

A study on the impact of training on employee commitment in the private insurance sector in Coimbatore district

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Abstract

Employee training is the mandatory requirement for an organisation to be successful and reach its goals. Training facilitates the organizations in building a more committed and productive workforce. By providing opportunities for the individual employee and career growth, an effective training program could bring greater commitment and less employee turnover. Employee commitment refers to the responsibilities of an employee that he/she holds to fulfill in an organisation. Employee commitment indirectly relates to the knowledge and confidence of a person. When an employee has an adequate knowledge of his job related things, he becomes more confidence on his productivity which keeps him committed also. This knowledge and confidence can be provided through the employee training. The committed employees can bring the organization's success.

The main objectives of this study are; 1) To study the impact of the training on the employee commitment. 2) To study the determinants of the employee commitment.

This study was conducted in the Private Insurance sector in Coimbatore consisting of Life and Non-Life Insurance companies because insurance is the industry that depends mostly on the training given for the employees' performance and commitment. Sample size of the study was 100 and the data were collected through the questionnaires. The sampling method was Random Sampling Method. The statistical tools applied were t-test, ANOVA, Chi Square and Regression Analysis.

Results obtained reveal that the training given to the employees in the Private Insurance Sector, at the Coimbatore District improves the commitment of the employees in the organisation, which in turn improves their performance. There is an increase in the employee productivity after the training. The education level, staff category and the work experiences of the employees are the factors determining the growth of the employee's performance in organisation after the training.

Keywords: Training, Organisation, Employees, Performance, Insurance, Commitment

1. Introduction

In the today's business scenario, employee training plays a key role in the organisation to achieve its goals and meet the global competitions. Almost every industry is providing the training to its employees as per their business needs. Insurance is the major industry which contributes a considerable percentage to the Indian economy is known for its training programmes. Insurance sectors needs to provide the orientation & product training for its newly recruited employees and the skill & product training for the existing employees as a part of the refresher training. Otherwise the employees cannot perform their work.

Insurance industry facilitates the employee training in the areas of marketing, products promotion, client services etc. This training is equally been given to all the members of the organization without any reservation, even the existing employees are given with the refresher training programme.

Private insurance industry is investing a huge amount in training to make their workforce more competent to achieve their goals. But this industry is not getting the results in return for the reasons either the employees switch over to other company or they do not feel committed even after the training, which incur a heavy loss of money and time for the management.

Hence this study is conducted to prove how this training brings the changes in the employees' commitment in Private Insurance Sector, Coimbatore District.

2. Statement of the problem

Training is the continuous process that provides knowledge, improves the skills and brings remarkable changes in the attitude of an employee. Training is important for the welfare of the employee as well as the organization. The importance of training in private insurance sector has become the necessary one to make their employees committed towards their job and improve the performance.

Training programmes like orientation for the freshers, refresher training for the existing employees, product and skill training for all the employees are provided by the insurance industry to its workforce. The efforts and time spent on these programmes are done with the expectations of the employees' commitment towards job and in turn improvement in their performance. But the employees are utilizing these programmes for their individual empowerment and not much for the organizational growth. Employees have a tendency to shift their work place once they acquire skill/ knowledge through these training programmes.

After the effective training programmes the performance of the

employees varies. The effective training makes a person more committed towards their job. So it is important to know the impact of the training on an employee commitment. Insurance is the industry, which relies mainly on training given for the employees' commitment and performance. But not much research have been done before in this sector. Hence this research is conducted to study the impact of the training on employees' commitment in Private Insurance Sector, Coimbatore District.

3. Research Methodology

The Study on the "Impact of Training on the employee commitment in the Private Insurance Sector in Coimbatore district" is being conducted as a descriptive study deals with collecting, summarizing and simplifying data and drawing conclusion. The main Objectives of this research are to study the impact of training on employee commitment and to know the factors determine the employee commitment.

Population for the study of the Impact of Training on the Employee Commitment in Private the Insurance Sector, Coimbatore district is 10 companies from both the life and non-life private insurance sector. Sample refers to the respondents. Sampling is the process of choosing a representative portion of the entire population, the population of the employees in private insurance sector in Coimbatore District. Employees present in all the departments of the company are selected for the study. Sampling Unit: Refers to the place of the study, which is in Coimbatore. Sampling Technique followed here is the Random Sampling Method. Sample Size of the study is 100 respondents from the 10 companies of Private Life and Non-life insurance sector. Data Collection is done through the Primary Data Collection by "Questionnaire Method" designed with the questions on the different aspects of the employee commitment and given with a 5 point Likert Scale Rating choice for the respondents to choose.

