

PERFORMANCE OF LIFE INSURANCE INTERMEDIARIES: CASE OF LITHUANIA

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Abstract: The paper examines the influence of work methods (adaptive selling, customer orientation, active listening) used by Lithuanian dependent life insurance intermediaries and their personality traits (self-efficacy, emotional intelligence) on customers' decision to purchase life insurance. The purpose of this research is to evaluate how these factors determine the performance of life insurance intermediaries, which in this study is measured by the average number of life insurance contracts concluded by intermediaries per month, the average premium of the signed contracts and the average amount of commissions received for life insurance intermediation.

Keywords: life insurance, insurance intermediaries, consumer behaviour, personal selling, sales performance.

1 Introduction

In the structure of the economy of the economically developed countries, a significant position is occupied by the financial services sector. The sphere of life insurance services, as one of the components of this sector, is being rapidly developed, and its importance is constantly increasing in the social and economic context of the state. Analysing the trends of the development of the global market of insurance services, it can be noted that the success of life insurance companies is determined by the knowledge of the needs and expectations of the users of the chosen segments of insurance services. It is equally important that the customers of these services would understand not only the terms of the contract, but also the essence and importance of a product, its benefits and potential losses related to the invested capital. In such contexts, in life insurance market there emerges the importance of insurance intermediaries as they not only provide the policyholders with information that enables them to make informed decisions, but they also disseminate innovative practices that deepen and extend life insurance market. Insurance intermediation, currently serving about 80 percent of insurance operations in the developed countries of the world, is a sphere of activity which is rapidly developing in the Lithuanian insurance market. Assessing the practices of many Western countries, it can be noted that a very small number of insurance policies is concluded without insurance intermediation. According to Lezgovko and Jastrebova (2015, p. 99), the role of insurance intermediaries in the financial services sector is unique. These people facilitate the insurance purchase process and provide insurance companies and their customers with services that simplify the insurance selection process. It should be noted that intermediaries are well aware of the trends in the insurance market and the specifics and prices of its products; they know the needs and expectations of insurance customers. In the narrow sense, the main task of insurance intermediaries is quality sales of insurance services. In the broad sense, the activity of insurance intermediaries have a positive impact on the overall economic development of the state, both at the national and international level (Lezgovko and Jastrebova, 2015, p. 99). It should be noted that the increased awareness of policyholders about the insurance services increases the demand for such services and the improved quality enables to increase insurance premiums. Life insurance intermediaries play a peculiar role in the market; they relieve it and provide additional benefits not only to policyholders but also to insurers. Compared to the major Western countries, life insurance market is not developed in Lithuania and, therefore, has a high potential for development. In the general insurance market of the state, life insurance intermediaries have a significant impact on customers' choice in life insurance services. In this context, it is important to investigate more thoroughly the impact of personality traits and

work methods of intermediaries of the Lithuanian life insurance market on their performance results.

2 Literature Review

Although life insurance is dealt with in many different aspects in the scientific literature, the problems of this theme still remain relevant. The peculiarity of the activity of life insurance intermediaries, their functions and significance in forming insurance market, the importance of knowing customers' needs have been analysed by Mass (2006), Cummins and Doherty (2006), Goel (2006), Leary et al (2014), Wookjae et al. (2017), and others. Pascal Osta (2014) has investigated the process of providing services by distinguishing the peculiarities of services in life insurance business. Arndt et al. (2014) have highlighted the importance of building credibility during encounters with customers, Pelham (2010) has emphasised the importance of salespersons' ability to present high value of a product, while Yu et al. (2016) have assessed the relationship between life insurance intermediaries and customers as a means to increase sales and customer loyalty. In the studies on the processes of selling life insurance, a number of factors determining the results are analysed: socio-demographic characteristics (Turner, 2008), self-efficacy (Byunghwa et al., 2011; Fournier et al., 2010); emotional intelligence and work methods based on the principles of customer orientation, active listening and adaptive selling (O'Boyle Jr. et al., 2011; Kidwell et al., 2011, 2012; Wisker and Poulis, 2015; Chakrabarty et al., 2014; Hughes et al., 2013; Homburg et al. 2011, Pelham, 2010; Verbeke et al., 2011).

