The relationship between Training and Development Practices and Work Engagement in Sri Lankan Insurance Industry

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Abstract

Work engagement is a fulfilling work-related state of mind characterized by feelings of energy, dedication, and more concentration towards role performance. An engaged employee is aware of business context, and works with co-workers to improve performance within job for the benefit of the organization. The main objective of this study is to investigate the influence of Training and Development (TD) practices on employee work engagement and also determine the level of TD practices and work engagement of employees. To attain the objectives, the quantitative method was used and data were collected through questionnaires. A total of 214 questionnaires were distributed to marketing and distribution level employees in insurance companies in Colombo District. Only 202 questionnaires were received and used for further analysis. The data were analyzed using Pearson correlation and multiple regression analysis. The findings exhibited that, there were relationship between TD practices with work engagement and also TD practices of Sri Lankan insurance companies is in moderate level and also work engagement of employees is in high level. However, dimensions of TD practices are positively and significantly correlated with work engagement namely training opportunities and training availability. Lastly, the regression analysis between TD practices and work engagement indicated that only 48% of total variance of work engagement was explained by TD practices. In conclusion, it is observed that TD practices have influence on the employee work engagement. This shows that employers need to develop a proper and well-structured Training and development policies and practices in attaining high work engagement level among the employees.

Key words:
Work engagement; Training and development; Training opportunities; Training availability
Introduction
Work engagement is an integral factor for organizational performance and success, as it seems to have a significant potential to affect employee retention, their loyalty and productivity, and also with some link to customer satisfaction, organizational reputation and the overall stakeholder value. Every organization is facing new challenges like financial turbulence, heightened performance Pressure, new technology, an increasingly diverse workforce, and globalization of business to attain the competitive advantages over others. Work engagement is a best tool to achieve it. So organizational leaders are having ability to attract, engage, develop and retain talent in the work place. However, it is a big challenge for them, therefore, employees who need to improve their goals and achievement through the developing the work engagement and these will be influenced by their perception towards TD practices. So, this paper examines the relationships between individual perceptions of TD practices and work engagement. The findings of the study can help to employers to understand how employees’ perception of TD practices would influence their level of engagement and also develop the policies and strategies to enhance the engagement of employees in the work place.

Research Problem
In recent times, the Work engagement is an emerging and new concept. Until now researcher has been slow to studying it. Therefore it leads to lack of research and also few empirical academic studies (e.g., Macey & Schneider, 2008) and few antecedents of work engagement like job characteristics, rewards and recognition, perceived organizational and supervisor support, organizational justice, job resources and personal resources have been identified (Llorens, Schaufeli, Bakker & Salanova, 2007).

Researchers has to identified some other factors like TD practices to influencing on work engagement (Saks, 2006). Organizations may increase work engagement by using particular TD-strategies (Schaufeli & Salanova, 2010) but it is big challenge which is faced by HR mangers to design appropriate TD related strategies and practices to enhance the engagement of the employees in an organizations.

There is a dearth of academic research on work engagement (Robinson, Perryman & Hayday, 2004). Wollard & Shuck (2011) noted that there is a lack of studies specifically focused on the influences of TD practices on work engagement. Based on this argument, the researcher is to propose TD practices as an antecedent or influences on work engagement of employees.

Sardar, Rehman, Yousaf and Aijaz (2011) found that TD practices in Pakistan have led to Work engagement. Johari, Adnan, Yean, Yahya and Isa (2013) also proved found in the Malaysia, TD practices are very important in enhancing work engagement. This has been examined in few countries and in certain contexts. In Sri Lankan context so far no or little research has been done to determine the extent to which TD practices influences on Work engagement particularly in Insurance industry.

TD Practices and Work Engagement at work place are yet at its initial stage, and has become an area for dearth of research. So, there is a dearth of empirical studies in TD practices and work engagement in Sri Lankan Insurance industry. Thus there exists a clear
knowledge gap. Researcher examines this problem in this study and attempts to fill this knowledge gap. Therefore the following research problem is advanced in this study.

Does Training and Development Practices influence the work engagement of employees in Sri Lankan Insurance Companies?

Research Questions
- To what extent the TD Practices exist in Sri Lankan Insurance Companies?
- To what degree the work engagement of employees in Sri Lankan Insurance Companies?
- Does TD Practices impact on the Work Engagement of employees in Sri Lankan Insurance Companies?

