of policies, practices and programs designed to maximize both personal and organizational goals. It is such a process by which the people and organizations are bound together in such a way that both of them are able to achieve their objectives. Leadership is the ability of a manager to induce subordinates to work with confidence and zeal. Leadership is an important element of the directing function of management. Wherever, there is an organized group of people working towards a common goal of people working towards a common goal, some type of leadership becomes essential. It is the exercise of authority and making of decisions¹.

Organizations today operate in an increasingly complex and changing world. One of the greatest challenges facing leaders today is the need to simultaneously maximize the so-called triple bottom line, or “People, Planet, Profit.” To do so requires a new business model that accentuates wise leadership, employee well-being, sustainability and social responsibility without sacrificing profitability, revenue growth, and other indicators of financial performance.

Leadership has been defined as the act of arousing, engaging and satisfying the motives of followers – in an environment of conflict, competition, or change – that results in the followers taking a course of action toward a mutually shared vision. Leadership is the art of accomplishing more than the science of management says is possible.

The nature of leadership has undergone a massive change over the years. The command-and-control style has given way to a more participative style. Now it is all about empowering people, freeing them, aligning them, energizing them.

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

1. **Autocratic style leader**-in this style, the leader expects complete obedience from his subordinates and all decision-making power is centralized in the leader.
2. **Laissez-faire style leader**-under this style maximum freedom is allowed to the subordinates.

3. **Democratic style leader**-under this style, the supervisor acts according to the mutual consent and the decisions reached after consulting the subordinates.
4. **Paternalistic style leader**-this style is based on sentiments and emotions of people².

OBJECTIVES OF THE STUDY: The research work carries the following key objectives:

1. To study leadership styles in Bajaj Allianz.
2. To study leadership theories prevailing in the organization.

SAMPLE SIZE AND SAMPLE PROFILE:

190 respondents were surveyed during the research work.

S.NO.	CATEGORY	BAJAJ ALLIANZ		
		DESIGNATION	SIZE OF POPULATION	SIZE OF SAMPLE
1.	Top level management	SM, BM, AM, SOO	52	5
2.	Middle level management	DAM, AM	88	9
3.	Floor level management	OE, SM	1760	176
	Total		1900	190

As far as Bajaj Allianz is concerned the entire network has been divided into 5 Zonal offices and 15 State offices and Area offices. The researcher has selected Agra1 (Tundla, Etawah, Mainpuri) and Agra2 office and Lucknow Zonal office. A Questionnaire has been executed to the organization personnel at the above stated places.

SAMPLING TECHNIQUE:

Stratified random sampling method has been used.

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

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

STATISTICAL TOOLS:

To test the given hypotheses and survey findings scientifically, data have been analyzed by using appropriate statistical methods like:

- Weighted Average
- Chi-square test.

REVIEW OF LITERATURE

- McCurley and Eber studied groups composed of authoritarian and democratic subjects. Their leaders were coached in either democratic or authoritarian patterns of behaviour. Authoritarian groups were somewhat more effective than the democratic groups in terms of speed, although the differences were not significant, this study was done in the year⁵.
- In a research conducted by Calvin, Hoffman and Harden, a series of three group problem solving experiments, comparing democratic and authoritarian leadership styles was considered. 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 leaders⁶.

