

SURVEYING THE RELATIONSHIP BETWEEN ROLE DEFINITION AND PERFORMANCE ENHANCEMENT OF INSURANCE COMPANIES' SALE NETWORKS IN ARDABIL PROVINCE

Keyvan Farivar, Ali Tizroo (Ph.D), Farzad Sattari Ardabili (Ph.D)

Departemant of Executive Management, Hormozgan Science and Research Branch, Islamic Azad University, Hormozgan, Iran

Abstract

The object of this study was to investigate how role definition within insurance companies based in Ardabil Province is related with the performance of sale networks of the companies. In the present study, role definition based on role ambiguity and conflict scales developed by House, Schuler and Levanoni was considered as independent variables, whereas performance enhancement of sale networks in insurance companies was considered as dependent variable as based on customers' satisfaction scale and on policy selling rate. Furthermore, one main and four secondary hypotheses were developed based on the variables. Statistical sample of the study included 180 employees from sale network of insurance companies based in Ardabil Province, which were randomly selected from all 544 employees in sale network of insurance companies in the province. Questionnaires were used to collect the required data, while data analysis was accomplished by using Pearson Correlation Coefficient. Based on the results from data analysis, decreased role ambiguity and role conflict were positively and significantly related with increased customer satisfaction as well as increased policy selling. More specifically, relation between the decreased role ambiguity and increased customer satisfaction was the highest, whereas relation between the decreased role conflict and increased policy selling was found to be the lowest. Furthermore, main hypothesis of this study developed as the relation between role definition and performance enhancement of sale network of insurance companies based in Ardabil Province, had a positively significant relation with Pearson Correlation Coefficient (.471). Thus, based on results from the conducted tests, all of the study hypotheses including main and secondary ones were confirmed. In general, results from the study reveal the importance of variables such as decreased role ambiguity and role conflict on the performance enhancement of sale network of insurance companies in the province. Finally, the study provides evidences that decrease in these variables plays a key part in improving the performance of sale network in the insurance companies.

Keywords: *role definition, role ambiguity, role conflict, performance, sale network of insurance companies*

Introduction

Insurance companies are dependent on activity to drive customer acquisition, increase retention and improve their image with the policyholder. The most important thing insurance agents have to realize is that direct mail campaigns, bus bench advertisement, newspaper ads, yellow pages ads, cold calling, and door knocking does not work. It's a major reason why 30% of new agents who come into this business are broke and out of the business within a year? And, why 55% of the insurance agents are making less than \$40,000 per year, after expenses! But insurance agents still need to market to insurance consumers, because selling insurance to their friends and relatives is not enough. Start thinking differently about marketing to insurance consumers is the quickest way to increase sales. With more and more consumers turning to the Web to shop for

insurance, more and more insurance professionals need ways to target these customers (Insurance Journal, 2007).

Organizations increasingly realized that employee was the key to their success and view employer-employee relationship as a mutually beneficial process. Organizational socialization defined how an organization addressed the interests of its employees and how that was reflected in its interest. Organizational socialization helped both the organization and its employees to meet their needs (Hau-Siu Chow, 2002). The first period in joining an organization is very critical for new employees. A basic premise of organizational socialization practices is that the nature of a new employee's initial experiences is imperative to his adjustment to the new environment (Saks and Ashforth, 1997).

Due to the fact that a new employee may face a dilemma when he/she joins the organization, the organization should concentrate on how to reduce his/her uncertainty and fear. Successful organizational socialization increases emotional attachments toward the organization. Further, social interactions with other employees are necessary in the process of organizational socialization (Kato, 2010). The successful organization tries to transform new employees, through efficient socialization program, into established organizational employees.

According to Banton (1965), a "role" can be defined as a set of norms or expectations applied to the incumbent of a particular position by the role incumbent and the various other role players (role senders) with whom the incumbent must deal to fulfill the obligations of their position (Sawyer, 1992).

