

“Performance is Primary - Qualification is Secondary”

A study with reference to life insurance sector in INDIA

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Abstract: *selling the life insurance policy is always a challenging job, especially in India private life insurance players are facing very tough competition from public life insurance sector (LIC). As a heavy competitive business its business turnover and survival is completely based on employee performances. To sell insurance policy employees need to have good selling skills rather than good academic qualification. First they must understand the market, customer needs and want. Many sales calls were refused by customers, but still they have find the real customers who are in need of policy and they have to convenience about their policy and company benefits i.e how their company is better than other companies (who are offering similar kind of policies). Employees who really love the marketing job can only continue their career with insurance companies. It is very known fact that the job seeker must have minimum graduation qualification to work for insurance companies. With the same qualification employees are getting promotions for the further positions i.e sales managers, senior sales managers asst. branch managers, branch managers and regional managers employers are considering their performance and skills rather than their qualification for the increments and promotions.*

Keywords: *Life insurance sector, employee, policy, qualification, skills, Performance*

Introduction: More qualified means not more skilled, more skilled means not only more qualified, Of-course qualification can improve the skill and performance, but there are some other parameters which can help a person to improve his skills and performance i.e: personal interest, dependency, experience, passion e.t.c again skills are different like communication skills, analytical skills, computer skills, technical skills, managing skills, interpersonal skills e.t.c. The main skill which the insurance companies are expecting from their employees is ability to generate the business from the customers. The employees who could be able to do their job successfully, they will be offered with very good promotions and increments irrespective of their qualification. Qualification only helps the employee to enter into the organization, but the survival of the employee is completely depends on employee performance only. Business survival is only possible with the turnover what it did, it's not with the no of employees how many are having higher qualification.

Market share of the every insurance company is depended on the performance of their employees. There are 23 Private life insurance companies in India offering its services to the public under the control of Insurance Regulatory and Development Authority (IRDA).

Employee producing more worth of contribution with minimum qualification is always profitable than the employees producing less worth of contribution with higher qualification. To survive in insurance sector business employee's contribution is highly desirable.

As an organization, employer will check the cost to company policy of an employee, every employer expects that, employee contribution should be more worth than his cost in the organization, which means the total amount how much one employee is costing to the organization should be less than the worth of his contribution i.e the employees cost to company is INR 60,000 per month, the business profit on behalf of his performance should be more than >INR 60,000, then only it is possible to gain profits to the organization.

Need for the Study: Even through there are many studies on insurance sector and employee performances the present study was taken to find the employer priority in between the issues of employee qualification Vs employee performance.

Objective:

- To identify the private life insurance sector priority to prefer the employees with more qualification or more performance.

METHODOLOGY

The main intention of this study is to identify the private life insurance sector priority for the issues of employee qualification or employee performance. For this purpose a separate questionnaire was prepared and distributed across the 23 private life insurance companies HR team members, total sample size is 180 selected randomly who are working at different HR positions in the states of Karnataka, Andhrapradesh and Telangana. The conclusion was raised based on the data analysis report.

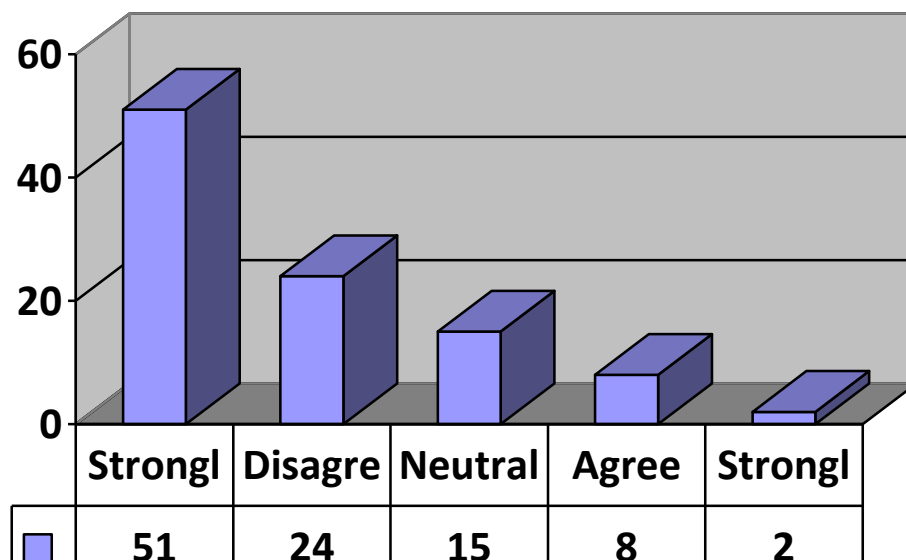
Limitations of the Survey

- The survey was conducted only in Karnataka, Andhrapradesh and Telangana states.
- The participant's views may get change timely based on their requirements.