Life insurance is also studied in the works of Lithuanian researchers. Kinduryš (2008, 2011) has described in detail the peculiarities of life insurance market. Concentration and competitiveness of the Lithuanian life insurance market have been analysed by Ulbinaitė and Šiaulytė (2014); the current situation of the market in the context of other Baltic states, its growth and the trends of development have been analysed by Jakaitytė and Marcišauskienė (2015), Lezgovko and Lastauskas (2008). Aidukienė and Simanavičienė (2010), Danilevičienė and Macutkevičienė (2017) have evaluated the theoretical elements of the insurance structure; they have also identified the factors that determine the formation of this sector and difficulties that insurance market participants had to face during the economic crisis. The peculiarities of the process of selling insurance services have been investigated by Lezgovko et al. (2014). Lezgovko and Jastrebova (2015) have evaluated the theoretical and practical aspects of activities of life insurance intermediaries. The aspects of insurance consumer behaviour have been analysed by Ulbinaitė (2010, 2013), Ulbinaitė et al. (2011, 2013), Ulbinaitė and Kučinskienė (2013), Ulbinaitė and Moullec (2010).

3 Theoretical Background

In the financial services market, due to complication, complexity and high level of individuality of the products, personal selling is one of the most acceptable means of providing support. It is a unique element of marketing communication. Unlike advertising or sales promotion, which focus on increasing consumer awareness of the existence, the availability, price, and essential features of goods and services, personal selling enables to provide customized information tailored to the specific needs of each customer. It should be noted that this kind of presentation is required due to the uniqueness and specificity of the product of life insurance. According to Olumoko et al. (2012, p. 148), the communication method of personal selling is usually directed towards particular segments of the market and plays a significant role in marketing exchange as it covers all the elements of the marketing mix. Marketing exchange can be described as a process of creating value for both the organization that meets the needs of a customer and customers themselves through interaction between the buyer and the seller. Leary et al. (2014, p. 33) notes that, despite the fact that insurance companies in

many countries use various service distribution channels, face-to-face communication, conducted by a well-trained and ethical sales professionals, is the main method for promoting sales to identify, meet and forecast the needs of the current and future customers.

An efficient sales process, as many other characteristics that ensure competitiveness of business organizations, is of particular importance for successful activity. Most of the authors who study sales (Byunghwa et al., 2011; Fournier et al., 2010) distinguish sellers' self-efficacy as one of the most important variables in assessing and analysing the models of sales performance. In the context of personal selling, this trait is associated with self-control in order to achieve the raised goals. According to Byunghwa et al. (2011, p. 372), personality traits, including self-efficacy, have an indirect impact on sales performance. The authors note that self-efficacious employees are more proactive in correcting sales failures. Not only do they generate higher sales volumes, but they also establish and maintain closer relations with customers, thus raising the process of providing services to a higher level.

Emotional intelligence is important in many business areas, but in the service sector it is especially important. Kidwell et al. (2012, p. 25) describe the concept of emotional intelligence as the ability of a person to acquire and apply knowledge from one's emotions and to understand the emotions of others to achieve the desired outcome. Kidwell et al. (2011, 2012), Wisker and Poulis (2015) emphasize that the proper salespersons' use of emotions strongly affects the efficiency of their work. The results of the study on the work of insurance agents by Kidwell et al. (2012) have revealed that emotionally intelligent agents capable of perceiving a wide range of emotions not only achieve high performance results, but also develop quality relationships with customers. Thus, integrating emotional management into the process of providing services is vital to creating quality interactions with customers based on goodwill and positive emotions.

The relationship between the concepts of salespersons' behaviour, such as adaptive selling or customer-oriented selling, and sales performance is widely studied and analysed. Many studies (Chakrabarty et al., 2014; Verbeke et al., 2011; Hughes et al., 2013) trace a strong positive relationship between the application of these concepts of sales behaviour and the efficiency of sales professionals. Easily adaptable to the situation salespeople, during the sales process, are able to effectively apply a suitable selling method to a particular customer and to increase the value of a product perceived by each customer, and at the same time to increase the income and profit of an organization. (Chakrabarty et al., 2014, p. 113).

