



Using The Technology Of Today For Leveraging The Training Programs In Non-life Insurance Companies Of India

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ABSTRACT

With the rapid growth of the industry the demand for trained workforce with specific skills in sales, operations and product design and management has increased. The future growth of the industry will to a large extent depend on the supply of trained manpower. Thus the paper mentions of few technologies which can be adopted by the non-life insurance companies to leverage the training programs.

Keywords : Training, Technologies, Non-life Insurance

Non-Life insurance industry of India

The history of non-life insurance dates back to the industrial revolution in the west and the consequent growth of sea-faring trade and commerce in the 17th century. General Insurance in India has its roots in the establishment of Triton Insurance Company Ltd., in the year 1850 in Calcutta by the British. In 1972 with the passing of the General Insurance Business (Nationalisation) Act, general insurance business was nationalized with effect from 1st January, 1973. 107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company in 1971 and it commenced business on January 1st 1973.

The process of reopening of the sector had begun in the early 1990s and in the year 2007 IRDA has introduced with deregulating of insurance premiums.

Today there are 24 general insurance companies with 2 new companies (SBI General and L&T) entering the market and increasing the competition among existing players. Growth in the terms of the gross premium underwritten over the corresponding previous year up to the month of February 2011 is 24.73% for the private players and 20.97% for the public players. India is the fifth largest general insurance market in Asia with annual premiums of \$6.3 billion in FY09. It is projected that from 2006-2026 the working class population is expected to increase from 675.8 million to 795.5 million.

India, with a more than 1.2 billion population, has a very low insurance penetration (0.60%) of insurance premium as a percentage of Gross domestic product; and an insurance density of \$ 6.2 per capita premium. The Non-Life insurance industry underwrote a total premium of Rs.4425.09 Crore in June 2011 as against Rs.3593.06 in June 2010 registering a growth of 22 percent

Training and Development

Training is a planned effort by a company to facilitate employees learning of job related competencies. These competencies include knowledge, skills or behaviors that are critical for successful job performance. The goal of training is

for employees to master the knowledge, skill and behaviors emphasized in training program and to apply them to their day-to-day activities. For a company to gain a competitive advantage, its training has to involve more than just basic skill development. Intellectual capital includes basic skills, advanced skills, an understanding of the customer or manufacturing system and self-motivated creativity. Training is a Organized activity aimed at imparting information and/or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill

Companies have lost money on training because it is poorly designed, because it is not linked to a performance problem or business strategy, or because its outcomes are not properly evaluated. Companies have been investing money into training simply because of beliefs that it is a good thing to do. The perspective that the training function exists to deliver programs to employees without a compelling business reason for doing so is being abandoned.

Today training is being evaluated not on the basis of the number of programs offered and training activity in the company but on how training addresses business needs related to learning, behavior change and performance improvement. In fact, training is becoming more performance focused. Training is used to improve employee performance, which leads to improved business results. Training is seen as one of several possible solutions to improve performance.

Importance of Training & development in Non-life insurance industry

Non-life Insurance is a difficult product to sell owing to its financial complexity, low financial literacy and lack of awareness among the consumers of the need for such a product. Two major areas of concern are mis-selling and non-settlement of claims. Moreover specialized knowledge in underwriting, actuarial, assessment and risk management requires investment in training and development.

Since 1999 the steps of IRDA has lead to privatization and growth of the industry. Growth for the non-life insurance segment for the period 2000-01 to 2007-08 has been rapid with 15 % CAGR. With the rapid growth in the industry, there is an increase in the demand for trained workforce with specific skills in sales, operation, product design and management. The future growth of a company will depend on its trained workforce.

In the year 2008-09 the industry has witnessed an increase of more than 4 lakhs agents/advisors. The industry employs more than 5 lakhs employees. Most of the companies in the industry are hit by employee attrition level of 50 % and agent attrition of 70 %. Expanding industry with high attrition rates has increased the number of new recruits. These new joiners have to be properly guided for imparting knowledge on the specific company's business model and sales philosophy. To complete the sales of the general insurance policy, there is also a need for strong interpersonal, networking and communication skills. Competencies which are required by the middle level managers in the non-life insurance companies are job knowledge, leadership, communication, decision making, managerial skill, analytical skills, interpersonal skills, ability to plan, ability to motivate, team management, delegation, initiative, creativity and flexibility.