- Bhushan conducted a field survey to examine the effect of personal factors on the determination of leadership choice. A sample of 100 subjects was randomly drawn from different age, sex, and educational status. A likert-type five point leadership preference scale was developed to assess the individual's preference for different styles. It was found that persons of middle age and higher education, and those coming from the urban area had significantly greater preference for democratic style of leadership⁷.
- Tosi attempted a replication of Vroom's study with consumer finance office managers. He found no relationship between perceived participation in decision-making and performance for any group. However, an overall correlation between participative leadership styles and job satisfaction was revealed⁸.
- One survey is done to investigate the views and attitudes of managers about participation by Kalra. Seventy five percent of the managers studied expressed satisfaction with the decisions in which subordinates were not involved and only 29 percent of the subordinates were in favor of participative decision-making. The author described this attitude to the forces in the Indian culture suggesting that in a majority of cases, parents do not consult children or encourage them to participate in importance family decisions. A manager acts like a traditional father and expects obedience from his subordinates⁹.
- A study was conducted on job satisfaction and workers' perception of the organization climate by Kumar and Bohra. The sample for this questionnaire based investigation comprised 60 workers belonging to three industrial units in private sector. It was revealed with the help of the study that the workers who perceived the existing organizational climate as democratic experienced higher job-satisfaction than workers perceiving the same climate as autocratic¹⁰.
- Bram well and Bonnie banks on preparing for tomorrow's world "globalization and executive development" and identified the impact of globalization on executive leadership development. Today few companies can afford not to think globally. Leaders of organization, regardless of the organization size or background, must increasingly engage with the realities of doing business with partners beyond their local borders. All this has rose to a new significance, the manner and content of executive development and associated training programmes¹¹.

ANALYSIS OF DATA:

The total numbers of respondents of Bajaj Allianz were 190. The respondents' profile was categorized on the basis of age, gender, designation, salary, formal education and years of service. Further, item wise detailed analysis is as follows:

ANALYSIS OF LEADERSHIP STYLES

The respondents were asked to rate the following leadership styles prevailing in the organization on a five point scale.

Exhibit 2 LEADERSHIP STYLES PREVAILING IN BAJAJ ALLIANZ

S.No	STYLES OF LEADERSHIP	BAJAJ ALLIANZ				COMBINED {W.A}	RANK
		W.A {P1}	W.A {P2}	W.A {P3}	W.A {P4}		
1.	AUTOCRATIC	4.0	3.9	3.9	3.9	3.9 (98)	I
2.	LAISSEZ-FAIRE	3.5	3.7	3.8	3.9	3.7 (93)	II
3.	DEMOCRATIC	3.8	3.8	3.8	2.7	3.5 (88)	III

1. Figures in bracket denotes percentage (rounded off) of total respondents
2. Scale: P1-Parameter1, P2-Parameter2, P3-Parameter3, P4-Parameter4, W.A.-weighted average
3. Source: Primary survey

After calculating the weighted score for every style, the researcher calculated the combined weighted average of all the three styles of leadership. 98% of the employees state that their superior mostly followed the autocratic style of leadership, where as 93% of the employees advocate Laissez-faire style and only 88% of the employees believe that democratic style is followed in the organization. The difference between the degrees of the two styles is not very significant, but the difference in the third style is significant which reveals that most of the times the superiors in the organization were autocratic, sometimes the superiors behave in laissez-faire manner but democratic style is followed less as compared to the other two styles.

ANALYSIS OF LEADERSHIP THEORIES

The respondents ask to rate the leadership theories prevailing in their organization on the basis of five point scale.

Exhibit 3 LEADERSHIP THEORIES PREVAILING IN BAJAJ ALLIANZ

S. NO.	LEADERSHIP THEORIES	BAJAJ ALLIANZ							
		A	B	C	D	E	TOT.	W.A	RANK
1	SITUATIONAL THEORY	72 (38)	65 (34)	31 (16)	17 (9)	05 (3)	190 (100)	3.95	I
2	BEHAVIORAL APPROACH	71 (37)	52 (27)	31 (16)	19 (10)	17 (10)	190 (100)	3.74	II
3	TRAIT THEORY	65 (34)	52 (27)	41 (21)	18 (9)	14 (9)	190 (100)	3.71	III
4	MANAGERIAL GRID	25 (13)	22 (11)	62 (33)	21 (11)	60 (32)	190 (100)	2.63	IV
5	GREAT MAN THEORY	15 (8)	25 (13)	51 (27)	62 (33)	37 (19)	190 (100)	2.57	V
6	HOUSE'S PATH GOAL THEORY		08 (4)	71 (37)	52 (27)	59 (32)	190 (100)	2.14	VI
7	LIKERT'S SYSTEM MANAGEMENT		00	43 (23)	56 (29)	91 (48)	190 (100)	1.74	VII