A professional with customer-oriented sales practice actively seeks to provide with a solution that would enable the customer to achieve the desired goals. The customer-oriented sales process enhances customers' confidence in a product of an organization, forms positive attitude and opinion of the sales professional. Chakrabarty et al. (2014, p. 113) emphasize that customer-oriented sales professionals need to summarize customers' initial attitudes, intentions and wishes, and to draw conclusions from this information.

Analysing the impact of applying the concepts of salespersons' behaviour on sales performance, Pelham (2010, p. 108) distinguishes the behaviour of active listening. The author emphasizes that at the initial stages of sales process, an adaptive seller gathers information in order to adapt the appropriate communication method to each unique situation and to maintain good relationship with a customer. In the phase of identifying the needs, the sales professional identifies both the obvious and the "hidden" problems of a customer in order to provide an appropriate solution. Active listening is essential for a deep, not superficial understanding of the situation of a customer.

The volume of sales and performance of insurance companies is determined by the number of concluded contracts and the

amount of premiums, thus the contribution of each sales employee is very significant. Lezgovko and Lastauskas (2008) note that the amount of commissions for the consultant depend on the amount of client's premium specified in the insurance contract. Thus, it can be argued that by using such a methodology for calculating remuneration, insurance companies seek to directly motivate sales employees to conclude as many contracts as possible with the highest possible insurance premiums. Sales performance is the dominant criterion for evaluating the salespersons' efficiency. In the study designed to determine sales performance, Byunghwa et al. (2011) have used the average annual amount of commissions received by each insurance intermediary for the signed contracts. In the present work, sales performance is also evaluated by means of objective measurement criteria: the average monthly amount of the concluded contracts, signed insurance premiums and commissions received from intermediation.

4 Research Methodology

The purpose of our research has been to evaluate the performance factors of Lithuanian life insurance intermediaries. In order to achieve this purpose, the following tasks have been raised: 1) to evaluate the relationship between intermediaries' personality traits and their performance results; 2) to identify the influence of the selling methods applied by intermediaries on their performance results. To achieve the purpose of the research we have conducted a quantitative empirical research, the instrument of which is a survey. Respondents have been selected on the basis of the method of non-probability sample (purposive sampling), since the group of the analysed respondents is formed according to the purposes of a researcher. With reference to the studied feature, the most informative data may be provided by those insurance representatives who are sophisticated in selling life insurance services of their represented company and who are directly involved in them. Thus, the respondents of our survey have been the representatives of the major Lithuanian life insurance companies (Aviva Lietuva, Ergo Life Insurance SE, Compensa Vienna Insurance Group, PZU Lietuva, UAB Bonum Publicum, Mandatum Life Insurance, Swedbank Life Insurance SE, UAB SEB Life Insurance). Referring to the data on the dependent intermediaries provided on the websites of the aforementioned insurance companies, it is estimated that the current approximate number of dependent intermediaries accounts for 4716 (website addresses are listed in the list of references). Based on the Paniotto formula, 355 insurance intermediaries have been interviewed. A total of 298 completed questionnaires have been collected, resulting in a return of 83.94 percent.

The questionnaire has consisted of 14 questions that can be divided into the following categories:

- a) Questions aimed at evaluating the socio-demographic characteristics.
- b) Questions aimed at analysing intermediaries' work methods. Adaptive selling has been evaluated by asking the respondents to rank the following statements on a scale from 1 (very often) to 5 (very rarely):
 1. I can easily apply many different sales methods/techniques.
 2. I choose a particular sales method depending on the situation easily.
 3. When I notice that my sales method is inappropriate, I easily replace it with another.
 4. I often experiment by testing different sales methods.
 5. I am flexible in sales methods I use.
 6. I feel comfortable when I can effectively change my sales technique during an encounter with a customer, even though I had planned to use a different technique.
 7. I try to understand how customers differ from each other.
 8. I usually treat each customer more or less similarly. (reverse)

