

## PERFORMANCE INFLUENCERS: THE CASE OF LIFE INSURANCE SALES PERSONNEL IN NIGERIA

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### **Abstract**

To financial analysts, life insurance confers the benefits of investment as well as serve as an instrument of risk management on policyholders. This paper sought to ascertain the roles of organizational factors on life insurance sales personnel performance in Nigeria's marketplace. This study specifically examines the influence of selection and recruitment, compensation, training, and sales territory on life insurance sales personnel performance. The descriptive survey research design was adopted in the study. The population of study are the entire life insurance sales personnel in the twenty (20) quoted firms in Nigeria. However, the accessible population are the sales personnel in the three (3) top most listed firms with headquarter in Lagos state. Two hundred and fifty (250) copies of a structured questionnaire were administered to sales managers, unit managers and sales executives of AIICO, Leadway Assurance and FBN life. The study found that all the independent variables exhibit significant relationship with sales personnel performance. Specifically, employee compensation exerts the strongest influence on sales person's performance. Closely following is sales territory while selection and recruitment exert the least influence on sales force performance. This study conclude that the independent variables exhibit positive and significant influence on life insurance sales personnel performance. The paper recommends among others that operational managers desirous of outstanding marketplace performance should hire only high caliber employees, thoroughly train, adequately and competitively compensate and equip the sales force with sufficient information that would enable them thrive in their assigned sales territories.

**Keywords:** Employee Compensation, Employees' Performance, Training, Sales Territory, Selection and Recruitment

### **INTRODUCTION**

Abraham Maslow (1943) seminal work reveals that security and safety is one of the basic needs of man. The truth is that humans search for safety is not restricted to freedom from harm. Experience has shown that humans also aspire to have financial freedom. This financial security is often considered as the reason for rent seeking and wealth accumulation among individuals. In addition to wealth accumulation, individuals and corporate entities could also obtain financial security through the embrace of insurance. As a matter of fact, insurance protects against accidents and vulnerabilities. Indeed, insurance provides some measure of coverage to the insured from a future event. This in itself depicts financial security.

Insurance policies could be life or non-life. Life insurance policies are sold by firms solely dedicated for the purpose. The primary function of life insurance companies is to provide in the event of the policyholders' death financial coverage to the beneficiary. Experience has shown that insurance sales personnel effort at converting

prospects to policyholders is a daunting task. Truth be told, life insurance policyholders are not easily found in the marketplace. To secure these insurance customers, life insurance sales personnel are appointed with the intent of constantly bring in potential policyholders as well as nurture existing customers. The import of the foregoing suggests that to secure these policyholders requires dedication and commitment from these sales personnel.

Literature and experience reveal a plethora of challenges that confront the patronage of life insurance. Prominent among these challenges is the religious inclination of Nigeria citizens. Nigeria's major religions and adherents preaches and firmly believe that citizens safety and security is in the hands of God. In line with this, majority of religious zealots often consider holding a life insurance policy is a demonstration of fear instead of faith in the unfailing God. Furthermore, public skepticism about insurance and associated matters is another hindrance to the patronage of insurance. This skepticism arises from several customers unpleasant experiences with insurance and its related matters. The sad tales from life or nonlife policyholders seems to dampen the enthusiasm with which the public would accord insurance and related issues. This situation becomes exacerbated as potential customers often rely on the inherent negative word of mouth communication in their patronage decision. In fact, a widely communicated unpleasant report has the capacity to limit firms marketing efforts deployed to simulate sales.

Furthermore, a cursory look at Nigeria's population reveals that majority are in the low-income bracket. According to National Bureau of Statistics (NBS, 2022), about 63% of Nigeria populace are multidimensional poor. The implication of the multidimensional poverty of the citizens is that large segment of the market has little or nothing left after consumption for investment in insurance. Sad enough, the defunct Nigeria banking reforms granted permission to banks to engage in insurance businesses. This permission increased the number of participants in the industry. This increase in number further complicates the rate of competition in the industry. With increased competition, market share keeps fluctuating.

