

A STUDY OF IMPORTANCE OF TRAINING AS A MAJOR COMPONENT OF HUMAN RESOURCE MANAGEMENT AT KOTAK LIFE INSURANCE KALYAN BRANCH

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***Abstract :** It is always said that “Change is the most Constant thing in life”. Of all the components of Human Resource Management, the only component which is adaptable to Change factor is People. People who are recruited may not know all the goals and objectives of the organisation but they become the most useful asset of the organisation when they are given regular training. Hence TRAINING is considered as a vital component of HRM practices. Every aspect of HRM needs the expertise of trainers for achieving the goals set by the organisation. This paper tries to understand the different training techniques applied at Kotak Life Insurance w.r.t Kalyan Branch. Life Insurance sector is dominated by Life Insurance Corporation of India. To cut into the market of such a mammoth government organisation and make a place for itself seems not only difficult but almost impossible. However, one ray of hope in this impossible task is the application of proper training techniques and HRM policies. The management plans to be executed at ground level demands proper training of agents consistently. Different modules of training to these agents will help them to penetrate the market and make a place for themselves. One of the success mantra in this competitive world is customer satisfaction which further results in customer retention and the back bone of this success purely depends upon the approach of agents to its customers and the approach is guided by training modules imparted at various branches of Kotak Life Insurance. On financial grounds, Training provides a win-win situation to the company and the agents. Agents get financial benefit through sale of policy and Company is able to get its mark in the market. The data for study was collected through floating questionnaire among agents and scheduled interview with the trainer at Kalyan branch of Kotak Life Insurance. The analysis of data was done through calculating Percentage of the responses and conclusions were formed based on this analysis.*

***Keyword** – Training, HRM, Customer Retention, Agents (Life Advisors).*

Introduction

People are the most precious factors of production in comparison to all other factors. The simplest reason for this may they are alive, and they can be trained and developed to become a part of goal-setting of the organisation as a whole. A Reference to speeches made by few historical stalwarts confirms this aspect. Lord Mountbatten, Late Prime Ministers Smt. Indira Gandhi, Shri. Rajiv Gandhi has made special reference to the importance of people in their speeches at different times.

Lord Mountbatten while leaving India said “Independent India has to do a lot in utilizing human resources for its own benefit and development”

Smt. Indira Gandhi in her public speech made a special reference to the human resources when she said “our greatest wealth is our people. We must enable individuals and families to realize their potential to the full”

Our Late Prime Minister Shri. Rajiv Gandhi rightly remarked, that “development is not just about factories, dams and roads but is basically about people”.

Human resource development (HRD) is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong and Baron, 2002)

People become an asset of an organisation only when they are trained properly to understand the goals of the organisation. Also, training helps individuals to get together at work place and form a goal-oriented team. Training keeps them well informed and updated about the changes taking place across the nation, in the stream of business they are related to, the current trends and most importantly the up gradation related to their own company.

Objectives of Study:

- a) To present a theoretical perspective of Training & Development as a major component of Human Resource Management
- b) To know about the different training procedures followed at Kotak Life Insurance.
- c) To Analyze the effectiveness of training provided to agents at Kotak Life Insurance

About Training & Development:

Training and development could then be seen as a mixture of activities aimed at improving the performance of personnel in organizations for the attainment of continuous improvement in productivity.

Training changes uninformed employees to informed employee; training changes unskilled or semi-skilled workers to employees who can do their assigned tasks in the way the organization in which it is expected to be done by them by making optimum utilization of available resources.

Training and development is not a onetime affair, it has to be a continuous process. The training circles have adopted the “life-long learning” as an integral part of training techniques. This shows the importance of training at all levels for growth of an organisation.

There are different types of training undertaken by an organisation. An illustrative list is as follows:-

- ✍ On Job Training (OJ)
- ✍ Off Job Training (Seminars, Lectures etc)
- ✍ Cognitive Training (Discussions, Demonstrations etc)
- ✍ Behavioural Training (Role Playing, Business Games etc)
- ✍ Classroom Lectures
- ✍ Coaching
- ✍ Role Playing
- ✍ Mentoring

The activities related to training are as important as other human resources functions are equally important. There was a time when training was considered to be the waste of time, money and resources, and considered to be fruitless. But in this present age of advanced technology and competitiveness, training is considered to be an investment of time and money in human capital. However, in today's time, training is considered to be an essential instrument of human resources management in order to organize, control and develop the human capital to reduce the attrition rate this helps in keep motivating the entire workforce within an organization. It increases the satisfaction level of employees, helps professional achieving personal and organizational goals. Training is considered to be the backbone of employees, organizational success and as well as departmental success.

