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A Study of Insurance Advisors Performance with Reference to Locus of Control and Self Assessment

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Abstract :

The quest for security has been a universal desire right from the earliest civilizations. The presence of a life insurance policy is essential in every individual's financial portfolio. But at the same time it is also important that the right insurance product be bought and that too for right reasons. An insurance agent plays part of direct link between the insurance company and the insurance seeker. Management of Life insurance companies is facing the problem of quality man power, who is not only able to absorb the current pressure due to crisis but also is able to get the knowledge and improve the productivity and who is able to overcome the challenges faced by the insurance companies.

Present research attempts to know the performance of insurance advisors using self assessment and locus of control tests, performance is gauged by income earned by insurance advisors. The study is diagnostic in nature and data has been collected using inferential approach from 100 samples equally divided into two life insurance companies.

This article concludes that there is no significant relation between advisors income and locus of control and Self Assessment.

Keywords : Life Insurance, Locus of Control, Self Assessment, Satara.

Introduction :

Security has been a universal desire right from the earliest civilizations. The quest for security has led to the concept of insurance. Insurance is a contract between two parties whereby one party called insurer undertakes, in exchange for a fixed sum called premium, to pay the other party an assured sum of money the occurrence of a certain event. Life insurance protects against the economic loss in the event of death. Life insurance substitutes the uncertainty by certainty. Further insurance sector plays a very important role in the development of any economy.

Self Assessment refers to a person's ability to adjust his or her behavior to external situational factors. Individuals high in self monitoring show considerable adaptability in their behavior. They are highly sensitive to external cues and can behave differently in different situations. They are capable of presenting striking contradictions between the public persona and the private self. Self-assessment is the process of looking at oneself in order to assess aspects that are important to one's identity. It is one of the motives that drive self-evaluation, along with self-verification and self-enhancement.

Locus of Control:

The personality concept of Locus of Control refers to a person's tendency to attribute the cause or control of events either to her or factors in the environment. People who tend to believe that they have control over events are said to have an "internal" locus of control. Those who consistently believe that events are controlled by outside forces in the environment have an "external" locus of control.

Internals believe that they can control what happens to them. This often leads to engage in work and leisure activities requiring greater skill and to be less conforming to group influences. Internals, then, tend to think they can be successful if they simply work hard enough, and this belief may be reflected in their work habits, especially on difficult tasks. Externals believe that what happens to them is more a matter of luck or fate, and they see little connection between their own behavior and success or failure. They are more conforming and may be therefore be less argumentative and easier to supervise. Structured tasks and plenty of supervision suit them well.

Research Methodology:

It was observed that due to agents low productivity the company could not gain the desired profits. This is the reason present research probe in to finding relationship between outcome of agents in monetary terms and LOC and Self assessment.

The research is based on primary, secondary data. The objective behind the research is to study the performance of insurance advisors with reference to self assessment and locus of control in Satara city. Present study put to test hypothesis as, H-01 Self assessment rating and locus of control of individual advisor and productivity in term of income from insurance business is independent.

A structured schedule is used to collect the data required. The schedule consisted of five parts A,B,C,D, and E containing statements about measurement of self assessment, the opinion of insurance advisors regarding insurance sector, measurement of locus of control, identify the personality of advisors, and the demographic information of the advisors respectively.

For this research the sample respondents were selected from two life insurance companies in Satara. A sample of 100 insurance advisors was taken on the basis of stratified convenience sampling method. The data collected is analyzed with the help of simple statistical tools like mean, standard deviation and the hypothesis is tested using 't' test.

Data Presentation and Discussion:

Table: I

Demographic profile of samples.

Sr.	Category Variable	Company 'A' (Frequency)	%	Company 'B' (Frequency)	%	Total (Frequency)	%
1.	Gender						
	a) Male	41	82%	34	68%	57	57%
	b) Female	9	18%	16	32%	43	43%
2.	Educational Qualification						
	a) Illiterate	0	0%	0	0%	0	0%
	b) School: up to 4 years	0	0%	0	0%	0	0%
	c) School: up to 5-9 years	0	0%	1	2%	1	1%
	d) SSC/HSC	9	18%	5	10%	14	14%
	e) Some college but not graduate	6	12%	14	28%	20	20%
	f) Graduate/PG general	27	54%	25	50%	52	52%
	g) Graduate/PG professional	8	16%	5	10%	13	13%
	h) Not disclosed	0	0%	0	0%	0	0%
3.	Monthly Income						
	a) Up to 10000	18	36%	15	30%	33	33%
	b) 10000 to 20000	9	18%	17	34%	26	26%
	c) 20000 to 30000	4	8%	12	24%	16	16%
	d) 30000 to 40000	5	10%	4	8%	9	9%
	e) 40000 to 50000	4	8%	2	4%	6	6%
	f) 50000 to 60000	5	10%	0	0%	5	5%
	g) 60000 to 70000	0	0%	0	0%	0	0%
	h) 70000 to 80000	2	4%	0	0%	2	2%
	i) 80000 to 90000	1	2%	0	0%	1	1%
	j) 90000 above	2	4%	0	0%	2	2%
4.	Other occupation						
	a) Worker	2	4%	4	8%	6	6%
	b) Self employed	9	18%	9	18%	18	18%
	c) Petty traders	4	8%	2	4%	6	6%
	d) Officer/Executive	1	2%	1	2%	2	2%
	e) Service	5	10%	5	10%	10	10%
	f) None	29	58%	29	58%	58	58%
5.	Religion/Caste						
	a) Hindu-Open	47	94%	42	84%	89	89%
	b) Hindu-Reserve	2	4%	3	6%	5	5%
	c) Muslim	0	0%	3	6%	3	3%
	d) Jain	0	0%	1	2%	1	1%
	e) Buddha	0	0%	1	2%	1	1%
	f) Other	1	2%	0	0%	1	1%
6.	Age						
	a) 18-23	6	12%	1	2%	7	7%
	b) 24-30	13	26%	11	22%	24	24%
	c) 31-35	5	10%	19	38%	24	24%
	d) 36-45	22	44%	17	34%	39	39%
	e) 46-59	4	8%	2	4%	6	6%
	f) 60-above	0	0%	0	0%	0	0%
7.	Locality						
	a) Urban	28	56%	29	58%	57	57%
	b) Rural	22	44%	21	42%	43	43%

