CHAPTER 4

RESEARCH RESULTS

This chapter presents the findings of the survey. It initially describes the characteristics of the respondents. This is followed by an analysis of reliability. The relationship of demographic variables are then enumerated. Finally an analysis and discussion of the variables that influence the level of first year commission is then studied from the results of multiple regression.

CHARACTERISTICS OF THE RESPONDENTS

Nine Life Insurance companies were sent a brief explanation of the research. This was followed up by a face-to-face call to obtain their cooperation with the study. The questionnaire and cover letter were distributed to 450 life insurance agents of the nine companies. Of these, 172 were returned representing a response rate of 38%. Although 172 life insurance agents responded to the questionnaires, only 153 sets of the data were usable for analysis.

Clearly, a constant follow-up would have increased the rate of response. However, due to cost and time constraints none was attempted. Despite this drawback, the sample size appears adequate and response rate obtained was comparable to several studies in recent work. Respective response rates for such studies were 54% (Spiro, Weitz, 1990), 46% (Siew, Randall and Cote, 1993) 32% (Sujan, 1986; Sujan and Weitz, 1986) and 25.1% (Hunt, Chonko, and Wood, 1985).

A summary of the respondents' characteristics can be found on Table 1. The respondents were primarily male, (75.2%), while female respondents comprised about 24.8%. This did not appear to differ significantly from available public data on the profile of life insurance agents in 1993 (see appendix C) Life insurance selling in Malaysia was dominated by males, making up 70% of the total number of registered agents in 1992 and 1993.

In terms of age, the sample had 51% in the age range between 26 to 35 years, 26.8% in the range of 36 to 45 years, 13.7% in the age range between 18 to 25 years and 8.5% in the 46 to 60 years range. The 1993 public data indicated that agents in Malaysia were relatively young. About 75.6% were in the age

group of 21 to 40. Agents between the ages of 41 to 50 constituted 16.3% whereas those above 50 years old and below 21 comprised 5.6% and 2.5% respectively.

The sample was fairly representative of the racial composition of the population in the insurance profession, with 78.4% of the sample being Chinese, 3.3% Malays, 16.3% Indians and 2.0% Others. The sample thus did not differ significantly from the 1993 composition of agents in terms of race, where 76.2% comprised Chinese agents, 12.8% Indian agents, 8.4% Malay agents while other races comprised 2.7%.

The sample was made up of 41.2% single, 58.1% married and 0.7% divorced or widowed respondents. There were no available public data on marital status. In terms of contract status, 51.6% of the respondents were Agency leaders and 48.4% were Agents.

In terms of duration, about 32% of the respondents have only been in the industry for more than 6 months but less than 2 years. 19.6% had more than 2 years but less than 4 years. 15% had more than 4 years but less than 6 years. 19.6% had more than 6 years but less than 8 years and the balance 13.8% had

more than 8 years. The 1993 turnover of agents in the industry was high. 43.9% had only been in the industry for less than 2 years. The number of those who had been agents for 2 to 4 years were 27.3%, the 4 to 6 years were 11.5%, and those 6 years and above 17.3%.

In terms of education, the largest category of respondents (52.9%) was from the secondary level. This was followed by Diploma holders (37.3%), University graduates (7.8%) and others (2%).

The majority of the respondents (49%) fell in the income range of between RM14,000 to RM37,999 and 17.6% earned between RM38,000 to RM61,999. The production figures are also indicated in Table 1.

In summary, the characteristics of the survey respondent did not appear to differ significantly from available 1993 public data on the profile of the life insurance agents. (see appendix C)

Table 1

CHARACTERISTICS OF THE RESPONDENTS

CHARACTERISTIC	N	PERCENT
Sex		
Male	115	75.2
Female	38	24.8
Age		
18-25	21	13.7
26-35	78	51.0
36-45	41	26.8
46-55	12	7.8
56 and above	1	0.7
Race		
Malay	5	3.3
Chinese	120	78.4
Indian	25	16.3
Others	3	2.0
Marital Status		
Single	63	41.2
Married	89	58.1
Divorced	1	0.7
Education		
Secondary	81	52.9
Diploma	57	37.3
University	12	7.8
Post Graduate	2	1.3
Others	1	0.7
MD Qualifier		
Yes	9	5.9
No	144	94.1
IQA Qualifier		
Yes	27	17.6
No	126	82.4

