

Effectiveness of Employee Upskilling Program: A Study on Private Insurance Industry in Chennai

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Abstract

Insured Financial Position and Investment benefits are key factors that drive the Insurance industry to the competitive edge. To draft out the investment benefits to consumer, effective investment procedures, policies should be derived and delivered to the consumer in a lucid way. Consumer usage level of the financial product can be well identified by the level of awareness of the products in the market that best suits the customer with proper deliverables. As environment and technology changes the way of work, industries should also concentrate on providing key skills needed for employees to manage risks. Employees should be upskilled in different roles and levels to achieve greater standards in promoting best insurance products to customers. This paper discusses the skill development level of employees working in insurance industries, before and after upskilling process. Skilled employees would make the product and process development easier according to the customer needs thereby delivering long term value added packages to the customer. The study is limited to Chennai region using convenience sampling method. Findings of this study illustrates that there is a positive correlation between the observed variables of digital impact on job with employee skills level utilization. Findings also portray a positive correlation between the job enrichment and Job efficiency levels due to digital impact on core work areas and after upskilling.

Keywords: Job Nature, Upskill Programme, Upskilling, Training

1. Introduction

Indian Insurance companies had faster growth than any other sectors. Agadi and Santosh (2008), states that rapid changes and development takes place in the life period of Insurance industries and insurers. Dual ways of benefits can be attained for Insurance companies and for the insurers if proper awareness measures are given for the consumers (Bais, 2011). When there is lot of demand in life Insurance and non-life insurances, growth of these companies reached the peak level in a short span of time than any other industry. Simultaneously the industrial growth progresses, attending consumers becomes a tedious

task. Revathi (2020), in her research study identifies that digitization can help to attend more consumers in less time. To mobilize the digitization process, upskilling is needed for any industry. Insurance industry is not limited to risk management hence key skills are needed for the employees to analyze exclusion/inclusion of certain coverage limits. Key skills are imparted through upskilling process to handle different customers effectively, also to handle the security products efficiently due to technological innovations.

Upskilling is the technique used for training or imparting new skills for employees according to the changing needs of the economy (Chandan, 2017). Analyzing

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the basic concepts/products, historical process and practices, reaching customers and deliverables of the product on time, analyzing competitiveness, using the right portal to reach consumer, research wings that tirelessly work for analyzing markets and enhancing products are the key strategies that gives way for digital transformation (Shah & Sultan, 2015). Each segment is analyzed for building new competencies, implementing new strategies for upskilling existing/new employees. Shekarey and Arany (2010), frequent studies for skill development should be done to check the performance in any industry. Employee competence levels due to digital technology usage should be checked to meet the digital talent gap in any organization. From Capgemini survey elucidates that digital skill development of employees is needed for any industry to retain employees and survive in the technology driven environment (Figure 1).

2. Review of Literature

Numerous reseaches have focused on training needs of employees particularly in Insurance industry. Fan and Cheng (2006) studied the training needs for life insurance sales representatives in Taiwan. Training programs are offered to improve employee competency levels. Results indicated that even after training the performance level has not improved.

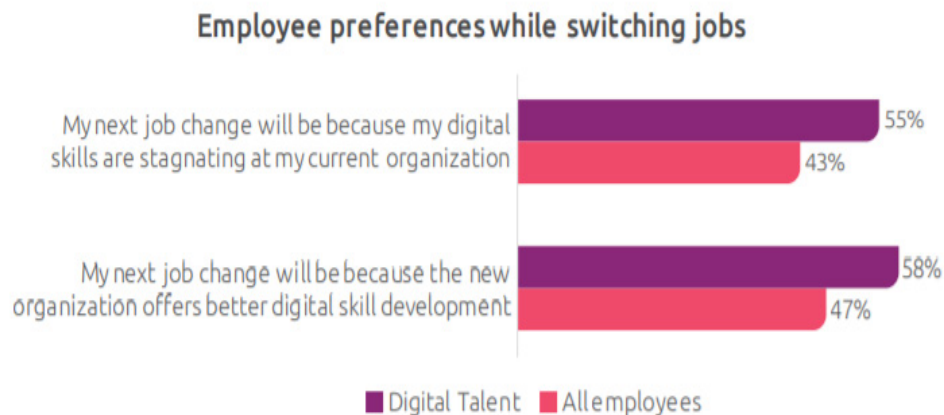
Hence this study suggested for additional skill requirement training for the sales representatives in the areas of problem solving, competency growth level, communication techniques, digital handling, cultural resilience, emotional intelligence, collective competence, and ethics.

