

Analysis of Impact of Training and Development on Employees Performance at Life Insurance Company



HRM

KEYWORDS : Training and development, employee's performance, work attitude, Organizational Culture and job involvement

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ABSTRACT

Training and development play an important role in the effectiveness of organizations and to the experiences of people in work. Training has implications for productivity, health and safety at work and personal development. It also means that operational personnel, employed in the organization's main business functions, such as production, maintenance, sales, marketing and management support, must also direct their attention and effort from time to time towards supporting training development and delivery. On the other hand organizational performance is a collection of work activities, efficiency, effectiveness and tardiness at work; their measurement and subsequent outcome of the work activities; while job satisfaction is defined as employee's affective reactions to a job, based on comparing desired outcomes with actual outcomes. The primary objective of the study is to examine the impact of Training and Development programs on employee performance in IBFI Federal Life Insurance Company Ltd, Coimbatore. The available evidence are from descriptive research and the model was tested with a survey sample (n=200). This study carries two dimensions such as Training and development and employee performance with two inter-dependent variables such as Work attitude and Job involvement. The data is obtained by questionnaire method and random sampling method is used. The analysis is made through correlation to find the relationship between the dependent independent and inter-dependent variables and regression analysis is used to find which factor that influences employee performance the most and how it influenced by interdependent variables. The purpose of this study is to examine and gain a better understanding of the drivers that influence the impact of training and development on employee performance.

INTRODUCTION TO THE STUDY

Training and development is vital part of the human resource development. It is assuming ever important role in wake of the advancement of technology which has resulted in ever increasing competition, rise in customer's expectation of quality and service and a subsequent need to lower costs. It is also become more important globally in order to prepare workers for new jobs. In the current write up, we will focus more on the emerging need of training and development, its implications upon individuals and the employees.

The study intends to investigate the impact of training and development on employee performance in IDBI Federal Life insurance company Ltd, Coimbatore. It has been observed that from last decade Insurance sector has been the fastest growing sector in India. With such a large population and the untapped market area of this population Insurance happens to be a very big opportunity in India. Today it stands as a business growing at the rate of 15-20 per cent annually. Therefore the present study focused on effect of training on employee performance. For a firm's performance, innovativeness and competitiveness, the most vital ingredient is its workforce's knowledge and skills.

OBJECTIVES OF THE STUDY

- To determine the impact of training and development on employees performance in IDBI FEDERAL Life Insurance Co Ltd.
- To identify the impact of training and development on work attitude of employees.
- To determine the impact of work attitude on employees performance.
- To analyze the impact of training and development on job involvement of employees.
- To determine the impact of job involvement on employees performance.

REVIEW OF LITERATURE

- 1 Human resource is very important and the backbone of every organization and it is also the main resource of the organization. So organizations invest huge amount on the human resource capital because the performance of human resource will ultimately increase the performance of the organization. Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization. It explains that performance is the key element to achieve the goals of the organization and hence performance increases the effectiveness and efficiency of the organization which is helpful for the achieve-

ment of the organization.

- 2 It discuss the importance of training and its impact on job performance: While employee performance is one of the crucial measures emphasized by the top management, employees are more concerned about their own productivity and are increasingly aware of the accelerated obsolescence of knowledge and skills in their turbulent environment. As the literature suggests, by effectively training and developing employees, they will become more aligned for career growth—career potential enhances personal motivation. (p. 22)
- 3 The first part of the study framework is based on Kirkpatrick model, in which employees' reaction, learning, behaviors, results and return on investment (ROI) will be examined. The second part of the study will examined the transfer of training but only to the context of after training; to explore the effectiveness of training and development by looking at how is transfer of training applied after training. The final part of the study will examine other factors that can influence the effectiveness of training and development.
- 4 This study reveals that those trainees who receive effective training from their supervisor will be able to increase the quality of the task they perform which will ultimately shape their performance into an improved form (Wei-Tai, 2004) and hence Feedback strengthens team processes as well as their performances.
- 5 High job involvement is linked with fewer absences and lower turnover rate. Employees are more concerned about their jobs performance, and are constantly looking for ways to improve their effectiveness if they rank high on job involvement. One way to improve employee performance is to efficiently transfer the skills and knowledge acquired during training to the actual job. Employees ranking high on job involvement are more motivated to learn and transfer skills to the actual work setting.

