THE IMPACT OF PERSONALITY FACTORS OF SALES MANAGERS IN DISCRIMINATING LEADER MEMBER RELATIONSHIP AND PERFORMANCE WITH SPECIAL REFERENCE TO BANCASSURANCE

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CERTIFICATE

This is to certify that the thesis entitled **"THE IMPACT OF PERSONALITY FACTORS OF SALES MANAGERS IN DISCRIMINATING LEADER MEMBER RELATIONSHIP AND PERFORMANCE WITH SPECIAL REFERENCE TO BANCASSURANCE"**, submitted to **PONDICHERRY UNIVERSITY**, Ponducherry-605 014, in fulfillment of the requirement for the award of the degree of **DOCTOR OF PHILOSOPHY** in **MANAGEMENT**, is a record of original and bonafide research work done by **Mr. SREENISH S. R.** during the period 2011-2017, at Department of Management, School of Management, Pondicherry University, Karaikal -605 609, under my supervision and guidance and that the thesis has not previously formed the basis for the award of any Degree/ Diploma/ Associateship/ Fellowship or any similar title and that the thesis represents independent work on the part of the candidate. I further certify that the work is worth submitting for the award of the said degree.

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DECLARATION

I, **SREENISH S R** hereby declare that the thesis entitled "**THE IMPACT OF PERSONALITY FACTORS OF SALES MANAGERS IN DISCRIMINATING LEADER MEMBER RELATIONSHIP AND PERFORMANCE WITH SPECIAL REFERENCE TO BANCASSURANCE**", submitted to **PONDICHERRY UNIVERSITY**, Puducherry, in fulfilment for the award of the degree of *DOCTOR OF PHILOSOPHY* in *MANAGEMENT*, is a record of original research work done by me, under the guidance and supervision of **Dr. S.A. SENTHIL KUMAR**, Associate Professor, Department of Management, Pondicherry University, Karaikal Campus. I further declare that no part of this thesis has previously formed the basis for the award of any degree, diploma, associate-ship or fellowship or any other title.

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<div align="right">**SREENISH S R**</div>

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ABBREVIATIONS	
A	Agreeableness
C	Conscientiousness
E	Extroversion
IRDAI	Insurance Regulatory and Development Authority of India
LIC	Life Insurance Corporation of India
LMX	Leader Member Exchange
N	Neuroticism
O	Openness to Experience

ABSTRACT

This report presents the research work titled a study on "the impact of personality factors of sales managers in discriminating leader-member relationship and performance with special reference to bancassurance". Bancassurance means the collaboration between an insurance company and a bank to sell insurance products through the branches of the banks. The contribution made by various channels of distribution in the life insurance business was analyzed. All insurance companies in India especially private sector companies are effectively using bancassurance and the contribution of the channel is significant at present. The sales manager is responsible for selling the insurance products to the customers in bancassurance channel. So the performance of the sales manager is very critical for the insurance company. Recruiting a right sales manager and retaining him in the company also important for the development of this channel. The recruitment procedure is costly to the company and in fact, different people have a different level of capacity in performing their responsibilities. The performance might be influenced by the personality factors of sales managers and these factors also plays important role in developing a noble rapport with the leader. The study evaluates the role of personality factors in discriminating the leader-member relationship and the level of performance of bancassurance people. This will enable the insurance company to introduce new criteria at the time recruitment. The study also suggested the banks to design training programs which improve personality traits of sales managers to enhance their performance. Hence a research work was carried out to measure the capacity of the personality factors in discriminating the leader-member relationship and performance of sales managers who do bancassurance with special reference to Kerala. The study concluded that the personality factors have the ability to discriminate the leader-member relationship into 'in-group' or 'out-group' members and the level of performance into 'high performing' and 'low performing' category.

Chapter 1

INTRODUCTION AND EXECUTION OF THE STUDY

Overview

This chapter includes an introduction about the study, Statement of the problem, Objectives of the study, Methodology, Scope, Limitations of the Study and presentation of the study.

1.1 Introduction

Bancassurance means the alliance between an insurance company and a bank to sell insurance products through the branches of the banks. Bancassurance channel is more popular among private sector insurance companies and the contribution of this channel is significant. The success of bancassurance channel is highly depends upon the performance of the sales managers. Recruitment and retention of the right sales managers are important for the development of this channel. The recruitment process is a costly affair for the company. Performance in their job varies from person to person and might be influenced by personality factors, which play vital role in developing a good relationship with the boss. The study evaluates the role of personality factors in discriminating the leader-member relationship and the level of performance of employees of the bancassurance channel. This will enable the insurance company to improve the recruitment process by seeking the personality factors before inducting the employees. The other suggestions emanating from the study could help the banks to design training programs to improve personality factors of sales managers to enhance their performance and build good relations with the superiors. This research work was carried out to identify the predictability of personality factors that discriminate the leader-member relationship and performance of sales managers who do bancassurance with special reference to Kerala. The study shows that the personality factors have the ability to discriminate the leader-member relationship into 'in-group' or 'out-group' members and the level of performance into

'high' and 'low' performing category. The study was conducted among the sales managers who sell insurance products only through bank channel. In connection with the area of study, this chapter includes the history of insurance and distribution channels of insurance.

1.1.1 History of Insurance

Trennery, (1926) "Some sources point to the origins of insurance as beginning in the Early Bronze age, during the 3rd millennium BC, when Chinese merchants would spread their goods out among several different ships to limit their risk if anyone ship would sink or capsize. However, an agreement resembling "bottomry" or "respondentia" that developed in early Babylonian law is more commonly recognized as the first prototype insurance contract".

Donald L. Ungarelli (1984) "The Code of Hammurabi, dated to the early 18th century BC, codified an arrangement whereby a merchant would advance goods to a trader on security and at interest, but would also include an additional amount owed by the trader as consideration for the merchant's declaration that, if the goods were lost or stolen during transport due to no fault of the trader, the trader would be free of all debt to the merchant".

Covello & Mumpower (1985) "The contract of bottomry developed in Greece sometime after 3rd century BC, and is generally traced back to the above-referenced provisions in Hammurabi's Code. Bottomry was a loan secured by a ship with an interest rate on the loan as well as an additional premium charge in exchange for the potential loss of the ship and cancellation of the debt. The contract of respondentia developed in conjunction with bottomry, and was essentially the same except it was centered on the cargo and freight of the ship rather than the ship itself".

Trennery (1926) "Bottomry and respondentia contracts continued to evolve during the Greek Era and up through the Roman Empire. Records indicate that the Romans had agreements of private guarantee for the safe delivery of goods and contracts for indemnification that were not confined solely to maritime risks. There is also some

evidence that agreements somewhat similar to life insurance were made by the ancient Persians and Romans. This consisted primarily of groups or guilds that would pool assets to provide funeral benefits for their members."

Insurance boasts have a very long history in India. Gopalakrishna, G. (2009) the records about insurance found in Manusmrithi, Kautilya and Yagnavalkya. Collecting of things were done to redistribute among people at the time of clematises have started very early days. Insurance industry witnessed a growth and lots of contributions were from England.

1.1.2 History of Life Insurance Business in India

The commencement of life insurance products in India was from the 18[th]century exactly started from 1818 after the formation of Oriental Life Insurance Company in Calcutta. Oriental Life Insurance Company was a failure and closed down in the year 1834. The company called The Madras Equitable had started insurance deals in Madras Presidency. In 1870 the British Insurance Act was enacted and in the last three decades of the nineteenth century, the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were begun in the Bombay Residency. Foreign players were more active at that time and they started competing with Indian Players. Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance were the main foreign payers.