CHARACTERISTIC	N	PERCENT
Professional Qualification		
PCE	82	53.6
LUTC	36	23.5
MII,AII,FLMI	8	5.3
Others	27	17.6
Duration		
More than 6 mths but less than 2 years	49	32
More than 2 years but less than 4 years	30	19.6
More than 4 years but less than 6 years	23	15.0
More than 6 years but less than 8 years	30	19.6
More than 8 years	21	13.8
Contract Status		
Agent	64	41.8
Career Agent	10	6.6
Agency Leader	79	51.6
Average Policy Size (RM)		
Less than 1,000	48	31.4
More than 1,000 but less than 1,500	78	51
More than 1,500 but less than 2,000	20	13.0
More than 2,000	7	4.6
Annual Commission (RM)		
<than 5,999	8	5.2
6,000-21,999	54	35.3
22,000-37,999	41	26.8
38,000-53,999	19	12.4
54,000-69,999	12	7.9
70,000-85,999	9	5.9
More than 86,000	10	6.5

CHARACTERISTIC	N	PERCENT
Name of Insurance Company		
Sime AXA	31	20.3
Great Eastern	23	15.0
MCIS	9	5.9
BAI	10	6.5
Prudential	8	5.2
AIA	7	4.6
Aetna	6	3.9
MAA	7	4.6
Wing On	52	34.0
Production (FYP)		
16,000-35,999	40	26.1
36,000-55,999	37	24.2
56,000-75,999	27	17.7
76,000-95,999	8	5.2
96,000-115,999	8	5.2
116,000-135,999	11	7.2
136,000-155,999	5	3.3
156,000-175,999	4	2.6
176,000-195,999	1	0.7
196,000-215,999	4	2.6
More than 216,000	8	5.2

RELIABILITY ANALYSES

The constructs were tested for reliability through Cronbach's coefficient alpha. The alpha scores for each factor construct are given in Table 2. The final alpha scores for the following constructs ranged from 0.68 to 0.93, which is acceptable for exploratory research (Nunnally, 1978).

- Prospecting
- Approach
- Fact-finding
- Solution, Presentation & Close
- Technical competency
- Sales follow through & Policy delivery

Table 2

CONSTRUCTS AND RELIABILITY COEFFICIENT

	CONSTRUCT	NUMBER OF ITEMS	ALPHA SCORES
A1A17	Prospecting	17	0.76
B1B9	Approach	9	0.81
C1C7	Fact-finding	7	0.68
D1D31	Solution, Presentation & Close	31	0.92
E1E12	Technical competency	12	0.93
F1F7	Sales follow-through & Policy Delivery	7	0.78

THE RELATIONSHIP OF DEMOGRAPHIC VARIABLES

The demographic characteristics on first year commission were obtained by cross tabulation and chi-square analyses. Fourteen demographic variables were considered - sex, age, ethnic group, marital status, contract status, duration in the business, million dollar qualifier, international quality award qualifier, professional qualification, education level, company, production and average size policy. The influence of these variables are discussed accordingly.

Chi-square analyses was performed to test the significance of demographic difference with the following scores ie. prospecting, approach, fact-finding, solution, presentation and close, technical competency and sales follow through.

The relationship of demographic variables with the sales process scores.

The sales process scores on prospecting, approach, fact-finding, solution, presentation and close, technical competency and sales follow through can be seen in appendix C. There were no statistical differences in age, sex, ethnic group and the other demographic variables on the **prospecting**

process. Interestingly, two variables indicated that there were significant differences on the prospecting process. The two variables were marital status, and the average size policy. Chi-square analyses for marital status and average size policy were significant at $p < 0.05$. As the chi-square test is a test of independence, this means that the hypothesis that prospecting and marital status, and prospecting and average size policy are independent of each other is rejected. It would appear that married salespeople are diligent in seeking out or prospect for new customers. (In prospecting, salespeople must obtain leads on people who may have a need for the service or product. To turn a lead into a prospect, the lead must be qualified in terms of need or want, ability to buy, authority to buy, and eligibility to buy).

As indicated in Table 3, married respondents tend to practice prospecting more frequently than single and divorced respondents. 68.3% of the single respondents had low scores while 50.6% of the married respondents had high scores.