The level of customer orientation is also evaluated on a respective scale by using the following statements:

1. I try to help my customers to achieve their goals.
2. I try to solve the problem together with my customer, by offering a version of a product that would best meet the solution of a problem (selection of the period, amount of the premium, additional insurance, insurance sums, etc.).
3. Presenting a product to a customer, I try to provide as clear information as possible so that the customer would know exactly what he gets.
4. Sometimes I have to object to the customer's opinion when I want to help him make a better decision. (reverse)
5. I am selling a product or designing it more with respect to my personal goals than to what is better for the customer. (reverse).

The abilities of active listening have been analysed according to the following statements ranked by the respondents:

1. At the time of selling I give the impression that I am sincerely listening to the buyer.
2. I do not interrupt the customer when he/she speaks.
3. I am asking continuous questions, e.g. "Can you tell me more?"
4. I am asking clarifying questions, e.g., "I am not sure if I have understood what you mean".
5. I support eye contact with the customer.
6. Every time I give the customer a nod, showing that I understand what he/she says and that I agree with his opinion.
7. I can understand the signs of customer's body language.
8. I wait for the customer to finish talking, to summarize what has been said.
9. I often repeat what the customer says.
10. I try to understand the buyer's attitude.
11. I try to find common things between myself and the customer.

- a) Questions aimed at evaluating intermediaries' personality traits. In order to determine the level of intermediaries' self-efficacy which determines their job performance, respondents have been asked to rank the following statements on a scale from 1 (totally agree) to 5 (totally disagree):

1. At the time of selling, I know clearly how I should behave in different situations.
2. I am convinced that I do my job well.
3. I am very responsible in selling.
4. I am a good specialist in the sphere of sales.
5. I am a motivated person.
6. In my work, I have various competences that help me do my job well.
7. I am convinced that I can execute the sales process successfully.
8. I am convinced that I have a strong ability to sell, even if I sometimes fail.
9. I feel that my sales process is not going the way I want. (reverse)

Emotional intelligence has been evaluated by using the following statements:

1. I can understand what emotions a person is experiencing from human facial expression.
2. I rely on my feelings when making important decisions.
3. I can remain calm when it comes to dealing with stressful situations.
4. When I am angry, I manage to calm down quickly.
5. I can control my mood so that I could rationally solve difficulties.
6. I am sufficiently capable of controlling my emotions.
7. I constantly say that I am a competent employee.
8. I always set goals for myself and try to achieve them.
9. I can easily recognize emotions from people's behaviour.

10. I understand and know my emotions well.

- b) Questions related to job performance of intermediaries.

Based on the accomplished studies and their generalisations, five research hypotheses have been formulated to confirm or to deny the influence of personality traits and work methods of Lithuanian dependent life insurance intermediaries on their performance:

H1: Self-efficacy of life insurance intermediaries is directly positively related to their sales performance.

H2: The level of emotional intelligence of life insurance intermediaries is directly positively related to their sales performance.

H3: The method of adaptive selling used by life insurance intermediaries is directly positively related to their sales performance.

H4: Customer orientation of life insurance intermediaries is directly positively related to their sales performance.

H5: Active listening of life insurance intermediaries is directly positively related to their sales performance.

To process the data, the statistical data processing software SPSS (version 17.0) has been used. In the course of processing the data, the following mean variables marked with the corresponding abbreviations have been derived: adaptive selling – AS, customer orientation – CO, active listening – AL, self-efficacy – SE, emotional intelligence – EI, the average number of life insurance contracts per month – ANC, the average premium of life insurance contract – APC, the average monthly income from life insurance intermediation – AII.

A large part of data analysis methods is based on the assumption that the values of variables have normal distribution, but it is important to apply the appropriate methods to verify this assumption. In order to determine what kind of analysis should be applied to test the hypotheses, normal distribution of derivative variables is evaluated. Depending on the sample size, the Shapiro-Wilk criterion has been chosen. The data presented in Table 1 shows that the selected criterion has not confirmed normal distribution of variables (p-values of all variables are greater than the chosen significance level of 0.05).

