

A study of Relationship between Training Effectiveness & Training Satisfaction and its impact on Organizational Positivity in Life Insurance companies

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ABSTRACT

In insurance business insurance agents also called as financial advisors play the most important role. Trained financial advisors provide an extra competitive edge to the company in the market. The research findings reveal that quality of training plays a significant role in enhancing job satisfaction and work performance of the employee. Besides, there is need to study whether the training satisfaction positively influences organization positivity. This study assessed the relationship between training effectiveness and training satisfaction and its impact on organizational Positivity in Life Insurance companies. The effectiveness of training was assessed on three parameters; they are Personal Skill Development abilities of the training, The Company and Product information generating ability of the training and Sales skill development ability of the training. The regression analysis result reveals a positive relationship between effective training imparted to the advisors and their training satisfaction. Logistic regression analysis results indicated that advisors satisfaction for the training enhances their organizational positivity.

1. Introduction

Insurance is defined as a contract between two parties, where one promises the other to indemnify or make good any financial loss suffered by the latter (the insured) in consideration for an amount received by way of 'premium'. In other words, the party agreeing to pay for the losses is the 'insurer'. The party whose loss makes the 'insurer' pay the claim is the 'insured'. The consideration involved in the contract or what the insured pays to the 'insurer' is called premium. The contract of insurance is referred to as the 'policy'[1].

In India Life Insurance Corporation a public sector enterprise enjoyed a monopoly in life insurance business up to 2000. The year brought a seismic change in the industry through opening its door for private players. Initially, the limit on FDI was 26 percent later in 2014 it was increased up to 49 percent. To harness the huge untapped opportunities offered by the Indian insurance market, a number of foreign firms entered the market. At present, the industry is exposed to tough competition as there are 24 companies operating in the Indian insurance market [2]

Insurance is one of the most difficult products to sell as insurance is not bought but it is sold. It is an unpleasant thing which has to be sold in a pleasant manner[3]. Entry of private and experienced foreign players in the market has intensified competition in the insurance sector. Customers are enjoying the fruits of competition. They are expecting best services from their insurance service provider[4]. Increasing customer's expectation fosters a number of challenges at front of insurers.

In insurance business insurance agents also called as financial advisors play the most important role. They act as front-line soldiers for the company. They identify the potential customers, schedule an appointment with the customers, offers

them the best insurance solution through assessing their needs, convert the potential customer into the customer of the company, conduct primary underwriting of the customer, give effective after sales services to the customers to achieve up sales of the company's other insurance policies. Insurance salesmanship is a high pressured job that requires constant networking, and building new relationships which necessitate not the only high amount of people skill but also inner motivation[5]. The industry also witnessing the high amount of sales force turnover as 4-year retention rate in the insurance industry is as low as 13 percent[5]. As the insurance advisors perform the prime role in sales and distribution of insurance, advisors training are most important. Life insurance companies need to train their sales representatives to acquire competencies as problem-solving, communication, information technology utilization, culture compatibility, emotional intelligence, collective competence and ethics[6]. Training gives new or current employees the skills they need to perform their jobs[7]. Training needs analysis ensuring the effectiveness of the overall training process and imparts specified skills to the employees. The quality of training plays a significant role in enhancing job satisfaction and work performance of the employees[8]. This study intends to assess the relationship between training effectiveness and training satisfaction and its impact on organizational positivity in Life insurance companies.

2. Conceptual Framework

Training effectiveness: Training effectiveness is a measure of the extent to which training achieves its intended outcome, for instance, to improve work performance[9]. Training evaluation has the advantage of identifying the area that needs further improvement and it may also provide an insight into methods of improvement

Organisation Positivity: Positivity is the practice of being or tendency to be positive or optimistic in attitude[10]. Positive Organizational Behavior is an application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace[11].