Role of agents in Insurance Sector:

Agents are the face of every insurance company at ground level. Insurance companies try to reach its end consumers through various sources. Advertisements are one of the prime reasons to reach out to its consumers and educate them. However, advertisements are always impersonal way and lacks direct approach. To overcome this problem, they appoint agents. Recruiting good agents and further, proper training helps application of plans at highest level to the ground level in the best possible manner. The role of Agents is a key affair because selling of Insurance policy purely depends on relationship. One of the key requirements to become an agent is he/she must be ready to invest time and contact to flourish in the business of insurance. This is because sale of majority of insurance policies is the outcome of personal relationship either directly or through a reference only.

Appointment of Agents in Life Insurance Business:

Agents are also known as Life Advisors of the company. Any prospective candidate who is interested to take up an agency license has to appear for an Examination conducted by Insurance Regulatory Development Authority (IRDA). To make this examination, more authentic, IRDA has made mandatory training to all candidates. This makes all the eligible candidates to be genuinely interested in the work taken up. After training is completed, a Certificate is issued by the trainer after which the entrance exam can be taken up by the candidate. On passing the entrance exam, the agency license is awarded and the candidate becomes agent.

Training at Kotak Life Insurance:

For appearing entrance exam of IRDA, Kotak Life Insurance conducts 50 hours training within their branch premises over a period of 5 days. The new candidates are divided into batches of 10-15 people and given training for appearing entrance exams. Such training gives the candidate dual advantage:

- (a) Clearing the IRDA exam and
- (b) Knowing the atmosphere existing within a branch where he/she is supposed to join in a few days.

After training is completed, a Certificate is issued by the trainer after which the entrance exam can be taken up by the candidate.

Once Agency is confirmed, special training sessions are conducted at Kotak. A two day mandatory Induction Programme training is conducted at Kotak Life Insurance. In this two day programme, On- the-Job training with Behavioral training (role playing) is provided. The newly qualified agents are groomed to meet their prospective customers and special training is given to these recruits. They are trained to book an appointment with prospective customers over the telephone and further training is given to handle objection raised over the telephone. Once appointment is finalized, training is provided to educate the customer regarding the policy and close the enquiry and convert the prospective customer to policyholder.

This first sale is suggested to be made in the first month of agency under the supervision of his Manager. This acts as a motivation to the newly appointed agent and he becomes active in the process of selling insurance.

Once appointed as a agent, Kotak Life Insurance, encourages agents to attend 24 session of rigorous training over a period of 12 months. Effectively 2 sessions of 4 hours each are conducted in every month. This routine training covers various aspects including sessions based on product knowledge, skill development, employer-employee relationship, underwriting, claim settlement, policy servicing, ULIP training. Apart from gaining knowledge on the above aspects, the agent also develops his network among peers, improves his rapport with office staff at branch and also is updated with various new schemes launched at branch. These sessions are collectively called as "CENTRE FOR CUSTOMER DELIGHT (CCD)"

After CCD, trainers are in constant touch with agents throughout the year and they encourage agents to be in touch with the branch for day to day needs and updates. If an agent suddenly withdraws after being active for a long period of time, then a special "MENTOR MEET" is arranged to motivate that agent. In this mentor meet, his/her performance is appraised and motivated with various options being brought into light. This helps the agent to be refreshed and move ahead in life.

A special "PERFORMANCE REVIEW & PLANNING (PRP)" is conducted by Managers on a consistent basis with his team of agents on weekly basis. As the name suggests, this meet involved 3 ingredients:-

- ✍ Analysis of Last meets wherein the planning done in the previous meet is discussed with individual agent.
- ✍ Review of the work done during the week is noted.
- ✍ Planning of work to be done for the next week is discussed and targets are set.