Table 1. The coefficients for evaluating normal distribution of the derivative mean variables

Derivative mean variable	Shapiro-Wilk criterion
Adaptive selling (AS)	0,892
Customer orientation (CO)	0,865
Active listening (AL)	0,832
Self-efficacy (SE)	0,820
Emotional intelligence (EI)	0,836

Since all distributions of variables of are not normally distributed, non-parametric criteria are employed to evaluate the hypotheses; Spearman's correlation coefficients are calculated. Prior to correlation and regression analysis, descriptive statistics of the measures has been performed. It aims at determining the mean values of the measures, to estimate the measures of location and dispersion, as well as their maximum and minimum values. To assess the internal consistency of the composed constructs (scales), the values of Cronbach's alpha statistics have been calculated, the internal consistency with the data of each construct (scale) has been assessed.

In the course of the research, the relationship among customer orientation, adaptive selling, self-efficacy, active listening, emotional intelligence of life insurance intermediaries, and their sales performance – the average number of the concluded life insurance contracts, the average premium of the signed contracts and the average income from life insurance intermediation has been evaluated. For this purpose, Spearman's correlation coefficients have been calculated.

To evaluate the hypotheses H1–H5, the correlation analysis and multiple linear regression are employed by applying the ENTER method. Coefficients of determination for the regression model have been calculated, which have revealed the consistency of a model with the data. Moreover, estimates of model parameters have been calculated to show the impact of independent regression variables on dependent variables. For each estimate of the parameter, referring to Fisher's test with the critical region on the right, its statistical significance has been assessed. To assess the statistical significance, a significance level of 0.05 has been chosen. The estimate of model parameter has been assumed to be statistically significant if $p < 0.05$. Otherwise, the estimate of a parameter does not help to explain the dependent variable and is not statistically significant. In the course of regression analysis, regression equations that relate dependent variables (AS, CO, AL, SE, and EI) with independent variables (AI, ANC, and APC) are obtained.

5 Data Analysis and Discussion

65.4 percent of respondents were women and 34.6 percent were men. Such gender-distribution is partly due to a bigger number of women working in the sphere of life insurance intermediation. When evaluating other socio-demographic characteristics of respondents, it should be mentioned that the majority of respondents selling life insurance services have higher university education (69 percent). A relatively small proportion of respondents have indicated to have advanced vocational education and training and higher college education – 12.7 percent and 11.7 percent, respectively. Only 4 percent of respondents have secondary education and 2 percent of respondents have indicated “another option” (incomplete higher, special secondary, and vocational education).

In order to assess the employment dynamics of intermediaries and the importance of the function of life insurance intermediation, respondents have been asked to indicate what position in their working activities is occupied by selling life insurance services – is it main job or additional, as well as whether intermediary is engaged in other work activities, despite the fact that the analysed sphere is their main activity. On the basis of the collected data, it can be assumed that the market of life insurance services is dominated by the trend that intermediaries are engaged in more activities than only providing life insurance services. Although slightly more than half of respondents (55.30 percent) have indicated that intermediation in life insurance business is their main job, almost a third, i. e., 25.30 percent of respondents besides intermediation are also engaged in other work activities; 19.40 percent have indicated that intermediation in the sphere of life insurance is only an additional job.

The majority of respondents have much experience in the field of insurance intermediation. Intermediaries with 7 to 9 years of experience in life insurance business have accounted for 26.7 percent, 4 to 6 years – for 23.7 percent, and more than 10 years – for 11 percent. However, one third of respondents of the survey have relatively little experience of 1 to 3 years. There were 29 percent of such life insurance intermediaries. The least experience in intermediation, i. e. up to one year, has been indicated by 9.7 percent of respondents.

Based on the descriptive statistics of the variables, the mean values of measures have been determined, the characteristics of location and dispersion of measures have been evaluated, as well as the maximum and minimum values (Table 2). Part of the respondents did not provide all the answers, therefore further data analysis includes only data lines with full data.