Verma and Goyal (2011) projected the training practices in Life insurance Corporation in India. Employee performance is considered as the key focus area that is measured in terms of productivity, less absenteeism, interest in work, Job satisfaction.

Anita (2012) Expressed intervening variables like age, period of service, marital status is highly associated with employee performance to that of the effective training attainment.

Hemanalini (2013) observed the employee performance levels after training, in IBFI Federal Life Insurance Company Ltd., Coimbatore. The variables under study are work attitude, job involvement, employee performance to know the effect of training provided to the employees.

Dercon, Hill, Clarke, Outes and Taffesse (2014) analyzed the rainfall risks of Ethiopian farmers. Nyala Insurance Share Company (NISCO) created weather-



Source: Capgemini Digital Transformation Institute survey, Digital Talent Gap; June–July 2017, N=425 digital talent employees; N=753 employees; ranked by gap.

Figure 1. Employee preferences while switching jobs.

index insurance policies for the rainy months. Training is provided to the employees to create awareness about general risks and how policies are framed. 25% households reported that they purchased the insurance to protect their crop losses while 30% households are not aware of the Insurance Policy for weather conditions. Completely aware and trained farmers purchased a greater number of weather insurance policy. This paper throws light about how training is done for the farmers by IDDIR group of employees that created more demand for purchasing the insurance policy during adverse weather conditions. Training programs offered on Risk management and Insurance (Karl & Wells, 2016).

Anitha and Kumar (2016) discussed about the training impact on the employee's skill level, attitude, and knowledge level in private insurance sector of Coimbatore district. The variables of interest selected for study are employee performance scores and improvement in productivity level. The results showcased training plays an important role for consistent growth in performance and productivity level. Performance appraisal system should be viewed periodically to measure the training needs of the company. There is a significant increase in employee performance and productivity level after training. HRM practices are also analyzed to showcase the training needs (Patre & Gawande, 2012).

Sharma (2018) deliberated about the training provided for effective performance of employees. Most of the trainings are done for the sales managers and agents as they play the most significant role in Insurance industry. This study details about the training and development progress done in Indian Insurance industry. Training process is analyzed in different departments like sales/non-sales and senior management level. Parameters administered are Sales effectiveness, product knowledge, communication, problem-solving, IT, business environment, operation policies, product concept and design, underwriting, Actuary, after sales service, compliance, settlement process, fraud investigation, solvency, requirements for capital, knowledge on corporate governance, requirements of regulatory, audit compliance procedures and

risk management. Kaur (2012) analyzed the lack of emerging skills need in public sector.

Meeta (2019) measured the requirement of training, analyzed that most of the private and public sectors don't have a separate training and development department, training content issues, lack of problem solving issues during the training period, change of job behavior, performance improvement, employee active participation level. Study reveals that most of the employees like the training method in forms of case study, discussion method, role play and supervisory training.

3. Research Gap

Most of the researches are done in the field of job training process (Dash & Das, 2016) for delivering insurance products and creating awareness for the customer about the insurance products (Dolai, 2015). Few researches are done that analyses the employee skill development level in Insurance industry. Tiwari (2014) development of employees is needed for future prospects hence if proper methodology is employed for the upskilling process, there will be a consistent growth with respect to changing products and consumer's interest in products. After reviewing relevant literatures, got an implication that employee survey is needed (Babita & Varsha, 2014) to understand the internal factors related to job that triggers the need for employee skill development. While analyzing the job related internal factors, digital impact also influence employees' skill requirement level. When there is a digital impact on the job, employees' job climate should be analyzed. There is a research gap to find the upskilling effect on Job enrichment and efficiency levels. To address the research gap, this study focuses on the following objectives,

- To find the job climate factors before upskilling employees.
- Job enrichment and Job efficiency after upskilling employees.

