



Impact of training and development on employee engagement and performance in insurance sector

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Abstract

India's insurance market has seen several changes, including permitting private businesses to offer insurance and permitting up to 26% of foreign direct investment up to 2020 and 49% after that. The insurance industry needs workers with strong critical thinking abilities, the capacity to bring out the best in others, and the capacity to rise to the occasion where everyone is present. This is the time to prioritize training and development. The insurance industry has the potential to provide a lot of job opportunities, just like any other growing industry. Depending on an organization's level, different training needs apply in the insurance industry. Sales managers and agents are the target audience for the training modules that are most commonly offered in the sector. The focus of these modules is on sales communication, product knowledge, sales effectiveness, and pertinent technology. Senior management receives training on company governance and regulations, while non-sales staff often receives technical training. An analysis of the training and development programs in the Indian insurance industry was attempted in this study. The student had made reference to several significant conceptual elements of training and development activities while pursuing the study, with particular attention to the insurance industry. She tried to create the survey and analyze the results based on the same. All things considered, the current course gave her a lot of opportunity to learn and apply that knowledge to actual business situations. Additionally, the student gained knowledge about how to analyze data and apply it to provide suggestions while keeping organizational needs in mind.

Keywords: Insurance, technology, sales, communication, product knowledge

1. Introduction

The life insurance market increased from 10.5 billion US dollars in fiscal year 2002 to 27.5 billion dollars in fiscal year 2016. From fiscal year 2002 to fiscal year 2016, life insurance premiums increased at a 7.5% CAGR. Despite obstacles, India's life insurance business has the potential to grow 2 to 2.5 times by 2020.

The government's policy of insuring the uninsured has gradually increased insurance penetration throughout the country. The proliferation of insurance plans is likely to push this critical ratio above 4% by the end of 2016, according to the latest ASSOCHAM study.

In 2015-16, 36 crore people were covered by health insurance coverage, accounting for almost 30% of India's entire population. The number has increased year after year, with 28.80 crore people having the policy in the preceding year. From April 2015 to March 2016, the life insurance market generated Rs 1.38 trillion (US\$ 20.54 billion) in new premium income, representing a 22.5 percent growth rate. In

April 2016, the general insurance business witnessed a 12% increase in Gross Direct Premium underwritten to Rs 105.25 billion (US\$ 1.55 billion). The life insurance business recorded a 9% growth in overall annual premium equivalent from April to November 2016. During the period, overall annual premium equivalent (APE), a measure used to normalize policy premiums into the equivalent of regular annual premiums, including individual and group business for private players, increased by 16% to Rs 1,25,563 crore (US\$ 18.76 billion), while Life Insurance Corporation increased by 4% to Rs 1,50,456 crore.

India's life insurance business is the world's largest, with around 360 million policies predicted to expand at a Compound Annual Growth Rate (CAGR) of 12-15 percent over the next five years. The insurance industry expects to increase penetration to 5% by 2020. The country's insurance market is predicted to double in size over the next ten years, from its present US\$ 60 billion. During this time, the life insurance industry is expected to exceed US\$ 160 billion.

The general insurance business in India currently generates Rs 78,000 crore (US\$ 11.44 billion) in premiums per year and is expanding at a healthy rate of 17%. The Indian insurance sector represents a massive business opportunity waiting to be tapped. Despite being the world's second most populated nation, India contributes for less than 1.5% of global insurance premiums and 2.5% of life insurance premiums.

1.1 Role of insurance in Indian economy

Insurance serves functions beyond its main objective of distributing risk and reducing loss. The enormous sum that policyholders keep as solvency funds to cover unanticipated expenses, in addition to the premiums they pay. An important factor in determining a country's economy is insurance. The rate of penetration serves as a barometer for the insurance sector's contribution to economic growth. India had the lowest recorded insurance penetration rate in the world until the 1990s, accounting for about 1.5% of GDP. The average for the 2009–10 fiscal year is 2.2 percent, which is lower than in other nations. In an economy, insurance maximizes capital utilization, promotes individual thrift and saving, and gives society access to risk coverage at a reasonable cost. As one of the top public insurance businesses in India, insurance companies are heavily investing in infrastructure and creating a lot of jobs.

1.2 Significance of the study

In the insurance industry, training and learning are critical inputs for managers to obtain the necessary skills and knowledge. The current study is important in order to understand the kind and quality of training delivered, as well as to improve training quality. Training evaluation encompasses all aspects of training and decides if the training provided is appropriate or requires modification. One could argue that the lack of effective evaluation is a key flaw in any organization's training system.