Table 3

CROSS-TABULATION: MARITAL STATUS and PROSPECTING					
	43-52	53-62	63-72	73-82	Scores
Single	12.7	55.6	25.4	6.3	100%
Married	6.7	42.7	34.8	15.8	100%
Divorced	-	-	100	-	100%

λ^2 Significant at 0.0042

Respondents who prospect frequently also sold higher average size policy. (See table 4). 83.3% of the respondents who scored high in prospecting sold an average size policy of more than RM2001, while 60% of the respondents who scored low, sold an average size policy of between RM 100 to RM 500 only.

The emphasis on the prospecting process ie. the qualifying of prospects or potential customers, seem to encourage salespeople to sell bigger policies. A probable explanation could be due to the qualification process done by the salesperson on the prospect's ability and eligibility to buy at the onset.

Table 4

CROSS-TABULATION: AVERAGE SIZE POLICY and PROSPECTING

	43-52	53-62	63-72	73-82	Scores
100-500	15.0	45.0	32.5	7.5	100%
501-100	7.4	50.0	27.9	14.7	100%
1001-1500	11.1	61.1	27.8	-	100%
1501-2000	5.0	40.0	40.0	15.0	100%
2001 & above	-	16.7	50.0	33.3	100%

λ^2 Significant at 0.0331

The scores on **approach** indicated that there were significant differences on four demographic variables ie. marital status, contract status, duration and professional qualification. Chi--square analysis for these four variables were significant at $p < 0.05$.

After qualifying a prospect as a potential customer, the salesperson must plan how best to approach the prospect. In this stage, the salesperson needs to obtain strategic information about the prospective buyer, and ensure a favourable reception. Depending on the selling situation, several methods can be effectively used to approach the prospect, including the introductory approach; mutual acquaintance, or reference, dramatic approach and so forth. (see appendix B for details).

Consistent with prior expectations, married respondents, higher agency status level, the length of duration and professional qualification appears to have a significant relationship with the frequency to perform the many functions in the approach process (see table 5-8)

Table 5

CROSS-TABULATION: MARITAL STATUS and APPROACH				
	<30	31-40	>40	Scores
Single	11.1	61.9	27.0	100%
Married	5.6	56.2	38.2	100%
Divorced	-	-	100	100%

λ^2 Significant at 0.0255

Table 6

CROSS-TABULATION : CONTACT STATUS and APPROACH				
	<30	31-40	>40	Scores
Agent	15.6	56.3	28.1	100%
Career Agent	-	60.0	40.0	100%
Agency Leader	2.5	59.5	38.0	100%

λ^2 Significant at 0.0111

Table 7

CROSS-TABULATION: DURATION and APPROACH				
	<30	31-40	>40	Scores
1-5 years	10.3	60.8	28.9	100%
6-10 years	2.3	58.2	39.5	100%
11-15 years	14.3	28.6	57.1	100%
16-20 years	-	33.3	66.7	100%
21 years & above	-	100	-	100%

λ^2 Significant at 0.0321

Table 8

CROSS-TABULATION : PROFESSIONAL QUALIFICATION and APPROACH				
	<30	31-40	>40	Scores
Pre-contract Exam.	12.2	58.5	29.3	100%
LUTC	2.8	61.1	36.1	100%
MII,AII,FLMI	-	37.5	62.5	100%
Others	3.7	59.3	37.0	100%

λ^2 Significant at 0.0432

The scores on **fact-finding** indicated that there were significant differences on eight demographic variables ie. marital status, contract status, million dollar qualifier, international quality award, professional qualification, first year commission, production and average size policy.

In the fact-finding process, the salesperson must use sound questioning and listening skills to identify pertinent facts and feelings to discover needs and wants.