Role ambiguity and role conflicts can be of the outcomes of non-availability of organizational socialization. The main constructs of role stressors, including role ambiguity and role conflict have received a considerable attention, especially in the western literature. Role stressors are often conceptualized as consisting of two related but distinct constructs—role ambiguity and role conflict (Rizzo et al, 1970). Individuals involved in organizations are subject to conflict, whether conscious or unconscious, and the impact of conflict are unavoidable, and either positive or negative (Jehn, 1997). For organizations, reduced productivity, high turnover, frequent tardiness and absenteeism are common consequences of workplace stressors (Elfering et al., 2005). Based on the results of his study, Onyemah (2008) indicated that Role Ambiguity and Role Conflict influenced job performance (Onyemah, 2008).

Role ambiguity occurs when a person's tasks or authority are not clearly defined and the person becomes afraid to act on or take responsibility for anything (Jones, 2007). Role ambiguity is the perception that one lacks information necessary to perform a job or task, leading the perceiver to feel helpless. It is an employee's uncertainty about the expectations of different members in his or her role set (Onyemah, 2008). Each formal position in a structure should have clear task requirements to minimize confusion and increase productivity, but in some structures task requirements are ambiguous (Hamilton, 2002). Role ambiguity results from inadequate information or knowledge to do a job. This ambiguity may be due to inadequate training, poor communication, or the deliberate withholding or distortion of information by a coworker or supervisor (Luthans, 1989, p. 200).

Role conflict is a feeling of being torn in multiple directions, unable to find a way to make every role partner satisfied (Onyemah, 2008). A general problem that arises in understanding role behavior is that individuals play multiple roles, adjusting their roles to the group to which they belong at the time. They read their job descriptions, get suggestions from their manager, and watch what their coworkers do. When that individual is confronted by different role expectations, he or she experiences role conflict. (Robbins and Coulter, 2003, p. 401). Facets of

role conflict include being torn by conflicting demands from a supervisor about the job and being pressured to get along with people with whom you are not compatible (Ivancevich, 2008, p. 227).

At a certain point or at the normal range, conflict may be constructive, but beyond that point, conflict may become destructive. Conflict can be positive when it overcomes organizational inertia and leads to organizational development. Beyond a certain point, however, conflict can lead to organizational ineffectiveness. There are many coping strategies that can be designed by management to reduce job stressors, such as creation of a supportive organizational climate, enriching the design of tasks, reducing conflict and clarity organizational roles, and planning career paths and providing counseling since individuals are left to decide career moves and strategies on their own or get advice once in a while from a supervisor (Luthans, 1989, pp. 212-3).

Moving into a new decade, companies can no longer depend on the “sales superstar” to deliver the big deal or close the critical sale. The ability to generate more revenue with a smaller, smarter sales force is an undeniable competitive advantage, regardless of industry segment, target consumer base, or product focus (Murrillo, 2010).

The “do or die” reality of today’s business environment emphasizes the critical need for a more productive and agile sales force, as well as the challenges faced in achieving that goal. It is no exaggeration to say that the success and survival of today’s organizations rests largely on the shoulders of the sales team; “here today, gone tomorrow” has been replaced by “here today, gone this afternoon.” In today’s cut-throat, fast-changing marketplace, everyone on the sales team must quickly and effectively acquire the knowledge and skills necessary to perform at the highest levels of proficiency. The sales professional’s learning process has become one of continuous learning rather than preparation for individual product launches or a series of sales events.

How can today’s organizations meet the continuous challenge of sales productivity and achieve success in turning ordinary sales personnel into extraordinary performers – more quickly and less expensively than ever before?

There are top 10 Ideas for Improving Sales Performance:

Selection - Recruiting and selecting the right talent needed for each sales position is the single most important skill of sales management.

Raising the Bar- Sales and service improvement is an outcome of deliberate, planned actions over time, at all levels. "Raising the bar" must be the primary objective of sales and service leadership.