Such periodical meets pep-up the lost element and the entire team is charged up to perform better. Since manager himself devotes time with agents, the ground level staff is motivated to perform up to the best of abilities without providing lame excuses.

As a motivation to attend training sessions, Kotak Life Insurance has initiated a Training Allowance wherein agent is provided Rs.30,000 for first 3 months and Rs.45,000 from 4th month onwards. A financial incentive is always appealing and agents attend the training session more consistently. This in turn helps the agent to be ready to face the market with more confidence and knowledge. The outcome of this exercise is that he is able to bring about positive leads which increase his sales. The increase of sales makes him achieve targets and hence additional perks which are announced. The overall benefit is reached to Kotak with increased Sales. So it is a win-win situation for all parties concerned. The entire credit for this

situation can be attributed to Training sessions.

Sampling Design:

A Sampling process where each element in the target population has equal chance or probability of inclusion in the sample is known as simple random sampling.

The Number of samples taken for this study is of 30 agents from Kalyan Branch of Kotak Life Insurance Company.

Method of Data Collection:

The required information for the present study has been collected both from primary and secondary sources.

The primary data were collected through Questionnaire which was prepared for the purpose of collecting information from the Agents.

The secondary data required for the study were collected from various books, LIC CRM hand book, reports, Journals, thesis and various articles published in newspapers and magazines.

Analysis of Data collected through Questionnaires:

The responses received based on questionnaires floated among agents revealed the information which is tabulated in the following dispatch for understanding and analysis purpose.

The feedback is as follows

Sr. No	Response	Strongly Agree	Agree	Indifferent	Disagree	Strongly disagree	Total
1	Induction training is given utmost importance	14	16	0	0	0	30
		47%	53%	-	-	-	100%
2	Induction training is a planned activity	10	20	0	0	0	30
		33%	67%	-	-	-	100%
3	Seniors take interest and interact with new recruits during Induction	6	24	0	0	0	30
		20%	80%	-	-	-	100%
4	Regular training is evaluated and improved every year	3	21	6	0	0	30
		10%	70%	20%	-	-	100%
5	Training helps increasing agents' productivity	0	24	6	0	0	30
		-	80%	20%	-	-	100%
6	Updated reference materials are provided	4	20	6	0	0	30
		13%	67%	20%	-	-	100%
7	Trainers have rich potential	2	28	0	0	0	30
		7%	93%	-	-	-	100%
8	Venue for training is suitable	2	15	13	0	0	30
		7%	50%	43%	-	-	100%

Observations:

- 1) Training is conducted at Kotak Life Insurance at two levels regularly:-
 - a) Induction Training (Before IRDA exam)
 - b) CCD Training (Immediately after he qualifies to become an Agent)
- 2) The Induction training provided stands test of time as ALL THE AGENTS have given positive feedback for importance granted to it, the planning of activity and also involvement of seniors during such training.
- 3) 70% of the Agents also assented to the fact that Regular training is being conducted at Kotak Life Insurance.
- 4) The result of this training was obvious as Agents felt that their productivity improved after attending such training modules.
- 5) Whopping 93% agents agreed to the fact that the Trainers at Training had rich potential in training and they were drawn from operational careers. This can be motivating for Trainers at these places.
- 6) Also, more than 50% agents were satisfied with the reference materials provided at training and also the Venue provided was up to the mark as suggested in the response sheet.

Conclusions:

Training is a key in the hands of Private Life Insurance Companies like Kotak Life Insurance to unlock the market which is being monopolized by the Government backed Life Insurance Corporation of India. Opening up of Insurance sector by the Government of India has provided opportunity to many persons across nation to approach people in a gratified manner and put across their thoughts in a lucid way. As mentioned earlier, to face tough competition of Life Insurance Corporation of India and other private players, the two important fighting instruments available with Kotak Life Insurance are Training and Innovative Products.

Suggestions:

This study brought into light that Training is conducted at Kotak Life Insurance consistently but advanced modules for Agents will be handy for them to face tough challenges they face in day to day meetings with Customers. No doubt, Experience is the Best Teacher but if Training provides a solution which Experience may teach after few attempts, Training would surpass Experience as being the Best Teacher.

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