3. Literature Review

Workplace performance is a complex phenomenon to measure, and establishing linkages between training and workplace performance is a difficult proposition. The relationship depends on the features of training and measure of performance considered[12]. Training is positively associated with job satisfaction and job satisfaction is positively associated with the workplace performance. Performance of the employees and productivity of the workforce increases as a result of proper attention towards quantity and type of training given to them[8]. One of the important factors that affect employees productivity is employees training. Employees show better performance when they are been trained[13]. Training benefits employees to enhance their knowledge, skills, ability, competences, and behavior. Organizational performance depends largely on manpower training and development. Training affects employee's performance and organizational effectiveness. Organizations should have regular and well-thought-out training and development programs for their employees[14]. Job training satisfaction is independent of demographic factors of the employees whereas there is a significant relationship between job type, job status, and job tenure. Employee participation in training, selection for training, methods of training and relevance of training to the work of the employees have an impact on the performance of employees with regards to their jobs[15]. Training is an important antecedent of performance. Performance of an organization relies on the employee commitment which in turn depends on the HR policy of training and development. Training has a significant influence on employee's work commitment and performance, it is important to reinforce and apply training as part of organizational agendas in achieving organizational goals. Training commitment, training needs assessment, training contents, and delivery approaches, and training evaluation positively and significantly influence the employee's work commitment, job satisfaction and job performance[16]. A well designed and executed training facilitates participant's involvement, attitudinal changes and this provides an opportunity for application of new skills and knowledge in the workplace, job commitment, employees' alignment to organizational visions and strategies[17].

Research Gap

The research findings reveal that there is a positive relationship between training and employees job performance. Besides, there is need to study whether the training satisfaction positively influences organization positivity.

4. Research Hypotheses

Hypothesis No.1

H₀: There is no significant relationship between training effectiveness and financial advisors training satisfaction.

Hypothesis No.2

H₀: There is no significant relationship between financial advisor's training satisfaction and organization positivity.

5. Research Methodology

Data Collection: The research was conducted with primary data collected through a structured questionnaire. The effectiveness of training was assessed on three parameters, they are Personal skill development abilities of the training, The Company and Product information generating ability of the training and Sales skill development ability of the training. Training effectiveness scale has Likert statements and the respondents were graded Likert statements on a five-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). Training satisfaction scale is a rating scale and the respondents rated satisfaction on the quality parameters of the training ranging from 1 (Highly dissatisfied) to 5 (Highly satisfied). To understand advisors opinion about their training impact on organization positivity dichotomous (Yes/No) response collected.

Sampling Design and Sample Size: The study was conducted in the Kolhapur city. There are seventeen insurance companies operating in the city. Out of total seventeen companies, ten companies having highest annual sales turnover were selected for the study. Total 1106 Advisors were associated with those companies; it was population under the study. At 5 % level of significance for 5 % confidence interval the calculated sample size was 345 advisors. Financial advisors to be contacted from each company were calculated using a proportion to population sample size estimation methods. Financial advisors willing to participate in the study were contacted for the data collection.

6. Analysis and Interpretation of Results

Tools of analysis: For analysis MS office Excel and SPSS 20.0 was used. To understand the relationship between advisors opinion for the effectiveness of training and training satisfaction regression analysis was used. Finally, logistic regression was used to analyze the relationship between advisors training satisfaction and organization positivity.

Hypothesis No.1

H₀: There is no significant relationship between training effectiveness and financial advisors training satisfaction.

The important objective of the study is to assess the relationship between financial advisor's opinion about skill development ability of the training and satisfaction level for training. The skill development ability of the training is been assessed on three parameters. They were personal skill development abilities of the training, The Company and Product information generating ability of the training and Sales skill development ability of the Training. To study financial advisor's opinion about training on above-mentioned parameters three Likert scales were prepared. To study the financial advisor's satisfaction for training five points rating scale was prepared. Table No. 1.1 presents descriptive statistics of three scales prepared.

Multiple linear regression analysis is used to determine the significant relationships between independent variables (Quality Training Practices) and the dependent variable (Financial Advisors Training satisfaction). Table No. 1.2 gives model summary analysis. A correlation coefficient (R-value) for the model is 0.494, it indicates a positive relationship between

dependent variable (Financial Advisors Training satisfaction) and independent variables (Personal Skill Development abilities of the training, The Company and Product information ability of the training and Sales skill development ability of the Training). The R Square value indicates 48.9 percent variations in the dependent variable are explained by the independent variable.