Research Objectives
- To determine the extent to which TD Practices exist in Sri Lankan Insurance Companies.
- To examine the level of work engagement of employees in Sri Lankan Insurance Companies.
- To evaluate the degree to which TD Practices influences the work engagement of employees in Sri Lankan Insurance Companies.

Literature review
Training and development is one of the most important human resource management practices. Training and development is an essential tool to improve the skills of the employees and also enhancing their knowledge, ability, positive attitudes and behaviors in order to achieve the current performance and potential also. The ultimate result of the training is to enhance the performance of the employees and competitive advantages in the industry. Development also is a process or act to develop the employees’ current competency level and also future awareness of the job or task (Dowling & Welch 2004). Training and development both give more advantages to improve the employees’ competency level and potential also. The ultimate result of the integration of training and development with the business strategy in order to achieve the strategy goals of the organization (Chen et al. 2004). If organization is having proper and effective training and development practices, employees give more moral support, positive attitudes and behavior and also given high commitment, involvement and engagement towards the job or task and organizations (Cherrington, 1995; Sardar et al., 2011; Bohlander & Snell, 2013).Thus, adequate training and development opportunities play an important role in determining Work engagement.

Social exchange theory (SET) and Job Demand Resource theory (JD- R theory) are strong foundation for explaining work engagement. Those two theories are given strong relationship between TD practices and work engagement. Past studies have mentioned that TD practices are the significant antecedent to work engagement (Bhatnagar, 2007; Saks, 2006; Shuck et al. 2011; Tomlinson, 2010).Emerson (1976) defined SET as “a social psychological perspective, which purports that all forms of human relationships within an organization are established through an exchange process between two parties, i.e. employers and employees” (p.115). SET are
describing that employer (organizations) are providing pay, benefits and working environment and etc towards the employees, in that situation, how employees react towards the organizations, it means that employees are giving positive behavior like engagement at workplace. SET have considered two things like interpersonal relationship and organizational practices (e.g. HRM practices like Training and Development) which are influencing on positive workplace behavior like engagement and commitment (Cropanzano & Mitchell, 2005). If there is beneficial exchange relationships exist between employees and organization, employee engagement can be increased in the working place. At the same time, organization have provided good HRM practices like equitable compensation systems and effective training and career development programs to the employees in order to promote the engagement of employees in working place. Therefore employees are giving more engagement towards the job or task through resources and benefits are provided by the organization (Kinnie et al, 2005; Saks, 2006).

The job demand-resources (JD-R) theory has explained theoretical background of engagement research (Schaufeli & Bakker, 2004). This theory has included two things such as job demands and job resources. Job demand means that organizations are providing physical, psychological, social or organizational aspects of a job in order to achieve stability of physical and psychological effort of employees and job resources like pay, supervisory support or customer feedback, role clarity, job autonomy or empowerment, learning and development opportunities and reward and recognition (HRM Practices) which are provided by organization to complete the job very successfully and also to achieve employee’s goals. Job resources are giving more helpful to satisfy the basic needs and wants, cultivate the employees’ growth, learning and development and giving more intrinsic motivation to employees in working place. If organizations provide sufficient job resources to employees, it can lead to enhance the engagement of employees and giving more motivation among employees in workplace. Therefore job resources are the main indicator for improve the employee engagement (Bakker & Demerouti, 2007). Thus, JD-R theory has given strong theoretical background to exist the relationship between HRM practices and work

With the help of literature, hypothesis was generated to properly test the relationship between TD practices and work engagement of employees in Sri Lankan Insurance Industry.

H1: Training and development have a positive and significant influence on work engagement.

Conceptual framework

Figure 1.1-Conceptual model

![Conceptual model](image)

Source- Formed for this research
Methodology
Researcher applied quantitative methodology for this study. Thus survey method has been adopted. Constructs such as TD Practices and work engagement are well defined and measurable. Therefore researcher used quantitative methodology for this study.

Population and Sample selection
The sample for the study comprises of all permanent employees to represent the population of Marketing and Distribution level employees that total to 480 from selected seven Insurance companies located in Colombo District. Simple random sampling which falls under random sampling was used as the sampling strategy. Following the survey method, self reported questionnaires were distributed as the instrument for data collection, out of 214 questionnaires distributed only 202 questionnaires were accepted as properly filled.

Survey instruments development
Questionnaire was developed with the support of previous studies carried out by experts in the relevant subject areas.

