

EXERCISE 8.2: RAINYDAY INSURANCE ADJUSTERS COMPANY*

Overview

Often in organizations, new equipment may be installed without designing or offering the appropriate amount or type of training. As a result, productivity and job satisfaction of employees may decline, causing business losses for a firm. In some cases, the training problems also may be related to other problems in the organization (e.g., communication, management issues). It is the HR professional's job to diagnose the nature of the problems and offer realistic, timely recommendations. This exercise provides the student with some case information and has the student diagnose the problems with the company and offer recommendations for addressing those problems.

Learning Objectives

After completing this exercise, you should be able to

1. Understand how to interpret partial needs assessment information to determine the next steps that must be taken in collecting additional information.
2. Use needs assessment information to develop plans for designing or implementing training.

Procedure

Part A: Individual Analysis

- Step 1. Read the background material presented in Exhibit 8.2.1. Note that you have been hired by the CEO to help the company interpret its problems and to draft some recommendations. In the first few days, you have collected some information, which is contained in the exhibit.
- Step 2. Complete the questions found in Form 8.2.1.

Part B: Group Analysis

- Step 1. In groups, discuss your responses to Form 8.2.1.
- Step 2. As a group, reach consensus on what the company's problems are. Then outline a short-term plan (within the month) and a longer-term plan (over the next 6 months) to address those problems. Make sure your group includes the timeline for when each recommendation should be implemented and what the benefits and drawbacks are to each suggestion.

Exhibit 8.2.1**Background Information on Rainyday Insurance Adjusters Company**

Based in south Florida, Rainyday Insurance Adjusters is a medium-sized company with 135 employees and seven managers. They process the claims of policy holders who have experienced various misfortunes (e.g., hurricanes, floods). Their primary job is to determine the amount to be paid out and process the paperwork for some of the smaller insurance agencies in the area so that final payments can be issued. Although the company is only 8 years old, it has done quite well and has seen a large increase in business. It has a reputation for quality work and quick turnaround on claims. Because customers are often eager to move on after misfortunes strike, Rainyday has built a loyal following among the insurance agencies that depend on it. Delayed claims often cost these companies time and money when they have to interact with continuous customer complaints.

To accommodate the increase in customers, 6 months ago, Rainyday expanded its office in the current building and upgraded all its equipment to make the company more efficient and to allow workers to process claims more quickly. In particular, computers were upgraded to facilitate speedier turnaround and higher capacity from claims processors. The new computers represent a large investment the company cannot afford to underutilize. Since installation of the computers, Rainyday has experienced a number of problems with voluntary turnover among claims processors as well as decreased productivity and increased errors.

Recently, the CEO of Rainyday, Rebecca Stephens, hired you as a consultant to help determine what, if any, training needs the claims processors have. There are 85 processors in the claims department. On your first day, you talked with several employees in the claims department. Fran, one of the more senior claims processors, has been with the company since it started 8 years ago. He has become increasingly dissatisfied since the new computers arrived. As he remarked to you, "The managers told us the new computers would make our jobs easier, but they have been nothing but trouble. We spend half of our time printing out the forms and then we have to go back and correct errors on them. Also, some of the newer claims processors have been bugging me to show them how to fill out the forms. I don't have time for that, and besides, they should have learned it themselves in all those hotshot computer classes they have taken. On top of all that, my manager, Paula, stops by every day and tells us we all need to work faster because we are getting behind. I'm telling you, I have had it. I'm about to join the others and quit."

After your conversation with Fran, you decide that before you start drafting an action plan for the training program, you had better meet with Fran's manager to get her perspective. Paula seems friendly enough and is very open about what she

thinks are the reasons for the problems. "Ever since we got the new computers, we have been having problems. Errors have increased, productivity has gone down, and we have had a lot of employees quit. At first, I thought it was just the new computers, but I also noticed a lot of bickering among the claims processors. It seems the more senior processors have resented the new hires, perhaps because some of their buddies quit the firm." After further inquiry, Paula mentioned that when the new computers arrived, she offered to send everyone to the local high school to take a computer class that would teach them how to use the computers and the software. The class was offered early in the morning (6:30 A.M. to 8:00 A.M.) so employees could take the class and still make it to work only 1 hour later than they normally arrived. They could get to work by 8:30 A.M., which was 1 hour after their normal start time. Paula also told employees they would be paid for the hour of work they missed. As she noted to you, "I was surprised that the employees did not seem more excited about the idea of the training. In fact, a number of employees told me that they did not want to be going to school with a bunch of teenagers and said they would just train themselves."

After talking with Paula, you asked her to point you in the direction of one of the newer employees who had been experiencing conflicts with the more senior employees. You reserved a conference room and met with Malcolm. He was very talkative and had a lot to complain about, especially regarding the older employees. "I'm having a pretty tough time here. After I took those computer classes at the high school, the computers have been really easy to work with, but I'm still having trouble filling out the claims forms. One of the senior employees, Randall, is supposed to help me, but he seems too busy. I think that he and the other old-timers are just jealous that some of the newer employees know the shortcuts on the computer. It's kind of funny watching them try to format their claims; they get so frustrated because they don't have a clue how to work the computers. I told a few of them I would show them, but they said they didn't need help from 'a youngster.' Fine by me; I have plenty to do."

After meeting with Malcolm, you realize that things don't sound too good. Because of the delays in the work by the claims processors, customers have been complaining to the insurance companies. Consequently, the firms are threatening to drop Rainyday. With all of their expansion efforts, Rainyday needs customers now more than ever. The CEO said to you as you were leaving for the day, "If things don't improve soon, we may be out of business." She encouraged you to develop a training program or whatever you think would help to improve the productivity of the claims department.

Name _____

Group _____

**FORM 8.2.1 BASED ON THE INFORMATION YOU REVIEWED
IN EXHIBIT 8.2.1, RESPOND TO THE FOLLOWING QUESTIONS**

1. What do you see as the major problems at Rainyday Insurance Adjusters Company?

Learning Objectives

After completing this exercise, you should be able to:

1. Outline the steps to be followed in the design, development, and evaluation of a training program.
2. Discuss the advantages and disadvantages of various training techniques and the evaluation of design options.
3. Develop an approach to determine who should receive the training.

Procedure

Part A: Individual Preparation

2. What are the causes of those problems?

Part B: Group Analysis

- Step 1. In groups of four to six students, each member should review each other member's responses on Part A 4.1.
- Step 2. The group should attempt to reach consensus on the diagnosis of causes and the position to be taken on the issues raised by Dr. Richter. One group member should take careful notes of represent the arguments and all aspects of the training program, the design of evaluation, and the program to be used as a part of the evaluation process.

Part C: Class Discussion

One member of each group should present the group's recommendations for the steps to be followed for the training program. Class discussion will follow on the areas where the groups agree and disagree. An attempt should be made to reach consensus on all major issues that must be addressed by the task force.

Part D: Self- and Peer Evaluation

Complete a self- and a peer evaluation form based on the performance in the exercise.

FORM 8.2.1 (Continued)

Name _____

Group _____

3. What steps should be taken to better understand the performance problems at Rainyday? That is, what would you do to conduct a more thorough needs assessment to better pinpoint the problems?

4. Provide several suggestions for addressing the problems in the claims department at Rainyday.