Employees' commitment scores are calculated by adding the ratings given by the respondents for all the items. Ratings are assigned as 1 = Strongly Agree, 2=Agree, 3=Undecided, 4=Disagree, 5=Strongly Disagree.

Research Tools used were t-Test, Anova and Chi Square.

4. Review of Literature

Alexander Newman and Rani Thanacoodvm, Wendy Hui in their study, they examine the impact of the employee perceptions of training on the organizational commitment, and the latter's relationship with the turnover intentions. Structured equation modeling is conducted the on survey data from 437 Chinese employees of five multinational enterprises operating in the Chinese service sector. The results of the survey are consistent with the social exchange theory. They highlight the importance of training as a tool to enhance the effective organizational commitment of the employees, and reduce turnover. No evidence was found to indicate that motivation to learn and the perceived benefits of training impact on the organizational commitment of employees. This may be explained by three factors: the involuntary nature of the employee training, the limited career development opportunities on the offer to the local employees of the multinational enterprises and the difficulty faced by employees in applying the learnt skills due to the cultural differences.

Simon Mafika Nkosi through his study analyzes the effects of the training on the employee commitment, retention, and

performance in a Local Municipality situated in Mpumalanga Province, South Africa. Based on convenience sampling method, a total of one hundred and thirty employees were selected and participated in the study. A questionnaire structured in a Likert scale format was employed to gather data on training, employee commitment, retention and performance. Data was analysed using SPSS statistical package. The Cronbach's alpha of 0.813 and the Keiser-Meyer-Olkin of 0.865 were obtained from the data analyzed. The findings derived from multiple regression analysis using the ordinary least squares regression technique confirmed that; training has a significant effect on employee commitment, retention and performance enhancement within the local municipality examined.

The impacts of training on an organizational commitment and turnover intentions in private sector of Saudi Arabi has been investigated by Khawaj Jehanseb *et al.*, Their study seeks to focus the relationship between an organizational commitment and turnover intentions of the employees. A self-administered questionnaire is used, involving 251 respondents from leading private organizations of Saudi Arabia to collect the data and testing the existing theory. The results provide strong support for the hypothesis that is the negative relationship between an organizational commitment and turnover intention. Employees' training is significantly correlated with an organizational commitment, turnover intentions and the commitment-turnover relationship. The sample is limited to the private organization in Saudi Arabia. The results provide insight into the impact of the organizational commitment on the turnover intentions in the specific private sector of Saudi Arabia, which might benefit for managers and policymakers of the concerned organizations and in general for the whole sector.

According to Umamaheswari, S. Krishnan, Jayasree Work life balance and policies, organization commitment, supervisor support and training and development were the four non-monetary factors correlated to the employee retention. They have analyzed the factors influencing employees' continuation in the ceramic manufacturing industries. This study explored the facts over the employees of ceramic manufacturing industries in India. The findings also concluded that the work life balance and policies, organization commitment and supervisor support exerted significant influence with the employee retention. It is also found that the supervisor support exerted more influence than the other two factors.

A study has examined the impact of training program on task performance and intention to quit the job among IT Professionals in Pakistan. Muhammad Usman Muzaffar and *et al.* had conducted this study. A total of 117 questionnaires were collected from three IT aware Organizations having more than 200 different branches across the country. In the proposed research model, two hypotheses were defined and AMOS Ver. 17 was used to test the model. The structural model fitted well to the data in which all the model fit indices fell within the acceptable limits with some exceptions. Intention to quit job is explained by organizational commitment. The role of Training program in intention to quit job is limited to the training contents, relevancy of the training to the specific job and communicated effectively. Training is a tool that can assist the organizations in building a more committed and productive workforce. By helping to establish employee investment by limiting the alternative employment options and an effective

training program also can lead to a greater commitment and less employee turnover. The result is an organization that is more productive and professional.

Dr. Varsha Dixit and Ms. Monika Bhati, has revealed through their study that the Employees Commitment (Affective, Normative, continuous) are significantly related to the sustained productivity in the Auto component industry. The research findings reveal that the positive relationship exists between the three commitments- affective, continuance and normative commitment and sustained productivity of the organization. It has also been proved from the results that there exists high degree of correlation between the three independent variables and sustained productivity in the dependent variable. These outcomes in turn are associated with guiding the top management for working towards the increasing commitment level.