Table 1.1 Questionnaire development

<table>
<thead>
<tr>
<th>Dimension</th>
<th>No.of.Items</th>
<th>Adopted from Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training opportunities</td>
<td>11</td>
<td>Hackman and Oldham (1975), Al-Khayyat and Mahmoud (1997)</td>
</tr>
<tr>
<td>Training availability</td>
<td>09</td>
<td>Hackman and Oldham (1975), Al-Khayyat and Mahmoud (1997)</td>
</tr>
<tr>
<td>Work Engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical engagement</td>
<td>04</td>
<td>Rich et.al. (2010)</td>
</tr>
<tr>
<td>Emotional engagement</td>
<td>05</td>
<td>Rich et.al. (2010)</td>
</tr>
<tr>
<td>Cognitive engagement</td>
<td>04</td>
<td>Rich et.al. (2010)</td>
</tr>
</tbody>
</table>

These dimensions of TD practices were widely used in previous empirical studies with a consistent reliability result of 0.88. These work engagement items were widely used in previous empirical studies with a consistent reliability result of 0.78 and it is made up of physical engagement (0.72), emotional engagement (0.88), and cognitive engagement (0.74).

Data collection methods
This study was based on self-report questionnaires; all the data were gathered from the respondents’ self-reports. Structure questionnaire was used to collect data necessary to meet the purpose and objectives of the study. These questionnaires consist of 3 parts such as TD Practices, work engagement and profile of employees. Likert scale of 1-5 which ranges from “Strongly Disagree” to “Strongly Agree” was applied in the part I and part II of the questionnaire to identify responses. Third part included profile of employees that covers information relating to age, gender, social status, educational background, job tenure and monthly income. Furthermore the unit of analysis was individual. Therefore one questionnaire was given to the each employee in each company.
Data presentation, analysis and evaluation

Data has been presented using tables. Meanwhile Inferential and descriptive analysis were used for data analysis. Hence under the descriptive analysis, mean and standard deviation were derived. In inferential analysis, correlation and multiple linear regressions have been applied. Statistical package of SPSS 16.0 has been used for this purpose. Furthermore criteria shown in table 3.3 were adopted to evaluate mean values. This was established to determine the degree of both HRM practices and work engagement.

Table 1.2 Evaluation criteria for mean values

<table>
<thead>
<tr>
<th>Range</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 &lt; X1 &lt;= 2.5</td>
<td>Low level</td>
</tr>
<tr>
<td>2.5 &lt; X1 &lt;= 3.5</td>
<td>Moderate level</td>
</tr>
<tr>
<td>3.5 &lt; X1 =&lt; 5</td>
<td>High level</td>
</tr>
</tbody>
</table>

Source- Formed for this research

Results and Discussion

This study provides findings and discussion on TD practices and work engagement of employees in Sri Lankan insurance companies in order to meet the first and second objective of this study. Table 1.3 and 1.4 presents the summary of the findings on TD practices and work engagement.

Table 1.3 Summary of the findings on TD practices

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Category of the employees</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development</td>
<td>3.39</td>
<td>.629</td>
<td>Sales Managers</td>
<td>3.40</td>
<td>.679</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales Executives</td>
<td>3.44</td>
<td>.551</td>
</tr>
<tr>
<td>Training opportunities</td>
<td>3.38</td>
<td>.492</td>
<td>Sales Managers</td>
<td>3.37</td>
<td>.609</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales Executives</td>
<td>3.39</td>
<td>.376</td>
</tr>
<tr>
<td>Training availability</td>
<td>3.23</td>
<td>.602</td>
<td>Sales Managers</td>
<td>3.20</td>
<td>.695</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales Executives</td>
<td>3.25</td>
<td>.523</td>
</tr>
</tbody>
</table>

As presented in table 1.3, Sri Lankan insurance companies are having moderate level of TD practices since the mean value of TD practices construct is 3.39. It shows companies in insurance sector has to take steps to hiring the efficient people and retaining them through the good TD practices. So insurance companies have to more concentrated to develop the TD
policies, practices and systems which will be high influenced on employees’ positive attitudes and behaviors. Sri Lankan insurance companies are having two categories of employees such as sales managers and sales executives for the purpose of segregate analysis. Segregate analysis has revealed that TD practices for the sales executives (mean value of 3.44) are significantly higher than that of sales managers (mean value of 3.40). This is because of the significant differences in training and development practices between sales managers and sales executives. Receive sufficient training at company to do the job effectively, available training match with job and get the training at regular basis significantly differ between sales managers and sales executives who have led to the significant difference in training and development.