In essence the demographic variables play a bigger role at each progressive stage of the sales process. As exemplified in the fact-finding, research activity, the eight variables were significant at $p<0.05$ (see table 9-16)

Table 9

CROSS-TABULATION: MARITAL STATUS and FACT-FINDING					
	18-22	23-27	28-32	>32	Scores
Single	15.9	49.2	34.9	-	100%
Married	6.7	38.2	46.1	9.0	100%
Divorced	-	-	-	100	100%

λ^2 Significant at 0.0002

Table 10

CROSS-TABULATION: CONTRACT STATUS and FACT-FINDING					
	18-22	23-27	28-32	>32	Scores
Agent	18.8	51.6	23.4	6.2	100%
Career Agent	20.0	20.0	60.0	-	100%
Agency Leader	2.5	38.0	53.2	6.3	100%

λ^2 Significant at 0.0001

Table 11

CROSS-TABULATION: MDQ and FACT-FINDING

	18-22	23-27	28-32	>32	Scores
Yes	-	22.2	66.7	11.1	100%
No	11.1	43.8	39.6	5.5	100%

λ^2 Significant at 0.0291

Table 12

CROSS-TABULATION : IQA and FACT-FINDING

	18-22	23-27	28-32	>33	Scores
Yes	-	25.9	70.4	3.7	100%
No	12.7	46.0	34.9	6.4	100%

λ^2 Significant at 0.036

Table 13

CROSS-TABULATION: PROFESSIONAL QUALIFICATION and FACT-FINDING

	18-22	23-27	28-32	>33	Scores
Pre-Contract Exam	15.9	48.8	32.9	2.4	100%
LUTC	2.8	25.0	66.7	5.5	100%
MII,AII,FLMI	12.5	37.5	37.5	12.5	100%
OTHERS	3.7	48.2	33.3	14.8	100%

λ^2 Significant at 0.0060

Table 14

CROSS-TABULATION: FYC and FACT-FINDING					
('000)	18-22	23-27	28-32	>32	Scores
1-20	16.1	53.3	25.8	4.8	100%
21-40	6.3	41.7	43.8	8.2	100%
41-60	5.0	30.0	65.0	-	100%
61-80	8.3	33.4	50.0	8.3	100%
81-100	14.3	28.6	42.8	14.3	100%
101 & above	-	-	100.0	-	100%

λ^2 Significant at 0.0023

Table 15

CROSS-TABULATION: PRODUCTION and FACT-FINDING					
('000)	18-22	43-5	21-7	13.0	Scores
1-20	21.7	43.6	21.7	13.0	100%
21-40	13.6	59.1	27.3	-	100%
41-60	10.4	47.9	37.5	4.2	100%
61-80	-	43.8	43.8	12.4	100%
81-100	9.1	27.3	63.6	-	100%
101 & above	6.1	27.3	60.6	6.1	100%

λ^2 Significant at 0.0023

Table 16

CROSS-TABULATION: AV. SIZE POLICY and FACT-FINDING

	18-22	23-27	28-32	>32	Scores
100-500	17.5	50.0	30.0	2.5	100%
501-1000	8.8	47.1	39.7	4.4	100%
1001-1500	5.6	44.4	50.0	-	100%
1501-2000	10.0	25.0	50.0	15.0	100%
2001 & above	-	-	66.7	33.3	100%

λ^2 Significant at 0.0001

The scores on **solution, presentation** and **close** were significant on eight demographic variables, ie. sex, age, marital status, contract status, duration, million dollar qualifier, international quality award and production.

In these personal interactions, the ability to match the selling strategy to the individual assumes importance as this maximizes the probability of a sale.

Of the eight variables, three variable differences were highly significant at $p< 0.001$. (see table 18, 19 and 20). They were age, marital status and contract status. There were also significant differences with the other 5 variables at $p<0.05$ (see table 17, 21, 22, 23, and 24).

Table 17

CROSS-TABULATION : SEX and SOLUTION, PRESENTATION & CLOSE

	70-90	91-110	111-130	>130	Scores
Male	1.7	9.6	59.1	29.6	100%
Female	-	13.2	28.9	57.9	100%

λ^2 Significant at 0.0137

Table 18

CROSS-TABULATION: AGE and SOLUTION, PRESENTATION & CLOSE

	70-90	91-110	111-130	>30	Scores
18-25 years	-	28.6	57.1	14.3	100%
26-35 years	2.6	10.3	53.8	33.3	100%
36-45 years	-	4.9	46.3	48.8	100%
46-55 years	-	-	50.0	50.0	100%
56-60 years	-	-	-	100.0	100%

λ^2 Significant at 0.0002

Table 19

CROSS-TABULATION: MARITAL STATUS and SOLUTION, PRESENTATION & CLOSE

	70-90	91-110	111-130	>130	Scores
Single	1.6	15.9	66.7	15.8	100%
Married	1.1	6.7	41.6	50.6	100%
Divorced	-	-	-	100.0	100%