Sales Process - Documenting your sales methodology and Best Practices both for salespeople and sales managers provides a “Framework of Excellence” for improving your selling system. Once documented, the sales process drives hiring, coaching, training, and marketing support efforts.

Change - People change behaviors because they want to, because the value of change is compelling, and because it benefits them significantly as individuals. If you want to change selling behaviors, actively engage your people in the solution. It is their ownership that ensures long-lasting change.

Measurement is the essential ingredient of process improvement. Without clear expectations for activity and performance, sales improvement efforts seldom hit the mark.

Support Systems including activity scorecards, technology, pipeline forecasting, territory plans, lead generation and strategy worksheets provide the tools to implement change. Tool

development is not a one-time effort, but a continuous process of enhancing the tools, modifying them, and applying them to the business.

Focus Coaching sustains excellence and builds employee loyalty. Coaches are the catalysts of team and individual effectiveness. Their ability to tap and stretch the capacity of each individual generates power and momentum.

Training is the one intervention to communicate expectations, to stimulate growth, to lift individual performance. It must be a core practice, consistently applied and customized to fit your organization.

Compensation and recognition practices must be aligned to strategy. Alignment creates leverage and increases the potential to maximize revenues.

Customer Retention is the ultimate barometer of success. Its focus is indispensable, and everyone in the organization must take ownership for their role in adding value and enhancing the customer experience (Sales Effectiveness Inc, 2013).

Binder (2012) shows that there are at least three challenges that any organization responsible for sales enablement must address, and the success with which they address them will determine ROI:

Challenge 1 – Defining expected sales performance: It's remarkable how many large companies lack a documented, consistently implemented sales process. Many sales organizations adopt what I would call "generic" models of the sales process, describing either face-to-face interactions or enterprise-level account management.

Challenge 2 – Identifying and enabling best practices strategies and tactics: In organizations that define sales performance, or process, mostly as a series of activities, it is tempting to focus on best practices sales behavior – those strategies and tactics that the most successful people seem to use.

Challenge 3 – Configuring, aligning and managing sales enablers: Once we've identified best practices sales behavior, how should we enable it?

Human performance entails behavior (activity) that produces desired work outputs (accomplishments) that are valuable to the organization because they contribute to business results. We define criteria for "good" work outputs as those features of the work outputs themselves that make them more likely to contribute to business results, customer requirements, and/or corporate values. For example, one of the features of a "good" sales proposal (a work output) that is expected to contribute to company profitability (a business result) is that it includes pricing that is profitable for the company (Binder, 2012).

The main purpose of this study is "surveying the relationship between role definition and performance enhancement of insurance companies' sale networks in Ardabil Province". For this purpose, we developed one main and four secondary hypotheses. Our main question was, "Is There relationship between role definition and performance enhancement of insurance companies' sale networks in Ardabil Province"?

METHODOLOGY

Given that this study focuses on the development of applied knowledge in a particular field, it can be classified as applied research. On how to obtain the required data can be classified into descriptive research. Since the present study is to analyze the relationship between the variables considered, the study is correlational.

The population in this study, including employees and contractors is that they are insurance companies. Data has collected from 180 employees by through Cluster sampling.

This is done by means of questionnaire; it was in two part, demographic questionnaire and variable questionnaire containing 17 questions. To check the validity of the questionnaire, the experts were concerned. Survey conducted evaluation questionnaire was good. Then, using Cronbach's alpha was used to measure the reliability of the questionnaire. Alpha coefficient of Questionnaire was 0.78.

In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used, and to display some statistical data we used column diagram and in deductive level to test the hypothesis of the research we used Pearson correlation coefficients and multiple regression analysis to compare means of the constructs between variables and. The analysis has performed with SPSS.

RESULTS AND DISSECTION

In this paper we have one main hypothesis and four secondary hypotheses. The statistical way of analysis of hypotheses is two ways, H1 is acceptance of hypothesis and H0 is rejecting of hypothesis. In other words, it means that H1 has positive meaning and H0 has negative meaning.