The next big change in the insurance industry happened in 1912. The Government of India brought the first Act to regulate the life insurance business in India which is known as 'The Indian Life Assurance Act, 1912'. The Government of India began declaring the returns of Insurance companies since 1914. After the enactment of "the Indian Insurance Companies Act 1928, Government got more empowered through this act in collecting the statistical information from Life and No-life business deals in India both by Indian and foreign players. Till 1938, the insurance business in India was regulated by different Acts. The Insurance Act, 1938 was enacted by consolidating all legislation with complete provisions for controlling the activities of insurers. The life insurance industry started growing and that brought a high level of

competition in life insurance business in India. There were complaints about unfair and unhealthy trade practices by insurance companies to tackle competition. This situation made the government of India nationalize the insurance business.

The nationalization of insurance sector came to force in 1956 and that lead to the emergence of LIC of India.

The insurance sector went for a consolidation after the Nationalization of the sector. The LIC of India took over 245 insurance companies out of which 154 companies were from India, non- Indian insurance companies accounted by 16 and with 75 provident societies. This led to a monopoly in the sector which was enjoyed by LIC till the end of 1990s. The insurance sector was liberalized and reopened to private sector again during the late 1990s.

1.1.3 History of General Insurance

The world witnessed the presence of general insurance since the 17th century. The trade between countries through sea route and the industrialization brought the general insurance business in to the economy. The British administration before independence brought general insurance business to India. The British administration commenced Triton Insurance Company Ltd built in Calcutta in the year 1850. During 1907, The Indian Mercantile Insurance Ltd was established first to sell all types of general insurance products. In 1957, General Insurance Council was established and the council collaborated with the Insurance Association of India. General Insurance Council played a very vital role in crafting a code of conduct for protecting the interest of the common people. The main focus was to ensure healthy practices in the field of business.

Indian Government amended the Insurance Act in 1968 to set a benchmark in solvency margin as well as the level of investment with an intention to regulate the market. The Tariff Advisory Committee was also formulated besides the amendments. The General Insurance Corporation was incorporated in 1971. The General Insurance Business (Nationalization) Act was passed in 1972 and on 1st January 1973, the

general insurance business was nationalized in India. Four new general insurance companies were established after the amalgamation of 107 general insurance companies. These companies were actively operating at that point of time. The companies formed after the amalgamations are National Insurance Company, New India Assurance Company, Oriental Insurance Company, and United India Insurance Company. The General Insurance Corporation started its operation in 1st January 1973.

The insurance industry witnessed another remarkable growth when the re-opening of the sector started in the early 1990s. R N Malhothra took in charge of a committee which was appointed by government of India to study the insurance sector and to advocate suggestions to bring reforms in the sector. The major suggestion made by the committee on the report which was submitted in 1994 is that the private players should be allowed in the industry. The committee also recommended that foreign players be allowed to start joint ventures with Indian companies. The other major recommendation was the formation of Insurance Regulatory and Development Authority (IRDAI). The IRDAI was incorporated in April 2000. IRDAI stands as an autonomous regulatory body with key objectives of enhancing the competition in the insurance sector so as to increase customer satisfaction through a wide variety of insurance products with low premium. Foreign companies were permitted to have ownership of 26 percent. In December 2000, the subsidiaries of the General Insurance Corporation of India restructured as independent companies and GIC was converted into a national re-insurer.

The insurance penetration in India stood at 3.44 percent during 2015. Life insurance penetration was 2.72 percent and non- life penetration was 0.72 percent. The other major indicator of insurance growth is insurance density. During 2015 the life insurance density in India was $43.2 and the Non-life insurance density stood at $11.5. The insurance density during 2015 was $54.7. As on 31st March 2016, 23 private life insurance companies and one public life insurance company are operating in India. There are 6 public sector general insurance companies and 18 private sector general insurance companies operating in India on the same date. Apart from these

numbers, 5 private sector health insurance companies were in operation. One public sector Reinsurance Company also operates in the industry. LIC alone sold 205.47 lakh life insurance policies during 2015-16. This was 1.86% more than the number of policies issued by LIC in the previous year. India has witnessed a growth rate of 7.9 percent in the real premium collection amount when the world has recorded only a 3.8 percentage growth in the real premium collection. Public sector general insurance companies have contributed Rs. 47,691 crores and private sector non-life insurance companies contributed Rs.39, 694 crores.

1.1.4 Distribution Channels of Life Insurance

A distribution channel is a sequence of businesses or mediators from beginning to the end which a product or service passes until it reaches the end consumer. The life insurance companies are using different varieties of distribution channels to reach the products to the consumers. The insurance companies have adopted various channels at par with the growth rate in the industry. The important channels are individual agents, bancassurance, brokers, corporate agency other than banks, direct sale online, direct sales other than online and web aggregators. All channels have to be licensed from IRDAI to sell insurance products. (Appointment of Insurance Agents) Regulations, 2016 was issued to regulate the individual insurance agents. IRDAI (Registration of Corporate Agents) Regulations 2015 was introduced to regulate the corporate agents. The brokers were regulated by IRDAI (Insurance Brokers) Regulations, 2013. IRDAI (Web Aggregators) Regulations, 2013 was issued for regulating web aggregators and IRDAI (Registration of Insurance Marketing Firm) Regulations, 2015 for Insurance Marketing Firms. These regulations were introduced by IRDAI to ensure that the persons handling the sales have minimum knowledge required to advise and sell the insurance products by understanding the need of the customer. The regulations also focus on the protection of interest of the policyholders. The modern channels don't require a face to face interaction by the salesperson for transacting the insurance products. In order to protect the interest of these customers, IRDAI issued Distance Marketing Guidelines. The Authority issued the Amended Regulations on 13th March 2015 which allowed several more entities appointed as micro insurance providers like

District Co-operative Banks, Regional Rural Banks including Business Correspondents of Scheduled Commercial Banks.

1.1.4.1 Bancassurance

Karunagaran (2007) "Bancassurance, i.e., banc + assurance, refers to banks selling the insurance products. Bancassurance term first appeared in France in 1980, to define the sale of insurance products through banks' distribution channels". Hoschka (1994) defines bancassurance as "banks entering into the insurance sector by offering insurance products to their retail customers". Chatillon (1993) defines bancassurance as "a business strategy – mostly initiated by banks that aim at associating banking and insurance activities within the same group, with a view to offering these services to common customers who, today, are mainly personal customers". Leale Green and Bloom Field (1994) "argued that the definition of bancassurance differs from one institution to another as well as from one country to another. He states that bancassurance is the provision of a complete range of financial services, primarily to the individual, through the union of traditional banking, insurance and investments". Seth, Sahay, Arun (2016) in their paper titled "Distribution Channel Conflict in the Life Insurance Industry of India" found that "Bancassurance channel also has a major role in the sales and distribution of life insurance products as firstly, customers trust banks, secondly mostly are the existing customers of bank and simply the staff of the bank has to sell them insurance products along with bank products".

A broader definition is given by IRDAI in the "IRDAI (Licensing of Bancassurance Entities) Regulations, 2012". As per this regulation, "Introduction bancassurance means any insurance business conducted through the channel of any institution including Non-Banking Finance Companies licensed under Banking Regulations Act, 1949".

Bancassurance word became very popular in European nations within a very short span of time. The banks were selling insurance products in those countries and people saw it as a common activity of a bank even when the concept was very new during the 1980s. The level of acceptance from customers, banks and insurance companies

paved the way for the growth of bancassurance distribution model in the rest of the world. Insurance companies started enjoying the benefit of selling insurance products through banks and they could leverage by adding bancassurance into their distribution portfolio. According to IRDAI, "bancassurance refers to banks acting as corporate agents for insurers to distribute insurance products." Bancassurance covers both life and non-life insurance. The bancassurance deals with insurance and it is relevant to have discussion about insurance sector.

