CHAPTER VIII

Summary & Conclusions

Background in Brief

The life insurance industry has witnessed a sea-change over the last few years. The state-owned Life Insurance Corporation of India (LICI) is dominating the life insurance market with a share of 70 per cent in 2014-2015 amongst all other 23 private insurers (PTI, 2015). The advisors are the frontline revenue generators of this intangible product where human touch becomes significant and also acts as a differentiator with respect to other industries. The KSAs for the service industry, as identified in Chapter I of this thesis (Figure 1.1), becomes a critical factor for performing in this industry. Amongst the other competencies, as described in the figure, the social and personal abilities became the focus area of this study. Also, the theoretical framework, as discussed in Chapter II, guided the researchers to develop the understanding that these abilities are one of the key driving factors of performance but they are not easily identifiable and are termed as hidden competencies (Figure 2.1: Iceberg Model of Competence). This triggered the researchers to develop the conceptual framework bringing forth the relationship between the technical and personal competencies and performance, as described in Chapter II (Figure 2.4 and Figure 2.4.1). Therefore, the authors argue that, for this profession, behavioral competencies, including emotional intelligence and personality, is an important area of study being significant influencers of performance. Here, a study has been conducted on a combined sample of 200 life insurance advisors of both the public and the private sector, in the Kolkata region.
The objective of the research was to study the impact of emotional intelligence and personality on the performance of life insurance advisors and also to outline a comparative discussion between performance of the public and private sector life insurance advisors.

As an output of the survey based research this study hopes to bring to light the critical traits of life insurance advisors that are instrumental in higher performance. In order to diagnose the impact of emotional intelligence and personality on performance, primary data has been collected through a questionnaire-based survey from a select sample of advisors in the Kolkata region. The questionnaires were meant to collect information about their personal and professional characteristics and unearth the level of emotional intelligence and personality characteristics of the individual life insurance advisor. Data was also collected with respect to their performance in the year 2010-2011. The population was segregated into two strata: the public sector advisors and the private sector advisors. The number of advisors from the public sector was 109 (54.5 per cent) and that of the private life insurance players at 91(45.5 per cent). Statistical Package for the Social Sciences (SPSS) version 21.0 was used for the statistical analyses. Certain statistical methods, chi-square test, binary logistic regression and multinomial logistic regression were applied on the data to get the results which were analyzed.

Analyzing the data we have discussed drivers of performance into the following broad areas:

- Findings from Pooled Sample of Private and Public Sector Life Insurance Advisors
o Relating Performance with Demography, Emotional Intelligence and Personality

o Evaluating the Impact of Demography, Emotional Intelligence and Personality on Performance of Advisors Moving from One Level to the Next Higher Level

o Evaluating the Impact of the Major Influencers of Performance from the First Level (Needs Improvement) to any other Higher Level of Performance

• Findings from Sector-Wise Sample
  o Relating Performance with Demography, Emotional Intelligence and Personality
  o Evaluating the Impact of Demography, Emotional Intelligence and Personality on Two Categories of Performance

Summary of the Findings from Pooled Sample of Private & Public Sector Insurance Advisors

Relating Performance with Demography, Emotional Intelligence and Personality

Amongst the demographic variables, tenure of service and gender are found to be significantly associated with the performance of the advisors. In simple terms, from the dataset it may be inferred that tenure of service is a significant influencer of performance: 75 per cent of the advisors with more than sixteen years of experience belong to the higher performing categories, while most of the respondents with lesser years of work experience belong to the lower performance zones.
However, the impact of gender on performance shows an interesting trend. The sample clearly indicates that the percentage of female advisors is more than the male advisors in the bottom three levels. At the same time the percentage of male advisors is higher at the ‘Very Good’ and ‘Excellent’ levels. This probably substantiates the proverbial ‘glass ceiling’, in which the top levels of the hierarchy in most organizations are dominated by male employees. But in this case, it needs to be mentioned that the climb from one performance category to the next higher one depends on the business garnered by the advisor. So it may be inferred that less women among the sample respondents have been able to bring in very high volume of business.

Work pressure and personal pressure are proxy measures of current environment factors influencing emotional intelligence. The present study shows that work pressure and personal pressure are found to be significantly correlated with performance levels.