Table 2. Descriptive statistics of measures

	Adaptive selling	Customer orientation	Active listening	Self-efficacy	Emotional intelligence
Total	289	294	286	293	287
Did not respond	11	6	14	7	13
The mean	2.39	2.15	2.20	2.13	2.12
Median	2.13	2.00	1.73	1.67	1.80
Standard deviation	1.07	0.84	1.09	1.05	1.00
Minimum value	1	1	1	1	1
Maximum value	5	5	5	5	5

Since the most expressed behavioural feature (the answer – very often, totally agree) has been evaluated on a scale of 1, and the least expressed features (very rarely, totally disagree) – on a scale of 5, the obtained results have revealed that, on average, the most common behaviour is emotional intelligence as it has the mean of 2.12 points while the rarest is adaptive selling (2.39 points). Moreover, in the course of the research, the medians of scales have been calculated; they are appropriate because this statics helps to determine the mean value of the attribute without including exclusions (the median indicates the mean value of the ranked scale). The results have showed that the results of the median are somewhat different from the results of the mean, with the lowest score of 1.67 points in self-efficacy and the highest score in adaptive selling (2.13 points). The evaluation of data dispersion has showed that the highest standard deviation was recorded in the measure of active listening (1.09 points) and the lowest in the measure of customer orientation (0.84 points). This shows that the greatest inconsistency of opinions has been observed in evaluating the measure of active listening, and the most consistent respondents' opinion was in evaluating customer orientation.

In order to assess the reliability of the research instrument, the values of Cronbach's alpha statistics have been calculated. They show the internal consistency of each construct (scale) with the data. Based on the obtained results, it is evident that Cronbach's alpha values in all scales are greater than 0.7. The lowest Cronbach's alpha value is observed in the scale of “Customer orientation” (0.822), and the most consistent with the data is the scale of the variable of “Active listening” (0.964) (see Table 3).

Table 3. The Cronbach's alpha results of the internal consistency of scales

Scale	Cronbach's alpha value	Number of statements in questions
Adaptive selling (AS)	0,950	8
Customer orientation (CO)	0,822	5
Active listening (AL)	0,964	11
Self-efficacy (SE)	0,960	9
Emotional intelligence (EI)	0,953	10

Based on the results of consistency of scales, it can be stated that all scales are well consistent with the data and therefore they are suitable to be used in the research to accomplish correlation and regression analyses.

In the course of the research, correlation and regression analyses have been performed. They have helped to test the hypotheses raised in the theoretical part. The evaluation of the hypotheses H1–H5 has aimed at determining whether work methods of adaptive selling, customer orientation, active listening used by life insurance intermediaries, as well as high level of their self-efficacy and emotional intelligence are directly related to their sales performance, which in this study is defined by the average number of life insurance contracts per month, the average

premium of the signed life insurance contracts and the average monthly income from insurance intermediation. In order to evaluate job performance of intermediaries, they were provided with the margins where they indicated their potential sales performance: 1 – high sales performance, 4 or 5 – low sales performance, respectively.

Assessing the correlation relationship between the measure encompassing the number of life insurance contracts per month and intermediaries' selling methods and their possession of the analysed traits, it has emerged that all assessments of the selling methods and personality traits are related with the measure of life insurance contracts per month by positive, of average strength (~ 0.5) and statistically significant correlation relations ($p < 0.05$). This means that the more life insurance intermediaries are customer-oriented, actively listen to and adapt to each selling situation, and the higher is their level of emotional intelligence and self-efficacy in their work, the more life insurance contracts they conclude.

Table 4. Correlations between the dependent and independent variables

		AS	CO	AL	SE	EI
ANC	r	0,643*	0,406*	0,517*	0,554*	0,546*
	p	0,000	0,000	0,000	0,000	0,000
APC	r	0,584*	0,444*	0,545*	0,605*	0,599*
	p	0,000	0,000	0,000	0,000	0,000
AII	r	0,641*	0,492*	0,599*	0,653*	0,614*
	p	0,000	0,000	0,000	0,000	0,000

*correlation is statistically significant, with the level of statistical significance at 0.01

The data presented in Table 4 show that the strongest relationship has been established between the number of life insurance contracts per month (ANC) and the method of adaptive selling ($r = 0.643$, $p < 0.05$), whereas the weakest relationship has been recorded between the number of life insurance contracts per month (ANC) and customer orientation ($r = 0.406$, $p < 0.05$).