4. Research Methodology

Research methodology is framed to find the study population, sampling method and tools that can be used for analyzing the data to interpret results. The study uses the descriptive research methodology concentrating Insurance industries in Chennai region. 167 samples are taken for this analysis using the convenience sampling method. Interview methods are open ended and closed ended questions for the questionnaire development. The tools used for analysis are Reliability analysis, Percentage analysis, exploratory factor analysis using SPSS, confirmatory factor analysis using AMOS software. Data reliability was checked using the cronbach's alpha test. The result for entire items (23) which were used in the study shows 0.883 which is well within the accepted norms. This study questionnaire is framed to survey employees who have undergone upskilling programme due to digital impact on their job. The study variables are carefully selected to get the perceptions of employee before the upskill programme and the difference in effects they feel after the upskill programme. This differential effect will signify the effectiveness of the upskilling programme in terms of skill development, enrichment and efficiency.

5. Profile of the Respondents

Employee perception surveys are conducted using well-designed pre-tested questionnaire to find the Job climate factors like digital impact on employees' job, employee engagement level, job nature, skill utilization level before upskilling employees. Based on the collected data, Inferences with regards to Age majority employees (44.3%) were found to be in the age bracket of >50 years. Gender based percentages are 38.3% of the respondents are Male and 61.7% are Female. Regard to marital status it could be observed that majority of the respondents (68.3%) are married. Regarding Job Level, Lower-level employees have highest percentage level of (74.9%). With respect to Department, it is observed that majority of respondents are in IT (35.3%) (Table 1).

Table 1. Respondent's profile and descriptive statistics

Factor	Particulars	Frequency	Percentage
Age	Between 21-30 years	50	30.0
	Between 31-40 years	29	17.4
	Between 41-50 years	14	8.4
	>50 years	74	44.3
Gender	Male	64	38.3
	Female	103	61.7
Marital Status	Single	53	31.7
	Married	114	68.3
Job Level	Lower Level	125	74.9
	Middle Level	25	15.0
	High Level	17	10.2
Department	Operations	34	20.4
	Sales	49	29.3
	IT	59	35.3
	Underwriting	25	15.0

Source: Author's survey table.

6. Factor Analysis

6.1 Job Climate Factors before Upskilling Employees

Exploratory factor analysis method is done using SPSS-Version 21 to find the split of components that has some correlation effects, that is evident from Table 3. Components are split into two to describe the possible relationship of correlation factors (Table 2).

Table 2. Exploratory factor analysis output - 1

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.775
Bartlett's Test of Sphericity	Approx. Chi-Square	424.454
	df	28
	Sig.	.000

Source: SPSS output from authors data analysis structure.

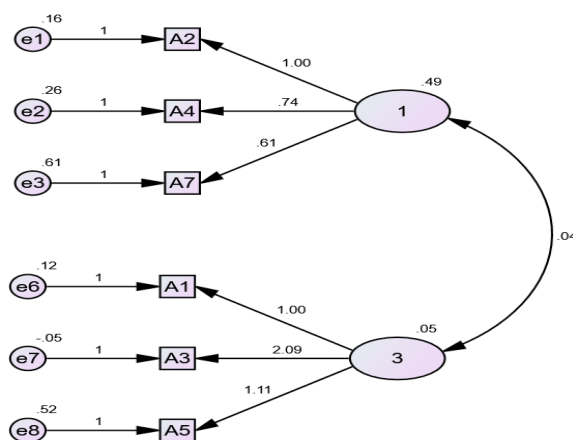
KMO measure of sampling adequacy is 0.775, Barlett's test of Sphericity with approximate Chi-square value is 424.454 is statistically significant value at 5% level.

Table 3. Factor analysis rotated component Matrix – 1

Rotated Component Matrix ^a			
		Component	
		1	3
Digital Impact on Job and employee engagement level before Upskill process	I Like my Job (A2)	0.864	
	I feel my job is boring (A4)	0.825	
	Whether there is digital impact on your job (A7)	0.625	
Job nature and Skill Utilization level before Upskilling	Whether your Job is monotonous in nature (A1)		0.742
	My working hours are long (A3)		0.868
	Do you feel your skill is fully utilized in your current role (A5)		0.668
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 6 iterations.			

Source: Authors analysis table.

After data reduction from Exploratory Factor Analysis (EFA), Confirmatory factor analysis (CFA) is done with an assumption that factors are having relationship. After getting EFA output, rotated component matrix details were used in AMOS to plot CFA. This is done to check the relationship between the factors that are grouped (Table 3).