The study will be crucial because it will assist the organisation in overcoming the shortcomings of current training programmes by making appropriate revisions to ensure that all benefits are realised. The participants are encouraged to discuss the quality of training they receive, its relevance to their job environment, and their aims and aspirations as part of the study. This allows the participant's personal values, stereotypes, and prejudices to be explored. This information will be useful to the company as it develops its strategy for developing training programmes.

1.3 Scope of the study

The research's border is defined by the study's scope. The current study examines sales managers' perceptions of the impact of training and development programmes on their performance in life insurance companies. From the perspective of sales managers, the research would bring benefits and assist the life insurance industry in realising the relevance of training programmes. Furthermore, the findings of the study will assist insurance policymakers in developing strategies and policies for training programmes, as well as improving sales managers' performance and engagement.

2. Objectives of the study

1. To find out how training and development affects employee performance.
2. To find out how training and development affects employee engagement.
3. Make recommendations for successful training initiatives to boost employee performance and engagement.

3. Review of literature

Azara Shaheen, Syed Mubasher Hussain Naqvi, and Muhammad Atif Khan (2019) ^[1] conducted research to investigate the value of teacher training and the relationship between training and teacher performance. The goal of this research is to assess the impact of training on employee and organisational performance, as well as the function of employee performance in mediating the relationship between employee training and organisational performance. The study suggests that instructors' efficacy can be improved simply by providing appropriate education and training. Data was collected using both quantitative and qualitative methods, as well as a questionnaire. To get findings, correlation and regression were used with the help of SPSS. Overall, the findings demonstrated a strong and favourable link between training and organisational performance. The involvement of employee performance as a mediating factor also yielded excellent results.

Abdul Hameed and Aamer Waheed (2018) ^[2] investigated the theoretical framework and models of employee development, as well as their impact on employee performance. The major variables connected to employee growth and performance is identified. The debate progresses to a proposed model that describes the relationship between employee development variables (employee learning, skill growth, self-directedness, and attitude) and employee performance variables.

James Watta Onyango and Daniel M. Wanyoike (2018) ^[3] conducted a study to determine the impact of training on employee performance in Kenyan public health institutions. Doctors, clinical officers, nurses, and subordinate staff working in public health facilities in Siaya County are the target population. The information was gathered through the use of questionnaires. The questionnaires were issued and collected after two weeks, which was enough time for the respondents to fill them out completely and accurately. The study's findings strongly suggest that there is a considerable beneficial association between employee training and performance.

4. Materials and Methods

The study's major goal is to find out how sales managers in life insurance companies view training and development, as well as how it affects employee performance and engagement. As a result, the research is mostly descriptive. The participants in this study are sales managers from life insurance businesses in New Delhi, representing all levels of management from both public and private life insurance organizations. The Insurance Regulatory and Development Authority of India have provided a list of insurance players for this purpose. In the study region, there are 15 private

insurance firms and 1 public sector insurance company (LIC), for a total of 16 insurance companies and 152 branches of both sectors. According to information gathered from various insurance companies, there are 603 sales managers employed by life insurance businesses in the research area.

The primary goal of this research is to investigate sales managers' perceptions of training and development, as well as their impact on employee performance and engagement in life insurance companies. Thus, the study is mostly descriptive in character.

Following data collection, data were filtered to separate incomplete or unusable data due to incomplete questionnaires. The remaining 235 surveys were processed using a variety of data analytic approaches to convert the data into quantitative data. The analysis enables researchers to further evaluate the data and justify their hypotheses. The analyses were conducted using SPSS, which allows researchers to generate and analyze quantitative data more effectively and efficiently. This study's analysis methods included descriptive analysis, one-way ANOVA, independent-samples T-test, multiple correlation, and linear regression.

5. Result and data interpretation

This research provided an overview of the topic's research investigation. It went on the history and significance of training and development. It also gives a comprehensive overview of the Indian insurance industry. The research methodology used in the study, along with the variables and research questions, resulted in research hypotheses. The population was discussed, and sample size was calculated using a formula supplied by the National Education Association's research division for calculating sample size. The specifics of the study equipment as well as statistical approaches were extensively examined.

5.1 Respondents by marital status

Table 1: Marital status of the respondent's wise classification

Marital Status	Frequency	Percent
Single	93	15.42
Married	510	84.57
Total	603	100.0

Table shows that 84.57% of the 603 employees investigated are married, while 15.42% are unmarried. Since 77.9% of employees are over the age of 36 (Table 1), it is likely that the majority of them are married.

