



PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Research on Human Resources System in Ping An Life Insurance Company of China

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Lecturer: Rachel Cook

student name: An Huang

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Executive Summary

The loss of agents in Ping An Life Insurance Company of China is serious. The working hours of employees are short, and the personnel structure is unhealthy, which leads to the severe test of the insurance industry. This paper analyzes the recruitment and employee benefit distribution system of Ping An Life Insurance Company of China Company, and finds out its main problems at present, and puts forward simple optimization strategies for its recruitment system combined with competency model, and puts forward the development direction of future benefit distribution model.

Key words: personnel training; Human resources recruitment

Background

Most insurance companies have not formed a team of agents with high quality. From the market data, the turnover rate of agents is high(chenjiahong,2022), so it is difficult for enterprises to cultivate and precipitate a professional agency channel with high performance in this case.

First of all, from the perspective of recruitment. Human resources department will make judgments according to the candidates' educational background, technical ability and past work experience, without setting conditions to analyze the invisible characteristics such as psychology and competence.

Secondly, the development of the profit distribution model of insurance companies encounters bottlenecks(Liu Dangli,2011), and the uneven distribution of benefits can't stimulate the working enthusiasm of agents, which leads to low enterprise benefits.

China Ping An Insurance Co., Ltd. is one of the three comprehensive financial groups in China. The Group's total assets exceeded 10 trillion yuan, making it the largest insurance group in the world. There are 340,000 regular employees and more than 1.4 million insurance salesmen in the world.

Ping An is a huge comprehensive financial group. Although its business is extensive, life insurance is still its core and most growing business. The agent channel is the channel with the highest value rate in life insurance business, and it is also the most important traffic entrance. Ping An promoted the elite transformation of life insurance agents in 2019, and increased the proportion of high-quality agents, thus enhancing the business value, as the differentiated services provided by high-quality agent channels are the main grasp to seize market share.

At present, the structural transformation of Ping An's agent employees in China has begun to dawn. Since the beginning of increasing the proportion of high-quality agents, the proportion of middle-class and mass customers has continued to shrink, and the proportion of wealthy customers has gradually expanded, and the income contribution of wealthy customers is far ahead. The way of increasing the proportion of wealthy customers through structural transformation has achieved results. However, in order to enhance the value of new business,

it is necessary to rely on high-quality agents to make full two-way communication with customers, and to promote insurance policies that better match the customer's protection needs, so as to promote the growth of scale. To enhance the value of new business, we must rely on the growth of agent channels. Ping An adheres to the "quality manpower development strategy" to upgrade agents and promote the sales growth of high-value products with quality instead of quantity. Under this background, how to identify, select and cultivate high-quality agents has become a major problem.

Competency Theory

Competency model is widely used in the fields of HR recruitment, training, career planning and company performance. At present, competency model theories mainly include onion model and iceberg model. The iceberg model includes five competency dimensions: quality, knowledge, motivation, self-concept and skill level(Kochanski,1997). Iceberg model holds that people's ability includes external representation ability and potential ability. On the one hand, it is the iceberg part exposed to the water, which is usually easily perceived by people, such as education and skills. On the other hand, it is the part buried under the water surface that is not easy to be observed by people, such as motivation, self-concept and quality, etc., which are precisely the key factors to distinguish the excellent performers from the average performers(Richard,1994).

The competency of the onion model is divided into three levels, and the model can be peeled off layer by layer just like the onion. The surface layer of the model is individual knowledge and skills, and this part is the easiest to identify and change(McClelland,1973). The middle layer is attitude, values and concepts, which is difficult to change; The core part is motivation and personality, which is the most crucial leading role for the individual's performance level, and it is also the most difficult to change.

It is imperative for HR apartment to establish an internal talent training mechanism, improve the overall recruitment quality and meet the demand for high-quality talents. Drawing lessons from the effective experience of other industries(Cui Jiayang,2021), the recruitment method of introducing the concept of competency can play a certain role.

Model building

A full understanding of the position is the prerequisite for the effective establishment of the competency model. After fully reading the job descriptions in various recruitment channels of Ping An, China, analyzing the information behind the jobs, and drawing lessons from the research of other industry agents by scholars(Miao Qing,2003), a preliminary competency model framework as an excellent agent is obtained.