These inhibitions notwithstanding, life insurance firms are continuously thriving in the marketplace. The continuous existence of these firms without doubt is as a result of firms concerted marketing activities championed by sales personnel. In the light of these apparent challenges, it is germane to seek an understanding of the forces that propel life insurance sales personnel to outstanding marketplace performance.

Dishearteningly, in spite of the crucial roles life insurance plays in families and in the society, to the best of the researcher's knowledge there are scanty research on the forces that propel sales personnel in the sales of insurance policy in Nigeria. Yamoah (2013) Ghana study was on the factors that affect the performance of insurance sales personnel. In the same vein, Oseyemon and Ozah 2018 Nigeria study was an examination of insurance sales personnel compensation scheme. Arising from these, this paper seeks to provide an understanding of the organizational forces that shape life insurance sales personnel performance in Nigeria's marketplace.

## **LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

### **Concept of life insurance.**

To financial analysts, life insurance is considered as an avenue for investment as well as an instrument of risk management. When an individual or a corporate entity holds an insurance policy, the policyholder is guaranteed

protection against unexpected financial losses. As a matter of fact, the insurer pays the policyholder or heir the accrued sum when the insured interest occurs. To a non-policyholder, contrary is the case on the occurrence of an insurable interest. This implies that the individual or the corporate entity will be solely responsible for all related costs of repair and replacement in case of non-life insurance. In reality, life insurance provides death benefit to a specified beneficiary. The implication is that to the family of a policyholder, holding life insurance ultimately help to reduce financial stress on the beneficiary on the event of death of the policyholder. This suggests that a proper understanding of the purpose of life insurance can help individuals plan for long-term financial needs. The place of life insurance in every family budget is evident as it serves as a source of financial security to the family in case of the unfortunate death of the policyholder. In the same vein, life insurance enables the family of the policyholder to stay financially independent.

Extant literature recognizes fully underwritten life insurance, simplified issue life insurance and guaranteed issue life insurance as the predominant types of life insurance policy. With respect to underwritten life insurance policy, the premium paid is determined by the medical history and lifestyle of the applicant at a particular time. As a matter of fact, an underwritten policy is often less risky than a policy that is not underwritten. In actual fact, it is only few life insurance policies that offer fully underwritten life insurance. On the other hand, simplified issue life insurance provides coverage for a specified period and compensate the beneficiary a specified sum in the event of the death of the policyholder. Equally important is that the simplified issue term life insurance uses a simplified application process that exclude the prospect from medical examination. Finally, guaranteed issue life insurance is a policy that is highly acceptable. Its appeal is hinged on the absence of medical examination in the process of obtaining a life insurance. This implies that medical examination is not a prerequisite on application for life insurance. The drawback of this type of life insurance policy is in its prohibitive cost and low level of coverage.

According to NAICOM (2022), there are fifty-eight (58) insurance companies in Nigeria. In general, insurance business can be classified as life or non-life. Specifically, insurance corporations can be subdivided into life, non-life and composite activities. In Nigeria, there are 20 insurance corporations solely dedicated to life insurance businesses. In 2021, AIICO insurance was recognised as the leading life insurer in Nigeria. Closely following are Lead way Assurance and FBN Life (NAICOM, 2022).

### **Drivers of Life Insurance Salesmen Performance**

Literature recognizes several internal and external underpinning forces that influence the performance of life insurance sales personnel. Among the several external propelling forces, this paper discusses the influence of employee recruitment and selection, employee compensation scheme, training and development and sales territory.

### **Recruitment and Selection**

Management scholars consider recruitment as the activities involved in the identification and acquisition of prospective applicants while selection is a decision-making activity that entails identifying those qualified for employment (Oaya, Ogbu & Remilekun, 2017). In other words, recruitment simply implies the hiring of individuals or group of persons with the purpose of assigning them responsibilities. The place of recruitment and selection is undebatable in a firm's quest for the acquisition of right calibre of employees. Furthermore, the processes involved in employee recruitment and selection are pivotal to human resource management in organizations. The truth is that the activities involved in staff recruitment are complex as well as dynamic. The ultimate result of a successful recruitment process culminates in the creation of satisfied customers. Similarly, effective employee recruitment confers competitive strength on firms. Obikeze (2021) remarked that effective recruitment results in enhanced image and reputation of firms. However, Samwel (2017) asserts that effective recruitment and selection of competent and highly knowledgeable employees culminate in improved performance. Furthermore, Obikeze (2021) observed that an ineffective employee selection and recruitment negatively influence firms' performance, lowers organizational standard and harm the firm's image and reputation. Moreover, Selace (2018) remarked that a firms' approach to recruitment and selection significantly influence its performance.