1. Figures in bracket denotes percentage (rounded off) of total respondents
2. Scale: A=Strongly Agree, B=Agree, C=Neither Agree nor Disagree, D=Disagree, E=Strongly Disagree, Total=total No. of Respondents, W.A=-weighted average
3. Source: Primary survey

After analyzing the leadership theories prevailing in the organization it was found that situational is prevailing more in the organization and the least prevailing theory is likert's system management.

ANALYSIS OF IMPACT OF LEADERSHIP PRACTICES ON THE PERFORMANCE AND GROWTH OF THE ORGANIZATION

The researcher has analyzed the impact of various leadership practices on the overall performance of the organization. For analyzing the impact of leadership practices on overall performance of the organization the respondents were asked to rate the various parameters of performance on the basis of a five point scale. Table 4.8 shows the impact of leadership practices on the overall performance of the organization.

Exhibit 4 IMPACTS OF LEADERSHIP PRACTICES ON OVERALL PERFORMANCE OF BAJAJ ALLIANZ

S. NO.	PERFORMANCE OF THE ORGANISATION	BAJAJ ALLIANZ					TOT.	W.A	RANK
		A	B	C	D	E			
1	HIGH PERFORMANCE	86 (45)	56 (29)	48 (26)	00 (00)	00 (00)	190 (100)	4.2	I
2	ORGANIZATIONAL EFFECTIVENESS	79 (41)	62 (33)	49 (26)	00 (00)	00 (00)	190 (100)	4.16	II
3	HIGH PROFITABILITY	79 (41)	62 (33)	49 (26)	00 (00)	00 (00)	190 (100)	4.15	III
4	REPUTATION OF THE ORGANIZATION	85 (45)	59 (31)	31 (16)	15 (8)	00 (00)	190 (100)	4.12	IV
5	HIGH PRODUCTIVITY	75 (39)	61 (32)	34 (18)	12 (6)	08 (5)	190 (100)	3.96	V

- Figures in bracket denote percentage (rounded off) of total respondents.
- Scale: A-very effective B-effective C-neither effective nor ineffective, D-ineffective E-very ineffective, W.A=Weighted Average Score, TOT. = Total no. of respondents
- Source: Primary Survey

- According to the respondents, highest weighted score is of high performance. 84% of the respondents advocate that leadership practices are very effective and play a positive role in increasing the performance of the organization. In Bajaj Allianz, the respondents thought that the leadership practices which are prevailing in the organization lead to high performance.
- When the respondents were asked to rate the effectiveness of leadership practices on organizational effectiveness, then around 80% of the employees were agreeing at this that their leadership practices and organizational effectiveness are positively correlated.
- Third rank is given to high profitability. More than 81% of the respondents believe that in their organization high profitability is due to the leadership practices which are prevailing in the organization.
- Respondents have given fourth rank to the parameter confined reputation of organization. 82% of the respondents advocate that leadership practices lead to the reputation of the organization. If the organization follows the correct leadership practice in the organization then, definitely the reputation of the organization will go up.
- High productivity is at the last rank; around 79% of the respondents are strongly agreed with this statement that correct leadership practice in the organization leads to high productivity.

ANALYSIS OF IMPACT OF LEADERSHIP PRACTICES ON THE OVERALL DEVELOPMENT OF THE EMPLOYEES

The respondents were asked to rate the effectiveness of leadership parameters on the overall development of employees and for this, the researcher has used a five point scale and asked the respondents to rate them on it.

