

Preface

In a very recent publication under the title "Management Challenges for the 21st Century", Peter F. Drucker has highlighted some of the basic challenges that are thrown before the management in the coming century. The challenges, to be very specific, come out of the changed global political and economic scenario, mostly out of globalisation and liberalisation. A new system of economic management is likely to emerge and every management needs to be capable of meeting those challenges by adjusting themselves with this changing environment.

Needless to mention, these changes are likely to have far-reaching impact on the economy of developing nations. Drucker seems to be aware about the "growing incongruence between economic reality and political reality". To him, globalisation of the international economy and the existence of nation states may create problems for the management. That is why, it is generally held that the existence and progress of any management will depend largely upon the sound government policy supported by strong commitment on the part of the management authorities and the employees engaged in it.

The necessity of becoming more compelling in a management which is essentially social service oriented. Here the principle of management is guided by a wider social objective and the management can not go simply by the profit-maximization motive. Popular support, however indirect it might be, is needed to make this venture effective.

In fact, this was the principal motive which prompted the Indian policy planners in setting up public enterprises in general and that of the Life Insurance Corporation of India (LICI) in particular. It may not be out of place here to mention that the attempt behind setting up public enterprises was guided by a combination of different forces and factors — political, economic, historical and ideological. Of all these factors, these attempts were basically based on the principle which can be better termed as "social accountability".

The present study seeks to analyse all these dimensions, taking LICICI as a point of reference. The following discussion has tried to bring within its fold all these aspects with a view to identify the major areas of success and causes, if any, of the shortcomings in the functioning of one of the largest public enterprise in India — the LICICI. Since such study is very difficult to accomplish at the macro-level, considering the vast coverage and complex socio-economic diversities of India, a specific reference has been made to the Jalpaiguri Division of the LICICI which, as will be revealed, has some very peculiar characteristics, compared to other divisions all over India. Moreover, being a socially committed enterprise, the study has primarily taken into consideration the role of the employees in such an organisation. In fact, the success or failure of such enterprise depends to a large extent, upon the efficiency and commitment on the part of the employees of all cadres who are primarily responsible for implementing the policies.

Such a study may not be free from limitations as well. Since vast changes are taking place in the society, economy and polity, these institutions can not remain insulated from these changes. Newer and newer forces may emerge and whatever policy prescription is made at a particular point of time may not be fruitful in future. However, taking the specific time period into consideration, the present study has discussed the issues and has tried to draw a general conclusion.