It has been also found out that the assessments of the applied selling methods and the analysed traits are related with the mean measure of monthly premium of the concluded life insurance contracts by positive, of average strength (~ 0.5) and statistically significant correlation relations ($p < 0.05$). The strength of interrelations of the analysed measures can be explained by the fact that the more selling methods (adaptive selling, customer orientation and active listening) are applied by life insurance consultants in their work and the more of the analysed traits are inherent to them (self-efficacy and emotional intelligence), the higher is the average premium of the signed life insurance contracts. The strongest relation has been identified between this measure and self-efficacy ($r = 0.605$, $p < 0.05$), whereas the weakest – between this measure and customer orientation ($r = 0.444$, $p < 0.05$).

The third result is very similar – all the assessments of the analysed selling methods and personality traits of intermediaries are related with the mean measure of monthly income from life insurance intermediation by positive, of average strength (~ 0.5) and statistically significant correlation relations ($p < 0.05$). The strongest relation has been identified between the mentioned measure and the level of self-efficacy ($r = 0.653$, $p < 0.05$), whereas the weakest – between the mentioned measure and customer orientation ($r = 0.492$, $p < 0.05$).

Based on the results from Spearman's correlation analysis, the research hypotheses H1-H5 have been accepted as it has been identified that the more of the above-mentioned methods are applied and the more of the analysed traits are inherent to intermediaries, the better is their sales performance. In order to examine the hypotheses H1-H5 in more detail, it has been aimed to assess whether the methods of adaptive selling, customer orientation, active listening applied by the sellers of

life insurance services and their self-efficacy and emotional intelligence are directly positively related with high sales performance and how the change in the dependent variables determines the change in the values of independent variables.

In order to test the hypotheses, three models of multiple regression have been developed. They help to evaluate the influence of the selling methods and analysed traits on the factors of sales performance. The obtained results have revealed that self-efficacy ($b = 0.460$, $p = 0.002 < 0.05$) and adaptive selling ($b = 0.274$, $p = 0.004 < 0.05$) has statistically significantly positive and statistically significant influence on the average monthly income from insurance intermediation. Whereas, customer orientation of life insurance intermediaries, the application of work methods based on active listening and emotional intelligence, according to this model of regression, have no statistically significant impact on the average monthly income from life insurance activities (customer orientation: $b = 0.108$, $p = 0.194 > 0.05$; active listening: $b = 0.460$, $p = 0.721 > 0.05$, emotional intelligence: $b = 0.155$, $p = 0.292 > 0.05$). The coefficient of determination for the regression model is 0.516, thus the developed model explains on average 51.6% of the distribution of sales performance depending on the measures related to it (Table 5).

Table 5. The influence of the analysed work methods and traits on sales performance

Variables	The developed equation (p-values in brackets)	The coefficient of determination (R^2 (adjusted))	P-value of Anova Regression
AII	AII=0,414+0,274(0,004)*AS-0,108(0,194)*CO-0,051(0,721)*AL+0,460(0,002)*SE+0,155 (0,292)*EI	0,516	0,000
ANC	ANC=1,954+0,447(0,000)*AS-0,122(0,194)*CO-0,190(0,238)*AL+0,285(0,092)*SE+0,195 (0,241)*EI	0,380	0,000
APC	APC=1,473+0,132(0,220)*AS-0,172(0,069)*CO-0,239(0,138)*AL+0,510(0,003)*SE+0,376 (0,027)*EI	0,389	0,000

The average number of life insurance contracts per month is statistically significantly positively and statistically significantly influenced by adaptive selling ($b = 0.447$, $p = 0.000 < 0.05$), while the average premium of the signed life insurance contracts is influenced by self-efficacy ($b = 0.510$, $p = 0.003 < 0.05$) and emotional intelligence ($b = 0.376$, $p = 0.027 < 0.05$). Other dependent variables, according to the developed models of regression (Table 7), do not have a statistically significant influence on sales performance. The coefficient of determination for the second and the third regression model accounts for 0.380 and 0.389, respectively, thus the developed model explains an average of 38 percent of the distribution of sales performance depending on the depending on the measures related to it.

