

AN EXPLORATORY LOOK AT DEMOGRAPHICS AND PSYCHOGRAPHICS OF INSURANCE AGENTS IN NORTH-WESTERN PROVINCE

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Introduction

An efficient, transparent and competitive insurance industry greatly contributes to the economic development of a country. In contrast, to perform an efficiently, transparently and competitively, insurance industry needs an effective workforce (John and Bruce, 1983; John and Bruce, 1984; Dawn, 2011). Hence, a team of qualified, motivated and dynamic personnel is essential for the sustainable growth of the insurance industry in Sri Lanka.

The nature of the industry makes the front-line marketing staff reasonably more decisive. Well dynamic and enthusiastic front-line marketing staff, therefore, will ensure that Sri Lanka's insurance market operates effectively, remains competitive, and retains the confidence of all stakeholders. At present, there are approximately 37,000 insurance agents works in the industry (CBSL, 2011; IBSL, 2010). They are appointed and registered by insurers and insurance broking companies and they play a key role in marketing life insurance products. In terms of Section 78(4) of the Act, the Insurance Board has issued rules specifying the minimum educational qualifications and other entry.

When consider the trends in insurance industry in Sri Lanka, it is very clearly showed that the industry faces immense challenge in finding suitable workforce, particularly for the front-line marketing staff such as insurance agents and insurance advisors. On the other hand, the labour turnover ratio among these employees in the industry is comparatively higher than other workers in the industry. Therefore, even after recruiting suitable front-line marketing staff, retaining them in the industry is found to be another big challenge faced by the insurance industry. To meet these challenges, industry continued their efforts to attract new people as insurance agents to industry, train and develop them, and motivate them, both from an economic and a social perspective.

Researchers propose that before planning and implementing of an effective human resource development plan, the industry should correctly understand the factual nature of the front-line marketers they have in their businesses. Further, they propose that how much an insurance agent like dedicatedly work may depends on his/her demographics (such as age, education, monthly income etc) as well as psychographics (such as motivation, future intentions etc). Therefore, the purpose of this study was to analyze the demographics and the psychographics of the front-line marketing workforce of insurance industry in Sri Lanka.

Methodology

A structured and self-administered questionnaire was used to gather data from 100 insurance agents and advisors selected randomly. The total sample was selected from the North-Western province. The questionnaire used in gathering respondents' data was contained three sections: the first section was designed to gather the demographic of the respondents; the second section

inquired the respondents feeling of their job status, work environment, and factual reasons for joining the industry; and the third section focused on gathering the psychographics, particularly, their motivational status and the ambitions of them. Most of the demographics are measured on different scales while, respondents' psychographics are measured using five-scale likert. The correlations between different variables are measured using the Statistical Package for Social Sciences (version 17).

Discussion and Conclusion

The research sample was comparatively dominated by the male agents with 76 percent of representations. The majority (44%) of the Insurance Agents are in between the age range of 26-35 years old, which is followed by the 36-45 years age group (30%). When consider their education level, almost 70 percent of the respondents confirmed that they have sat for or passed GCE (A/L). Only 6 percent found to be having degree qualification. There are both fulltime and part time workers in the industry. Only 86 percent work as full time workers and 14 percent work as part time workers. Results show that 30 percent of the agents receive monthly income of Rs. 16,000 - Rs. 25,000, and 20 percent stated that they earn Rs. 26,000 to Rs. 35,000 monthly, while 12 percent accepted that they earn more than Rs. 50,000 per month.

One of the interesting features among the insurance agent was 46 percent of them have joined the industry because of they did not have any other option to earn their living. Only 12 percent accepted that their job is socially recognized, where as 28 percent joined the industry since they are motivated by the working conditions of the industry, such as the job freedom, dressing styles, and facilities provided.

The results indicated that most respondents (84%) agreed that they are rewarded well and they are satisfied with what they get. However, 16 percent stated that they are not satisfied about their rewards. The majority (38%) are satisfied with the existing commission system, while 24 percent stated that they like to have fixed monthly salary than commission. Insurance industry provides numerous facilities their workers. However, only 32 percent stated that they are satisfied about the facilities provided, and 34 percent stated that they are not satisfied about these conveniences. The balance (34%) acknowledged that they are neither satisfied nor dissatisfied about the facilities offered to them.

Respondents identified three main targets of their life in 2012. Majority (62%) stated that their intention is to purchasing a new motor cycle. The results also showed that more respondents were motivated to buying a new lap-top computer (26%). Finally, some respondents agreed that they likebuy luxury new car (12%) in 2012.

The results of the study clearly show that insurance industry, in both the life and general sectors, is facing significant challenges in terms of acquiring and retaining qualified front-line marketing staff. The insurance industry, therefore, should implemented new human resource strategies to break away from the high labour turn-over ratios prevailing in industry for years.

There are some major limitations in this study. Among others, only employees' motivation and their ambitions were considered to measure the employee psychographics, which confines the scope of the psychographics to limited aspects. Further, the total sample selected from North-Western Province and therefore, the finding cannot be generalized. However, the results summarized above provide practical insights into demographic and psychographic structure of insurance Agents and Advisors in Sri Lankan insurance market. Therefore, the implications in the reported research provide guidance on how insurance companies should draft their human resource development plans in order to get the optimum from their front-line marketing staff.

Moreover, to date, if any, few academic studies have been done in finding the demographics and psychographics of front-line insurance marketers in insurance industry in Sri Lanka.

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