Table 1 competency model

field	Main ability	field	Main ability
Interpersonal skills:	Persuasive ability Establish a partnership Building customer loyalty Efficient communication Build trust	personality characteristics	Result-oriented adaptive capacity Continuous learning positive persevere striving for excellence crushing resistance
Business management ability	Make decisions Work management Continuous improvement		

According to the iceberg model, motivation is an important invisible feature of employees, and the adaptability of motivation plays a role in the process of "person-post" matching. However, the competency model mentioned above is only a preliminary model, and the accuracy of the competency under each category still needs to be tested. Therefore, after contacting and interviewing several insurance agents, I asked them to give some opinions on the above table, and then made some modifications to it, and got a more realistic model:

Table 2 Modified model

field	competence
interpersonal skills	Efficient communication Build trust
Business management ability	Seeking customer satisfaction Make plans and implement them with high quality. Effectively improve work efficiency.
leadership	High performance Management team ability
personality characteristics	Be good at adjustment Continuous learning initiative

Traditional agent recruitment pays more attention to the obvious characteristics of

candidates' knowledge, skills and work experience. This process may quickly find candidates who meet the target positions. However, the post recruitment standard based on competency model not only takes into account these explicit characteristics of candidates, but also pays more attention to hidden characteristics such as behavior, personality and motivation from the perspective of corporate culture strategy⁸, so as to ensure the reliability and validity of recruitment and make the recruits meet the needs of company development for a long time, which is particularly important in today's ever-changing market environment.

After the competency model, the description of knowledge, professional skills, abilities and personality characteristics is added on the basis of educational background and work experience, which is more in line with the needs of target positions and makes the subsequent recruitment channel selection and talent selection work objectives clearer.

Employee Benefit Distribution Mode

The organizational structure of traditional insurance agents is "pyramid" type, and agents are divided into four to five levels, and even there are more levels set by companies¹³. The higher the level, the more benefits are allocated. A small number of managers at the top of the pyramid get a lot of commission income, while most agents at the middle and lower levels get relatively limited commission benefit. In this system, the management level is redundant, and the cost remains high(Yang Hangxin,2021). Every time the agent at the bottom of the pyramid sells a policy, he can only get 50% of the total sales expenses paid by the insurance company for the policy, while the remaining 50% is given to the management team at the top under various names.

Although insurance companies have invested a lot of costs based on the "Basic Law", the input-output efficiency is low, which is not conducive to the agent's income promotion and effective retention. Although this kind of benefit distribution arouses the agent's enthusiasm to increase the number of employees, too many sales levels also lead to a serious mismatch between the agent's premium contribution and commission income at the bottom of the pyramid¹⁴.

With the disappearance of demographic dividend in the future, it will be more difficult to increase the number of employees¹⁵, and the road to drive the development of life insurance

companies by setting up stalls, investing expenses and increasing manpower will become narrower.

Therefore, how to break this dilemma, protecting the interests of agents and enhance the enthusiasm of agents will become the main consideration of the company.

With the rise of network mutual assistance, agent network marketing platform and other modes, with massive traffic, subversive efficiency and powerful expansion appears. It challenges the existing pyramid life insurance marketing structure. With the empowerment of science and technology, the productivity of front-line agents is activated, and they are facing increasingly personalized and diversified market groups. In some enterprises' HR apartment, the organization model of small front-end teams and large back-end platforms is rapidly emerging. Compared with this model, pyramid marketing model is bloated and bulky. In the future agile environment, the headquarters may face thousands of agile teams to meet different needs. Enterprises will change from the current chain mode to the bipolar driving mode: both from the head and from the bottom. Internationally, pyramid marketing structure is gradually being replaced by independent agent mechanism. According to data¹⁶, in the American life insurance industry, the independent agent model contributed nearly 50% of the premium income. While in Canada, the proportion reached more than 70%.

In the past, we focused on selling a product to everyone; The future apartment will focus on personalized solutions. When the team and organization develop in this direction, the middle and back office of the company must undergo drastic changes. The future sales organization must be a platform organization, not a pyramid platform, but a platform partner. Ping An Life Insurance Company of China can learn from this benefit model, which enables front-line agents to have enough initiative. The growth space of agents is large, and the attractiveness of agents' income is high.

