

# Training

Your firm, whether it is an agency or a company, exists to provide a return for its “stakeholders,” its owners, its customers and, of course, its employees. Most successful insurance organizations believe that their most valuable assets are their human resources. This chapter is devoted to discussing development of those human resources through proper training. Most large insurance organizations have formal training departments and training programs. Nonetheless, as a supervisor, you are responsible for the training of unit members. In addition, you provide, directly or indirectly, the on-the-job training that is central in skill development. Providing adequate training in smaller organizations with limited resources is challenging. Being a supervisor means being both a trainer and a manager of training.

## **YOUR ROLE IN TRAINING**

If your employees cannot perform their jobs, they will most likely need training. Some workers do not know how to do their jobs because they lack knowledge and skill. Others, you will find, are just careless. You must determine just what each person needs and then see that it is provided.

## **Importance of Training to the Firm**

Experience indicates that some insurance organizations cut back on training when times are difficult. Doing so gives the impression that training is a luxury rather than the necessity it is. When an organization reduces formal training, much of the training shifts to the supervisor.

Employees perform best when the work itself permits them to grow and develop. When an employee is recruited and hired, a large training investment is usually made with the expectation that the person will perform well. Training, however, is not just for new employees. It is also for people whose jobs are modified or who are promoted to new responsibilities or transferred within the organization. Good training, you will find, reduces turnover and provides the needed skills when and where they are required. It also gives the firm the reputation of being a good employer and makes some departments more attractive to employees than others.

## Importance of Training to Employees

People work for monetary rewards and for the satisfaction of doing work in which they are interested. Most want to perform well because it gives them great satisfaction. When people leave school, they do not expect their education to end. They expect to acquire the knowledge and skills necessary to perform their work. Many hope to move up to better jobs as well.

If employees do not see an opportunity for growth and development within the work environment, they will often lack commitment to the unit and to the company. As a first-line supervisor, you are the single most important element in providing opportunity for growth and development.

## EMPLOYEE TRAINING, EDUCATION, AND DEVELOPMENT

The terms training, education, and development are often used interchangeably but have three different objectives. A popular term for all three is **human resource development (HRD)**. HRD is any series of organized activities conducted for a specific time and designed to produce a change in behavior. The change is one that improves job performance. **Training** refers to activities that are designed to improve performance on the job that the employee is presently doing or is being hired to do.<sup>1</sup> **Education** is directed toward the individual (rather than the job) and is generally designed to prepare a person for promotion. **Development** refers to activities that prepare employees for future jobs as the firm changes. Development is also used as the broad term that includes training and education.

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## Goal of Training

The goal of training is to build the knowledge and skills needed for the employee's present job. It may include training in communication skills or work habits and job-specific procedures such as rating, underwriting, selling, or adjusting procedures.

Sometimes training is provided simply because management thinks it is a good idea. Other times, it is provided because employees expect it. Still other times, it is available just because somebody has put money in the training budget. Good business practice dictates that training be provided for good reasons. Some experts argue that the following are the only good reasons for training:

1. The employee cannot do the job (examples: cannot code a health insurance policy or cannot identify whether the insured has coverage).
2. The employee can do the job but not well enough (example: has an unacceptably high ratio of mistakes in rating auto insurance policies).
3. The employee is doing the job incorrectly (example: is confusing the named insured with the beneficiary).<sup>2</sup>

## Goal of Education

The goal of education is to improve the overall competence of the employee in a specific direction and beyond the present job. Education seeks to develop individual potential for growth within the firm. Education also equips people with knowledge and skills useful in work life and deliberately goes far beyond the abilities needed for present or expected position requirements.

## Components of Learning

Learning, in the full sense of the word, encompasses three components or areas. The first is **knowledge**, that is, knowing what to do and how to do it. The second is **skill**, or the ability to coordinate the eyes, mind, and body into one action that results in easily and correctly accomplishing a task. The third is **attitude**, the emotional response of a person to a particular job or situation. Training is intended to develop employees in all three areas.

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## Improved Knowledge

To improve knowledge, the supervisor must first determine what needs to be known to do the job. Job descriptions, position guides, or performance standards are sources of this information. Some employees simply cannot do the job because they are new to it and have never done it before. Others do not know how to do it well enough or simply do it incorrectly because of misinformation or misunderstanding. Even if your organization provides training through a training department, you must ensure that training is based on a clear picture of what the employee must know to do the job.

Employees can acquire knowledge in many ways. Some learn extensively on a self-study basis—reading books, watching videotapes, or using computer-based programs. On-the-job training is often the major way some employees acquire knowledge. Classroom training is the preferred means if a group of people need the same knowledge; computer-based learning might be best for individuals. We talk more about determining which method is best later in this chapter.

## Improved Skill

To perform adequately, employees must develop skill. Skill is the ability to coordinate the eyes, mind, and body into one action that results in easily and correctly accomplishing a task. If employees are hired at an entry level, they must be given basic training and help in skill development. If they are later promoted to new jobs, they may once again need to acquire new skills. When experienced employees join a firm, they must often modify the skills acquired elsewhere to fit the new position. Employees most frequently build skills through demonstration, fulfilling a role, and repeated practice until proficiency is attained. Training provides job-specific skills, such as retrieving customer records on an agency computer system and entering endorsements. Education develops broader conceptual skills, such as understanding types of reinsurance.

## Changed Attitudes

Attitudes are intangible. We do not see them directly but reach conclusions about what they are by observing a person's behavior. Attitudes are the positions characteristically taken or emotions shown by people in response to stimuli. Employees with positive attitudes toward their supervisors, their work, and their firm usually perform well. As a supervisor, you cannot *directly* change the attitudes of employees; however, you can create experiences and situations that foster attitude change. Training that seeks attitude change is often needed to build enthusiasm and loyalty, especially for new employees. The goal is to have them say, "I like working here." If a major conflict exists, training may not always be the answer, and other action may be required. Modeling desired attitudes through the use of role playing is often used.

The attitudes of the worker do seem to be related to his or her survival on the job.<sup>3</sup> Negative attitudes often breed turnover and absenteeism, resulting in additional hiring and training costs. If employees are satisfied with their jobs, they tend to be highly motivated and better performers. Like training, education also seeks and fosters changed attitudes. For example, a program designed for supervisors and managers may have a goal of making participants more willing to eliminate paper back-up files.

## ADULT LEARNING

Training adults to perform their jobs in your agency or your company is very different from the training you received in school. Adults do not want to study "subjects"; they want to know about the real world, its situations, and the problems they will face. Your role as supervisor should be that of a guide rather than a teacher.

## Assumptions About Adult Learning

Adult learners:

- Are self-motivated
- Respond best to application-centered training
- Learn best by doing
- Are experience based
- Want self-direction
- Vary in learning styles and needs

## Self-Motivated

Adults are motivated to learn when they feel the need for specific knowledge and see the benefits that learning will provide. They learn when they want to learn, and this desire is called self-motivation.