Current Training practices for employees and agents of Non-Life insurance companies

The concept of training of workers is a good and necessary one. This concept is undervalued and many times inappropriately implemented, but when effectively employed is a profitable and successful performance enhancement tool for use by the Insurance Industry. The positive components include encouraging personnel to become well trained, to fully understand the available products and services, to improve efficiency, and to increase productivity. However, training has, at present, been relegated to its lowest common denominator, that of task oriented information. In reality, this level is the most challenging for training developers, program producers, and presenters. In the general insurance sector the companies give the training to the employees on the product knowledge only. The training will be conducted only of the giving the product knowledge and for no other issues like methods of selling, leadership skills etc. Contributing to the application failure has been the assumption that the basic level is easy and only requires fact transfer.

Over the past decade many millions have been spent by the Insurance Industry on training without establishing programs with a track record of success. Studies confirming wasteful approaches were both expected and predicted. It is not the disappointment with the results, but rather the magnitude of the efforts and resources that are most alarming. The quest to create the "quick-fix," along with the time and dollars expended to support the training applications have resulted in a very costly lesson.

The type of training methods used by the general insurance companies are in majority the lecture method in which for couple of days the instructor will be sharing his thoughts on the topic. There is no training need assessment from the side of company towards the employee and thus the training secession is forced on the employee.

Usage of technology for leveraging training programs

New technologies have made it possible to reduce the cost affiliated to delivering training to employees to increase the effectiveness of the learning environment, and to help training contribute to business goals. New training delivery and instructional methods helps to leverage the training programs. New technological methods include computer based training, online learning and other technologies which help in delivering the training programs in a effective manner. Technology can be used in non-life insurance companies to achieve the following benefits:-

- Employees can access the knowledge and expert systems on an as-needed basis

- Employees can choose the type of media they want to use in a training program
- Employees' accomplishments during training can be monitored
- Classroom instruction can be delivered to trainees rather than requiring them to come to a central training location.

There can be 6 levels of technology based training which can be followed by the non-life insurance companies

Figure 5 : Six levels of technology based training

Communications	Online Referencing	Testing Assessment	Computer based Training	On-line Learning	Support Systems
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Technology methods allow learning to become more job-related and directly meet a business need. Employees can access the training modules while they work. The simplest level facilitates communications among trainers and trainees. Complex uses of technology involve actual delivery of training, and trainees are very actively involved in learning.

Computer based training

Computer based training is an interactive training experience in which the computer provides the learning stimulus, the trainee must respond and the computer analyzes the responses and provides feedback to the trainee. CBT can also involve simulations. For example the non life insurance companies can use this for training the employees for sales calls.

Online Learning

Internet is a widely used tool for communications, a method for sending and receiving communications quickly and inexpensively and a way to locate and gather resources such as software and reports. Online learning provide the trainee with content, but it can give learners the ability to control what they learn, the speed at which they progress through the program, how much they practice and even when they learn. In the non life insurance companies online learning can be very helpful as the employees can learn regarding the new products as per their convenience

Mobile Technology

Mobile technology allows learning to occur anywhere at anytime. It consist of wireless transmission systems such as Wi-Fi and Bluetooth , personal digital assistants and software applications related to processing audio files and instant messaging. Mobile technology can be very useful in the non-life insurance companies as the training can be conducted for more number of employees with cost saving.

Technologies for training support

Technologies such as groupware, expert system can be used in non life insurance companies to support training efforts. Training support means that these technologies are helping to capture training content so that it is available to employees who may not have attended training. Training support also means that these technologies provide information and decision rules to employees on an as-needed basis. Employees can access these technologies in the work environment

Conclusion

Non-life insurance industry is growing at a very dynamic pace and thus it requires systematic formulation of training programs for the employees. Thus by using these fundamental technologies the non-life insurance companies can leverage the training programs which in together will be helpful for the companies, employees and the customers.

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