- All the present study gathered data was belongs to the time period of July-2015 to September-2015.

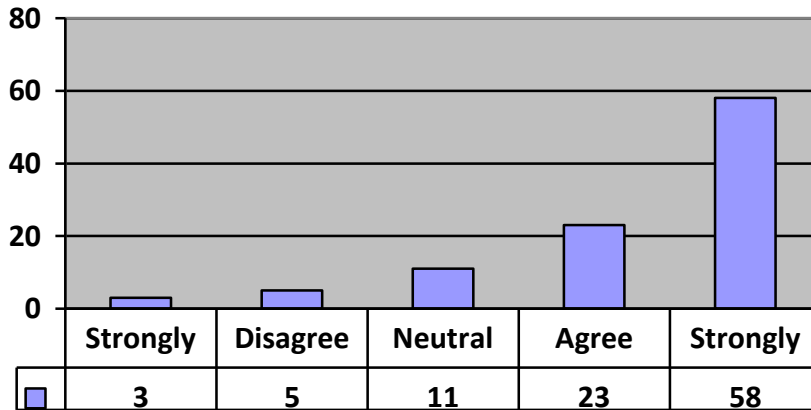
Analysis of Surveyed Result

Figure-01 Candidate with the highest qualification is the most deserved person to select



From the above research data it is very clear that, most of the sample was not accepted with the given statement. 51% were strongly disagreed, 24% were disagreed, 15% were neutral, 8% were agreed and 2% were strongly disagreed towards the statement of Candidate with the highest qualification is the most deserved person to select.

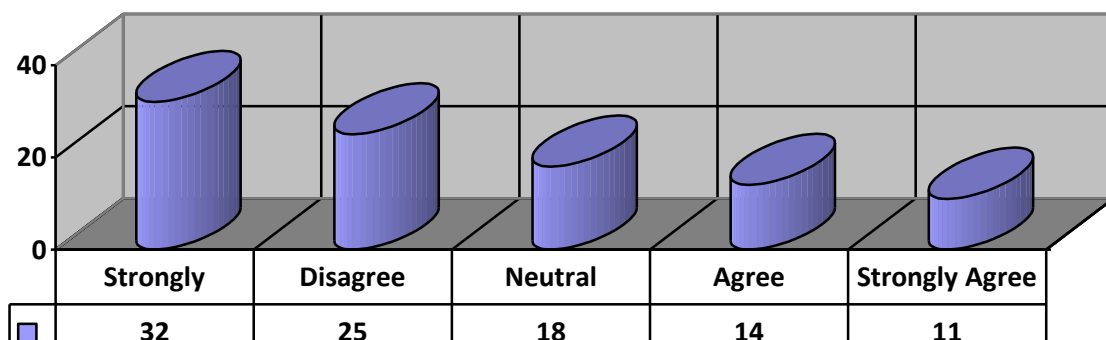
Figure-02 Candidate with minimum educational qualification, similar experience and proven performance record is the most suitable for selection



As the above research data shown, 58% of the employees are strongly agree, 23% of employees are agree, 11% of employees are neutral, 5% of the employees disagree and 3% of employees were strongly disagree towards the statement of Candidate with minimum educational qualification, similar experience and proven performance record is the most suitable for selection.

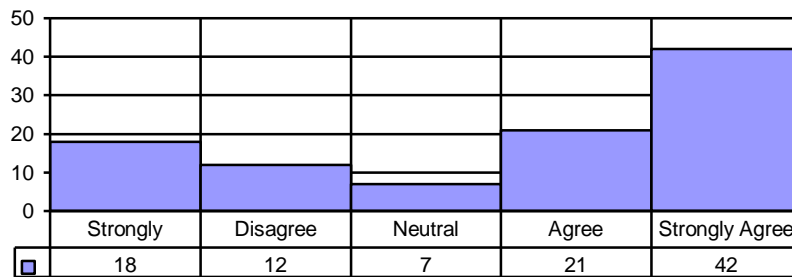
From the above research data it is very clear that, private life insurance companies are preferring the candidates with minimum educational qualification, similar experience and proven performance record is the most suitable for selection

Figure-03 Candidates possessing higher qualification will always perform high



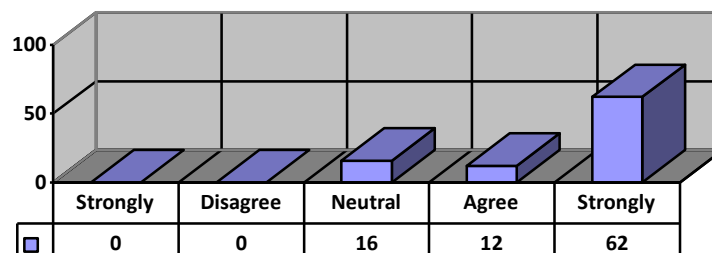
As the above research data shown, 32% of the employees are strongly dis-agree, 25% of employees are dis-agree, 18% of employees are neutral, 14% of the employees agree and 11% of employees are strongly agree towards the statement of Candidates possessing higher qualification will always perform high.