Literature is replete with several studies on the influence of sales force recruitment and selection on organizational performance. Specifically, Omolo, Oginda and Oso (2012) study reports that sales force recruitment and selection has a positive and significant relationship with firm's performance. Also, Obikeze (2021) study the influence of sales force recruitment and selection on salesperson's performance in manufacturing sector. The scholar recommend that all operational managers involved in the hiring of sales persons should place high premium on thorough selection of only highly educated and experienced potential salespersons with demonstrable capacity for enhance performance. From the foregoing, this paper hypothesizes that,

*H<sub>01</sub>: Recruitment and selection of sales personnel has no significant effect on employees' performance.*

### **Employee Compensation**

A cursory look at a typical organization expense would reveal that employee's compensation represent a huge proportion of firms' expenditure. This is as a result of the crucial roles sales personnel in particular plays in revenue generation. Scholars sees compensation as rewards in exchange for satisfactory job execution. As a matter of fact, employees can be rewarded according to the time spent in productive activities, possession of requisite skills and knowledge as well as demonstrable competence. Consequently, any organisation that desire to sufficiently motivate and retain its high calibre employees must of necessity pay attention to the compensation and reward of its sales personnel.

Management scholars recognize that the nature of work assigned to an employee is a critical factor in wage determination. Moreover, the nature of insurance business calls for adequate compensation of its sales force. Sales personnel reward can be monetary, and non- monetary. It could also be in form of incentives or bonuses. Interestingly, Darmon and Dominique (2015) appreciated the motivational roles of monetary and non- monetary rewards on sales person's performance. The ripple effect of adequate employee compensation is noteworthy. The foregoing suggests a direct relationship between adequate employee compensation and firm's outcomes. It is therefore altruistic for insurance corporations to deploy sales people compensation as a weapon of employee protection. Experience has shown that sales effort accelerates sales performance. This increase in sales performance concomitantly result in increased employees' rewards. Consequently, most insurance firms as a matter of rule control the timing and the structure of sales person's compensation with the intent to spur sales. Literature is replete with several studies that examine the roles of sales personnel compensation on performance. In particular, Oseyomon and Ozah(2018) study of employee compensation scheme reports that both monetary and non- monetary schemes exert positive and significant influence on employee performance. In the same vein, Umar (2010) Ilorin, Nigeria study report a significant relationship between sales personnel rewards and performance. Consequently, this paper hypothesizes that;

*Ho<sub>1</sub>: Sales personnel compensation has no significant effect on employees' performance.*

### **Staff Training and Development**

Literature and operational evidence have shown that the prime motive of operating managers is the attainment of firm's core objectives. It is evident that the twin objectives of most corporations are increase in sales and attainment of firms' effectiveness. Furthermore, improved sales force ethical behaviour and enhanced sales force motivation and selling skills could be other secondary purpose of a firm. In actual fact these objectives can be obtained through properly planned staff training and development. Sales force training is needed to improve corporate performance. Hutt and Speh (2010) assert that in order to adequately equip sales personnel, training programs should be carefully designed. In fact, periodic training is needed to sharpen the skills of experienced salespeople. In specific terms, training becomes a necessity with changes in the environment. Training also becomes germane when sales persons seek knowledge about the firms, product lines, competitors' activities and customers purchase pattern. In order to fill these needs, firms often embark on training for both new and existing sales personnel. It is important to remark that sales personnel training needs are different. However, the ultimate purpose of sales training is to contribute maximally to increased sales. The most common outcomes of sales force training among others are increase in sales volume, improved customer relationships, increase salesperson commitment, lower staff turnover rate, decreased sales cost, increased control over sales force, better time management.