5. Results and Discussion

The study of Impact of training on employee commitment in Private Insurance Sector, Coimbatore District” reveals the following facts that;

The Table 1 shows that the level of agreement regarding the statement namely, training provided to the employees improves the commitment of the employees in an organisation is the highest with a mean rating of 4.44. Training enhances the employees’ commitment to improve the quality of services follows next with a mean rating of 4.38.

Training enhances the commitment of the employees towards the success of the company (4.31). Management consideration on the employees’ goals and values (4.18) and the good pay, increment and rewards have improved the employees’ commitment (4.13).

However the level of agreement for the most of the statements fall between 3 and 4 i.e. on average the opinion of the employees regarding these statements about impact of training on employee commitment fall, between the neutral and agree. The table 2 depicts the mean employee commitment scores using the personal variables like gender, marital status and staff category. Significance is found in the gender and the marital status. The male employees are more committed towards their work than the female gender. The commitments of the married employees are more when compared to the unmarried persons. Both the gender and the marital status have significance at 5% level. The staff category shows no significance level.

The demographic factors of the employees have an impact on the employee commitment through the training. Anova

comparing the means scores of several groups of personal variables are given in the table 3. The mean scores show that the employees of age group 36-40 years are the better performers and more committed towards their job (mean score). The F value comparing the mean scores is 1.961 which is found to be not significant.

The table 4 reveals that the employees who have paid higher salary are becoming more committed. Employees with the annual income of 4-5 lakh per annum are more committed than the other category of employees.

Experience of the employees in the organisation brings the change in the productivity and commitment of employees. The Table 5 clearly says that the experience makes a person loyal and committed towards the organisation. Employees with 5 years of experience are committed towards their jobs than the less experienced employees.

The level of employees’ performance also plays a significant role in their commitment. It shows from the Table 6that when the productivity improves, the employees’ commitment towards their job also increases. The employees, whose productivity improvement ranges from 90% - 100% have high commitment towards their job than the others. The employees falls under 50% - 75% productivity improvement have only the average range of commitment.

In the Table No 7. Chi-square test is used to analyze the data collected through this study. It results that the percentage of business done by the employees has a significant role in the productivity of employees. The employees do business in the range of 75% to 100% show more productive than the other group of people. The employees with 90% - 100% are well productive in their job (100%). Employees with 50%- 75% are considerably good (53.3). But the employees with business less than 50% have negligible percentage of productivity. The Chi-square value is 39.560 and significant at 1% level.

The influence of personal variables on the employee commitment is examined using the multiple regression analysis given in the table 8. The regression analysis shows that the gender and percentage of the business done have a significant effect on the employee commitment at either 5% or 1% level of significance. The other variables have no significant effect on employee commitment. The R Square value shows that 23.6 variations in the employee commitment is explained by the set of all independent variables. Multiple correlation coefficient (R=.485) shows that there is a moderate degree of relationship between the predictor variables and employee commitment. R is significant at 1% level (F=3.082).

Table 1: Impact of training on employee commitment

	N	Minimum	Maximum	Mean	S.D
Training provided to the employees improves their commitment towards job.	100	1.00	5.00	4.4400	.71520
Training enhances the employees commitment to improve quality of services	100	2.00	5.00	4.3800	.69311
All employees are committed to the success of the company	100	2.00	5.00	4.3100	.59789
Co-workers are committed to the success of our department	100	2.00	5.00	3.9800	.73828
Department is committed to customer service	100	2.00	5.00	4.0700	.72829
Employee and Management are committed to working together	100	2.00	5.00	3.9100	.81767
Seniors supports my efforts to seek relevant job training which helps me to meet out employees commitment	100	2.00	5.00	3.9000	.75879
Continuous efforts are made in our organization to create a sense of belonging among employees	100	1.00	5.00	3.7300	.91954
The company values our contribution to its well being	100	1.00	5.00	4.0400	.69515
The company strongly considers our goals and values	100	2.00	5.00	4.1800	.60935

Pay increments offered by our organization are satisfactory which makes us more committed to our work and perform well	100	2.00	5.00	4.1300	.69129
Rewards in our organization are strictly linked to employee performance and employee commitment	100	3.00	5.00	4.0300	.52136
The existing reward and incentive plans do not motivate us keep up our commitment and more loyal	100	1.00	5.00	3.7100	.87957

Source: Primary Data collected and calculated through questionnaire.

