

# A Study on Changing Attitude of Employee's Towards Automation in Insurance Sector

Dr. P. Sudha Rani<sup>1</sup>, Dr. D. Vijaya Lakshmi<sup>2</sup>

<sup>1</sup>Director, Abdul Qadir Jeelani Centre for PG Studies, Anadapuram, Visakhapatnam

<sup>2</sup>Assistant Professor, Department of Management Studies, Dr. L. Bullayya P.G. College, Visakhapatnam

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## ABSTRACT

New industries have grown tremendously in India because of technological advancements. The development and enhancement of technology in the Indian economy have given rise to new industries such as ICT (Information and Communication Technology) and ITES (Information Technology Enabled services). Technology plays a key role at all the levels to deliver more efficiently and effectively with optimum cost. Due to the technology many companies especially IT firms, are willing to accommodate the desire of employee's for flexible scheduling by offering telecommuting, flextime and core hours. The increase of telecommuting not only benefit employees desire but it also balances the work and family. They pay more dividends for employers in terms of improved productivity, a fusion of home and work will bring an end to weekends. The challenges driven by disruptive technologies have increased intense competition and complex market. In fact insurance sector is looking at optimizing costs, improving overall accuracy and maximizing returns. Higher efficiencies and streamline operational costs can be achieved through intelligent automation. This will enable professionals to focus more on value-added functions driven by smart solutions and contribute efficiently to overall organizations' objectives. This paper highlights the role of automation and satisfaction of employees in insurance companies. Finally the findings enable to provide the conclusion, which specifies that proper training, periodical feedback are main important criteria for improving the efficiency and level of satisfaction in the employees in different insurance companies.

**Keywords :** Disruptive technologies, Automation, Efficiency, Training, Feedback.

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## INTRODUCTION

Technology increases the pace of gathering, deleting and logical arrangement of information. Further, technology helps for the integration of data from different sources of organization. This integration of data can be at the national level (Macro level) or at the organizational level (Micro level). The organization which adopts new technology will experience a broader set of organizational changes both technically and economically. In fact, new technologies will reduce the number of inputs especially the human resources required for manufacturing and results in improving business's competitive strategy. Whereas at micro-level, the information is more related to recruitment, training, performance appraisal, rewards, and awards etc. This information is used to understand HR policies, procedures, actions and helps in understanding the gaps in the HR system and effectiveness of HR system. The consequence of using technology in organization makes the organization more competitive by reducing costs and improving the quantity and quality of goods and services to meet the objectives of organization and society with effectiveness and efficiency.

Some studies, give more information about the usage of IT in present day organizations Seyal, A.H., Rahim, Md. M. Rahman, M.N.A.(2000) in their studies examined the use of IT in various small and medium business organizations, and concluded that for the use of IT there is a need for computer knowledge.

Calhoun et al (2002) emphasize son the impact of national culture on information technology usage in organizations and finds some association between organizational characteristics and use of IT.

The technology innovations have automated the shop floor of the manufacturing process. The manpower has become redundant and many areas were manned by robotics. Some engineers claimed that the ultimate purpose of computerized manufacturing systems is "wrestling manufacturing, that eliminated thousands of blue-collar jobs in American factories and Assembly plants".

The holistic development of the country depends on the modernization of primary, secondary and tertiary sectors. It is observed that traditional technologies are adopted in the areas like agriculture, the small producing units and other establishments in the unorganized sector. Hence forth there is a need to implement, improve and replace new technologies. The superior technologies from research institutions are to ensure to address the need of society. The social effects on up gradation of technology are an area which requires special attention. The extent of technology adoption depends on technology transfer and the extent of direct investment by advanced countries. In view of the social effect by technology, new research centers and institutes are required to promote tempo for scientific workers and get trained

Advancement of technology had many changes in the insurance business more easy especially to the staff and policy holders in simplifying the contracting process and tailoring policies to better suit their needs. There is also scope for insurance to adapt to wider changes in economic activity such as the sharing economy and large millennial cohort., another striking characteristics is in improving the transparency of the contracting as well as the claims management process, including fraud detection, providing greater clarity to where the premiums paid go, which could have an impact on the wider insurance industry.