There are several empirical investigations on the consequences of sales force training on firms' performance. In particular, Latif (2012) studied the impact of sales training on sales force performance and customer orientation in small and medium enterprises. The authors found that sales training is a vital medium to enhance sales performance. Similarly, Supriyanto and Maya (2018) Indonesia study of sales training and personal selling, found that sales training and personal selling significantly influence sales force performance. This paper hypothesizes that;

*Ho<sub>1</sub>: Sales personnel training and development has no significant effect on employees' performance.*

### **Sales Territory**

It is a common practice among marketing managers to assign specific territories to sales personnel. The essence of this practise is for effective control and accountability. To the sales personnel, this assigned territory is considered as the area of operation. Experience has shown that territories are assigned on the basis of their inherent potentials. It is an absolute truth that geographical areas differ in potentials. Prominent among the potentials that distinguish one territory from another are the population, income distribution and social status of the residents. According to Piercy, Low and Cravens (2004), residents' purchasing power, the geographical dispersion of accounts, time required to service each account and competitors' activities have significant impact on the performance of a sales personnel in a specific territory. Furthermore, the authors' report that sales territory contributes significantly to firms' performance. This superior performance is facilitated by the number of sales calls, number of accounts and number of travels made. Similarly, Grant and Cravens (1999) examine the influence of sales force performance, sales territory design, customer relationship strategy and organizational commitment on sales organization effectiveness. The authors found positive relationship between sales organization effectiveness and sales territory design.

Furthermore, Babakus, Cravens, Grant, Ingram and LaForge (1996) Australia study found that effective sales territory allocation enhances sales personnel contribution to organization effectiveness. The authors in particular found a significant relationship between field sales managers effectiveness while a not significant relationship with chief sales executive and assigned territories. The foregoing implies that assigned territory has a great influence on the extent of sales personnel contact with potential customers. This demand that sales personnel take advantage of the market potential in assigned territories. The implication is that sales personnel have to be proficient in converting prospects to customers.

Experience has shown that sales organizations with well delineated territory are likely to be more productive compared to organizations with poorly demarcated territories. The foregoing suggests that a faulty decision in the allocation of a territory has the capacity to prevent optimal utilization of selling efforts and ultimately negatively impact on salespersons' performance. From the foregoing this paper hypothesizes that;

*Ho<sub>1</sub>: Sales territory has no significant effect on employees' performance.*

**Theoretical Review Resource based Theory**

This study is grounded on the resource-based theory as propounded by Penrose in 1959. Scholars remark that the tenets of the theory are traceable to economics discipline. In fact, the principles as enunciated in resource-based theory are applicable in project management, operations management, marketing among other allied disciplines (Almarri & Gardiner, 2014, Hitt, Xu & Carnes, 2015). Specifically, Armstrong (2009) affirms that the crux of the theory is the continuity of corporation. The theory assert that the survival and ultimate success of a corporation is largely dependent on the quality of its employees. As a matter of fact, resource-based theory recognise the value of human resources in firms' quest for competitive advantage. To Chidi (2013), competitive advantage can be achieved through diligent acquisition, development and retention of human resources. Ahmed, Khuwaja, Brohi and Othman (2018) identified management competencies, knowledge and technological resources among others as the main components of organisations resources. In fact, literature recognise organizational commitment, culture and tactical orientation as the constituents of a firm's internal resources. Moreover, Kull, Mena and Korschun (2016) remarked that resource-based theory attempts to establish a nexus between stakeholders and organizational performance. In sum, this theory stipulates that the extent of an organisation's performance is largely determined by the calibre of its human capital. Innocent (2015) study found that a positive significant relationship between organisational performance and internal resources and competencies.