Table 2 :
Income from insurance and Self Assessment Score

Sr.	Income from Insurance business. (Figures are median values)	Low self ass. score	High self ass. score	Total
1	Upto 5000	1	0	1
2	5000	26	17	43
3	15000	18	6	24
4	25000	7	4	11
5	35000	6	3	9
6	45000	3	0	3
7	55000	4	1	5
8	75000	1	1	2
9	85000	1	0	1
10	95000	1	0	1
Total		68	32	100

It can be observed that 68 samples have low self assessment score and 32 samples have high self assessment score. Out of 43 samples having their insurance income 5000, 26 have low self assessment score and 17 have high self assessment score. Only one sample that is having the highest insurance income has also a low self assessment score.

Table 3 : Locus of control of samples

LOC Scores

	Locus of Control Score	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	19	1	.3	1.0	1.0
	20	2	.7	2.0	3.0
	21	3	1.0	3.0	6.0
	22	3	1.0	3.0	9.0
	23	3	1.0	3.0	12.0
	24	8	2.7	8.0	20.0
	25	2	.7	2.0	22.0
	26	4	1.3	4.0	26.0
	28	7	2.3	7.0	33.0
	29	2	.7	2.0	35.0
	30	15	5.0	15.0	50.0

The correlation is tested at 5% level of significance. The correlation between income from insurance of samples and self assessment score is -.077 which is insignificant and the correlation between income from insurance of samples and Locus of Control is 0.109 which is

Table 5 : Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square	F Change	df1	df2	Sig. F Change
1	.147 ^a	.022	.001	19262.119	.022	1.069	2	97	.347

a. Predictors: (Constant), Self Assesse Score, LOC Scores

31	3	1.0	3.0	53.0
32	9	3.0	9.0	62.0
33	9	3.0	9.0	71.0
34	7	2.3	7.0	78.0
35	2	.7	2.0	80.0
36	3	1.0	3.0	83.0
37	2	.7	2.0	85.0
38	1	.3	1.0	86.0
40	3	1.0	3.0	89.0
41	1	.3	1.0	90.0
42	2	.7	2.0	92.0
43	5	1.7	5.0	97.0
44	1	.3	1.0	98.0
45	1	.3	1.0	99.0
48	1	.3	1.0	100.0
Total		100	33.3	100.0

It can be observed that lower the score lower is the Locus of Control of samples (internal) and higher the score higher is Locus of control of samples (external). There is no higher or lower limit of scores for internal or external locus of control.

Table 4 : Correlation between Income from insurance and self assessment and locus of control.

Correlation

Correlations

		Income Insurance Class	Self Ass Score	LOC Scores
Income Insurance Class	Pearson Correlation	1	-.077	.109
	Sig. (2-tailed)		.449	.282
	N	100	100	100
Self Ass Score	Pearson Correlation	-.077	1	.187
	Sig. (2-tailed)	.449		.063
	N	100	100	100
LOC Scores	Pearson Correlation	.109	.187	1
	Sig. (2-tailed)	.282	.063	
	N	100	100	100

insignificant. The positive but very low correlation exists between income from insurance of sample and Locus of Control exists.

In spite of insignificant correlation researcher has attempted the regression analysis.

Coefficients

	Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	14283.612	11056.496		1.292	.199
	LOC Scores	383.587	307.539	.128	1.247	.215
	Self Ass Score	-627.759	638.795	-.100	-.983	.328

a. Dependent Variable: Income Insurance Class

The R Square worked out to be 0.022 which proves insignificant relationship.

The entire set null hypotheses are accepted. There is no significant relationship and dependability in between income earned from insurance and self assessment score and score of locus of control.

Table 6 : Chi-square

To test the relationship between gender and income from insurance. Chi-square test is used

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.647 ^a	9	.380
N of Valid Cases	100		

Chi-square is insignificant. The chi-square eta is used to test the further relational strength.

Directional Measures			
			Value
Nominal by Interval	Eta	Income Insurance Class Dependent	.170
		Gender code Dependent	.311

The value of chi-square eta is 0.311 which shows some association of gender and income from insurance business.

Findings:

The income from insurance has no significant relation with the advisors locus of control. The correlation is 0.109 and self assessment the correlation is -0.077.

There is low positive relation between gender and the income of the advisors. The average income of male is 20933.33 and that of female is 13400.

Majority of samples earns between Rs. 5000-15000 from insurance business. It has found that the samples fall in all categories of earning from insurance business.

The dependability of LOC and self assessment score on regression model count to be R = 0.022 which is very poor indicates no dependability of LOC and self assessment on income from insurance.

Suggestions:

While recruiting the insurance advisors the factors viz. self assessment and locus of control that has no any importance since the significant relationship have not found.

Gender and income from insurance found to have low relationship hence gender can be considered in choice case.

References

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