λ^2 Significant at 0.000

Table 20

CROSS-TABULATION: CONTRACT STATUS and SOLUTION,PRESENTATION & CLOSE

	70-90	91-110	111-130	>130	Scores
Agent	1.6	18.8	56.3	23.3	100%
Career Agent	-	10.0	40.0	50.0	100%
Agency Leaders	1.3	3.7	49.4	45.6	100%

λ^2 Significant at 0.0005

Table 21

CROSS-TABULATION: DURATION and SOLUTION, PRESENTATION & CLOSE

	70-90	91-110	111-130	>130	Scores
1-5 years	2.1	13.4	53.6	30.9	100%
6-10 years	-	7.0	44.2	48.8	100%
11-15 years	-	-	42.9	57.1	100%
16-20 years	-	-	66.7	33.3	100%
21 years & above	-	-	100.0	-	100%

λ^2 Significant at 0.0239

Table 22

CROSS-TABULATION:MILLION DOLLAR QUALIFIER and SOLUTION, PRESENTATION & CLOSE

	70-90	91-110	111-130	>130	Scores
Yes	-	-	11.1	88.9	100%
No	1.4	11.1	54.2	33.3	100%

λ^2 Significant at 0.0015

Table 23

CROSS-TABULATION: IQA and SOLUTION, PRESENTATION & CLOSE

	70-90	91-110	111-130	>130	Scores
Yes	-	-	48.1	51.9	100%
No	1.6	12.7	52.4	33.3	100%

λ^2 Significant at 0.0088

Table 24

CROSS-TABULATION: PRODUCTION and SOLUTION PRESENTATION & CLOSE

	70-90	91-110	111-130	>130	Scores
1-20	-	21.7	52.2	26.1	100%
21-40	-	9.1	50.0	40.9	100%
41-60	4.1	16.7	52.1	27.1	100%
61-80	-	6.3	56.3	37.4	100%
81-100	-	-	54.5	45.5	100%
101 & above	-	-	48.5	51.5	100%

λ^2 Significant at 0.0021

The scores on **technical competency** indicated that there were significant differences on **all** demographic variables.

A plausible explanation for the positive impact of technical competency suggest that for salespeople to function in a complex environment it necessitates the requisite of technical information. (Fiske and Taylor 1984; Weitz, Sujan and Sujan 1986). The technical competency enable salespeople to structure incoming data on customers so as to understand quickly their product and selling requirements.

This significance suggest why salesperson knowledge is a primary focus of sales training programmes. - "sales training in general is directed toward teaching inexperienced salespeople, in a relatively short time, the skills of more experienced, effective members of the salesforce" (Weitz, Sujan, and Sujan, 1986).

Table 25

CROSS-TABULATION: SEX and TECHNICAL COMPETENCY					
	<30	31-40	41-50	51-60	Scores
Male	4.3	19.2	42.6	33.9	100%
Female	15.8	13.1	50.0	21.1	100%

λ^2 Significant at 0.0354

Table 26

CROSS-TABULATION: AGE and TECHNICAL COMPETENCY					
	<30	31-40	41-50	51-60	Scores
18-25 years	9.5	38.1	42.9	9.5	100%
26-35 years	9.0	14.1	47.4	29.5	100%
36-45 years	2.4	17.1	43.9	36.6	100%
46-55 years	8.3	8.3	25.0	58.4	100%
56-60 years	-	-	100.0	-	100%

λ^2 Significant at 0.0030

Table 27

CROSS-TABULATION: ETHNIC GROUP and TECHNICAL COMPETENCY					
	<30	31-40	41-50	51-60	Scores
Malay	-	20.0	60.0	20.0	100%
Chinese	9.2	18.3	45.0	27.5	100%
Indian	-	16.0	40.0	44.0	100%
Others	-	-	33.3	66.7	100%

λ^2 Significant at 0.0177

Table 28

CROSS-TABULATION: MARITAL STATUS and TECHNICAL COMPETENCY

	<30	31-40	41-50	51-60	Scores
Single	11.1	27.0	39.7	22.2	100%
Married	4.5	11.2	47.2	37.1	100%
Divorced	-	-	100.0	-	100%