Table 2: comparison of personal variables

		Employee Commitment Score			T test	Df	Sig
		Mean	S.D	No.			
Gender	Male	53.47	4.63	78	2.541	98	*
	Female	50.45	5.87	22			
Marital Status	Married	53.64	4.7	69	2.506	98	*
	Unmarried	50.97	5.41	31			
Staff Category	Sales	52.66	5.03	94	1.18	98	Ns
	Administration	55.17	5.34	6			
Total		52.81	5.06	100			

Source: Primary Data collected and calculated through questionnaire.

Ns: Not significant

Table 3: Impact of age groups in commitment

		Employee Commitment Score		
		Mean	S.D	No.
Age in years	21-25 yrs	50.73	3.56	15
	26-30 yrs	51.70	6.19	30
	31-35 yrs	53.52	4.60	29
	36-40 yrs	54.64	4.09	22
	Above 40 yrs	53.75	5.91	4
Total		52.81	5.06	100

Source: Primary Data collected and calculated through questionnaire.

ANOVA for Employee Commitment Score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	193.074	4	48.269	1.961	Ns
Within Groups	2338.316	95	24.614		
Total	2531.390	99			

Ns: Not significant

Table 4: Annual income in employee commitment

		Employee Commitment Score		
		Mean	S.D	No.
Annual Income (In Rs.)	2-3 LAKHS	52.31	5.00	39
	3-4 LAKHS	52.82	5.42	44
	4-5 LAKHS	53.94	4.25	17
Total		52.81	5.06	100

Source: Primary Data collected and calculated through questionnaire.

ANOVA for Employee Commitment Score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	31.596	2	15.798	.613	Ns
Within Groups	2499.794	97	25.771		
Total	2531.390	99			

Ns: Not significant

Table 5: Impact of present company experience in employee commitment

		Employee Commitment Score		
		Mean	S.D	No.
Experience in present company	0-2 yrs	52.56	4.77	55
	3-4 yrs	52.62	5.58	37
	5 yrs and above	55.38	4.24	8
Total		52.81	5.06	100

Source: Primary Data collected and calculated through questionnaire.

ANOVA for Employee Commitment Score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	57.285	2	28.643	1.123	Ns
Within Groups	2474.105	97	25.506		
Total	2531.390	99			

Ns: Not significant

Table 6: Impact of productivity improvement in employee commitment

		Employee Commitment Score		
		Mean	S.D	No.
Improvement in productivity	50% - 75%	50.63	4.81	16
	75% - 90%	54.39	3.71	23
	90% - 100%	52.79	5.39	61
Total		52.81	5.06	100

Source: Primary Data collected and calculated through questionnaire.

ANOVA for Employee Commitment Score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	133.932	2	66.966	2.709	Ns
Within Groups	2397.458	97	24.716		
Total	2531.390	99			

Ns: Not significant

Table 7: percentage of business done and employee productivity

		improvement in productivity						total	
		50% - 75%		75% - 90%		90% - 100%		No.	%
		No.	%	No.	%	No.	%		
Percentage of business done	Below 50%	9	60.0	4	26.7	2	13.3	15	100.0
	50% - 75%	7	15.6	14	31.1	24	53.3	45	100.0
	75% - 90%			5	16.1	26	83.9	31	100.0
	90% - 100%					9	100.0	9	100.0
Total		16	16.0	23	23.0	61	61.0	100	100.0

Source: Primary Data collected and calculated through questionnaire.

Chi-Square Test

	Value	df	Sig.
Chi-Square	39.560	6	**

** Significant at 1% level

Table 8: Determinants of employee commitment regression analysis dependent variable: employee commitment score

	Regression Coefficients (B)	Std. Error	Beta	t	Sig.
(Constant)	57.167	10.666			
Gender	-3.074	1.253	-.253	-2.454	*
Age	-.047	.140	-.050	-.335	Ns
Education Qualification	1.884	5.023	.037	.375	Ns
Marital Status	-2.315	1.248	-.213	-1.855	Ns
Annual Income (In Rs.)	-.152	.932	-.022	-.163	Ns
Working Experience-Total	.185	.206	.124	.899	Ns
Working Experience-Present company	-.527	.469	-.126	-1.124	Ns
percentage of business you have done	1.993	.756	.332	2.636	**
improvement in productivity	-1.061	.763	-.159	-1.390	Ns

Source: Primary Data collected and calculated through questionnaire.