RESEARCH METHODOLOGY

TYPE OF RESEARCH

The method adopted for the study is Descriptive Research method. It is used to obtain information concerning the current status of the phenomenon to describe "what exists" with respect to variables or conditions in a situation. The method involved range from the survey which describes the status quo.

DATA AND SOURCE OF DATA

Data is the significant part of the research. Entire research depends upon the data. This study involves collection through primary and secondary data.

POPULATION AND SAMPLE SIZE

- The sampling unit are the employees of IDBI Federal Life Insurance.
- The sample size taken for the study is 200 and all the collected data were used for analysis in the study.

SAMPLING TECHNIQUES

Random sampling method has been applied to guarantee that specific groups within a population are adequately represented in the sample and the efficiency is improved by gaining greater control on the composition of the sample.

LIMITATIONS OF THE STUDY

- The scope of the project is limited to conceptual and HR aspects of Training and Development of the Company and doesn't include other HR practices followed by the company, which are equally important aspect of learning.
- Project is limited to IDBI Federal Life Insurance Co. Ltd., Coimbatore, Madurai and Kerala Branch offices only. It excludes the analysis of other centres of the company across India.

ANALYSIS AND INTERPRETATION**TABLE 1.1 - Gender Distribution**

Particulars	Frequency	Percent
MALE	143	71.5
FEMALE	57	28.5
Total	200	100.0

From the above table, it clearly predicts that 71.5 percent of the employees are male workers and only 28.5 percent employees are women workers

TABLE 1.2 Age Pattern

Particulars	Frequency	Percent
20-25	79	39.5
25-30	48	24.0
30-40	31	15.5
40-60	42	21.0
Total	200	100.0

It is observed that nearly 39.5 percent of the employees are under the age 20 to 25. 24 percent employees are from 25 to 30 and it also quantifiable that 15 percent are under 30-40 and percentare between 40 and 60.

TABLE 1.3 Experiential positions of the employees

Particulars	Frequency	Percent
<2	32	16.0
2 to 4	118	59.0
>4	50	25.0
Total	200	100.0

It is influenced that 16 percent of the employees are less than 2 years of experience and 59 percent have 2 to 4 years of experience and it is also found that 25 percent are working greater than 4 years.

TABLE 1.4 The qualification of the respondents

Particulars	Frequency	Percent
HSC	2	1.0
Graduate	29	14.5
Post Graduate	169	84.5
Total	200	100.0

It has been observed that only 1 percent of the employees are higher secondary and 14.5 percent are graduates and remaining 84.5 percent are post graduates who have major contribution.

TABLE 1.5 The designation of the employees

Particulars	Frequency	Percent
Agent	4	2.0
Manager	109	54.5
Deputy Manager	87	43.5
Total	200	100.0

2 percent employees are working as an agent and 54.5 percent are managers and 43.5 percent are working as deputy managers

REGRESSION ANALYSIS

Regression analysis provides the results of constant, coefficients, coefficient of determination, T-value and P-value and F test. Constant or y-intercept explains that if independent variable is zero then what will be the value of dependent variable. Co-efficient is the slope of regression line and it explains that 1 unit change in independent variable will bring how much change in dependent variable. The value of Coefficient of determination (R^2) explains that how much variation in the dependent variable is explained by the identified independent variable.