IRDAI notification 2000 allowed the banks to act as corporate agents with "No Risk Participation" or Joint Venture with "Risk Participation of insurance companies to sell insurance of both life and non-life products. Bancassurance means insurance products sold through bank channel. Insurance companies get a chance to sell insurance products to the customers of the bank. Bank can act as a financial supermarket. Previously rules stipulated a bank to tie up with one life insurance Company and one general insurance company to sell insurance products. But later the rule was changed by IRDAI and now the bank can tie up with more than one insurance company. The wide network of Banks in all parts of the country helps to leverage the insurance company to reach all population in India. The insurance company can save the investment in opening branches because of bancassurance channel and the distribution cost of insurance sales can be reduced to a great extent. The bancassurance gives good return to banks in the form of fee income from insurance companies and the insurance company will get good business without huge investments. Customers will get advantages because the banker will have all the information about the customer like savings, direct deposit by the employer etc. So the bank will be in a position to advise the right product to the customer. The channel seems to be more credible because insurance company and banks are also involved in this channel in order to meet the objective of escalating insurance penetration by means of the entire bank network. The regulation was liberalized and the banks will be allowed to function as insurance brokers". Subsequent to the announcement, IRDAI formulated and notified the "IRDAI (Licensing of Banks as Insurance Brokers) Regulations, 2013" to permit banks to do the business of insurance broking.

Bancassurance accounted 10.99 percent to the total insurance industry in India during 2015-16. LIC's presence in the bancassurance is only 0.73 percent combining both life and non-life business. Banks have contributed 35.48 percent to new business premium of life insurance business both individual and group premium combined to the total premium collected by private players during 2015-16 periods. The banks' share is 23.82 percent of new life insurance premium to insurance industry during 2015-16 compared with 20.84 percent in the previous financial year. One noticeable fact is the 51.70 percent of life insurance premium collected by the bank channel out of the total premium collected through the sale of life insurance to individuals. The general insurance business also gets reasonably good level of business through bancassurance channel. The channels added 14 percent to the total number of general insurance policies sold during 2015-16. This accounted the addition of 7 percent new business premium collected in the same period to the total general insurance premium. The private players are focusing more on bancassurance channel than LIC. Following are the bank tie ups;

Table 1.1

Public Sector Banks

Banks	Life Insurance	General Insurance
Central Bank	LIC	Chola MS General Insurance Co.Ltd
Bank of India	Star Union Dai - ichi	Star Union Dai - ichi
Allahabad bank	LIC	Universal Sompo general insurance
Syndicate bank	LIC	United India Insurance Company Limited
Dena Bank	SBI Life	Apollo Munich Health insurance

Canara Bank	LIC, Canara HSBC Oriental Bank Of Commerce	United India Insurance Company, New India Assurance Company, Bajaj Alliance, Apollo Munich Health Insurance Co
Indian overseas bank	LIC	Universal Sompo General Insurance Co Ltd (USGI)
Bank of Baroda	LIC	Max Bupa Health insurance
Punjab National Bank	PNB met life	Oriental Insurance Co. Ltd. (OICL)
Indian Overseas Bank	LIC	Universal Sompo General Insurance
Indian Bank	HDFC Standard Life Insurance	United India Insurance Company
Corporation Bank	LIC	New India Assurance Company
Vijaya bank	LIC	United India Insurance
UCO Bank	LIC	Reliance General Insurance Company, Future Genarali India Insurance Company & Liberty Videocon
Andhra bank	India First Life Insurance Company Ltd.	Cigna TTK
Union bank of India	Star Union Dai- ichi, LIC	The New India Assurance Co Ltd Religare Health Insurance
Oriental Bank of Commerce	Oriental Bank of Commerce Life insurance	Oriental Insurance Company Ltd.
United Bank of India	Tata AIG and Met Life	Bajaj Allianz

Table 1.2

Private Sector Banks

Banks	Life Insurance	General Insurance
Kodak Mahindra bank	Kodak life insurance	Kodak general insurance
Axis bank	MAX life and LIC	Tata AIG , Apollo Munich
HDFC	HDFC Life	HDFC ERGO
Indusland bank	TATA AIA Life insurance	Cholamandalam General Insurance and Religare Health Insurance
Federal bank	IDBI Federal	Oriental Insurance Company and Bajaj Allianz
IDBI Bank	IDBI Federal Life Insurance	Bajaj Allianz
ICICI BANK.	ICICI Prudential	ICICI Lombard
Catholic Syrian bank	Edelweiss Tokio Life, HDFC	ICICI Lombard
South Indian Bank	LIC	Bajaj Alliance
Dhanalakshmi Bank	Bajaj alliance, Canara HSBC Oriental Bank of Commerce Life Insurance	Bajaj Allianz
Yes Bank	Max Life Insurance Co. Ltd	Bajaj Alliance

Standard Charted bank	ICICI Prudential Life Insurance Company Limited	Royal Sundaram General Insurance Co. Limited
Gramin bank	Canara HSBC OBC Life Insurance	United India Insurance Company
KarurVysya Bank	Birla Sun Life Insurance	Bajaj Alliance
HSBC	Canara HSBC Oriental Bank of Commerce Life insurance	Tata AIG
Citi Bank	Tata AIA	Apollo Munich
Lakshmi Vilas Bank	Max Life Insurance	Bajaj Allianz

1.1.4.2 Individual Agency

Sumninder & Samiya (2016) found that "The customers show complete awareness regarding individual agent channel only, amongst all channels prevailing in the industry". Seth Sahay and Arun (2016) found that "in life insurance market, agency channel play a major role".

All life insurance companies are widely using individual agency channel for selling their insurance products to the customers. Individual Agency channel is one of the oldest methods of selling insurance products and this was the only channel for several decades in India. The individual agency channel is still very strong in India. Individual Insurance agency channel has been contributing more than 70% of business to the industry every year. The persons who are selling the insurance products to the customers are known as agents or advisors. Insurance company appoints agents or advisors for selling the insurance products. The agents directly meet the customers and advise them for selecting a right product. Agents develop personal contacts and they establish a very good relationship with the customers while selling the policies.

An individual agent is a licensed person under one insurance company who will sell only the products of that insurance company. The insurance company will give commission to these agents as remuneration for selling their insurance products. Corporate agents are the employees of the insurance company. That is the single difference between individual and corporate agent. The study also found that the channel is not popular in the life insurance industry compared with other channels of distribution.

Table No 1.1 shows that agents appointed by various insurance companies during 2015-17 stood at 6.66 lakhs while 7.17 lakhs were expelled during the same period. The private life insurance companies appointed 3.46 lakh agents and terminated 2.95 lakh agents while LIC terminated 4.21 lakh and appointed 3.19 lakh agents. The individual agents reduced by 2.48 percent in the year 2015-16. The strength of individual agents came down to 20.17 lakhs in 31st March 2016 from 20.68 lakhs as on 31st March 2015. The private players increased the number of agents by 5.61 percent and LIC decreased the agency strength by 8.77 percent. The number of individual agents working with LIC on 31st March 2016 was 10.62 lakhs and the strength in private sector stood at 9.55 lakhs (IRDAI Annual report 2015-16). LIC has more number of Individual agents than the private sector.