Exhibit 5 IMPACT OF LEADERSHIP PRACTICES ON OVERALL DEVELOPMENT OF EMPLOYEES IN BAJAJ ALLIANZ

S. NO.	DEVELOPMENT OF BAJAJ ALLIANZ EMPLOYEES						TOT.	W.A	RANK
		A	B	C	D	E			
1	PERFORMING DUTIES CHEERFULLY	79 (41)	72 (38)	32 (17)	07 (4)	00 (00)	190 (100)	4.17	I
2	IMPROVEMENT IN MORALE	92 (49)	69 (38)	15 (8)	09 (5)	05 (04)	190 (100)	4.16	II
3	TALENT DEVELOPMENT	85 (45)	61 (32)	22 (11)	19 (10)	03 (2)	190 (100)	4.08	III
4	INCREASE IN EFFICIENCY AND EFFECTIVENESS	79 (41)	71 (37)	19 (10)	16 (8)	05 (4)	190 (100)	4.06	IV
5	EMPOWERMENT OF EMPLOYEES	81 (43)	62 (33)	17 (9)	22 (11)	08 (4)	190 (100)	3.97	V

- Figures in bracket denote percentage (rounded off) of total respondents.
- Scale: A-very effective B-effective C-neither effective nor ineffective D-ineffective E-very ineffective, W.A=Weighted Average Score, TOT. = Total no. of respondents
- Source: Primary Survey

- First rank according to the respondents is given to the parameter performing duties cheerfully. Around 83% of the respondents believe that if their superiors use the correct practice of leadership in the organization then, they perform all their tasks cheerfully and with full enthusiasm.
- More than 80% of the respondents believe that the leadership practices which are adopted by their superiors in the organization help them in improving and boosting their morale.
- When the respondents were asked to rate the effectiveness of leadership practices on talent development, then at this 45% of the respondents revealed that leadership practices are very effective, 32% found them effective on talent development and only 2% of the respondents believe that leadership practices are not effective. Overall, the weighted average of this parameter is 4.08, which reveals that 81% of the respondents believe that the leadership practices which are followed in their organization are helpful in developing their talents.
- The respondents were asked to rate the parameter that whether leadership practices increases their efficiency and effectiveness or not. Then, around 80% of the respondents were agreeing at this depicting that the leadership practices which are followed in their organization are helpful in increasing their efficiency and effectiveness.
- Last rank is given to the parameter of empowerment of employees. Around 79% of the respondents revealed that the practices which are followed in their organization help in empowering them.

OVERALL ASSESSMENT OF LEADERSHIP PRACTICES

The respondents were asked to rate the overall assessment of leadership practices in the organization on the basis of seven-point scale.

Exhibit 6 OVERALL ASSESSMENT OF LEADERSHIP PRACTICES IN BAJAJ ALLIANZ

S.NO.	LEADERSHIP PRACTICES	RESPONSES	TOTAL
1	VERY GOOD	65(34)	190(100)
2	GOOD	63(33)	190(100)
3	SOMEWHAT GOOD	25(13)	190(100)
4	NEITHER GOOD NOR BAD	27(14)	190(100)
5	SOMEWHAT BAD	10(06)	190(100)
6	BAD	00(00)	190(100)
7	VERY BAD	00(00)	190(100)

1. Figures in bracket denote percentage (rounded off) of total respondents.

2. Scale: TOT. = Total no. of respondents

3. Source: Primary Survey

34% of the total respondents believe that the leadership practices which are prevailing in the organization are very good. 33% of the respondents believe them to be good and only 6% of the respondents advocate that they somewhat bad in the organization. None of the respondents believe that the leadership practices are bad or very bad in the organization

ANALYSIS OF HYPOTHESES:

H₀₁ Leadership styles followed in the organizations and performance of organizations 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:

$$X^2 = \sum (f_o - f_e)^2 / f_e$$

Exhibit 7: Test of first Null Hypothesis (H₀₁)

S.NO	PARAMETER	CHI-SQUARE TEST AT 95% CONFIDENCE LEVEL FOR 4 DEGREE FREEDOM		COMPARISON OF CV WITH TV	DECISION RULE
		TABLE VALUE	CALCULATED VALUE		CV>TV (REJECTION) CV<TV (ACCEPTANCE)
H ₀₁	Leadership styles followed in the organization and performance of the organization are independent to each other.	9.49	98.37	CV>TV	H ₀₁ reject