Due to the epidemic situation, there are many unemployed people. High income attraction can attract people engaged in other industries to become insurance agents at the same time, while unemployed people will choose to be agents with lower threshold in order to earn living expenses.

Suggestion

1. Broaden the recruitment channels for agent talents

When recruiting, enterprises should open up recruitment channels, identify other effective channels, compare the types of interviewers in different channels, and constantly adjust future recruitment strategies according to the comparison results(Qiao Yanlian,2021).

Headhunting: Looking for high-quality management talents through headhunting. Because headhunters are rich in resources, and have a clear grasp of the overall development of this industry, they can help enterprises find the most suitable and capable talents.

Network recruitment: The Internet enhances the channels and timeliness of recruitment information, which is conducive to more people's access to recruitment information more quickly.

Campus recruitment: Campus recruitment is suitable for cultivating outstanding inexperienced agents. Because the dominant characteristics of school enrollment are obvious enough, enterprises need to comprehensively test the invisible characteristics of candidates, and determine whether the personality, values, interests and other factors of fresh graduates are consistent with the long-term development of the position.

2. Improve the talent selection process

The general selection process of enterprises includes resume screening (educational background, type of school attended, work experience and background of the company where you are employed, etc.), structured interview, written test (investigation of professional knowledge and skills), personality test²¹ (MBTI, DISC, etc.), no leading group discussion (communication ability, influence, leadership and problem solving ability, etc.) and other processes. According to the specific situation of insurance companies, when recruiting and cultivating inexperienced talents, you can choose all the above processes to ensure that the candidates' dominance and invisibility meet the job requirements. For social recruitment, the company can selectively choose several processes, such as personality test and structured interview. While paying attention to the dominant ability, it should also pay attention to the candidate's invisible ability, so as to avoid overemphasizing one aspect and ignoring the influence of other factors²⁰.

3. Improve the composition of agent's benefit distribution.

There is still a large incremental market in the insurance industry. Some large life insurance companies have set up exhibition and customer acquisition platforms for agents, and support agents to obtain customers as independent entrepreneurs on this platform. Ping An Life Insurance Company of China can consider abandoning the pyramid marketing structure, adopting the partner mechanism, shaping its own flat agent team, relying on scientific and technological strength to build a strong organizational middle office and activate the energy of front-line agents.

A strong middle station means the company's strong organizational ability and front-line combat support, and it is becoming the support point for the transformation of traditional marketing system. At the same time, Ping An Life Insurance Company of China can consider reducing organizational interests and intermediate interests, enhancing the direct sales interests of agency channels, and positively stimulating the front-line productivity. Take agents as business partners, increase their direct incentives and mobilize their entrepreneurial spirit. Help the team leader grow into an inspiring front-line business leader and an entrepreneurial partner, and enhance his ability in agent support, training and motivation, so as to more effectively stimulate the potential of front-line agents and provide support for their success.

Conclusion

The optimization of agent team is an important force to promote the rapid development of Ping An Life Insurance Company of China and a key factor to achieve the expected strategy. High-quality agents cultivate good relations with customers on behalf of the company and promote the research and development of insurance products. The optimization of agent team structure is an important strategic direction of human resources in Ping An Life Insurance Company of China at present.

In the process of agent structure optimization, it mainly analyzes the recruitment optimization channel and benefit distribution mode. In the recruitment process, HR used to focus on the dominant characteristics such as education and work experience. According to the competency model, HR can use effective tools to analyze the invisible characteristics of candidates in the future recruitment process (such as whether the direction of career planning

is consistent with the post development, whether the personal characteristics meet the post requirements, etc.).

In addition, the profit distribution model of agents also restricts the positive development of agent channels. HR may consider gradually weakening the pyramid profit distribution model and adopting other more reasonable profit distribution models to protect the interests of front-line personnel, stimulating their work enthusiasm and ensure the sound development of agent channels. HR apartment need to establish a continuous and systematic agent training mechanism, and constantly improve the enterprise talent incentive mechanism, and make a long-term career plan according to the agent's personal situation. In order to solve the current situation of the loss of insurance agents, it will play a certain auxiliary role for the long-term development and healthy operation of insurance companies.

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