Table No: 1.1
Descriptive Statistics of Scales Used

Statements	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree	Total	Mean & Standard Deviation
Skill Development							
Objection handling during the sales Calls	12	35	86	109	103	345	Mean= 3.51 Std Dev=0.4
Convincing Power	12	35	99	113	86	345	
Speaking / Communication skills	9	42	89	137	68	345	
Personality Development and confidence Improvement	31	16	80	113	105	345	
Analysis of customer's economical And psychological need	16	37	83	142	67	345	
Spot decision making according to the Situation and requirement	25	34	165	79	42	345	
Analyzing skills	25	34	165	79	42	345	
Increase in sales figures	15	56	106	142	26	345	
Company / Organisation related							
Product Knowledge of all the products of the company	30	24	42	171	78	345	Mean=3.6 Std D=0.35
Company history and details	10	35	165	89	46	345	
IRDA rules and regulations	0	45	106	101	93	345	
Goals, objectives, and achievements Of company.	0	26	71	129	119	345	
Ability to select correct product according To customer's need	0	36	98	142	69	345	
Spot decision making according to the Situation and requirement	31	16	80	113	105	345	
Documentation procedure	12	35	86	109	103	345	
Licensing procedure and rules	36	57	95	105	51	344	
Advisor code activation process	31	16	80	113	105	345	
Career opportunities and development	35	15	169	123	2	344	
Operations/Issuance procedure	16	37	83	142	67	345	
Ability Development							
After Sales Services to the customers of the company	12	35	86	109	103	345	Mean=3.22 Std D= 1.03
Proper Follow – up	39	19	147	96	44	345	
Identification of targeted customer	9	42	89	137	68	345	
Spot conversion & document collection (Spot Closing)	9	67	89	178	2	345	
The ability of handling of referral / cold calls	25	35	165	78	42	345	
Financial Advisors Training Satisfaction Scale							
Statements	Highly dissatisfied	Dissatisfied	Neither dissatisfied Nor satisfied	Satisfied	Highly satisfied	Total	Mean & Standard Deviation
Level of interest created	25	34	165	79	42	345	Mean= 3.65 S.D= 0.97
Duration of the training	35	15	169	123	2	344	
The content of the training	10	35	165	89	46	345	
Level of efficiency and skills of the trainer	0	26	71	129	119	345	
Tools and equipment used during the training	39	19	147	96	44	345	
Games and innovative activities conducted during training	31	16	80	113	105	345	
Location/Venue of the training	12	35	86	109	103	345	

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	27.208	3	9.069	110.814	.000(a)
Residual	27.909	341	0.082		
Total	55.117	344			

Table No. 1.2
Multiple Regression Model Summary

Table No. 1.2 Multiple Regression Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.703(a)	0.494	0.489	0.286
Predictors: (Constant), Ability development, Com. & Product awareness generation, Skill development			
b Dependent Variable: Financial Advisors Training Satisfaction			

Table No. 1.3
ANOVA Summary

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	27.208	3	9.069	110.814	.000(a)
Residual	27.909	341	0.082		
Total	55.117	344			

Table No.1.3 shows the ANOVA results. F value is 110.814 and the corresponding P-value is 0.00. As P-value (0.00<0.05) it is significant at the 5 percent level of significance. Here the null

hypothesis is rejected and it is concluded that there is a significant relationship between effective training practices and financial advisor’s training satisfaction.

Table No. 1.4
Multiple regression model coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-0.20	0.21		-0.94	0.35		
Personal skill development	0.19	0.04	0.19	4.64	0.00	0.87	1.15
The Company and Product information ability of the training	0.63	0.05	0.55	13.4	0.00	0.88	1.13
Sales skill development ability of the Training	0.22	0.03	0.25	6.47	0.00	0.99	1.02

a Dependent Variable: satisfaction

From Table No. 1.4 Coefficient table it is concluded that financial advisor’s training satisfaction depends upon personal skill development abilities of the training, The Company and product information generating ability of the training and sales skill development ability of the training.

$$Y \text{ (Financial Advisors Training satisfaction)} = -.195 + .190 \text{ (Personal skill development ability of the Training)} + .626 \text{ (The Company and Product information generating ability)} + .223 \text{ (Sales skill development ability of the Training)}.$$