Table 1.3
Individual Agents of Life Insures

Type of Insurer	As on 1st April 2015	Additions	Deletions	As on 31st March 2016
Private Total	904303	345855	295153	955005
LIC	1163604	319428	421472	1061560
Total	2067907	665283	716625	2016565

Source: IRDAI Annual report 2015-16

Individual agents are playing a vital role in selling both life and general insurance products. Individual agents accounted for 68% of the total number of general

insurance policies issued during 2015-16. Individual agents contributed 69% of new policies out of the total number of general insurance policies issued by the industry during the year 2015-16. This accounted for 70 percent of gross premium collected by whole non-life insurance companies. Individual agents also played a vital role in selling the group business. The individual agents have contributed 33 percent to the total non-life insurance policies issued as group insurance. The percentages of gross premium collected from individual business were 70 during the same period. In case of group insurance premium collection, individual agents' accounted 6 percent. Individual agents contributed 33% of general insurance policies issued as group insurance products out of total group non-life policies issued during the same period. The 33 percent of new group insurance policies accounted for only 6 percent of new premium collected from non-life group insurance business. The individual agents contributed 31.90 percent to the total life insurance collected from individuals by the private players during the year 2015-16. But LIC relayed more on individual agents and they collected 96.50 percent of total premium collected from individuals excluding the group insurance business during the same period. The story is different in case of group business. The individual agents contribute only 0.77 percent to the total premium collected by private life insurance players on account of group business. The individual agents contributed only 1.91 percent to the total premium collected by LIC from group insurance business.

Hall (2000) "The role of independent agents in the success of health insurance market reforms" mentioned the level of contribution made by individual agents in bringing revenue to the general insurance business. It is stated in the study that individual agents have significantly contributed towards the growth of the general insurance industry. Gyanendra & Jyoti (2015) "A critical element of insurance sector reforms is the development of a pool of human resources having right skill and expertise in each segment of the industry to provide quality intermediation to market participants. Quality intermediation requires personnel working in the industry to (i) follow a certain code of conduct and (ii) have an understanding of business and skills to service different constituents in the market. It was recognized that agents are a critical

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link between the insurer and the insured and they should be fully equipped to sell insurance".

1.1.4.3 Brokers

Insurance Brokers Association of India states that "the insurance broking industry in India is fragmented with several small-sized and medium-sized brokers. The consolidation wave is expected to hit the market in the medium term. Brokers with good book of business may get acquired while brokers who have not focused on quality or who do not provide value addition to clients may find it difficult to survive in the long term."

Maas, P. (2010) in a study explains how value building happened through brokers in the insurance industry. Insurance brokers can sell the insurance products of different insurance companies. They analyze the needs of the customers and based on the requirement insurance brokers will identify the right products from various insurance products offered by different companies. Insurance brokers act as the advisor to the customer based on their needs and requirements. Insurance brokers should have the capacity to advice the right product to the customers. IRDAI permitted insurance brokers to sell insurance products in India from 2003.The authority has issued the first license on 30th January 2003 in accordance with the provisions of "IRDAI (Insurance Brokers) Regulation, 2002". These regulations were led by the brokers till 2013. After 2013 IRDAI changed the 2002 regulation and a new regulation has come into existence since 2013 known as "IRDAI (Insurance Brokers) Regulation, 2013". A capital requirement of 50 lakh rupees was fixed for direct insurance brokers while reinsurance brokers and company insurance brokers' requirement was Rs. 200 lakh and Rs. 250 lakh respectively. Limit of Equity participation with foreign companies was fixed at 26% and later the limit was enhanced to 49% by Indian government in "Indian Insurance Companies (Foreign Investment) Rules, 2015".

The number of registered brokers has been increasing since 2003 and reached 457 as on 31st March 2016. The active brokers as on 31st March 2016 stood at 368. The rest 89 is not in operation. During the period, 1st April 2015 to 31st March 2016, the

authority has issued 38 new licenses. This indicates the level of addition of insurance brokers to the industry each year. As per regulation, the insurance broker should apply for the renewal before 90 days prior to the expiry of their license. The authority initiates different activities to improve the quality of services offered by the insurance brokers. Examples of such activities are conducting workshops and seminars, frequent discussions with insurance brokers' association of India etc.

1.1.4.4 Corporate Agency other than Banks

Corporate agency means firms usually having collaboration with one life insurance Company and one non-life insurance company. Apart from this there can be tied up with one standalone health insurer also. The corporate agent can sell insurance products along with their product. A travel agent sells a travel insurance policy to the customers while availing their service. This is called corporate agency model. An automobile dealer can have tied up with some insurance company and the automobile dealers sell the motor insurance policies while selling the vehicles to the customers. This channel brings additional revenue to the corporate agents and insurance company can easily sell its products to the potential customers.

The apex authority has introduced regulation for regulating the activities of corporate agents known as "IRDAI (Registration of Corporate Agents) Regulations, 2015". According to the Act, Corporate agents for life insurance products may have tie-ups with maximum of three life insurance companies. They sell only the life insurance products of these three companies. The corporate agents those who deal with general insurance companies can have tie-ups with maximum three general insurance companies. The maximum limit of three companies is also applicable to those who deal with health insurance business under corporate agency tie-ups. Any change in the collaboration with the insurance companies shall be done only after getting the prior approval of IRDAI. There should be some arrangements for serving the current policyholders while making any change to the current tie-ups.

Table 1.4

Corporate Agents of Life Insurers

Insurer	As on 1st April, 2015	New agents added	Cancelations	As on 31st March, 2016
Private total	361	58	122	297
LIC	142	12	35	119
Industry strength	503	70	157	416

The corporate agents started gaining momentum and 416 corporate agents were active as on 31st March 2016, out of which 70 new agents were added during 2015-16. The sector witnessed a cancellation of corporate agency tie-ups only in life insurance industry. Out of total 416 corporate agents, 71.39 percent is from 29 private life insurance companies. The balance 28.61 percent is contributed by LIC. There was a reduction of 17.73 percent in private life insurance corporate agency strength during 2016. LIC also witnessed a reduction of 16.20 percent in the strength of corporate agency during the same period.

The corporate agencies other than banks have contributed 3 percent to the total number of new health insurance policies sold during 2015-16 time period. This accounted for 2 percent of new health insurance premium collected during the same period. The channel generated 3 percent of the total of private life insurance premium collected from individuals. The contribution of this channel to the LIC's premium collection is 0.14 percent. The story is not different in case of group business. The channel contributed only 4.71 percent to the private group new business of life insurer for the same period. The channel's presence in LIC's distribution network is very low at 0.07 percent.

1.1.4.5 Direct Sales Online

Direct sales mean the insurance companies are directly selling the insurance products to its customers without the help of any sort of intermediaries. The communication

takes place between the insurance companies and customers. Direct sales online and direct sales other than online modes also prevail in the system. Direct sales online mean all the communications is through internet. Out of the total health insurance premium collected during the year 2015-16, 2 percent is from online sales channel. 0.52 percent has been recorded by online sales channel in selling the life insurance business to individuals during the same period. A separate analysis of private sector and LIC reveals that private players registered a share of 1.1 percent in the new life insurance business premium collected from individuals and 0.07 percent by LIC. The total contribution of online channel is only 0.22 percent of the total new life insurance business premium.

1.1.4.6 Direct Sales other than Online

Direct selling other than online channel accounted for 36.59 percent towards the total life insurance premium collected by private players during 2015-16 periods. LIC's share is 65.43 percent. In case of individual business, the direct sales channel has a lesser contribution compared with group business. The contribution of direct sales channel towards the total life insurance premium is 56.92 percent. Direct sales channel contributed 8.65 percent towards the total individual life insurance premium collected by private players. LIC premium collection is 1.08 percent through this channel. The group business has witnessed a better share of sales through this channel. Private players sold 82.56 percent of their group insurance business through this channel based on the premium collected during the time period. LIC also had 98 percent premium collection through this channel. Direct sales other than online sales channel has added 9 percent health insurance policy premium during 2015-16. The share of contribution of the particular channel to the gross premium addition is at 28 percent during the same period.