Ns: Not significant

R	R Square	F	Sig.
.485	.236	3.082	**

6. Findings

Insurance industry is the field, where the employees have to meet many challenges both in terms of business and handling Human Resources. Training brings changes in the employees' attitude, skill sets and knowledge. The attitude changes through

training and bring improvement in the employee's commitment.

Training improves the employees' commitment towards job, which in turn improves the quality of the services. This commitment and quality enable the employees to get involved

more into their job and that leads the company to success. It is clear from the analysis that where ever the organisation considers the individual employee's value and goals, the employees' commitment towards the company is more. Satisfactory increments and rewards are also play a major role in improving the employee's commitment.

While analyzing the personal variable, the male gender participation is more than the female gender. This is directly related to the staff category. The sales personnel responded for this research study is comparatively more than the other staff category. Females have not preferred sales job like the males and they are more committed towards their job. Similarly the employees who are married are also committed more than the unmarried employees.

In the insurance industry, the employees in the age group of 26-30 years are active and more committed towards their job. After 30 years they remain stagnant in their performance and commitment till the age of 40 years. After that they started showing improvement in their commitment due to their maturity and experience.

The annual income of the employee's increase, when their responsibilities in the company increase. The responsibilities and the commitments are interlinked. When an employee is highly responsible his payment would also be high. Then obviously his commitment will also be high.

When the employees stay for a longer period in an organisation, they feel the ownership in that company. This improves the commitment of that employee towards the company. So wherever the employees stay for a longer period in an organisation, they are more committed.

The productivity improvement is also one among the determinant factor of the employee commitment. When the employee increases the productivity due to the training, his commitment is also comparatively more than the others.

The percentage of business done brings confidence to the employees about their performance in the organisation and makes him more committed. The employees who have done excellent business and achieved the target are highly committed towards the organisation. The people who have their business well are also committed comparatively more than the average and poor performers.

7. Suggestions

Employees in the organisation should be offered with proper training to improve their commitment and performance. The training must designed in an effective and systematic manner. Periodical conduct of the training should become mandatory. Involvement of the employees in their job is very important to produce the better results. This would be possible only when the business target fixed for the employees in the insurance industry is realistic one and matched with the market scenario. The determinant factors of the commitment other than the training are like Human Resource Policies, monetary and non-monetary benefits should be taken care by the management to make the employees more committed. The HRM policies of the organisations must assure the favourable organizational climate for the employees to remain in the company for a long run. This facilitates the employees to become more committed and loyal to the organisation. The committed employees should be recognized to improve their loyalty.

The experienced employees in the existing company should not be denied with training. The organisation should provide the

refresher training for the existing employees to update their knowledge and skill sets, which will improves their commitment.

The more experienced and high salary drawn employees must be properly identified for their commitment and then these employees can be motivated to act as the peer coaches. The organisations should motivate the employees to achieve their business goals. The infrastructure facilities and fringe benefits required should be provided by the organisation. The employees who have done their business well are seems to be more committed towards their job.

Hence a well-planned, effective and periodical training is required for the employees in the insurance industry to become more committed and performed well in the organisation.

8. Conclusion

Employee commitment is the bond that employees experience with their organisation. Employees who are committed to their organisation generally feel a connection with their organisation, feel that they fit in and, feel they understand the goals of the organisation. The added value of such employees is that they tend to be more determined in their work, show relatively high productivity and are more proactive in offering their support.

Training should be given to both freshers and existing employees as the orientation training and refresher training respectively to improve the skill sets and knowledge of the entire work force. This study is conducted in the private insurance sector in Coimbatore district with a sample size of 100 respondents. The survey had been conducted through the questionnaire method. The data collected are analyzed through t-Test, Chi square, Anova & Regression Analysis.

Result obtained reveals that the proper training given to the employees improve their commitment, make them more loyal to the organisation, which in turn improves the productivity of employees. The improved commitment enhances the quality of the work services of the employees.

The organisation climate should favour the employees to have sustainability in the organisation and have the career growth. This would enhance their commitment. Organisations should follow the commitment building HR practices in the firms like establish people-first values, guarantee fair treatment, use value based hiring, encourage employees to actualize.

9. Future scope of the study

Training is the important management function to improve the employee commitment, skills and knowledge. The performance and turnover of the employee can be improved only when commitment of the employees is improved. The measures to quantify the employee commitment can be studied as a future scope of this research study.

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