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

At 5% confidence level with (4) degrees of freedom, the table value or the critical value of chi-square is **9.49**. The computed value of chi-square for Bajaj Allianz is **98.37**, which is greater than the table value hence, falls in the rejection region. Thus, the researchers strongly reject the null hypothesis and conclude that in both the organizations leadership styles and performance of the organization are not independent to each other. Leadership styles carry positive impact on the performance of the organizations.

For testing the second null hypothesis the researchers have again applied Chi-square test.

Exhibit 9: Test of Second Null Hypothesis (H_{01})

S.NO	PARAMETER	CHI-SQUARE TEST AT 95% CONFIDENCE LEVEL FOR 4 DEGREE FREEDOM		COMPARISON OF CV WITH TV	DECISION RULE CV>TV (REJECTION) CV<TV (ACCEPTANCE)
		TABLE VALUE	CALCULATED VALUE		
H_{01}	Leadership styles have no relationship with the development of employees.	9.49	51.18	CV>TV	H_{01} rejected

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

At **5%** confidence level with **(4)** degrees of freedom, the table value or the critical value of chi-square is **9.49**, the computed value of chi-square for Bajaj Allianz is **51.18**, which is greater than the critical value. Hence, falls in the rejection region. Thus, the researchers strongly reject the null hypothesis and conclude that leadership styles carry positive impact on the development of employees.

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:

- The researcher has analyzed the various styles of leadership and found that in the organization 98% of the respondents feel that autocratic style is followed. 93% of the respondents advocate laissez-faire style of leadership and 88% of the respondents reveal that democratic style is followed by the superiors in the organization. The difference between the percentages of these three styles is not very significant that is why one can easily say that to some extent all the three styles are followed in the organization and it is based on the conditions which one prevail in the organization.
- The organization develops its employees. It selects and develops potential according to high standards, leverage diversity and encourages a culture that respects, values and benefits from different backgrounds and perspectives.
- The researcher found that all the theories of leadership are prevailing in the organization time to time. 52% of the respondents advocate that great man theory is prevailing in their organization. Most of the times the theory which is followed in the organization is situational theory.
- When, the respondents were asked to rate the style of leadership according to the house's path goal theory then, at this more than 50% of the respondents support the option that their employers are concerned for their subordinates and take necessary steps and action for their well-being.
- The respondents were further asked to rate the superior's behavior according to the managerial grid then, 33% of the respondents felt that their leaders were more concerned for both employees and as well as for production and 32% were said that their leaders have optimum concern for both employees and as well as for production.
- For analyzing the impact of leadership practices on overall performance of the organization, respondents was asked to rate the various parameters of performance on the basis of a five point scale.
- According to the respondents, highest weighted score is of high performance. 84% of the respondents advocate that leadership practices are very effective and play a positive role in increasing the performance of the organization. In Bajaj Allianz the respondents thought that the leadership practices which are prevailing in the organization lead to high performance.