The study focuses on the performance of channel of distribution in terms of new business premium of individual life insurance sector and group life insurance sector, policies sold through each channel and comparative analysis of the performance of

each channel with respect to LIC and private life insurance companies. The next dimension of the study focuses on bancassurance channel of life insurance companies.

1.2 Research Design

1.2.1 Need for the Study

Bancassurance channel plays a very important role in contributing revenue to banks and insurance company by selling insurance products. Sales managers plays very important role to sell the insurance products to customers. The performances level of bancassurance persons determines the success of this channel. A study is essential to identify the factors that make a sales manager perform well and help to build a healthy relationship with the superior officer. If the sales managers are not performing well, that may lead to extra cost to the company. All the insurance companies will always try to improve the performance of the sales force. Recruitment of right persons for selling insurance products will increase the revenue of the company. The insurance company can measure those personality factors at the time of recruitment and they can predict what would be their performance level (high or low) and relation ('in-group' or 'out-group') with their leader in future. The performance of the sales force can be improved to some extent by imparting training. The study will help to identify the training needs of the companies. Apt training and feedback based on psychometric test may bring improvements in their performance. The other dimension of the study talks about the role of personality factors in discriminating the leader-member relationship. So the management can take various decisions in changing the leadership or giving training to the superior officers of sales force also. The contribution of each channel towards the life insurance industry is different. A study is necessary to evaluate the performance of these channels in terms of new business premium collection and policies sold. The study is also necessary to know the amount of contribution made by each channel towards LIC and private companies.

1.2.2 Statement of the Problem

The dominant channels of distribution in insurance industries are individual agents, corporate tie-ups, brokers and bancassurance. The study focuses on bancassurance channel and tries to identify some solutions for the development of this channel. The insurance business is very much different from other product and services. So the person who deals with customers has a very vital role to play in bringing the revenue to the company. Recruiting a right sales manager and retaining him in the company are also important for the development of this channel. According to IRDAI report, the attrition rate in private sector life insurance is 49.5 percent and in LIC is 30.95 percent during 2011-12. The life insurance industry attrition rate is 39.8 percent in the same period. The performance might be influenced by the personality factors of sales managers and these factors also may have influence relation with the leader. The unhealthy relation with leader and poor performance may cause high attrition in insurance industry. If the banks could identify the role of personality factors on the leader-member relationship and on the level of performance, that will enable the insurance company to introduce new criteria at the time recruitment. The training need also can be identified for improving the performance and the relations with the superior officer. Different channels of distribution exist in the life insurance industry. But the level of contribution made by each channel is different. It is essential to identify the channels that contribute effectively towards the performance of life insurance industry in India.

1.2.3 Research Questions

A research need is identified to answer the questions; do personality factors of sales managers have the capacity to discriminate the leader member relationship and performance? How the sales channels have been contributing towards the business of insurance companies? Which are the significant channels? Whether any difference in utilizing these channels by LIC and private players?

1.2.4 Objectives of the Study

1.2.4.1 Primary Objectives

Following are the secondary objectives outlined for the study;

- To find the impact of personality factors in discriminating leader-member relationship.
- To study the impact of personality factors in discriminating the level of performance.
- To study the performance of bancassurance channel of life insurance companies
- To study the distribution channels in life insurance business.

1.2.4.2 Secondary Objectives

- To find the impact of 'Extroversion', 'Agreeableness', 'Conscientiousness', 'Neuroticism', 'Openness to experience' in discriminating leader-member relationship.
- To find the impact of 'Extroversion', 'Agreeableness', 'Conscientiousness', 'Neuroticism', 'Openness to experience' in discriminating the level of performance of sales managers.
- To study the contribution of each distribution channels of life insurance business.
- To compare the performance of different channels of life insurance among private companies and LIC.

1.2.5 Research Hypothesis

The below listed hypotheses have been outlined for the purpose of testing in this research work:

- H1: Personality factors have a discriminate effect on 'in-group' or 'out-group' membership

- H2: Personality factors have a discriminate effect on the level of performance of sales managers.

- H3 Extroversion has a discriminate effect on 'in-group' or 'out-group' membership

- H4: Agreeableness has a discriminate effect on 'in-group' or 'out-group' membership

- H5: Conscientiousness has a discriminate effect on 'in-group' or 'out-group' membership

- H6: Neuroticism has a discriminate effect on 'in-group' or 'out-group' membership

- H7: Openness to experience has discriminate effect on 'in-group' or 'out-group' membership

- H8: Extroversion has discriminate effect on the level of performance

- H9: Agreeableness has a discriminate effect on the level of performance

- H10: Conscientiousness has a discriminate effect on the level of performance

- H11: Neuroticism has a discriminate effect on the level of performance

- H12: Openness to experience has discriminate effect on the level of performance

1.2.6 Scope of the Study

This study is confined to the sales managers in bancassurance channel of private life insurance companies in Kerala. It covers the impact of personality factors of sales managers in discriminating leader-member relationship into in-group or out-group members and the level of performance into 'high' or 'low' performing category with special reference to bancassurance. The same kind of study can be done in other industries where the performance of sales force is crucial in bringing revenue to the company. The study also covers the performance of distribution channels in terms of new business premium collection of group business, individual business; number of policies sold through each channel etc. A comparative analysis also had done between

LIC and Private life insurance companies in terms of the performance of different channels of distribution.

1.2.7 Research Methodology

"Research is a structured inquiry that utilizes acceptable scientific methodology to solve problems and create new knowledge and ideas that are generally applicable" (Tejinder Jeet Singh & Shantanu Kumar Sahu, 2015).

1.2.8 Sampling technique

Convenient sampling is used which is guided by the convenience of the study, with easy accessibility, geographical proximity and known contacts.

1.2.9 Collection of data

Standard Questionnaire was used for data collection. The data have been collected directly from sales managers of private life insurance companies who sell insurance products through bank channel (bancassurance) with more than one year of experience in bancassurance field from Kerala. I have focused on one location that is Kerala. The bigger consideration was the feasibility of research. It is the matter of negotiation among research goals, requirements, resources like time, finance, human resources, tools, etc., to find a compromise point where I can better achieve goals. Personality factors of 300 sales managers have been measured with the help of a standard Big Five Personality Trait Questionnaire Buchanan et al. (2005). It includes 50 items to measure the personality traits in five dimensions; "Extroversion, Agreeableness, Conscientiousness, Neuroticism, and Openness to experience". Standard Leader-Member Exchange Questionnaire which includes 7 questions Peter G (2009) has been used to measure the 'in-group' or 'out-group' membership from the same sales managers. Prior studies in of my research area used 5-likert scale since I have adapted from past studies. It is a norm to use the instruments that are in-line with current research trend. Therefore, to be consistent and compare findings with prior studies, I have used prior studies instrument and scaling. The level of performance is measured based on the basis of incentives received in the previous

year on the percentage of total salary received. This has been collected with the help of one question. The researcher used both primary and secondary data. Position of distribution channels were identified by using secondary data which have been collected from IRDAI annual reports.

1.2.10 Variables under research

Leutner, Ahmetoglu, Akhtar, & Chamorro (2014) The Big Five personality traits area commonly explored theory which assesses five broad dimensions of personality which include "openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism"

1.2.10.1 Openness to Experience

Fayn, Tiliopoulos, & Silvia (2015) "Openness to experience focuses on the appreciation of art and beauty, as well as a general reception to novelty. Each of the five factors is split into six distinct facets. The facets of openness to experience include Fantasy, Aesthetics, Feelings, Actions, Ideas, and Values religious values". Kaufman, Quilty, Grazioplene, Hirsh, Gray, Peterson, & De Young (2016) High scorers indicate creativeness and amenableness to new ideas and activities. These categories of people generally own a rich and satisfying internal life. They also tend to be thinking and analyzing about theories and concepts. Those who score low on openness to experience are more into the direction of conventional thought. Their array of interests is narrower and they are likely to be more down to earth.