Table 1.4 Summary of the findings on work engagement

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Category of the employees</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work engagement</td>
<td>3.75</td>
<td>.826</td>
<td>Sales Managers</td>
<td>3.70</td>
<td>1.064</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales Executives</td>
<td>3.88</td>
<td>.873</td>
</tr>
<tr>
<td>Physical engagement</td>
<td>4.01</td>
<td>1.178</td>
<td>Sales Managers</td>
<td>3.71</td>
<td>1.042</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales Executives</td>
<td>3.88</td>
<td>0.873</td>
</tr>
<tr>
<td>Emotional engagement</td>
<td>3.66</td>
<td>.956</td>
<td>Sales Managers</td>
<td>3.56</td>
<td>0.459</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales Executives</td>
<td>3.57</td>
<td>0.475</td>
</tr>
<tr>
<td>Cognitive engagement</td>
<td>3.71</td>
<td>1.042</td>
<td>Sales Managers</td>
<td>3.79</td>
<td>0.947</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sales Executives</td>
<td>3.90</td>
<td>0.900</td>
</tr>
</tbody>
</table>

As in table 1.4, work engagement of employees in Sri Lankan insurance companies is at higher level because mean value of work engagement is 3.75. Furthermore out of three dimensions of work engagement, mean values of physical engagement (4.01) and cognitive engagement (3.71) are more than the values of emotional engagement (3.66). Meanwhile employees in Sri Lankan insurance companies has to be achieve their individual and team targets through the more energy, dedication and high job concentration. Employees of Sri Lankan insurance companies are having high work demands and high control. Therefore higher work engagement of them in the companies. The result was consistent to empirical evidence in the literature (Demerouti et al. 2001), which reported that high-work demands and high control were associated with higher engagement.

Segregate analysis into sales managers and sales executives has shown that mean value of sales executives (3.88) is significantly higher than
that of sales managers (3.70). Hence there is a significant difference between sales managers and sales executives on the level of work engagement. This is caused by the higher level of physical and cognitive engagement contribution made by sales executives. Thus work with intensity on job, devote a lot of energy to job and hardest to perform well on job are in the high level of sales executives than sales managers. It has resulted in the significantly higher level of physical engagement in sales executives. As such mind focused on job and engrossed in the work to such activities are at higher level of sales executives. This has led to the higher level of cognitive engagement in sales executives. Correlation values were found to determine relationship between variables of TD practices and work engagement. It has been presented in table 1.4.

Table 1.4 Correlation between the variables of TD practices and work engagement

<table>
<thead>
<tr>
<th>Variables</th>
<th>Correlation with work engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>TD practices</td>
<td>.398(**)</td>
</tr>
<tr>
<td>Training opportunities</td>
<td>.344(**)</td>
</tr>
<tr>
<td>Training availability</td>
<td>.342(**)</td>
</tr>
</tbody>
</table>

Source—Survey data ** Correlation is significant at the 0.01 level (2-tailed)

As in table 1.4 all correlation values are positive and these values have been significant at 1% significant level (P<0.01). This reveals that all TD practices variables are positively correlated with work engagement. Hence the there is a positive relationship between TD practices and work engagement. Meanwhile Wollard and Shuck (2011) recommended examining the influence of TD practices on work engagement. Hence these findings fill the knowledge gap identified by Wollard and Shuck (2011).

In this study the outcome or value of dependent variable (work engagement) depends on one independent variable (Training and Development). Therefore, to quantify the effect of different independent variables on the behavior of dependent variable, it is necessary to apply the technique of multiple regressions (Cooper & Schindler, 2007; Levin & Rubin, 1991).

Table 1.5 Influence of HRM practices on work engagement

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>TD practices</td>
<td>.330(*)</td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
</tr>
<tr>
<td>Training opportunities (TO)</td>
<td></td>
</tr>
<tr>
<td>Training availability (TA)</td>
<td>.227(*)</td>
</tr>
<tr>
<td></td>
<td>.220 (*)</td>
</tr>
</tbody>
</table>

Source—Survey data

* Stands for the P<0.05

R square between HRM practices and work engagement 0.48 F statistic between HRM practices and work engagement 47.042
R square between components of HRM practices and work engagement 0.412
F statistic between components of HRM practices and work engagement 48.086

Table 1.5 presents the analysis on the influence of TD practices on work engagement which is the research problem for this study. Thus Beta value is 0.330 which is significant at P value of less than 5% (P<0.05). In addition R square statistic is 0.48 which means that 48% variance in work engagement can be attributed to the variance in TD practices. Hence it can be derived that TD practices significantly influences work engagement in the Sri Lankan insurance companies.