- h.** When the respondents were asked to rate the effectiveness of leadership practices on organizational effectiveness then, around 80% of the employees were agreeing at this statement their leadership practices and organizational effectiveness are positively correlated.
- i.** Profitability occupies more than 81% of the respondents believe that in their organization high profitability is due to the leadership practices which are prevailing in the organization.
- j.** Respondents have given fourth rank to the reputation of organization. 82% of the respondents advocate that leadership practices lead to the reputation of the organization. If the organization follows the correct leadership practices then, definitely the reputation of the organization will go up.
- k.** High productivity is at the last rank. Around 79% of the respondents strongly agree with this statement that correct leadership practices in the organization leads to high productivity.
- l.** The respondents were asked to rate the effectiveness of leadership parameters on the overall development of employees and for this, the researcher has used a five point scale and asked the respondents to rate them on it.
- m.** First rank according to the respondents is given to the parameter performing duties cheerfully. Around 83% of the respondents believe that if their superiors use the correct practice of leadership in the organization, then they perform all their tasks cheerfully and with full enthusiasm.
- n.** More than 80% of the respondents believe that the leadership practices which are adopted by their superior in the organization help them in improving and boosting their morale.
- o.** When the respondents were asked to rate the effectiveness of leadership practices on talent development, then at this point 45% of the respondents were revealed that leadership practices are very effective, 32% advocate that they are effective on talent development and only 2% of the respondents believe that leadership practices are not effective. Overall the weighted average of this parameter is 4.08, which reveals that 81% of the respondents believe that the leadership practices which are followed in their organization are helpful in developing their talents.
- p.** The respondents were asked to rate the parameter whether leadership practices increases their efficiency and effectiveness. Then around 80% of the respondents were agreeing at this statement that the leadership practices which are followed in their organization are helpful in increasing their efficiency and effectiveness.
- q.** Last rank is given to the parameter confined to empowerment of employees. Around 79% of the respondents believed that the practices which are followed in their organization help in empowering them.
- r.** 34% of the total respondents believe that the leadership practices which are prevailing in the organization are very good, 33% of the respondents believe that the practices are good and only 6% of the respondents advocate that the leadership practices are somewhat bad in the organization.
- s.** Biggest strengths of leadership in the organization are that the leaders in the organization are confident, planned, having learning attitude, good communication, friendly in nature and are committed towards their work.
- t.** The strengths of the organization are like adequate business environment, infrastructure and network, quality products, good reputation in the market, global presence, leadership quality, specialized departments, company's ranking and many more.
- u.** Weaknesses of leadership in the organization are like lack of initiative in performing the tasks, lack of experience, lacks attitude, lack of confidence, leaders are self-centered, lack of transparency in work and so on.
- v.** Weaknesses of the organization are undifferentiated products and services, employees work under stress, lack of creativity and experience, lack of initiative by the superiors. The organization has less coverage in rural areas and so on.

- w. Various opportunities for leadership in the organization are like there is a scope for continuous development, liberalization in market, professionalism in market, new technology are coming in the market and so on.
- x. Opportunities for the organization are upcoming market linked plans, increasing per capita income, globalised market, high growth of ULIP industry, etc.

REFERENCES

1. Gupta Shashi K., Joshi Rosy, "Human Resource Management", Kalyani Publishers, Ludhiana-Guwahati, 2006, III Revised Edition, pg 2.8.
2. Ajai S Gaur, "Changing demands of leadership in the new economy: A survey of Indian leaders", IIMB, Management Review, VOL. 18, No.2, June 2006 pg: - 149-157
3. www.bajajallianz.org
4. CurelyMc, Eber (1953). Survey Research Centre: An overview of the human relations programe. In Guetzkow H. (ed.), Groups, Leadership and Men. Rushell and rushell.
5. Calvin, A.D., Hoffmann. F.K. and Hardan, E.L.(1957). The effect of Intelligence and social atmosphere on group problem solving behavior. Journal of social physiology, 45,pp.61-74.
6. Bhusan, L.L. (1968). Leadership performance as related to Age, Education. Residence and Sex. Indian Journal of Social Work, July, Vol.1, pp.193-196.
7. Tosi, H. (1970). Arexamination of personality as a determinant of the effects of participation. Personnel psychology, 23, pp. 91-99.
8. Kalra, S.(1975). Are we ripe for Participative management? I.S.T.D. Review, 1975, 5(3), pp.12-13.
9. Kumar, Bohra (1979) job satisfaction and workers' perception of the organization climate, Human Relations, 12, pp.286-297.
10. Bram well and Bonnie banks, "Globalisation and executive development" 14 Preparing for tomorrow's world HRM review, Feb.2008, VOL.VIII, Issue II, Pg10.