It can be explained by the following regression equation:

$$Y = a + b_1 \cdot X_1 + b_2 \cdot X_2 + \dots + b_p \cdot X_p$$

$$Y = a + bX + e$$

Y= The success of training and development
 a = constant (-.195)
 X₁ = Personal skill development ability of the training (.190)
 X₂ = The Company and Product information generating ability (.626)
 X₃ = Sales skill development ability of the Training (.22)
 b = regression of coefficient of X
 e = an error term, normally distributed of mean 0 (usually e is assumed to be 0)

Hypothesis No: 2

H₀: There is no significant relationship between financial advisor’s training satisfaction and financial advisor’s organization positivity.

Here research intended to find out the influence of financial advisor’s training satisfaction, as an independent variable and financial advisors organization positivity. The dependent variable is a binary choice between "Organisation Positivity" and "No Organization Positivity".

To know financial advisor's organization positivity dichotomous question whether training has developed the

senses of positivity toward organization was asked and respondents have given the answer in terms of “yes or no”.

Logistic regression is used to measure the relationship between a categorical dependent variable and one or several continuous independent variables by converting the dependent

variable to probability scores[18]. Logistic regression is used when the dependent variables are 1) dichotomous, 2) nominal or 3) ordinal, and the independent variables are 1) nominal or 2) ordinal or 3) interval or rational and satisfy or fail normality assumptions.

**Table No. 1.5
Omnibus Tests of Model Coefficients**

	Chi-square	df	Sig.
Step	106.65	1	0
Block	106.65	1	0
Model	106.65	1	0

Table No. 1.5 shows the Omnibus tests of model coefficients. It gives general tests of how well the Model performs. This is the chi-square statistic. The statistics for the Step, Model and Block are the same because stepwise logistic

regression or blocking is not used. In this case, the model is statistically significant because the P-value (0.00<0.05) is less than 5 percent level of significance.

Table No. 1.6 Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	362.812	0.266	0.358

Cox and Snell’s R-Square attempts to imitate multiple R-Square based on ‘likelihood’, but its maximum can be (and usually is) less than 1.0 Here it is indicating that 26.6 percent of the variation in the dependent variable is explained by the logistic model. The Nagelkerke modification that does range from 0 to 1 is a more reliable measure of the relationship.

Nagelkerke’s R² will normally be higher than the Cox and Snell measure. Nagelkerke’s R² is part of SPSS output in the ‘Model Summary’ table and is the most-reported of the R-squared estimates. In this case, it is 35.8, indicating a moderately relationship of 35.8 % between the predictors and the prediction.

**Table No. 1.7
Classification Table**

		Predicted		
		Positivity		Percentage Correct
Observed		No Positivity	Positivity	
	Positivity	No Positivity	89	56
Positivity		27	173	86.5
Overall Percentage				75.9
a The cut value is .500				

Table No 1.7 The classification table summarizes the results of prediction about the organization positivity. In this study, 61.4 percent were correctly classified for the Non-Positivity group

and 86.5 % for Positivity. The overall model predicts 75.9 % financial advisor’s organization positivity correctly.

**Table No. 1.8
Variables in the Equation**

	B	S.E	Wald	Df	Sig.	Exp(B)
Training Satisfaction	3.62	0.44	66.59	1.0	0.00	37.40
Constant	-12.23	1.54	62.96	1.0	0.00	0.00

From Table No. 1.8 Variables in the Equation, Wald statistic and associated probabilities provide an index of the significance of each predictor in the equation. The Wald statistic has a chi-square distribution. The simplest way to assess Wald is to take the significance values and if it is less than .05 reject the null

hypothesis as the variable does make a significant contribution. Here, financial advisor’s training satisfaction has significantly contributed to the prediction (P= .000<0.05) their organization positivity. The Exp(B) column in the table presents the extent to which raising the corresponding measure by one unit influences

the odds ratio. Exp(B) is to be interpreted in terms of the change in odds. If the value exceeds 1 then the odds of an outcome occurring increase; if the figure is less than 1, any increase in the predictor leads to a drop in the odds of the outcome occurring. For example, the Exp(B) value associated is 37.404. Hence when financial advisor's training satisfaction raised by one unit the odds ratio is 37.404 times as large and therefore financial advisors are 37.404 more times likely to belong to the positivity group. The 'B' values are the logistic coefficients that can be used to create a predictive equation (similar to the b values in linear regression) formula. In this example:

$$\hat{p} = \frac{\exp(B_0 + B_1X)}{1 + \exp(B_0 + B_1x)} = \frac{e^{B_0+B_1x}}{1 + e^{B_0+B_1x}}$$