The main hypothesis: There is significant relationship between role definition and performance enhancement of insurance companies' sale networks in Ardabil Province.

Table 1: Results of Correlation coefficient between role definition and performance enhancement of insurance companies' sale networks

performance enhancement insurance sell		Correlation coefficient	role definition
n	p	r	
170	0.000	0.471	

According to Table (1), the correlation between role definition and performance enhancement of insurance companies' sale networks in the $p \leq 0.05$ was significant, so there is a relationship between role definition and performance enhancement of insurance companies' sale networks. The coefficient of determination of 22.2 % of the variance in role definition is performance enhancement of insurance companies' sale networks.

Hypothesis 1: There is a significant relationship between reducing role ambiguity is sales increasing of insurance companies' sale networks in Ardabil Province.

Table 2. The results of a distribution coefficient between reducing role ambiguity are Sales increasing of insurance companies' sale networks.

Sales increasing		Correlation coefficient	reducing role ambiguity
n	p	r	
174	0.000	0.393	

According to Table (2), the correlation between reducing role ambiguity and Sales increasing of insurance companies' sale networks in the $p \leq 0.05$ was significant, so there is a relationship between reducing role ambiguity and Sales increasing of insurance companies' sale networks. The coefficient of determination of 11.24 % of the variance in reducing role ambiguity is Sales increasing of insurance companies' sale networks.

Hypothesis 2: A significant relationship between reducing role ambiguity and customer satisfaction increasing of insurance companies' sale networks in Ardabil Province.

Table 3. The results of a distribution coefficient between reducing role ambiguity are customer satisfaction increasing of insurance companies' sale networks.

customer satisfaction increasing			Correlation coefficient
n	p	r	reducing role ambiguity
178	0.000	0.504	

According to Table (3), the correlation between reducing role ambiguity and customer satisfaction increasing of insurance companies' sale networks in the $p \leq 0.05$ was significant, so there is a relationship between reducing role ambiguity and customer satisfaction increasing of insurance companies' sale networks. The coefficient of determination of 25.40 % of the variance in reducing role ambiguity is customer satisfaction increasing of insurance companies' sale networks.

Hypothesis 3: There is a significant relationship between reducing role conflict is sales increasing of insurance companies' sale networks in Ardabil Province.

Table 4. The results of a distribution coefficient between reducing role conflict are Sales increasing of insurance companies' sale networks.

Sales increasing			Correlation coefficient
n	p	r	reducing role conflict
171	0.000	0.160	

According to Table (4), the correlation between reducing role conflict and Sales increasing of insurance companies' sale networks in the $p \leq 0.05$ was significant, so there is a relationship between reducing role conflict and Sales increasing of insurance companies' sale networks. Only, the coefficient of determination of 2.56 % of the variance in reducing role conflict is Sales increasing of insurance companies' sale networks.

Hypothesis 4: A significant relationship between reducing role conflict and customer satisfaction increasing of insurance companies' sale networks in Ardabil Province.

Table 5. The results of a distribution coefficient between reducing role conflict are customer satisfaction increasing of insurance companies' sale networks.

customer satisfaction increasing			Correlation coefficient
n	p	r	reducing role conflict
175	0.000	0.161	

According to Table (5), the correlation between reducing role conflict and customer satisfaction increasing of insurance companies' sale networks in the $p \leq 0.05$ was significant, so there is a relationship between reducing role conflict and customer satisfaction increasing of insurance companies' sale networks. Only, the coefficient of determination of 3 % of the variance in reducing role conflict is customer satisfaction increasing of insurance companies' sale networks. Results from the study reveal the importance of variables such as decreased role ambiguity and role conflict on the performance enhancement of sale network of insurance companies in the province. Finally, the study provides evidences that decrease in these variables plays a key part in improving the performance of sale network in the insurance companies.

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