Based on the results of three regressions, it can be stated that the research hypotheses H1-H5 can be partially expanded by examining the possible causal effect of sales factors on sales performance. The obtained coefficients of determination are not suitable for the statistically accurate prognosis of the variation in the values of variables, but it would be possible to repeat this research in the future by interviewing a larger number of respondents.

6 Limitations of Research

Life insurance companies operating in Lithuania provide services to both natural and legal persons, by offering products

tailored to each segment. Since the selling processes in the spheres of “business-to-customer” (B2C) and “business-to-business” (B2B) differs, this research is limited to the analysis of sales of B2C, as the specificity of B2B sales requires separate research and analysis.

Although it has been found out that the survey sample consists of 355 dependent life insurance intermediaries, a total of 298 completed questionnaires have been collected, thus the missing number of questionnaires can be attributed to research restrictions. On the other hand, the return of questionnaires comprises 83.94 percent and it enables to draw statistically significant conclusions.

In the course of the research, representatives – the dependent life insurance intermediaries – of the major life insurance companies in Lithuania have been interviewed. Although these services are also provided by independent intermediaries – brokers with the right to represent more than one insurance company – they have not been interviewed in this research, as the nature and methods of their work are likely to be different from those of the dependent insurance intermediaries. The dependent intermediaries are more active in performing the functions of forming consumer demand and active sales. Whereas independent insurance intermediaries, representing the interests of several life insurance companies, usually provide not only life insurance services, thus their main task is usually to select the customer an offer of a particular company without focusing on active sales.

The representatives from life insurance companies belonging to the main banks of the country – “Swedbank Life Insurance SE” and “SEB Life Insurance” – have refused to participate in the research on the ground that they do not employ life insurance intermediaries. In the companies, these functions are carried out by the appointed employees, who usually sell life insurance services by cross-selling. Large part of such contracts is concluded by issuing loans to customers (important condition for issuing a loan is the borrower’s life insurance). It is noteworthy that selling of life insurance services in life insurance companies that belong to banks is only an additional function of employees, therefore the aspects of selling the services analysed in the research are not relevant to the mentioned companies, and the different specifics of the work do not correspond to the analysed theme. Thus, the refusal of these companies to participate in the research is not significant and has no impact on the statistical conclusions and obtained results.

7 Conclusion

The market of life insurance is a complex system where there interact insurers, the insured, intermediaries and other institutional units. The complexity of the product of life insurance and the specificity of the use of this service require competent management of the sales process. In this context, the importance of insurance intermediaries, the need for personal selling and the advantages of selling life insurance services are evident.

In the course of the research, the dependent insurance intermediaries representing the major Lithuanian life insurance companies have been interviewed. The results of the correlation analysis have revealed that the selling methods used by the intermediaries are directly positively related to the results achieved. This means that higher job performance is reached by those consultants who are able to effectively select and apply various selling techniques, depending on the situation in the sales process or different clients they meet; who seek to orient their sales behaviour to the customer and to solve his problems by adapting their services; who strive to actively listen to a client to choose a solution that best meets his / her needs. In other words, they conclude more life insurance contracts, their average monthly premium of the signed contracts and the resulting commissions are higher than of those who rarely apply or are unable to apply the analysed sales behaviour.

Personality traits of the consultants – self-efficacy and high emotional intelligence – also correlate with job performance. This means that the more of the mentioned traits are inherent to the dependent intermediaries of Lithuanian life insurance companies, the higher is the number of life insurance contracts they conclude, as well as the amount of premiums and commissions.

After a more detailed evaluation of the research hypotheses H1–H5 with the help of the multiple regression analysis, the research can be partially expanded by analysing the possible causal effect of sales factors on sales performance.

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Primary Paper Section: A

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