### **REVIEW OF LITERATURE**

Alejandro Oses (2021) concluded that the manual labor can be responsible for many of the mistakes and confusion in the insurance industry because of handling sensitive customer data. Automation comes to the insurance companies as a lifesaver, where we can notice the speed and efficiency to modern workflows, high rate of productivity and completely revolutionary change the user experience.

Sylvain Johansson and Ulrike Vogelgesang (2016), have stated that the insurance industry is heavily regulated and accustomed to incremental changes. This is due the radical shift in age of automation. With digitalization and machine learning, insurance activities are becoming more automatable .

Ripton and Peter Scott(2016)has identified that technology has come up with new trends which are beneficial for the growth and success of businesses. They have also highlighted six new trends for efficiency and effectiveness of the business and they are as follows.

**a.** The job of payment is now as easy as a click of a smartphone button, payments, reverse transactions and sending automatic invoices by email are all made possible.

**b.** Another biggest technological trend in business is adequate protection of information through containerization and adopting a cloudsolution, an emerging tool for sharing server resources.

**c.** The communications are directly embedded into apps and websites like Skype and WhatsApp which are meant for talk, chat, video and file sharing. They still require users to open a dedicated app. The major organizations apply the convergence of technology techniques for doing business. The retail business organization, Amazon. Com use these instant communication devices for customer service. The mobile computing has enabled Bank Of America to transact its commercial activities and provide cutting edge services for competition in the world of globalization.

**d.** Connected devices bring real –time updates by building their artifacts with sensors embedded within them which help in detecting anything which may start to breakdown and gives them the ability to avoid certain potential calamities.

**e.** One of the important trends in technology is “wearable”, which is used to identify the cooperation among employees when they interact with each other. The wearable is in the form of an ID card. These cards have several sensors within them. This card starts to record the body behavior, rhythm, face, and time and sends this data to an internal server. This card measures how long you talk to specific people, how far away you stand from them and more.

**f.** Another important trend in technology is Cloud envelops. This cloud technology enables connectivity with other systems and reduces maintenance and mobility among other benefits, and this cloud envelop can be used by almost all the software companies.

Therefore the advancement in process technology increases the number of computer industries by a drastic change in speed, the density of its devices with the help of Internet, smart vehicles and application of electronic design tools. The Internet is only possible through networking. Today networking uses wired infrastructure such as already existing phone cable line or dedicated line whereas wireless networking is becoming less expensive and more affordable. As a result of this in future, one can get the personal computer with inbuilt internet connection. The

level of performance in the field of computational science and engineering is just because of the application of electronic design tools and its capacity. The more the capacity, the more the confidence of convenience and safety for implementation.

Another important trend of technology is Big data which connects both people and things together. It is a revolutionary change to the world and in sensing more things, and if organizations sense it, they tend to try and store it.

**Objectives Of The Study**

1. To study the role of automation in employee satisfaction.
2. To analyze and study the perceptions of employees towards automation.
3. To understand the role and operations of automation in Insurance sector.
4. To provide suggestions based on the analysis of the study.

**METHODOLOGY OF THE STUDY**

Methodology is a systematic procedure of collecting information in order to analyze and verify a phenomenon. The collection of information is done to principle sources, Viz.

1. Primary data
2. Secondary data

**Data Collection:**

The study was carried out by collecting and analyzing the data collected both from primary and secondary sources.

**Primary data:**

Primary data is collected under convenience random sampling technique, with the help of a pre-designed questionnaire.

For that purpose the questionnaire is supplied to the employees of NICL, LIC, and United India Insurance company Ltd., Personnel Investigation method in interviewing techniques is used simultaneously to make the study more exact.

A single questionnaire is prepared to working class and technical discipline i.e., for all the employees. The data is collected to measure the effectiveness of the automation activities with help of sample frame.