λ^2 Significant at 0.0015

Table 29

CROSS TABULATION: CONTRACT STATUS and TECHNICAL COMPETENCY

	<30	31-40	41-50	51-60	Scores
1-5 years	10.3	23.7	47.4	18.6	100%
6-10 years	2.3	7.0	41.9	48.8	100%
11-15 years	-	-	28.6	71.4	100%
16-20 years	-	33.3	33.3	33.3	100%
21 years & above	-	-	-	-	100%

λ^2 Significant at 0.000

Table 30

CROSS-TABULATION: DURATION and TECHNICAL COMPETENCY

	<30	31-40	41-50	51-60	Scores
1-5 years	10.3	23.7	47.4	18.6	100%
6-10 years	2.3	7.0	41.9	48.8	100%
11-15 years	-	-	28.6	71.4	100%
16-20 years	-	33.3	33.3	33.3	100%
21 years & above	-	-	-	100.0	100%

λ^2 Significant at 0.0000

Table 31

CROSS-TABULATION : MDQ and TECHNICAL COMPETENCY					
	<30	31-40	41-50	51-60	Scores
Yes	-	-	33.3	66.7	100%
No	7.6	18.8	45.1	28.5	100%

λ^2 Significant at 0.0083

Table 32

CROSS-TABULATION: IQA and TECHNICAL COMPETENCY					
	<30	31-40	41-50	51-60	Scores
Yes	-	-	37.0	63.0	100%
No	8.7	21.5	46.0	23.8	100%

λ^2 Significant at 0.0000

Table 33

CROSS-TABULATION: PROFESSIONAL QUALIFICATION and TECHNICAL COMPETENCY					
	<30	31-40	41-50	51-60	Scores
Pre-Contract Exam	12.2	25.6	36.6	25.6	100%
LUTC	-	8.3	41.7	50.0	100%
MII,AII,FLMI	-	-	75.0	25.0	100%
Others	3.7	11.1	63.0	22.2	100%

λ^2 Significant at 0.0268

Table 34

CROSS-TABULATION: EDUCATION and TECHNICAL COMPETENCY

	<30	31-40	41-50	51-60	Scores
Secondary	11.1	18.5	43.2	27.2	100%
Diploma	1.8	17.5	45.6	35.1	100%
University	8.3	-	58.4	33.3	100%
Post-graduate	-	50.0	-	50.0	100%

λ^2 Significant at 0.0476

Table 35

CROSS-TABULATION: FYC and TECHNICAL COMPETENCY

	<30	31-40	41-50	51-60	Scores
1-20	11.3	19.4	48.3	21.0	100%
21-40	6.3	10.3	52.1	31.3	100%
41-60	5.0	10.0	40.0	45.0	100%
61-80	-	25.0	33.3	41.7	100%
81-100	-	57.1	-	42.9	100%
101 & above	-	25.0	25.0	50.0	100%

λ^2 Significant at 0.0492

Table 36

CROSS-TABULATION: COMPANY and TECHNICAL COMPETENCY					
	<30	31-40	41-50	51-60	Scores
Sime AXA	3.2	16.2	51.6	29.0	100%
G Eastern	-	4.3	34.8	60.9	100%
MCIS	11.1	11.1	44.4	33.4	100%
BAI	30.0	-	30.0	40.0	100%
Prudential	12.5	25.0	37.5	25.0	100%
AIA	-	-	57.1	42.9	100%
Aetna	-	33.3	50.0	16.7	100%
MAA	14.3	57.1	28.6	-	100%
Wing On	7.7	23.1	48.1	21.1	100%

λ^2 Significant at 0.0031

Table 37

CROSS-TABULATION: PRODUCTION and TECHNICAL COMPETENCY					
	<30	31-40	41-50	51-60	Scores
1-20	13.0	26.1	56.5	4.4	100%
21-40	13.6	22.7	40.9	22.8	100%
41-60	4.2	18.8	45.8	31.2	100%
61-80	12.5	6.3	50.0	31.2	100%
81-100	-	-	72.7	27.3	100%
101 & above	3.0	18.2	24.2	54.6	100%

λ^2 Significant at 0.0002

Table 38

CROSS-TABULATION : AV. SIZE POLICY and TECHNICAL COMPETENCY

	<30	31-40	41-50	51-60	Scores
100-500	12.5	17.5	40.0	30.0	100%
501-1000	8.8	14.7	50.0	26.5	100%
1001-1500	-	27.8	38.9	33.3	100%
1501-2000	-	20.0	35.0	45.0	100%
2001 & above	-	-	66.7	33.3	100%

λ^2 Significant at 0.0310

The scores on sales follow-through showed that there were significant differences on two demographic variables ie. marital status and million dollar qualifier (see table 39 & 40 respectively).