5.2 Respondents by salary

Table 2: Salary of the respondent's wise classification

Salary per Month	Frequency	Percent
less than ₹ 15000	55	9.1
₹ 15001 to ₹ 25000	348	57.71
₹ 25001 to ₹ 35000	99	16.41
Above ₹ 35000	101	16.7
Total	603	100.0

Table reveals that 57.7% of respondents have an income (monthly pay) between ₹15001 and ₹25000, 16.41% have

an income between ₹25001 and ₹35000, 16.7% have more than ₹35000, and just 9.1% have less than ₹15000. It should be mentioned that the majority of respondents in this study have an income ranging from ₹15001 to ₹25000.

5.3 Respondents by working hours

Table 3: Working hours of the respondents wise classification

Working Hours	Frequency	Percent
8 hours and less	27	4.47
More than 8 hours	576	95.5
Total	603	100.0

Table reveals that out of 603 respondents, 576 (95.5%) work more than 8 hours per day, while 27 (4.47%) work 8 hours per day. Employees are putting in greater effort to sign up and market their insurance products and services.

5.4 Respondents by experience

Table 4: Experience of the respondents wise classification

Experience	Frequency	Percent
less than 5 years	83	13.76
5 to 10 years	334	55.38
More than 10 years	186	30.84
Total	603	100.0

Table shows that 55.38% of employees have 5 to 10 years of work experience, 30.84% have more than 10 years, and 13.76% have less than 5 years of experience. This sample distribution demonstrates that the majority of respondents to this survey are middle-aged or older, with maximal experience.

5.5 The impact of training and development on employee engagement

The impact of training and development on employee engagement is examined using linear regression, with the following hypothesis. The generated regression results are explained on the following pages.

Table 5: Training and development on employees' engagement - regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.418 ^a	0.173	0.392	0.555

a. Predictors: (Constant), training and development

Table gave the regression model summary for predicting employee engagement based on training and development. The table's R square value indicates how much variance in the dependent variable can be explained by the independent variable. Training and development account for 17% of the variation in the value of employee engagement. The R value (0.418) indicates that as the quantity and quality of the training program grow, so will employee engagement, resulting in a positive association with a r score of 0.418. The modified R square changes the bias in R square. The standard error of the estimate (0.555) indicates that the variability of the multiple correlation is modest in the prediction model. The ANOVA table below illustrates the regression's significance.

Table 6: Training and development on employees’ engagement - ANOVA table

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	0.018	1	0.018	0.045	0.824 ^b
Residual	71.240	601	0.303		
Total	71.258	602			

- a. Dependent Variable: Employees’ engagement
- b. Predictors: (Constant), Training and Development

The ANOVA table above shows the significance of the tried regression model. The table shows $F(1,233) = 0.045$, $p > 0.05$, indicating that the above regression is statistically insignificant. The regression equation is presented in the coefficient output table below.

Table 7: Training and development on employees’ engagement – coefficients

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.675	0.215		17.282	0.000
Training and Development	0.214	0.058	0.174	0.214	0.824

- a. Dependent Variable: Employees’ Engagement

The unstandardized coefficients column in the following table describes the intercept and slope of the regression line. The standardized coefficients column indicates the contribution of a variable to the model. The t-value ($t = 17.282$, $p < 0.01$) for constant indicates that the intercept is substantially different from zero. However, the t value for training and development ($t = 0.214$, $p > 0.05$) indicates that the regression is statistically insignificant. As a result, the null hypothesis (H_0) is accepted, indicating that training and development have no substantial impact on employee engagement. The results of regression analysis give the following equation.

$$\text{Employee Engagement} = 3.675 + (0.214) \text{ Training and Development}$$

6. Conclusion

Employee commitment is the bond that employees experience with their organisation. Employees who are committed to their organisation generally feel a connection with their organisation, feel that they fit in and, feel they understand the goals of the organisation. The added value of such employees is that they tend to be more determined in their work, show relatively high productivity and are more proactive in offering their support.

Training should be given to both freshers and existing employees as the orientation training and refresher training respectively to improve the skill sets and knowledge of the entire work force. The survey had been conducted through the questionnaire method. The data collected are analyzed through t-Test, Chi square, ANOVA & Regression Analysis.

Result obtained reveals that the proper training given to the employees improve their commitment, make them more loyal to the organisation, which in turn improves the productivity of employees. The improved commitment enhances the quality of the work services of the employees. The organisation climate should favour the employees to

have sustainability in the organisation and have the career growth. This would enhance their commitment. Organisations should follow the commitment building HR practices in the firms like establish people-first values, guarantee fair treatment, use value based hiring, encourage employees to actualize.

Training is the important management function to improve the employee commitment, skills and knowledge. The performance and turnover of the employee can be improved only when commitment of the employees is improved. The measures to quantify the employee commitment can be studied as a future scope of this research study.

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