Source: Authors analysis output.

Figure 2. Confirmatory factor analysis output – 1.

Figure 2 the relationship between the component split is analyzed. There is a significant correlation between the component “Digital impact on Job and employee

engagement level before upskilling process” to that of the component “Job nature and skill utilization level before upskilling process”.

Table 4. Standardized regression weights for the confirmatory factor analysis output - 1

			Estimate
A2	<---	1	.872
A4	<---	1	.712
A7	<---	1	.484
A1	<---	3	.557
A3	<---	3	1.116
A5	<---	3	.338

Source: Authors analysis report from AMOS software

Table 5. Fit indices recommendations for the confirmatory factor analysis output - 1

Constructs	CFI	TLI	NFI	RMSEA	CMIN/df
Before Up-skill variables measurement	0.948	0.903	0.920	0.096	2.540

Source: Authors analysis output table.

It can be observed from (Table 4 & 5) - summarizes CFI (comparative fit index) =>0.90, Normed Fit Index (NFI)=>/=0.95, Tucker Lewis Index (TLI)=>/=0.95. Incremental fit values of Comparative Fit Index (CFI) =>0.90, from (Table 6), the CFI value is fit. The model is fit for measurement as there are correlations between the observed variables. There is a relationship between the observed variable “Digital impact on Job and employee engagement level before upskilling process” to that of the variable “Job nature and skill utilization level before upskilling process” which is evident from Figure 2.

6.2 Job Enrichment and Job Efficiency-after Upskilling Employees

Employee perceptions are also collected related to job climate factors like skill development level, working hours, technology based working effects, growth potential in their job, digital impact adaptability that can relate to motivation and performance in job after the upskill programme. The relationship factors have to be analyzed for upskilling effectiveness in insurance industry. Employee enrichment factors and employee efficiency level factors after upskilling

is analyzed. 9 factors related to Job Enrichment and Job efficiency level were analyzed using factor analysis and the result of the same can be referred in (Table 6 & 7).

Table 6. Exploratory factor analysis output - 2

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.842
Bartlett's Test of Sphericity	Approx. Chi-Square	1605.020
	df	36
	Sig.	.000

Source: Authors table.

Table 7. Factor analysis Rotated Component Matrix – 2

		Component	
	Component Split	1	2
Job enrichment level after up-skill	Do you feel any change in your skill to do your job effectively (B1)	0.895	
	Is your job hours reduced after upskilling (B6)	0.571	
	I am enjoying my job (B7)	0.825	
	I feel my job is meaningful (B8)	0.884	
	I can see the growth potential in my current job (B9)	0.900	
Job efficiency level after digital change and upskill	Are you able to do your job faster (B2)		0.915
	Are you able to finish your job in an easy way with better techniques (B3)		0.892
	Do you feel the job is still monotonous after upskill (B4)		0.925
	Are you comfortable with digital changes (B5)		0.833

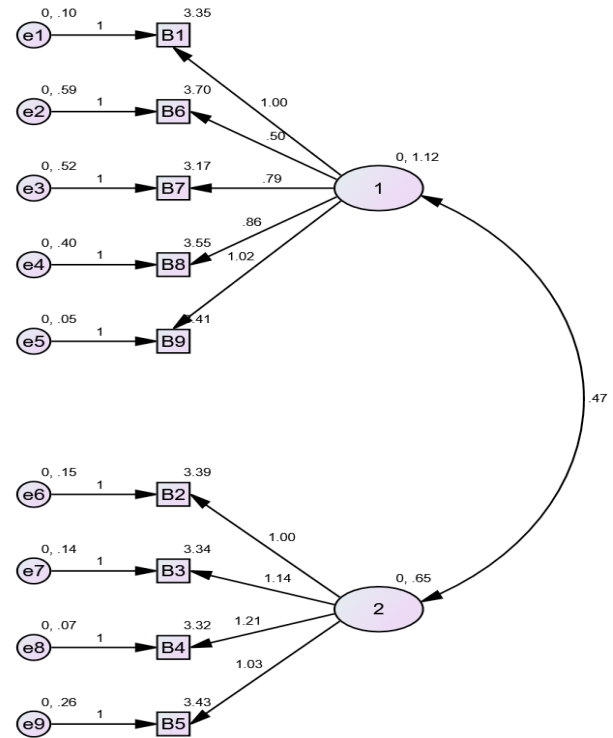
Source: Authors' calculation.