The data collection includes: conducting personal interviews with the concerned officers of HR department of National Insurance Company Limited.

**Secondary data:**

Secondary data is obtained from the Insurance Companies, brochures, booklets, journals, records, and other printed materials supplied by the companies, text books published by different authors and from some useful websites.

**ANALYSIS AND INTERPRETATIONS**

1. Educational qualification enable to perform the job with computers in Insurance Companies?

**Table No:1 Distribution of respondents according to level of qualification and technology**

S.No	Level Of Qualification	Automation			Total
		Before Automation	Duration Automation	After Automation	
1.	Secondary	27 6.59%	2 0.49%	3 0.73%	32 7.81%
2.	Inter	39 9.51%	0 0%	15 3.67%	54 13.18%
3.	Diploma	21 5.12%	31 7.56%	80 19.51%	132 32.19%

4.	Degree	39 9.51%	18 4.39%	90 21.95%	147 35.85%
5.	Post Graduation	6 1.46%	15 3.66%	23 5.61%	44 10.73%
6.	Research degree	1 0.24%	0 0%	0 0%	1 .24%
	Total	260 63.41%	84 20.4 9%	66 16.10%	410 100.0%

**Source: Primary data**

According to the data collected and distributed it can be observed that about 35.85% of the respondents are degree holders followed by diploma holders 32.19%. Post graduates are found to be only 10.73% and respondents' qualified upto intermediate are found to be nearly 21%. It can also be seen that about 41.46% of diploma and degree holders are found to be working in the before automation. The qualification wise distribution shows major concentration in the before automation.

This shows that irrespective of the qualification the level of automation in the insurance sector plays an important role.

**2. Does Experience enables the employees ease in automation environment**

Data relating to the distribution of respondents according to their experience and area of working technology are presented in table no.2

**Table No:2 Distribution of respondents according to experience and working technology area**

S.No	Experience	Automation			Total
		Before Automation	During Automation	After Automation	
1.	<5 Yrs	17 4.15%	6 1.46%	19 4.63%	42 10.24%
2.	5-10 Yrs	25 6.10%	1 0.24%	19 4.64%	45 10.98%
3.	10-15 Yrs	54 13.17%	12 2.93%	19 4.63%	85 20.73%
4.	>15 Yrs	164 39.99%	47 11.47%	27 6.59%	238 58.05%
	Total	260 63.41%	66 16.10%	84 20.49%	410 100.0%

Source: Primary data

It can be seen from the table no.2 that respondents having put up more than 15years of experience are about 58.05% and 39.99% out of them are found to be working in the area of before automation. Among the overall respondents also, 63.41% are found to be working in the before automation. Among the 20.49% of total respondents working in the area of the during automation equal proportion of respondents are found to be distributed in all the experience categories except above 15 years category(6.59%). While analyzing the data one can understand that expect in the younger generation of workers (< 5 yrs of experience).

**3. Does Age of the employee have influence on use age of technology in insurance companies.**

An attempt is made to know whether the age of the respondents and the technology has got any association or not. A number of respondents in different age groups and areas of working technology are presented in table no.3.

**Table No:3 Distribution of respondents according to age and working technology area**

S.No	Age of the respondents	Automation			Total
		Before Automation	During Automation	After Automation	
1.	Below 20 Yrs	5 1.23%	16 3.90%	27 6.58%	48 11.71%

2.	20-30 Yrs	32 7.80%	7 1.71%	23 5.61%	62 15.12%
3.	30-40Yrs	22 5.37%	7 1.71%	66 16.10%	95 23.18%
4.	40-50Yrs	19 4.63%	27 6.59%	107 26.10%	153 37.32%
5.	Above 50 Yrs	6 1.46%	9 2.19%	37 9.02%	52 12.67%
	Total	84 20.49%	66 16.10%	260 63.41%	410 100.0%

Chi-Square: 62.667, P-Value: 0.000, Significant

**Source: Primary data**

As per the data, it can be observed that respondents in the age groups of 30-40 and 40-50 constitute nearly 60.70% of total workers working in different areas of automation. However, 42.20% of respondents are found to be in the areas of after automation from the above two age groups only. It is only in the age group of 20-30 yrs slightly more workers are found to be working with the area of before automation 7.80%. Another, interesting aspect to be noted is 6.59% in above 40 years category are working in During Automation 6.13% .