Again, among the core components of emotional intelligence, e.g. emotional self-awareness, creativity and personal power are found to be significantly associated with performance. Creativity describes one’s behaviour or intention to emerge with something new. Emotional Self Awareness describes the way one may think or feel about oneself. Personal power component defines to what extent an individual takes control of his/her own life. An insurance advisor’s life is full of uncertainty, cut-throat competition and pressure of targets and deadlines. Their success or failure in the profession is dependent extensively on many of the external factors like market-conditions, customer preferences, product line innovation and many more. Changes in these factors are beyond the control of an individual. So on one hand as it is advisable to own the responsibility of one’s own
behavior but also on the other hand individuals need to learn to accept failures and move ahead.

Agreeableness is one of the significant personality attributes which reveals the fact that high levels of agreeableness may restrict an advisor’s movement across the performance levels and he/she may be confined to the ‘Needs Improvement’ level of performance. High levels of agreeableness indicate that an advisor has high desire to make others happy. In an attempt to do so he may find it difficult to assert himself which the customer may perceive as lack of confidence over his own product. Thus an advisor may lose in making a sale effective.

Next, the researchers have attempted to estimate the impact of a combination of the demographic, emotional intelligence and personality variables, which have shown correlation with performance and also others which have not shown significant association with performance on the pooled sample.

**Evaluating the Impact of Demography, Emotional Intelligence and Personality on Performance of Advisors Moving from One Level to the Next Higher Level**

A further in-depth understanding of the sample characteristics is noted by estimating the impact of a combination of the demographic, emotional intelligence and personality variables on the pooled data of insurance advisors, subdivided into three sub-sets.

Here, the movement across the performance levels have been tracked through three distinct categories, namely ‘Needs Improvement’ to ‘Fair’, ‘Fair’ to ‘Good’ and ‘Good’ to ‘Very Good’ and ‘Excellent’ combined. A binary logistic regression is run at each of these performance levels represented by a sub-set of advisors for every performance level.

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The analysis revealed that general health conditions have a positive influence on the movement from ‘Needs Improvement’ level to ‘Fair Level’. At the same level it is found that increase in work pressure may reduce the chances of movement to the ‘Fair’ level. In the second category, it is found that increase in the tenure of service and with high creativity skills an advisor has good chances of moving from the ‘Fair’ level to the ‘Good’ level of performance. At the move from third to highest performance level category revealed that the chances of male advisors are more to move up the performance ladder from the ‘Good’ to the ‘Very Good’ and ‘Excellent’ categories.

The advisors who are at the ‘Needs Improvement’ stage may not have the emotional and personality strength to handle work pressure and thus the only way they may move from ‘Needs Improvement’ to ‘Fair’ is by working very hard in physical terms. On the other hand, the respondents who have already moved into the ‘Fair’ stage would need their creative skills and work experience to move to the ‘Good’ stage because the rise from ‘Fair’ to ‘Good’ would mean more than just physical hard work or handling work pressure. This move from ‘Fair’ to ‘Good’ also demands that the responsibility have been able to use their experiences of work in this sector to be creative with their thoughts to improve their performance. But the move from ‘Good’ to ‘Very Good’ and ‘Excellent’ is not a simple task of the female respondents. This analysis has a specific weakness, that is, most of the emotional intelligence and personality variables have not emerged as influencers / explanatory variables. It has been addressed with special attention to performance in the subsequent section.
Evaluating the Impact of the Major Influencers of Performance from the First Level (Needs Improvement) to any other Higher Level of Performance

The life insurance sector has a unique characteristic in regard to the movement of the advisors across the performance levels. An advisor does not necessarily follow the performance level jumps in strict hierarchical levels, Fair to Good, Good to Very Good etc. Depending on the amount of business generated, as compared to the set benchmarks, an advisor has the possibility of moving straight from the ‘Needs Improvement’ to ‘Good’, ‘Very Good’ and ‘Excellent’ levels of performance. This phenomenon is diagnosed through a multinomial logistic regression. This is conducted on the pooled dataset of 200 advisors. The findings from this analysis may be summarized as follows:

In-depth study of the probability of movement of an advisor from the reference category, namely, ‘Needs Improvement’ level to any of the higher levels, that is, ‘Fair’, ‘Good’, ‘Very Good’ and ‘Excellent’ has revealed the significant influence of demography, a combination of emotional intelligence and personality variables determining the probability of upward movement across the performance levels.