Table 39

CROSS-TABULATION: MARITAL STATUS and SALES FOLLOW THROUGH

	<20	21-26	27-32	>32	Scores
Single	3.2	22.2	65.1	9.5	100%
Married	2.2	12.4	47.2	38.2	100%
Divorced	-	-	-	100.0	100%

λ^2 Significant at 0.0002

Table 40

CROSS-TABULATION: MDQ and SALES FOLLOW THROUGH					
	<20	21-26	27-32	>33	Scores
Yes	-	11.1	33.3	55.6	100%
No	2.8	16.7	55.5	25.0	100%

λ^2 Significant at 0.0490

Relationship of sales process and demographic variables with first year commission

The salesperson's total ringgit amount in first year commissions (FYC) will be the measure of the salespersons' performance. The scores on **fact finding** indicated that there was significant difference at $p<0.01$. While scores on **technical competency** was significant at $p<0.05$ (see table 41 and 42 respectively).

Table 41

CROSS-TABULATION : FACT FINDING and FIRST YEAR COMMISSION

	18-22	23-27	28-32	>33	Scores
1-20	16.1	53.2	25.8	4.9	100%
21-40	6.3	41.7	43.8	8.2	100%
41-60	5.0	30.0	65.0	-	100%
61-80	8.3	33.4	50.0	8.3	100%
81-100	14.3	28.6	42.8	14.3	100%
101 & above	-	-	100.0	-	100%

λ^2 Significant at 0.0023

Table 42

CROSS-TABULATION: TECHNICAL COMPETENCY and FIRST YEAR COMMISSION

	<30	31-40	41-50	51-60	Scores
1-20	11.3	19.4	48.3	21.0	100%
21-40	6.3	10.4	52.1	31.2	100%
41-60	5.0	10.0	40.0	45.0	100%
61-80	-	25.0	33.3	41.7	100%
81-100	-	57.1	-	42.9	100%
100 & above	-	25.0	25.0	50.0	100%

λ^2 Significant at 0.0492

Chi-square analyses for three demographic variables were significant at $p<0.05$. They were ethnic group, marital status and contract status. There was

also significant differences with duration variable at $p<0.01$. Similarly, very significant differences with 5 other demographic variables were found at $p<0.001$. They were contract status, million dollar qualifier, international quality award, production and average size policy. (see the following tables respectively).

Table 43

CROSS-TABULATION: AGE and FIRST YEAR COMMISSION							
	1-20	21-40	41-60	61-80	81-101	101 & above	Scores
18-25 years	57.1	14.4	9.5	9.5	9.5	-	100%
26-35 years	38.5	42.3	11.5	3.8	2.6	1.3	100%
36-45 years	39.0	19.5	19.5	12.2	7.3	2.5	100%
46-55 years	33.3	33.3	8.3	8.3	-	16.8	100%
56-60 years	-	-	-	100.0	-	-	100%

λ^2 Significant at 0.0135

Table 44

CROSS-TABULATION: ETHNIC GROUP and FIRST YEAR COMMISSION

	1-20	21-40	41-60	61-80	81-100	101 & above	Scores
Malay	60.0	20.0	-	20.0	-	-	100%
Chinese	41.7	36.7	10.0	5.0	5.0	1.6	100%
Indian	28.0	12.0	32.0	16.0	4.0	8.0	100%
Others	66.7	-	-	33.3	-	-	100%

λ^2 Significant at 0.0123

Table 45

CROSS-TABULATION:MARITAL STATUS and FIRST YEAR COMMISSION

	1-20	21-40	41-60	61-80	81-100	101 & above	Scores
Single	54.0	28.6	6.3	3.2	4.8	3.1	100%
Married	30.3	33.7	18.0	11.2	4.5	2.3	100%
Divorced	100.0	-	-	-	-	-	100%