As in the table 1.5, all TD practices variables are significantly contributing towards work engagement of employees (P<0.05). 41.2% of work engagement of employees can be explained with the TD practices variables.

Regression equation for work engagement can be formed as follows.

$$WE = 2.426 + 0.227 \cdot (TO) + 0.220 \cdot (TA)$$

Training and development were found to be a significant factor in exerting work engagement in this particular study. The result was consistent to findings in previous studies (e.g. Chang & Chen 2002; Cherrington 1995; Keaveney 1995) that showed positive and significant influence of training and development on employees' outcomes like commitment, engagement and motivation. Training and development are significantly influenced on work engagement of employees because of that this research mainly focused sales managers and sales executives in marketing and distribution department. Therefore each and every employee is having knowledge, skills and ability needed to perform jobs at this level. This level of employees required minimal training to do the job because jobs are generic in nature. Another most likely reason is that basic trainings received are considered sufficient for employees at the marketing and distribution level to perform the required tasks. And also training and development received from previous employment might be enough to perform their present job/task in very effective manner. Therefore, marketing and distribution level employees are wanted and required for additional training and development programs. As such, the training and development aspect in HRM practices had bearing on their level of engagement at work. This finding is consistent with the previous findings and it confirms the first hypothesis (H1).

Conclusions

Conclusions have been derived from the findings to meet the research objectives. It first gives conclusion on TD practices. TD practices are at moderate level in Sri Lankan insurance companies. Human Resource Management is essential for any Organization and it is possible to practice good Human Resource Management practices. This research focuses TD practices are at moderate level in Sri Lankan insurance companies. Therefore insurance companies need to develop good TD practices to attract the qualified and efficient employees and also retain them.

Meanwhile work engagement of employees in Sri Lankan insurance companies is at high level. Thus their engagement towards the job and organization is at higher level. In addition work engagement is critical to business success (Bhagawati, Shailaja & Aralelimath; 2010). In the current scenario the Sri Lankan insurance companies have to comprehend that high levels of work engagement will lead to improve employee commitment and involvement towards job thus creating a motivated
workforce that will work together to achieve the common goals of the organization. Highly engaged employees will definitely make an organization more successful in terms of financial and non-financial parameters. Furthermore it has been found that TD practices influences work engagement of the employees in Sri Lankan insurance companies. Therefore TD practices influences work engagement. Furthermore components/dimensions of TD practices identified by Wollard and Shuck (2011) are influence work engagement. Hence developing these components will establish work engagement of employees in the companies.

Managerial implications
This study gives several implications to the managers. This study found that TD practices have highly influenced on work engagement of employees. Thus, the results of this study support the need for HR managers to develop and implement new human resources strategies to improve the work engagement of employees. This research results showed that TD practices greatest importance in promoting high level of engagement. Practically, HR mangers should more concern to assessing the strategic role of all TD practices to ensure high level of engagement among employees.

Limitations of the research
The first limitation of this study is cross sectional design. Data were collected from individual respondents at a single point of time. So it is very difficult to check the inference about causal nature of relationships. Second limitation of this study is responses were affected by social desirability response bias because of that data were collected using self-report questionnaire. Finally, this study was carried out in the insurance sector in the Sri Lanka using a mixed group of line employees like sales managers and sales executives. The generalizability of the findings of this study to insurance sector in other contexts or different environments may thus be limited.

Directions for future research
Researcher has suggested some areas for future research first, this research has designed cross sectional basis, and it means that data were collected from respondents at single point of time. Therefore there is a bias about causal relationship between variables. Thus future research will be recommended to use longitudinal designs in order to avoid causal relationship biases in future. Second, this research has mainly used self-report questionnaires to collect the data. So that responses may be affected by social desirability response bias. So it is recommended for the future research in this area which will be used multiple sources such as quantitative or qualitative data like archival data from organizational records. Furthermore, this study concerns the generalizability of the findings. The data were collected form only permanent employees of marketing and distribution level employees in insurance companies thus, the findings of this study may not generalize to insurance sector in other contexts or other cultures; research in other settings or geographical areas might yield different results. So it recommended using the present findings across different context (replication study).

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