As one moves from ‘Needs Improvement’ to ‘Fair’ or ‘Good’ or ‘Very Good’ or ‘Excellent’ levels of performance the factors positively influencing the upward movement are cited as below:

‘Needs Improvement’ to:

- ‘Fair’: **good health** conditions increases the probability of this movement
- ‘Good’: good health, **tenure of service** and **creativity** increases the probability of this movement
o ‘Very Good’: good health, tenure of service, creativity and openness increases the probability of this movement

o ‘Excellent’: general health and creativity increases the probability of this movement

An interesting feature is observed when the study traces the movement from ‘Needs Improvement’ to the ‘Excellent’ level of performance. Here only two significant factors emerge which positively influence the movement. They are creativity and general health. It is noteworthy to mention that such a significant jump from the first level (Needs Improvement) of performance to the highest level is difficult and may require excellent creativity and health back-up in addition to some other competencies which may not have come up in the present sample study.

The research work has shown that there is also a collective impact of some specific predictor variables on performance. They are namely, age, life events, general health, creativity and openness. As the focus of the research work is to study the impact of the emotional intelligence and personality variables on the performance of the advisors, the two personal competence variables, creativity and openness draw the special attention of the researchers. Therefore, a sub-set of respondents with high creativity and openness are identified. In the present study, only 7.5 per cent of the respondents (total 15 respondents) show a combination of high creativity and high openness. Here, it is noteworthy to mention that, none of these advisors are in the ‘Needs Improvement’ level. It is also very striking that in this sub-set of 15 advisors, 14 of them belong to the private life insurance industry. Thus it reveals that the advisors of the private insurance industry are more dynamic and vibrant than that of the public sector. This may be because of the fact that
the private advisors entered a very competitive market from the very beginning. They were aware of the scenario, where LICI had a very strong foothold in the market and also there were many other private players who would be simultaneously operating in the market. Thus to consolidate one’s position in the market, one needs to have some differentiating attributes which might be openness and creativity as inferred from the study.

**Summary of the Findings from Sector-Wise Sample**

*Relating Performance with Demography, Emotional Intelligence and Personality*

Among the sampled respondents in the public sector, age, personal power, creativity and life events are found to be significantly associated with performance. But in the private sector, personal pressure is the only variable that is associated with performance. From this we may infer that senior employees have possibilities of performing better in state sector whereas age does not influence private sector employees. Personal power indicates an individual’s proactive approach towards life. In the present sample, not a single advisor of the public sector is found to be present in the optimal zone\(^{24}\) of personal power. However, ‘Excellent’ performers are present in the other zones of personal power. Hence, it may be summarized as though personal power is important, but it is not deterministic in any particular direction.

The study has also revealed creativity as a significant factor associated with performance. Creativity is the ability to drive change. In a selling profession, creativity brings in innovation in the process of interacting with customers, adapting to changes and making a deal. In the optimal zone of creativity, it is found that 46 per cent of advisors are in the

\(^{24}\) Optimal Zone refers to the ideal state of the particular emotional trait.
combined levels of ‘Very Good’ and ‘Excellent’ levels of performance. Thus creativity may have direct positive bearing on performance.

Life events is defined as the different kinds of situations, happy or sad, a respondent has faced in his/her life that has left a mark in their mind. Life events deal with the variety of experiences faced by an individual that leave a mark on his psyche. This is an observation relating to the public sector, where an advisor’s capacity to handle life’s experiences may have aided his career. Life events only influence work in public sector but has no association in private sector.

Another element of current environment, however, is found to have significant association with performance of respondents only in the private sector. This is namely personal pressure. This actually leads to the understanding that though managing personal pressure is important but there must be presence of some other significant factors which influence the upward rise in performance.

Next the researchers further strengthened the comparative study between the sectors by a disaggregated analysis where performance is captured on multi-levels. For simplistic statistical analysis the performance levels have been clubbed into two, ‘Meeting Standards’ and ‘Exceeding Standards’. Thus binary logistic regression is run on the two sub-sets of 109 public sector advisors and 91 private sector advisors.

**Evaluating the Impact of Demography, Emotional Intelligence and Personality on Two Categories of Performance**

The analysis on the public sector advisors revealed that tenure of service, creativity and general health are significantly associated with performance and they positively influence the movement from ‘Meeting Standards’ to ‘Exceeding Standards’ of performance. But
the analysis in the private sector did not report any factor which may positively influence the upward movement of the advisors across the performance levels.