1.2.10.2 Conscientiousness

Bello (2017) Conscientiousness personality trait exhibits "organization and perseverance" in their life. People with high score will discharge six personality features; competence, highly organized, dutifulness, achievement-strivings, self-disciplined and deliberation. They will exhibit hard-working nature. Those who score low on Conscientiousness are inclined to be more impulsive and laid-back. They will try to escape from schedules and concrete plans.

1.2.10.3 Extraversion

Karabay, Akyüz, & Elç (2016) Extraversion focuses on sociability and where individuals derive their energy from. Low scores on this dimension tend to indicate a more internal source of energy, while high scores denote an external source of energy. The six facets of extraversion are warmth, assertiveness, excitement-seeking, friendliness and positive emotions. They wish to be in the crowd those have a high score on extraversion known as the "life of the party". Low scorers indicate introverted or reserved in nature. They feel exhausted among people.

1.2.10.4 Agreeableness

Martin, Kell, & Moto (2016) agreeableness as personality factor exhibit trust, honesty, straightforwardness, tolerance, and compliance. Individuals with high score tend to be loyal and they look for the good things of others. Low scorers on agreeableness are likely to be more suspicious about the intentions of other people. They are somewhat skeptical and cynical about everything.

1.2.10.5 Neuroticism

Huang, Ryan, Zabel & Palmer (2014) Neuroticism focuses on negative emotions. Individuals who fall in the neurotic category incline to be more likely to frequent mood swings. They exhibit anxiety, anger, depression, Impulsiveness, self-consciousness, and vulnerability. Szijjarto & Bereczkei (2015) "High scorers on neuroticism tend to experience negative emotions very intensely and have difficulty controlling these emotions when they arise. They are more vulnerable to psychological distress than individuals who score lower on this facet and tend to pay a significant amount of attention to their own behavior in interpersonal situations. Low scorers on neuroticism are typically more stable in their experience of emotions. They are more calm and relaxed in times of stress and tend to be quite slow to anger. They usually trust their ability to handle stressful situations and do not internalize awkward social situations".

1.2.10.6 Leader-member exchange (LMX)

Winkler I. (2010) states "LMX (Leader-Member Exchange) theory first emerged in the 1970s". Harris & Kirkman (2014) "LMX theory is a relationship-based approach to leadership that focuses on the two-way (dyadic) relationship between leaders and followers. It suggests that leaders develop an exchange with each of their subordinates and that the quality of this leader-member exchange relationships influences subordinates' responsibility, decisions, and access to resources and performance". Higgins, E. A. (2015) "Relationships are based on trust and respect and are often emotional relationships that extend beyond the scope of employment. Leader-member exchange may promote positive employment experiences and augment organizational effectiveness. It is widely used by many managers and is replacing many of its predecessors".

Cheng& Wang (2016) "In-Group - if team members prove themselves loyal, trustworthy and skilled, they're put into the In-Group. This group is made up of the team members that the manager trusts the most. Managers give this group most of their attention, providing challenging and interesting work, and offering opportunities for additional training and advancement" Cheng& Wang (2016) "Out-Group members -betray the trust of the manager, or prove that they're unmotivated or incompetent, they're put into the Out-Group. This group's work is often restricted and unchallenging. Out-Group members tend to have less access to the manager, and often don't receive opportunities for growth or advancement."

1.2.10.7 Performance

Judge, Rodell, Klinger, Simon, & Crawford (2013) the studies related to personality factors and performance of employees are many in the field of management. Here the researcher tries to discriminate the sales managers into high performing group and low performing group based on the personality factors. Shields, Brown, Kaine, Samuel, Samardzic, McLean, & Plimmer (2015) greater amount of incentives will be given for high performing group. If some group is getting high amount of incentives means they are performing well.

The level of performance has measured based on the basis of incentives received in the previous year on the percentage of total salary received. The variable has been measured with the help of questionnaire. Incentives have been given to sales managers based on their performance. Above 50% incentives are defined as high performing category and below 50% incentives are defined as the low-level performing group.

1.2.11 Type of Research

Descriptive research is used to describe the characteristics of a population without answering the questions about how, when or why the characteristics occurred. It involves lots of statistical analysis. Descriptive statistics analysis data to describe, show and summarize it in a meaningful way (statistics and graphs), offering a window through which raw data can be glimpsed and comprehended clearly. Descriptive research is a type of research that provides an accurate portrayal of characteristics of a particular individual, situation, or group. These studies are a means of discovering new meaning, describing what exists, determining the frequency with which something occurs, and categorizing information. In other words, the descriptive research attempts to describe, explain and interpret conditions of the present i.e. "what is'. The purpose of a descriptive research is to examine a phenomenon that is occurring at a specific place(s) and time. A descriptive research is concerned with conditions, practices, structures, differences or relationships that exist, opinions held processes that are going on or trends that are evident.

These data were analyzed with the help of Canonical Discriminant Function Analysis to measure the discriminating role of personality factors to discriminate the bancassurance people into 'in-group' or 'out-group' members to denote the strength of their relationship with the leader. The data was also analyzed to measure the discriminating role of personality factors in predicting the level of performance. The contribution made by various channels of distribution in the life insurance business was analyzed. A comparative analysis also done based on the contribution made by each channel towards private players and LIC.