Where

P = The probability of Financial Advisor is having positivity towards the organization

e = the base of natural logarithms

b = regression of coefficient of X = 3.622 Constant= -12.234

The probability of financial advisor is positive towards organization is influenced by the value of exp. The value of exp is positively influenced by financial advisor's training satisfaction. The coefficient of this predictor is 3.622. It indicates positive relationships between financial advisor's training satisfaction and financial advisor's organization positivity.

The results indicate that the test of the overall model of independent variable financial advisor's training satisfaction with dependent variables financial advisor's organization positivity' is statistically significant, according to the model chi-square statistic (model chi-square $X^2 = 106.65$; $df = 1$; $P = .000 < 0.05$). Nagelkerke's $R^2 = 0.358$ which indicates the moderate relationship between the financial advisor's training satisfaction and financial advisor's organization positivity. The model also predicts a high percentage (75.90) of the responses correctly. According to the Wald criterion financial advisor's training satisfaction significantly influence financial advisor's organization positivity.

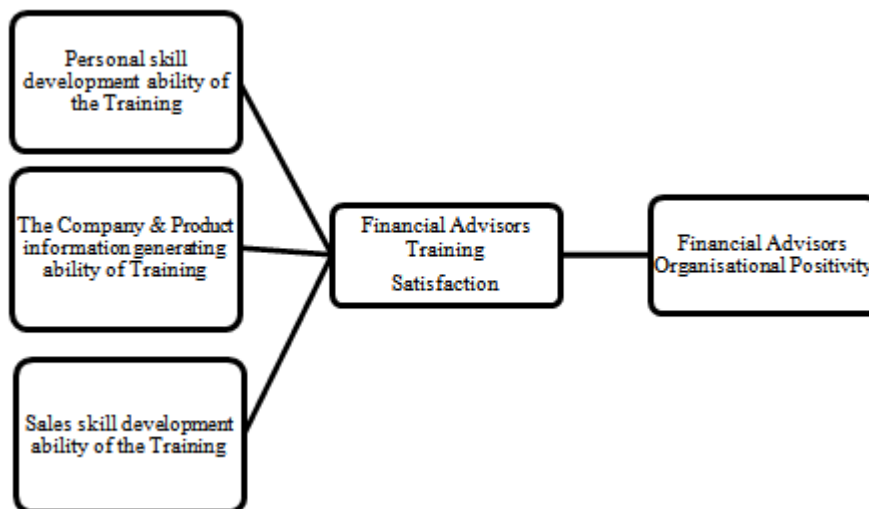


Figure 1. Relationship Model

7. Conclusion

The entry of foreign players intensified the competition in Indian insurance market. Insurance is one of the most difficult products to sell, as insurance is not purchased but it is sold by the advisor. Insurance advisors are front-line soldiers of any company. They play a prime important role in the promotion, sales, and distribution of the insurance product. The competent advisors of any insurance company give the company competitive edge in the market. Besides, being insurance advisor is a tough task; he has to withstand tremendous sales pressure and customer expectations. Advisors have to continuously upgrade their product knowledge to meet customer expectations. In a way advisors training is a tool in the hands of

the company to develop advisors personality, his knowledge of the company & insurance product and sales abilities.

This paper attempts to answer two main questions question whether advisor opinion about the quality of training affects their training satisfaction. Second whether advisors training satisfaction determines their positivity towards the organization. The regression analysis result reveals a positive relationship between effective training imparted to the advisors and their training satisfaction. Logistic regression analysis results indicated that advisors satisfaction for the training enhances their organizational positivity. The study enforces the importance of quality of advisor's training in the insurance business.

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