Thus both association and performance estimation revealed no significant variation that may have influenced performance in private sector. The public sector data have been analyzed to throw light on age and experience, commonly perceived as influences of performance, general health being a pre-requisite, handling life events and managing personal power as added strengths in selling insurance and finally creativity which is found to bring about performance enhancement. But the private sector advisors are mostly engaged in these organizations for a brief time (50 per cent are in the organization for less than 5 years), more so these are comparatively newer companies. Thus it may be presumed that no major influencer can be said to have a deep-rooted impact on performance in private sector companies.

**Managerial and Research Implications**

Thus it may be inferred that health conditions of an advisor is highly significant as the job involves a lot of field work. Also, as one gains experience, the learning curve improves and performance becomes better. Creativity helps an individual to create a differentiation in the selling activity. This gives an advisor a competitive advantage in the industry, where there is always a stiff competition and one works under the pressure of targets and deadlines. Openness to new experiences is an essential component and features in the movement to the ‘Very Good’ level of performance. If an advisor is ready to learn and accept challenges then only he may go up the ladder.

Literature suggests that openness to experience implies that a person is imaginative, sensitive to aesthetics and open to new ideas. Thus it has been found to be important for
jobs that require creativity (Zhou & George, 2001). Hence, it may be inferred that an advisor by his openness nature will be able to absorb the emotional needs of the family to whom he is trying to sell his insurance product. He may thereafter use his creative skill in his interface with the customer, so that the customer is convinced of the need for his insurance product.

This research tries to find commonality between personality variables and emotional intelligence components that may influence performance, with special reference to services sector. The reason why identification of such commonality is important is that the research may lead to identification of variables that play a significant role in variation in performance. These inferences may be used in managerial decision-making, with a focus on recruitment and selection of insurance advisors. In addition for the existing employees of insurance sector such studies may help in identification of employees who deserve training. Alongside, HR managers responsible for training and development may also find such research meaningful for their exercise. In other words, advisors with strong product knowledge but lacking in social skills and personal abilities may be subject to training in these areas for improved performance in the future.

As performance is found to be correlated with gender, it is recommended that the life insurance organizations should have long-term policies to encourage and support female advisors to rise in their career. A well-defined strategy to help working women to balance their work and family commitments may increase women involvement in the profession and the industry may witness more and more female advisors in the higher levels of performance.
General Health of the advisors are found to be significant across all the Performance levels. Thus the insurance companies need to ensure that advisors are aware of their general health which is absolutely critical. So compensation packages may include health check-ups, awareness camps and organizations may have gym and sports facilities for the advisors. This may help the advisors to combat the stress at work and ensure better health. Annual review of health reports will make people more conscious and they may take preventive measures, if required. The reports may be mandatorily submitted to the company by the advisors for annual evaluation.

Performance is also found to be correlated with Life Events, Personal Pressure and Personal Power. Hence, advisors may be made to go through counseling, personality development training and especially for female advisors companies may arrange parenting seminars on a regular basis. Such an initiative from the organization will help the advisors to balance their work and professional life better and also overcome the work or family related problems. Workshops may be also arranged to enhance their creative skills so that the advisors are able to enhance their knowledge and skills and become effective workers.
Limitations of the Study

At the end of this study the researcher would like to humbly submit the limitations of the work. Inspite of hard work and honest effort the dissertation has certain implicit and explicit limitations which were truly unavoidable. First, it was the sample constraint. The study was conducted on 200 life insurance advisors restricted to the Kolkata region. If the sample size could have been increased the results could have been further easily generalized. Second, the profile of the advisors was heterogeneous. So the questionnaire was translated in vernacular for ease of understanding of the respondents. The collection of responses was a tough job as each respondent had to be met personally and the questionnaire was explained to them literally word by word. As this was a self-report questionnaire, so the final responses had to be left to the understanding of the advisors. So there may have been certain issues in the quality of responses. If this could have been overcome then the analysis of data and the results may have been enhanced. Third, the research has been conducted on a heterogeneous sample of public and private sector organizations. Out of 200, the survey was administered on 109 public sector advisors and 91 private sector advisors respectively. As the advisors have predominantly field-job, it was very difficult to find them in office and write the responses. So fourthly, the study would also admit the limitation of time in conducting the research work. Again, as the perspective of the public and private sector advisors differ, towards work and life, a reflection of this may have influenced the analysis and interpretation of this study. However, as a researcher it may be stated that these simple limitations can be overcome and the quality of study can be improved in future research.