1.6 Effect of Training and development on employee performance

Dependent Variable – employee performance

Independent Variables – Training and development

TABLE 1.6

MODEL SUMMARY					
Model	R	R square	Adjusted R square	Std error of the estimate	
1	.892 ^a	.795	.794	.116894	
ANOVA					
Model	Sum of squares	Degrees of freedom	Mean square	F	Significance value
Regression	10.492	1	10.492	767.878	.000 ^b
Residual	2.706	198	.014		
Total	13.198	199			
COEFFICIENTS					
Model	Unstandardized coefficients		Standardized coefficients		Significance value
	B	Std error	Beta	t	
1(Constant)	.399	.120		3.324	.001
TD	.893	.032	.892	27.711	.000

This model is proved to be .795 times reliable, which is a good sign. The significance of the model in the ANOVA table is less than 0.01 and this indicates that the model is very good. It is observed from the model that training and perceived ease of use have high influence of .893.

1.7 Effect of Training and development on work attitude

Dependent Variable – work attitude

Independent Variables – Training and development

TABLE 1.7

MODEL SUMMARY					
Model	R	R square	Adjusted R square	Std error of the estimate	
1	.612 ^a	.375	.372	.200559	
ANOVA					
Model	Sum of squares	Degrees of freedom	Mean square	F	Significance value
Regression	4.780	1	4.780	118.828	.000 ^b
Residual	7.964	198	.040		
Total	12.744	199			
COEFFICIENTS					

Model	Unstandardized coefficients		Standardized coefficients	t	Significance value
	B	Std error	Beta		
1(Constant)	1.445	.206		7.017	.000
TD	.603	.055	.612	10.901	.000

This model predicts the effect of training and development on work attitude. This model is proved to be .375 times reliable, which is a good sign. The significance of the model in the ANOVA table is less than 0.01 and this indicates that the model is very good. It is observed from the model that training and perceived ease of use have high influence of .603.

1.7 Effect of work attitude on employee performance

Dependent Variable – Employee performance

Independent Variables – work attitude

TABLE 1.7

MODEL SUMMARY					
Model	R	R square	Adjusted R square	Std error of the estimate	
1	.637 ^a	.406	.403	.198954	
ANOVA					
Model	Sum of squares	Degrees of freedom	Mean square	F	Significance value
Regression	5.361	1	5.361	135.429	.000 ^b
Residual	7.837	198	.040		
Total	13.198	199			
COEFFICIENTS					
Model	Unstandardized coefficients		Standardized coefficients	t	Significance value
	B	Std error	Beta		
1(Constant)	1.328	.206		6.449	.000
WA	.649	.056	.637	11.637	.000

This model is proved to be .406 times reliable, which is a good sign. The significance of the model in the ANOVA table is less than 0.01 and this indicates that the model is very good. It is observed from the model that work attitude and perceived ease of use have high influence of .649.

1.8 Effect of Training and development on work attitude

Dependent Variable – job involvement

Independent Variables – Training and development

TABLE 1.8

MODEL SUMMARY					
Model	R	R square	Adjusted R square	Std error of the estimate	
1	.552 ^a	.305	.301	.233724	
ANOVA					
Model	Sum of squares	Degrees of freedom	Mean square	F	Significance value
Regression	4.738	1	4.738	86.729	.000 ^b
Residual	10.816	198	.055		
Total	15.554	199			

COEFFICIENTS					
Model	Unstandardized coefficients		Standardized coefficients	t	Significance value
	B	Std error	Beta		
1(Constant)	1.467	.240		6.112	.000
TD	.600	.064	.552	9.313	.000

This model is proved to be .305 times reliable, which is a good sign. The significance of the model in the ANOVA table is less than 0.01 and this indicates that the model is very good. It is observed from the model that training and perceived ease of use have high influence of .60.

1.9 Effect of job involvement on employee performance

Dependent Variable – Employee performance

Independent Variables – Job involvement

TABLE 1.9

MODEL SUMMARY					
Model	R	R square	Adjusted R square	Std error of the estimate	
1	.610 ^a	.372	.368	.204662	
ANOVA					
Model	Sum of squares	Degrees of freedom	Mean square	F	Significance value
Regression	4.904	1	4.904	117.089	.000 ^b
Residual	8.294	198	.042		
Total	13.198	199			
COEFFICIENTS					
Model	Unstandardized coefficients		Standardized coefficients	t	Significance value
	B	Std error	Beta		
1(Constant)	1.642	.192		8.533	.000
JI	.562	.052	.610	10.821	.000

This model is proved to be .372 times reliable, which is a good sign. The significance of the model in the ANOVA table is less than 0.01 and this indicates that the model is very good. It is observed from the model that training and perceived ease of use have high influence of .562.