**METHOD**

A descriptive survey design was adopted in this research. The population of study is the entire sales personnel of the twenty (20) quoted life insurance firms in Nigeria. The accessible population are the insurance firms with head office located in Lagos state. Specifically, sales managers, unit managers and sales executives in AIICO, Lead way Assurance and FBN life located in Lagos state constitute the population of study. The target population was 300 employees of the three insurance corporations. A sample size of 250 was mathematically determined using Krecijc and Morgan 1970 formula.

The study employed a simple random sampling design as its sampling method. This choice is predicated on the intent of attaining equal chances of respondents' selection. A semi- structured questionnaire was used as the data collection instrument. The drop and pick later method were employed in the administration of questionnaire. Two hundred and fifty (250) copies of the questionnaire were administered to sales managers, unit managers and sales executives in their various offices. Two hundred and twenty (220) copies were duly completed and found usage. This represents 88% return rate. The structured questionnaire had six (6) sections inclusive of respondents' demographics. The other sections are employee selection and recruitment, sales force compensation, employee training, assigned sales territory and employee performance. All the questionnaire items except respondents' demographics, were measured using a 5-point Likert-type scale anchored by (1) Not at All, (2) Low Extent, (3) Moderate Extent (4) High Extent and (5) Very High Extent. To ensure content validity, the various items were

adapted from previous studies. For instance, the scale for training was adapted from Latif (2012); sales force compensation was adapted from Oseyomon and Ozah (2018), Rangaswamy, Sinha and Zoltners (1990) served as the source for sales territory. Similarly, employee recruitment and selection was adapted from Uduji and Onwumere (2013) while the scale for employee's performance was adapted from Spreng (1999). The Special Package for Social Sciences (SPSS) version 24 was employed for data analysis. Specifically, mean and standard deviation were used for data presentation while Pearson coefficient, the one-way ANOVA and multiple linear regression was used to test the formulated hypotheses at 5% level of significance.

### **RESULTS / DISCUSSION OF FINDINGS Presentation of Data**

**Table 1: Mean, Standard Deviation and Pearson correlation coefficients of Employee Selection and Recruitment, Training, Compensation and Sales Territory and Employee Performance.**

| Variables             | Mean  | Std. Dev. | 1      | 2      | 3      | 4      | 5 |
|-----------------------|-------|-----------|--------|--------|--------|--------|---|
| Employees Performance | 4.056 | .69       |        |        |        |        |   |
| Selection/Recruitment | 3.980 | .49       | .614** | 1      |        |        |   |
| Training              | 3.793 | .71       | .647** | .589** | 1      |        |   |
| Compensation          | 4.510 | .34       | .721** | .698** | .677** | 1      |   |
| Sales Territory       | 4.041 | .21       | .714** | .709** | .699** | .674** | 1 |

Table 1 shows that employee compensation with a score 4.510 as the parameter with the highest mean score. Employee performance closely follows with a mean score 4.056. However, employee training with a score 3.793 was ranked the least. With respect to standard deviation, the variables scores vary from 0.21 to 0.71. With the aid of Pearson correlation coefficient, the strength of the relationships between dependent and independent variables was established. Specifically, all the independent variables report moderate strength ( $>.5000$ ) in their relationship with the dependent variable. However, employee compensation exhibits the highest (.721) effect on sales personnel performance while employee selection/recruitment report the least (.614) influence on sales force performance.

**Test of Hypotheses Table 2: Model Summary of Multiple Regression Analysis**

| R    | R Square | Adjusted R Square | Std. Error of the Estimate |
|------|----------|-------------------|----------------------------|
| .865 | .823     | .812              | .43829                     |

Table 2 reports a coefficient of determination( $R$ ) = .865 and an adjusted  $R^2 = 0.812$ . The adjusted  $R^2 = .812$  implies that all the independent variables can jointly explain about 81% of the systematic variation in the dependent

variable. These findings suggest that about 19% of other variables significantly influence sales person's performance.