1.2.12 Conceptual Model 1
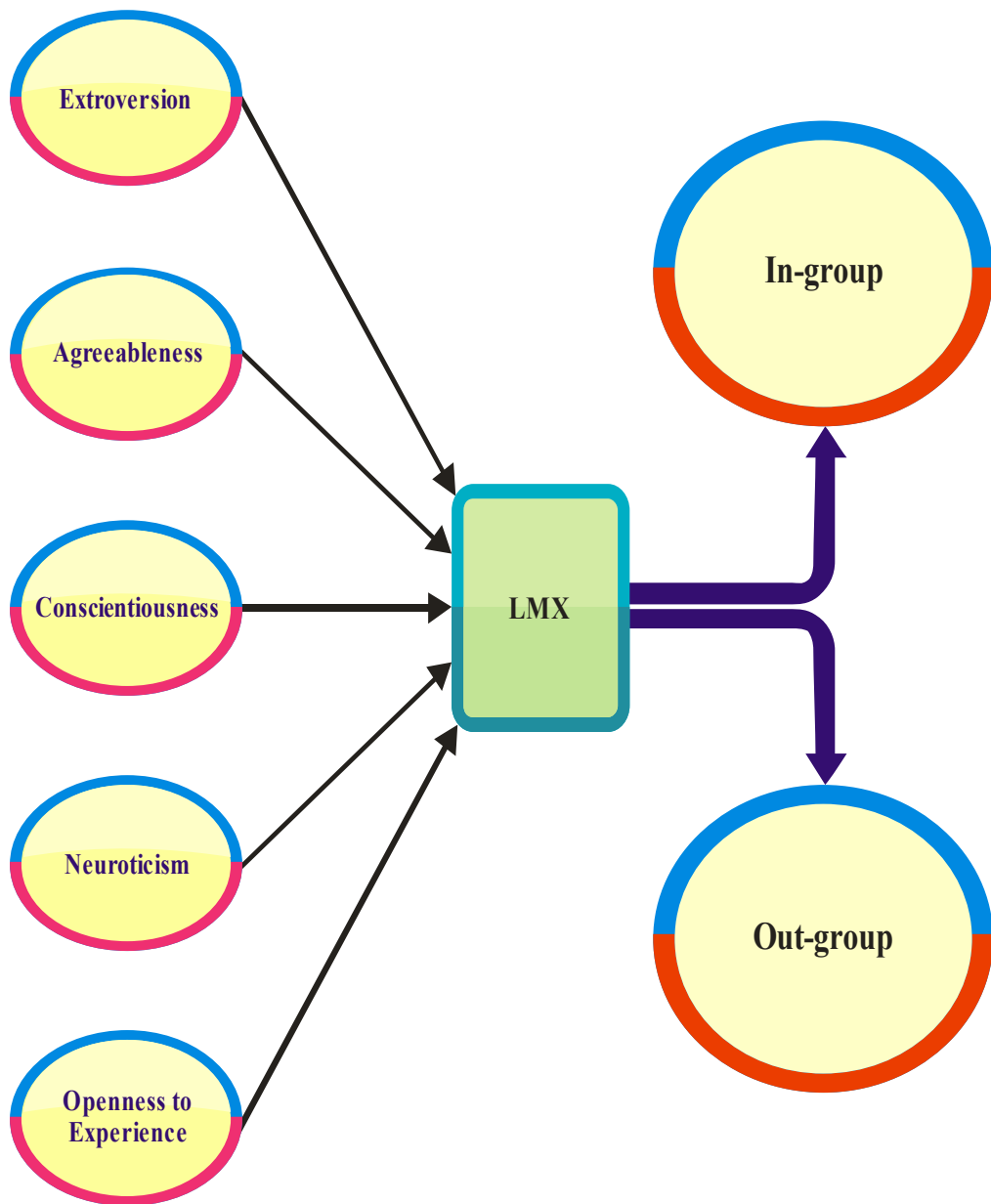
Figure 1.1

Conceptual Model 2
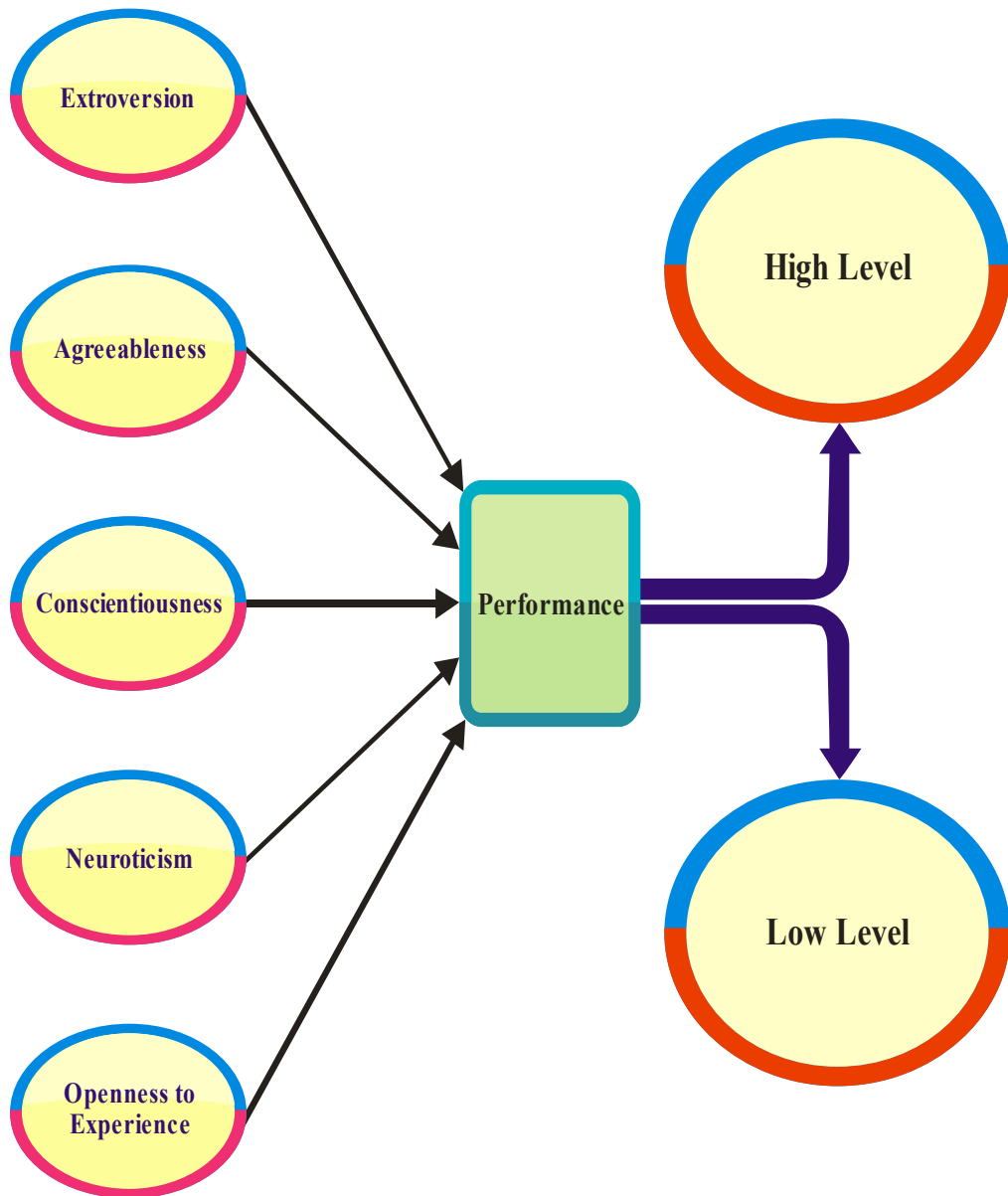
Figure 1.2

1.2.13 Instruments Used in this Research

- Five Personality Trait Questionnaire 50 items (Buchanan (2005)).
- Standard Leader-Member Exchange Questionnaire which includes 7 items ((Peter G (2009))

1.2.14 Tools of analysis

Following are the tools used in the analysis;

• **Canonical Correlation**

Canonical correlation analysis is one of the popular tools which can be applied to measure and identify the connection between two sets of variables. Canonical correlation is suitable for multiple inter-correlated outcomes of variables. Canonical correlation analysis determines a set of canonical variants, orthogonal linear combinations of the variables within each set that best explain the variability both within and between sets.

• **Canonical Discriminant Function Analysis**

The Discriminant function analysis is used to determine which variables discriminate between two or more naturally occurring groups. When groups are already known then Discriminant function analysis can be applied for conducting the study. Each case must have a score on one or more quantitative predictor measures, and a score on a group measure. The results of Discriminant Function analysis would be a classification or grouping of same type of items into that group.

1.3 Limitations of the Study

Regardless of various efforts by the researcher, the study is not free from limitations; the sample of the study is restricted only to three hundred even though the researcher tried to collect data from 350 people those who sell insurance through bank channel. The process of sample collection faced difficulty due to the busy schedule of

respondents. Some respondents denied filling the questionnaire even after frequent requests.

1.4 Presentation of the Study

This research work is presented in five chapters.

The first chapter **"Introduction and Execution of the study"** deals with Introduction, Research Methodology, Statement of the problem, Research gap, Objectives of the study, Scope and Limitations of the Study.

The second Chapter **"Review of Literature"** mainly includes the various aspects of the study. This chapter discusses the earlier studies related to Impact of Personality factors on performance, bancassurance and Leadership, Marketing channels of life insurance industry, Impact of leadership on performance and Research gap.