1.10 CHI SQUARE TESTS

The chi-square test for independence, also called Pearson's chi-square test or the chi-square test of association, is used to discover if there is a relationship between two categorical variables.

1.10 ASSOCIATION BETWEEN AGE AND EMPLOYEE PERFORMANCE

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.543 ^a	3	.044
Likelihood Ratio	7.792	3	.050
Linear-by-Linear Association	7.391	1	.032
N of Valid Cases	200		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.27.

From the above table, it can influence that there is an association between age and employee performance. Since the significant value is 0.44, it can be noted that both the factors have strong relationship.

0.11 ASSOCIATION BETWEEN TENURE AND EMPLOYEE PERFORMANCE

TABLE 1.11

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.163 ^a	2	.028
Likelihood Ratio	7.302	2	.026
Linear-by-Linear Association	7.012	1	.008
N of Valid Cases	200		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.44.			

From the above table, it can influence that there is an association between tenure and employee performance. Since the significant value is 0.28, it can be noted that both the factors have strong relationship.

0.12 ASSOCIATION BETWEEN MARITAL STATUS AND EMPLOYEE PERFORMANCE

TABLE 1.12

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.769 ^a	1	.050		
Continuity Correction ^b	3.073	1	.080		
Likelihood Ratio	3.852	1	.050		
Fisher's Exact Test				.041	.029
Linear-by-Linear Association	3.750	1	.053		
N of Valid Cases	200				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 16.15.					
b. Computed only for a 2x2 table					

From the above table it shows that there is the relationship between marital status and employee performance since the significant value is 0.029. Hence it can be predicted that both the variables have highly associate with each other.

0.13 ASSOCIATION BETWEEN GENDER AND EMPLOYEE PERFORMANCE

TABLE 1.13

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.083 ^a	1	.774		
Continuity Correction ^b	.006	1	.937		
Likelihood Ratio	.084	1	.772		
Fisher's Exact Test				.638	.476

Linear-by-Linear Association	.082	1	.774		
N of Valid Cases	200				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.69.					
b. Computed only for a 2x2 table					

It can be predicted that the above table describes there is no associative relationship between gender and employee performance. The significant values are greater than 0.05.

2. FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

The percentage analysis clearly found out about the demographic variables like gender, marital status, qualification, designation, age and tenure.

All variables in this study have standard deviation less than 1 therefore the data may be considered normally distributed and Pearson Correlation test may also be applied for testing the relationship among variables.

All items have high internal consistency and hence it is accepted for the further test analysis. It has been found that there is high relationship between Training and development and employee performance and its strength of the relationship is 87.4 percent. It has also shown that all intervenient, dependent and independent variables have considerable relationship

From the chi square analysis, it has been found that the factors age, tenure and marital status over employee performance have high association between each other.

It is also found that there is no association between gender and employee performance. The difference in the gender bias does not affect the employee performance.

SUGGESTIONS

"Training Need Analysis" should be given primary importance so that organizations can fully achieve desired training goals. Biasness should be minimized while selecting the candidates for training. Training programs should be linked with employee's promotions so that these programs help increase employee motivation which ultimately results in high performance. Employees should be clearly communicated about the potential benefits of training programs so that they can participate whole heartedly. Trainer should be from within the organization because trainees feel more comfortable to communicate and discuss issues and problems. It enhances the work attitude of the employees. Evaluation of the training program is of vital importance because it helps in ensuring the effectiveness of the training program. This enhances the development of training program with the great enhancement. The findings of this study suggest that training should made critical part of the organizational structure.

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