λ^2 Significant at 0.0257

Table 46

CROSS-TABULATION: CONTRACT STATUS and FIRST YEAR COMMISSION

	1-20	21-40	41-60	61-80	81-100	101 & above	Scores
Agent	60.9	28.1	6.3	1.6	3.1	-	100%
Career Agent	30.0	20.0	20.0	30.0	-	-	100%
Agency Leader	25.3	35.4	17.7	10.1	6.3	5.2	100%

λ^2 Significant at 0.000

Table 47

CROSS-TABULATION: DURATION and FIRST YEAR COMMISSION

	1-20	21-40	41-60	61-80	81-100	101 & above	Scores
1-5 years	47.4	33.0	9.3	5.2	4.1	1.0	100%
6-10 years	34.9	27.9	18.6	9.2	4.7	4.7	100%
11-15 years	-	28.6	28.6	14.3	14.3	14.3	100%
16-20 years	-	33.3	33.3	33.3	-	-	100%
21 years & above	100.0	-	-	-	-	-	100%

λ^2 Significant at 0.0016

Table 48

CROSS-TABULATION: MDQ and FIRST YEAR COMMISSION

	1-20	21-40	41-60	61-80	81-100	101 & above	Scores
Yes	-	11.1	22.2	55.6	11.1	-	100%
No	43.1	32.6	12.5	4.9	4.2	2.7	100%

λ^2 Significant at 0.0001

Table 49

CROSS-TABULATION: IQA and FIRST YEAR COMMISSION

	1-20	21-40	41-60	61-80	81-100	101& above	Scores
Yes	11.1	37.0	29.6	7.4	11.1	3.8	100%
No	46.8	30.2	9.5	7.9	3.2	2.4	100%

λ^2 Significant at 0.0010

Table 50

CROSS-TABULATION: PRODUCTION and FIRST YEAR COMMISSION

	1-20	21-40	41-60	61-80	81-100	101 & above	Scores
1-20	82.8	4.3	-	4.3	4.3	4.3	100%
21-40	95.5	-	-	-	4.5	-	100%
41-60	45.8	54.2	-	-	-	-	100%
61-80	-	93.8	-	6.2	-	-	100%
81-100	-	54.5	-	45.5	-	-	100%
101 & above	-	-	45.5	30.3	15.1	9.1	100%

λ^2 Significant at 0.0000

Table 51

CROSS-TABULATION: AV. SIZE POLICY and FIRST YEAR COMMISSION

	1-20	21-40	41-60	61-80	81-100	101& above	Scores
100-500	80.0	15.0	2.5	-	2.5	-	100%
501-1000	29.4	44.1	14.7	8.9	2.9	-	100%
1001-1500	38.9	27.8	22.1	5.6	5.6	-	100%
1501-2000	10.0	25.0	25.0	25.0	15.0	-	100%
2001 & above	16.7	33.3	-	-	-	50.0	100%

λ^2 Significant at 0.0000

PREDICTORS OF FIRST YEAR COMMISSION

Stepwise multiple regression analyses were carried out to identify the sales effectiveness variables. The dependent variable is first year commission. The Sales process and the demographic data were included as independent (predictor) variables.

MULTICOLLINEARITY

The correlation among the independent variables suggest that multicollinearity is unlikely to be a problem in the analyses. The estimates obtained were stable over the items ranging from - 0.0 to 0.7, indicating a low incidence of multicollinearity (see appendix F). For this research, the default tolerance value acceptable for excluding collinear variables is 0.90 and above. (Hair, Anderson, Tatham and Black, 1984).

The Model

The linear model may be represented as follows:--

$$Yc = 48.5 + 14.1\ (L5)^{*} - 15.5\ (L10)^{**}$$

Where: Yc = First Year Commission
L5 = Contract Status
L10 = Highest education level attained
* = Significant at 0.0001
** = Significant at 0.01

The model showed that only 2 predictor variables (ie. contract status and highest education level attained) were significant in predicting the level of first year commission (see appendix E) . This implies that the higher the education level and the agency status level, the higher the level of first year commission earned.

On the whole, the linear model above is statistically valid at a significant F value of 0.0000. The overall coefficient of determination (R Square) which indicates the explanatory power of the linear equation, has a value of 0.1336. This implies that about 13.36% of the variance in the first year commission values is explained by the significant predictor variables. The explanatory power (R squares) for all the predictor variables are listed in appendix D.