Figure-04 Organization prefers candidate's performance rather than their qualification



As the above research data shown, 42% of the employees are strongly agree, 21% of employees are agree, 7% of employees are neutral, 12% of the employees disagree and 18% of employees are strongly disagree towards the statement of Organization prefers candidate's performance rather than their qualification.

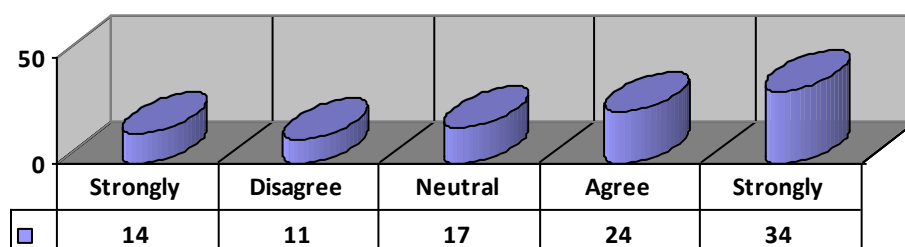
Figure-5 Candidates with higher qualification with no-performance is liability to the organization



As the above research data shown, 62% of the employees are strongly agree, 22% of employees are agree and 16% of employees are neutral towards the statement of Candidates with higher qualification with no-performance is liability to the organization.

As the above research data shown, 34% of the employees are strongly agree, 24% of employees are agree, 17% of employees are neutral, 11% of the employees disagree and 14% of employees are strongly disagree towards the statement of Organization prefers

Figure-06 To promote employees from current level to next level organizations prefer their performances rather than their qualification



candidate's performance rather than their qualification to promote them from current level to next level.

Chi-Square Test-1

Chi-Square test has been done to identify the association in between the views of the employees who answered statements of

Statement-1 Candidate with minimum educational qualification, similar experience and proven performance record is the most suitable for selection (majority of the sample size [58%] were strongly agreed)

Statement-2 Organization prefers candidate's performance rather than their qualification (majority of the sample size [42%] were strongly agreed)

The surveyed data for the above two statements is as follows,

Statement & options		Candidate with minimum educational qualification, similar experience and proven performance record is the most suitable for selection					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Organization prefers candidate's performance rather than their qualification	Strongly Disagree	2	3	4	2	21	32 (18%)
	Disagree	1	1	5	9	6	22 (12%)
	Neutral	2	2	6	2	-	12 (7%)
	Agree	1	1	2	11	23	38 (21%)
	Strongly Agree	-	2	3	17	54	76 (42%)
Total		6 (3%)	9 (5%)	20 (11%)	41 (23%)	104 (58%)	180 (100%)

χ^2 Calculations

Two-way Contingency Table

	Chi-Square Calculation					
	Strongly Disagree	Dis-Agree	Neutral	Agree	Strongly Agree	
Strongly Disagree	2 1.07 (0.82)	3 1.60 (1.22)	4 3.56 (0.06)	2 7.29 (3.84)	21 18.49 (0.34)	32
Dis-Agree	1 0.73 (0.10)	1 1.10 (0.01)	5 2.44 (2.67)	9 5.01 (3.18)	6 12.71 (3.54)	22
Neutral	2 0.40	2 0.60	6 1.33	2 2.73	0 6.93	12

	(6.40)	(3.27)	(16.33)	(0.20)	(6.93)	
Agree	1 1.27 (0.06)	1 1.90 (0.43)	2 4.22 (1.17)	11 8.66 (0.64)	23 21.96 (0.05)	38
Strongly Agree	0 2.53 (2.53)	2 3.80 (0.85)	3 8.44 (3.51)	17 17.31 (0.01)	54 43.91 (2.32)	76
	6	9	20	41	104	180

$$\chi^2 = 60.459, \quad df = 16, \quad \chi^2/df = 3.78, \quad P(\chi^2 > 60.459) = 0.0000$$

As the above result table shows the value of Chi Square is 60.459, which is > to table value 26.30 at 0.05 significance level. So it is concluded that there is an association between the two statements, which means majority of the sample who are supporting statement-1 are also supporting statement-2.