Two components are split to produce factor scores (Table 7). The components are named as Job Enrichment level after upskill and Job efficiency level after digital change and upskilling.

Exploratory factor analysis method groups the related factors. From Exploratory factor analysis the grouped factors are tested for relationship using Confirmatory Factor Analysis (CFA) method.

CFA is done using AMOS to measure the grouped factors (Figure 3).

The results of confirmatory factor analysis show that the factors are grouped on two categories, i.e., Job Enrichment and Job Efficiency.



Source: Author's calculation.

Figure 3. Confirmatory factor analysis output – 2.

Table 8. Standardized regression weights

			Estimate
B1	<---	1	.959
B6	<---	1	.571
B7	<---	1	.759
B8	<---	1	.820
B9	<---	1	.979
B2	<---	2	.898
B3	<---	2	.923
B4	<---	2	.966
B5	<---	2	.851

Source: Authors output table.

Table 9. Fit indices recommendations

Constructs	CFI	TLI	NFI	RMSEA	CMIN/df
After Up-skill variables measurement	0.919	0.889	0.905	0.173	5.977

Source: Authors output table for evaluating model fit.

Incremental fit values of Comparative Fit Index (CFI) = 0.919, from (Table 8), indicates that the CFI value is fit.

The model is fit for measurement as there are correlations between the observed variables. There is a relationship between the observed variable “*Job enrichment level after up-skill*” to that of the variable “*Job efficiency level after digital change and upskill*” (Table 9).

7. Results and Discussion

Anitha and Kumar (2016) analyzed the employee skill level, attitude, knowledge level that has a significant effect after training. Trainings will have significant effect in employees’ particular skill level but structural changes due to competition, will threaten the employee skill level for immediate upgradation. Constant upskilling is needed to identify the employee skill level upgradation according to the need of organizational structure change, technological upgradation or digital impact on jobs. This research study analyzed the technology/digital impact that makes the process simpler for employees to handle innovative insurance products for quicker delivery solutions to the customer. The study also brings out the effect in Job efficiency of employees after upskill to handle more customers with quick solutions.

Figure 2, signifies that employee engagement level with digital impact affects the job nature and skill utilization level of employees. (Table 3), around 82.5% employees feels that their job is not challenging. It is understood that employee engagement level is low before upskilling. From (Table 7), signifies that due to upskilling, the employee engagement level improved to employee enrichment level by comparing the parameters A4 and B8. (Table 3), before upskilling process, the digital impact on the job affects the skill level of employees where they used their potential up to 66.8%. (Table 3), the skill percentage level is improved from 66.8% to 89.5%. This shows the upskill effectiveness for the skill development of employees from 66.8% to 89.5%. There is a significant relationship between the observed variables-Job enrichment level and Job efficiency level after upskilling that is evident from (Table 7). An important predictor from (Table 6) that shows around 92.5% feels that the job is still monotonous in nature after the upskill process. Though

there are heightened parameters of job efficiency level after digital change and upskill (Table 7) certain variable like monotonous job (B4 – 92.5%) will reduce the employee interest that can significantly affect the Job efficiency level. So care has to be taken to minimize the repetition tasks by engaging employees into different roles, can provide challenging work environment, induces skill variety, Job rotation etc. Observation from (Table 7) indicates 57.1% employees feel their job hours are not reduced after upskilling. To improve the job enrichment, flexible working schedules option can be arranged for the employees.

8. Conclusion and Future Exploration

Digitization puts forth more challenges in Insurance industry to meet the changing customer needs. Constant upskilling is required for the employees in Insurance industry to meet the global challenges at competitive edge. This paper found that due to upskill, employee skill development is increased in their jobs posing greater effects on enrichment level progressing towards the Job Efficiency level. Future scope of the research can extend to study the upskill effectiveness in different job roles like sales, IT, underwriting etc. Future exploration can be done especially for underwriters to analyze the upskilling effect, as innovative technologies like Artificial intelligence is posing threats for underwriter job role in insurance industry. Post-pandemic will pose more demand in financial sectors and health insurance sector in particular. Hence more exploration can be done for upskilling employees in healthcare insurance.

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