**Table 3: One way Analysis of variance**

|                | Sum of Squares | Df. | Mean Square | F     | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 19.910         | 5   | 3.982       | 9.199 | .002 |
| Within Groups  | 235.591        | 543 | .433        |       |      |
| Total          | 255.501        | 548 |             |       |      |

Table 3 shows the analysis of variance for the study. Table 3 shows an F-value 9.199. According to Hair, Black, Babin, Anderson and Tatham (2006), the F-statistic serves as an indication of the extent to which the model express the relationship between the dependent and independent variables. Also, Table 3, reports a p-value of 0.002. This p-value is below the chosen alpha level 0.05. The implication of the finding is that a significant difference exists between the dependent and independent variables. In sum, the finding suggests that selection and recruitment, compensation, training, and sales territory significantly influence sales personnel performance.

**Table 4: Multiple Regression Coefficients (Selection and Recruitment, Training, Compensation and Sales Territory and Employees' Performance)**

|                           | Unstandardized Coefficients |            | Standardize d Coefficient s | T     | Sig. |
|---------------------------|-----------------------------|------------|-----------------------------|-------|------|
|                           | B                           | Std. Error | $\beta$                     |       |      |
| (Constant)                | 2.209                       | .572       |                             | 8.105 | .001 |
| Selection and Recruitment | .802                        | .337       | .704                        | 1.194 | .003 |
| Training                  | .702                        | .219       | .902                        | 1.528 | .000 |
| Compensation              | .698                        | .428       | 1.108                       | 2.958 | .001 |
| Sales Territory           | .849                        | .803       | .009                        | -.702 | .000 |
| Employees' Performance    | .664                        | .448       | .074                        | .658  | .000 |

The multiple regression coefficients in Table 4 were used to establish the relationship between the independent variables and employees' performance. Also, Table 4 reports that sales person's selection and recruitment, training, compensation and sales territory exhibit positive relationship with employees' performance. In the same vein, the p-values as seen in Table 4 implies that all the independent variables report significant relationship with

employees' performance. In sum, all the independent variables report a positive and significant relationship with employees' performance.

**Table 5: Summary of Test of Hypotheses**

| Hypotheses                                                                    | T- Value | P-Value | Decision    |
|-------------------------------------------------------------------------------|----------|---------|-------------|
| Hoi: Selection/ Recruitment has no significant effect on employee performance | 1.194    | .003    | Significant |
| Hoii: Compensation has no significant influence on employee performance       | 2.958    | .001    | Significant |
| Hoiii: Training has no significant effect on employee performance             | 1.528    | .000    | Significant |
| Hoiv: Sales Territory has no significant influence on employee performance    | -.702    | .000    | Significant |

Table 5 is a summary of the test of hypotheses. The table shows that all the formulated hypotheses were significant at 5% level of significance.

### Discussion of Findings

The Pearson Correlation coefficient was employed to ascertain the strength of the relationship between the independent variables and the dependent variable. The study found that all the independent variables were above .5000 but below .8000 in depicting strength in their relationship with the dependent variable. In particular, this study found that compensation exhibit the greatest (.721) influence on sales personnel performance. This is closely followed by sales territory (.714) while staff selection and recruitment though exert moderate influence on sales personnel performance has the least (.614) influence. The most probable explanation for this varied influence could be adduced from the importance of these variables in determining employees' performance. In the same vein, the multiple regression analysis reveals that these selected organisational variables can account for about 81% systematic changes in the sales personnel outcomes. This implies that about 19% variations could be explained by other variables. This finding affirms Churchill Jr., Ford, Hartley and Walker Jr.

(1985) study that found employees' performance are largely determined by both personal and organisational forces. However, literature recognise age, sex, height, ego, drive, and empathy towards customers among others as the personal forces that influences sales personnel performance.

On the test of the first hypotheses, this study found that selection and recruitment exert significant influence on sales force performance. This finding corroborates Omolo, Oginda and Oso (2012) study that report effective selection and recruitment of sales force has a positive and significant influence on firm's performance. The most probable reason for this finding could be associated with firms' desire to hire high calibre employees resulting in meticulous recruitment exercise the truth is that firms' recruitment of high calibre employees is often a product

of the due diligence observed during the employee selection process. In fact, the more efficient the hiring process, the greater the expected performance of the employees (Samwel, 2017). On the other hand, Obikeze 2021 study report that improper staff selection and recruitment process negatively influence employees' performance. The foregoing suggests that organisations managers should pay attention to thorough screening of applicants and objectivity should be the watchword in the final recruitment decision.