#### 4. Extent of satisfaction with the automation taken place at your work place?

**Table No:4 Mean Values towards the perception of employees towards automation**

PARTICULARS	Automation			
	Satisfied	Neutral	Dissatisfied	Total
Number of Respondents	259	85	66	410
Mean (Deviation from the maximum mean value 5)	3.7114 (1.2886)	3.4103 (1.5897)	3.3712 (1.6288)	3.5942 (1.4058)
SD	0.75295	1.0251	0.93566	0.85810

**Source: Primary data**

The Public Sectors have uniform wage or salary structure based on the recommendations of the Salary Revision Committee for Public Sector or Industry level Memorandum of Understanding (MOU). The mean analysis on the Rewards And Compensation Practices are found to be good in all the three areas ranging from 3.3 to 3.7. However, the difference from the maximum mean in the descending order is After automation (1.63), Before Automation (1.29) and while automation (1.59).

#### 5. Did you satisfy with the counseling programs organized by Companies?

**Table No:5 Mean Values of Counseling Programs**

PARTICULARS	WORKING AREAS			
	Satisfied	Neutral	Dissatisfied	Total
Number of Respondents	259	85	66	410
Mean (Deviation from the maximum mean value 5)	3.7432 (1.2568)	3.4706 (1.5294)	3.3081 (1.6919)	3.6167 (1.3833)
SD	0.83632	0.99009	0.89263	0.89393

**Source: Primary data**

According to the data the mean values of employees in the Before Automation (3.74), while automation (3.47) and After Automation (3.31) are ranging in and around 3.62.

#### 6. Employee Involvement and Commitment

**Table No.6 Mean Values of Employee Involvement & Commitment**

PARTICULARS	WORKING AREAS			
	Before	While	After	Total

	<b>Automation</b>	<b>Automation</b>	<b>Automation</b>	
Number of Respondents	259	85	66	410
Mean	4.1708	3.9147	4.0530	4.0988
(Deviation from the maximum mean value 5)	(0.8292)	(1.0853)	(0.947)	(0.9012)
SD	0.62878	0.87334	0.73969	0.70969

**Source: Primary data**

The Employee Involvement and Commitment Practices are analyzed. The mean values of responses of employees in Before, while and After automation in the descending order are 4.17, 4.05 and 3.91. Whereas the deviation from maximum value is 0.83, 0.95 and 1.09 respectively. Therefore the employees working in the during automation have lesser commitment and involvement.

### SUGGESTIONS

- The companies should make an attempt to educate the employees about its automation process by time to time.
- Taking timely feedback from the employees about their working environment with automation is highly essential to take necessary steps.
- Proper training is more important for employees to adjust with the automation changes.
- The employees who habituated with the manual process should be guided towards the automation.
- The information collected from the feedback forms should be utilized in a proper manner for improving employees' efficiency.
- Periodical feedback from the employees should be obtained to know their problems and inconvenience at work. Also suggestions should be sought from them in order to make employees feel more committed towards their work.
- Periodical training should be given to the employees of relevant cadre in order to cope with the technological advancements and also to increase their work efficiency.

### CONCLUSION

Hence the increasing use and continuous improvement of technology have made life simple and automated. The functional areas of management are also influenced by technology in the different sectors. It is evident that the computers are playing an important role in insurance sector. The team must be open to change to adopt automation and not feel threatened by it. If employees are receptive, success is guaranteed. If they are resistant, the conflict will be permanent. The insurance companies have initiated mobile applications that can help in offering quotes, reporting claims, accessing information etc. These facilities have enhanced level of efficiency of employees, which in turn results in satisfaction in employees towards their work.

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