Chi-Square Test-2

Chi-Square test has been done to identify the association in between the views of the employees who answered statements of

Statement-1 Candidate with the highest qualification is the most deserved person to select, (majority of the sample size [51%] were strongly disagreed)

Statement-2 To promote employees from current level to next level we prefer their performances rather than their qualification (majority of the sample size [34%] were strongly agreed)

The surveyed data for the above two statements is as follows,

Statement & options		Candidate with the highest qualification is the most deserved person to select					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
To promote employees from current level to next level we prefer their performances rather than their qualification	Strongly Disagree	10	6	4	3	2	25 (14%)
	Disagree	8	5	2	4	1	20 (11%)
	Neutral	12	10	4	5	0	31 (17%)
	Agree	20	9	13	1	0	43 (24%)
	Strongly Agree	42	13	4	1	1	61 (34%)
Total		92 (51%)	43 (24%)	27 (15%)	14 (8%)	4 (2%)	180 (100%)

χ^2 Calculations**Two-way Contingency Table**

	Chi-Square Calculation					
	Strongly Disagree	Dis-Agree	Neutral	Agree	Strongly Agree	
Strongly Disagree	10 12.78 (0.60)	6 5.97 (0.00)	4 3.75 (0.02)	3 1.94 (0.57)	2 0.56 (3.76)	25
Dis-Agree	8 10.22 (0.48)	5 4.78 (0.01)	2 3.00 (0.33)	4 1.56 (3.84)	1 0.44 (0.69)	20
Neutral	12 15.84 (0.93)	10 7.41 (0.91)	4 4.65 (0.09)	5 2.41 (2.78)	0 0.69 (0.69)	31
Agree	20 21.98 (0.18)	9 10.27 (0.16)	13 6.45 (6.65)	1 3.34 (1.64)	0 0.96 (0.96)	43
Strongly Agree	42 31.18 (3.76)	13 14.57 (0.17)	4 9.15 (2.90)	1 4.74 (2.96)	1 1.36 (0.09)	61
	92	43	27	14	4	180

$$\chi^2 = 35.172, \quad df = 16, \quad \chi^2/df = 2.20, \quad P(\chi^2 > 35.172) = 0.0038$$

As the above result table shows the value of Chi Square is 35.172, which is > to table value 26.30 at 0.05 significance level. So it is concluded that there is an association between the two statements, which means majority of the sample who are not supporting to statement-1 are supporting statement-2.

Findings

1. Highest qualification is not the only constraint to consider the candidates deservedness to the job.
2. Candidate with minimum educational qualification, similar experience and proven performance record is the most suitable person for insurance sector jobs.

3. It is wrong intension that all the Candidates possessing higher qualification will always perform high.
4. Organization prefers candidate's performance rather than their qualification.
5. Employees without the performance are liability to the organization.
6. Organization prefers candidate's performance rather than their qualification to promote them from current level to next level.

Conclusion

Qualification will be an added advantage to the employees, if they are the performers as per as the nature of the business. Insurance employees job is completely depend on periodical targets which they got assigned from their superiors. Even through candidate is having a very good qualification, but if he is failed to meet his target, he may not suitable to this job. If the employee is meeting his targets every month after month, his performance is worthful to the organization. So irrespective of employee's qualification, insurance companies are giving priority to their performance.

Employee's qualification will be preferred, if they proved their performance, so employees who are highly qualified, must prove the difference between the performance of highly qualified and minimum qualified. Defiantly higher qualified employees can gain better exposure, knowledge, skill, capability, and other required qualities. But in order to prove it they should perform better than the minimum qualified, but qualification without performance will not yield any profit to the organizations. That's the reason insurance companies strongly implemented statement of "performance is primary qualification is secondary".

Questionnaire

Rate the following questions with the options 1 / 2 / 3 / 4 / 5, which stands for (1) Strongly Disagree (2) Disagree (3) Neutral (4) Agree (5) Strongly Agree

Sl No	Question	Rating
01	Candidate with the highest qualification is the most deserved person to select	(1) (2) (3) (4) (5)
02	Candidate with minimum educational qualification, similar experience and proven performance record is the most suitable for selection	(1) (2) (3) (4) (5)
03	Candidates possessing higher qualification will always perform high	(1) (2) (3) (4) (5)
04	Organization prefers candidate's performance rather than their qualification	(1) (2) (3) (4) (5)
05	Candidates with higher qualification but no performance are liability of the organization	(1) (2) (3) (4) (5)
06	To promote employees from current level to next level we prefer their performances rather than their qualification	(1) (2) (3) (4) (5)

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