

ASEAN INSURERS' SKILL DEVELOPMENT CHALLENGE

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ABSTRACT

This article sets out to demonstrate that there is an urgent need for skill development in the local insurance companies in Asean countries. The pressures creating this need are the turbulent changes affecting the region, especially globalisation and consolidation. Liberalisation looms ahead: an opportunity and a threat. Rampant change is ever present. All this demands that insurance staff in the region develop a range of sophisticated skills, or be swamped by the foreign incomers from more mature markets and with a greater degree of professionalism. This presents a real threat to local insurers, whose importance to the national economy is increasingly recognised by governments.

The need for skill improvement can be met through companies themselves, through On-the-job-training and other experiential methods, supplemented by other agencies such as Asean, universities, governments, and professional bodies. The internet is transforming the delivery of education and training, but is not a panacea.

However, apart from some of the big companies, and smaller companies in a few countries such as Malaysia and Singapore whose governments actively and strategically intervene, it is unlikely that the formidable skilling need can be met within local companies. For most are not aware of the urgency, or equipped either financially or in terms of skilled trainers, nor do they have a reputation for quality training or other aspects of human resource management. And the staff turnover problem deters them from a training investment which will at best be wasted, and at worst increase turnover.

Perhaps strategic alliances within Asean, with training as part of the package, could be a solution. Or perhaps a global takeover of local markets is inevitable, as an interim period, the transfer of skills from the foreign insurers leading to a later local resurgence

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