With respect to the second hypothesis, this study found that compensations schemes has a positive significant effect on sales personnel performance. This finding affirms Oseyomon and Ozah (2018) earlier study. The scholars found that employee compensation scheme both monetary and non-monetary exert positive and significant influence on employees' performance. In the same vein, Umar (2010) Ilorin, Nigeria study report a significant relationship between sales personnel rewards and performance. The possible explanation for this finding is connected with the motivating roles of compensation on employees' performance. In fact, Herzberg (1959) as cited in Imianvan, Ogedengbe and Ewanlen (2011), affirms the critical roles monetary and non-monetary incentives plays in enhancing staff performance.

From the third hypothesis, the study found that training exert positive and significant effect on sales personnel performance. This finding corroborates Supriyanto and Maya (2018) Indonesia study. The authors specifically report that sales training and personal selling significantly influence sales force performance. The most possible reason for this could be found in the pivotal roles training plays in employees' acquisition of cognate knowledge that could enhance employees' performance. Truth be told, training confers among others things confidence, expertise and knowledge on employees hereby serving as vital medium for enhanced performance.

Finally, the study report that assigned sales territory has a significant effect on sales personnel performance. This study affirms Babakus, Cravens, Grant, Ingram and LaForge (1996) Australia study. The most probable explanation for this finding is inherent in the market potential of assigned territories. Obviously, the potential of every territory differs. Consequently, this differential could account for the different capacity of sales personnel. It is however expected that sales outcomes from a territory properly demarcated and largely dominated by high income earners, more educated individuals among others would result in greater return on sales effort.

### **CONCLUSION AND RECOMMENDATIONS**

The concept of insurance albeit life insurance simply put is concerned with preparing in advance for the occurrence of an inevitable incidence. This suggests that insurance help a policyholder create a cushion for the beneficiary in order to meet life financial obligations. As a matter of fact, life insurance is both an investment and a tool for risk management to the policyholders. As a result of public resistance to the patronage of insurance, sales persons often face a lot of difficulty in making sales. In fact, for life insurance sales personnel to make a sale requires expertise and a lot of persuasive ability. The nature of insurance business further complicates this

process. In order to be effective, most insurance sales personnel now adopt the push selling strategy rather than the pull strategy. In light of the apparent difficulties associated with the sales of life insurance policies, this paper unveils the organizational factors that facilitate sales personnel performance in the marketplace.

The study examines the influence of employee selection / recruitment, compensation, training and sales territories on life insurance sales personnel performance. The study found that all the independent variables exhibit positive significant effect on sales person's performance. Specifically, the study reports that employees' compensation exert the strongest influence on life insurance sales personnel performance. Closely following is sales territory while staff selection and recruitment though exert the least influence on sales personnel performance. In the light of the foregoing, this paper affirms that diligent and meticulous selection and recruitment of employees, adequate and competitive compensation, properly planned and thorough training of staff as well as a properly demarcated sales territory would facilitate outstanding life insurance sales personnel marketplace performance.

Sequel to the findings of this study, the researcher wishes to suggest the following as its recommendations.

- (1) Operational managers in search of high caliber sales force should hire only highly qualified applicants. This can be achieved through diligent search and screening of applicants and final decision made without prejudice.
- (2) Management of Life Insurance corporations should design and implement a reward system that is competitive and flexible enough to accommodate employees' level of outputs. In fact, this position should be implemented in conjunction with basic salary and allowances.
- (3) Also, this study recommends that in addition to regular training, sales personnel continuous training and retraining should be embraced. This practice when engaged would enable the sales personnel acquire the requisite knowledge and competencies to handle emerging issues in the marketplace.
- (4) Finally, this paper recommends that insurance corporations should embark on a holistic study of the operating territories. This study is with the intent to precisely identify the market potentials of the demarcated area. In fact, the outcome of such exercise would adequately guide the managers in the assignment of territories.

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