Third chapter **"The Distribution channels of Life Insurance"** describes an overview and performance of each channel of distribution in life insurance industry. The chapter also analyzes the performance of each channel based on the number of policies issued, the premium collection by each channel, new business premium collected by each channel in the past, comparative analysis on individual and group business performance through various channel of distribution and comparison of various channel among LIC and private players separately

Chapter four **"Data Analysis and Interpretation"** is includes the analysis of the impact of personality factors in discriminating bancassurance persons into in-group or out-group and the discriminating ability of personality factors of sales managers into high performing or low performing category with the help of Canonical Discriminant Function Analysis has been included in this chapter.

Chapter five **"Finding, Suggestions and Conclusion"** presents the summary of findings based on data analysis, suggestions and conclusion.

Chapter 2

REVIEW OF LITERATURE

Overview

This chapter discusses the earlier studies related to, Impact of Personality factors on performance and Leadership, bancassurance, marketing channels of life insurance industry, Impact of leadership on performance and Research gap

2.1 Introduction

There are so many studies conducted globally and some of them are in Indian context on personality factors and leader-member relationship. The studies on the impact of personality factors on performance, Impact of personality factors on leadership, marketing channels of life insurance industry and impact of leadership on performance are also referred while doing this research. Very relevant studies in the area of bancassurance are also included in this chapter.

2.2 Studies on Personality Factors

Shusha (2013) in an article titled "The Mediating Role of Leader-Member Exchange in the Relationship between Transformational Managers Big Five Personality Traits and Competence Assessment Linkage Features Leadership and Job performance" mention the relationship between transformational leadership and leader-member exchange on, in- role and extra-role performance.

Kodydek & Hochreiter (2013) investigates "how college students and graduates with diverse backgrounds experience working in groups and also show the relationship between personality factors and selected individual competencies from Bartram's Great English Competencies". The study was conducted in a large European Business School. Companies always seek for the talented employees to utilize their skills and abilities. Scholars have found out five traits commonly known as "BIG FIVE". This paper discussed two different group compositions – homogeneous and heterogeneous

workgroups. Multicultural work groups consist of task-oriented groups including individuals of different national cultures. Intercultural competency is an important part of global competency. Young professionals must take responsibility for difficult tasks and activities. Identifiable categories include "Leading and Deciding", "Supporting and Cooperating", "Interacting and Presenting", "Analyzing and Interpreting", "Creating and Conceptualizing", "Organizing and Executing", "Adapting and Coping" and "Enterprising and Performing". Larger group direction is challenging, clear and consequential. A person's personality exhibit certain features and traits. The Big Five traits commonly expressed as the Big Five inventory. "Clarity", "challenge" and "consequentiality" were measured using the Team Diagnostic six-item Scale "compelling direction". The direct interactions between followers and leaders were also measured. The result shows disparities of clarity and Task Focused Coaching.

Ozgur Ongore (2014) in their study titled "A Study of Relationship between Personality Traits and Job Engagement" reveals that there is a substantial relationship between the five personality traits and job engagement of employees. The personality traits include "Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism". Openness to experience trait reflects the imaginative, creative and curiosity traits in a person. The traits such as organization, thoroughness and reliability come under Conscientiousness. Extraversion comprises of traits like sociability, activity, assertiveness and positive emotionality. Agreeableness has traits like altruism, tender-minded, trust and modesty. Nervousness, moodiness, and temperamentality come under neuroticism. Job engagement has physical, emotional and cognitive aspects. This study shows a positive relation between Extraversion, Agreeableness, Conscientiousness, and Openness to Experience and job engagement. At the same time, the study discusses a negative relationship between Neuroticism and job engagement. This study will definitely help to understand the relationship between personality traits and job engagement.

Gitana & Monika conducted a study titled "Managers Big Five Personality Traits and Competence Assessment Linkage Features" (2015) to highlight "the personality traits that are essential for managers. They are openness, conscientiousness, extraversion, agreeableness and emotional stability". Openness is a measure of the degree of intellectual curiosity. Planning, organizing and dependability come under Conscientiousness. Extraversion is about assertiveness, sociability etc. Agreeableness is, to be compassionate and co-operative towards others. Emotional stability means to be stoic. This paper assesses the traits that are essential for a successful manager.

Bartone et al., (2009) "Big five personality factors, hardiness, and social judgment as predictors of leader performance" mainly tells us about the five personality traits and how it varies in men and women. The sample of the study conducted was based on some US Military academy cadets in two contexts; summer training and academic periods. The performance of women as leaders is better than men during academic periods. Study found out that "The same women are having higher scores in five big personality traits; openness to experience, conscientiousness, extroversion, agreeableness and neuroticism".

Khaireddin in his paper titled "The Impact of the Big Five Personality Traits on the Leadership Styles: An Empirical Study Applied on the Branch Managers of Banks Working at the Hashemite Kingdom of Jordan" (2015) discusses five personality traits and also investigates their influence on the prevalent leadership style of the branch managers of banks. There are many theories exist to explain the different leadership styles and behaviours. The paper also states that "Big Five personality traits" can be measured to find person's feeling to do adventures or dangerous sports. The study concluded that "Jordan shows an accepted level of political and media liberty and also religious and social pluralism which may explain the diversity in Jordanian society. In the present scenario, cultural people are emotional and express their feelings which explain why neuroticism is available at the unaccepted level in the attributes of studied managers. Branch managers of banks working in Jordan have the ability to deal with people in the different circumstance such as ordinary citizens, business people, urban and rural residents, and different ages".

Ceschi, Costantini, Scalco, Charkhabi & Sartori in "The Relationship between the Big Five Personality Traits and Job Performance in Business Workers and Employees' Perception" (2016) attempt to "find out the effect of personality traits on job performance". The survey has been done by collecting samples from 100 Italian workers and employees.

Klang in an article titled "The Relationship between Personality and Job Performance in Sales" (2012) provides a framework on how personality has an effect on job performance in sales. The sample was collected from 34 telesales workers who have been working with two major telecom companies. The study revealed that extroversion, conscientiousness and neuroticism related moderately with work performance. This paper analyzes the relationship between personality and job performance.

Marsiglia in the article titled "The relationship between leadership and Personality" (2005) talks about the importance of leader and his influence on the subordinate. The paper reveals that the leader should be a motivator so that followers can derive the best for themselves. The leader should develop and maintain a healthy relationship with the employees so that they can achieve the objectives together easily. The study says that "the personality traits like consciousness and extraversion are significantly related to job performance and are a useful tool for examining the relationship between leadership and personality".

Salleh & Kamaruddin in "The Effects of Personality Factors on Sales Performance of Takaful (Islamic Insurance) Agents in Malaysia" (2011) attempt to derive some guidelines in finding out the relationship between personality factors on the sales performance of Islamic Insurance agents in Malaysia. The findings of the study reveal that the personality dimensions namely self-efficacy, self-monitoring and locus of control have a relation to sales performance. 289 salespeople were taken as samples for the study. The paper confirms that those salespersons having high self-efficacy, self-monitoring and locus of control have better job performance.

Abdullah, Rashid, Omar in an article titled "Effect of Personality on Job Performance of Employees: Empirical Evidence from Banking Sector of Pakistan" (2013) the theory revealed that "there are five personality traits namely openness to experience, conscientiousness, extraversion, agreeableness and neuroticism and, there is a positive relationship between openness to experience, conscientiousness, extraversion, and agreeableness and employee performance". At the same time, "neuroticism" or "nervousness" has a negative impact on job performance.

Ahmad, Ather & Hussain in "Impact of Big Five Personality Traits on Job Performance (Organizational Commitment as a Mediator)" (2014) sought to investigate the relationship between five personality traits and job performance. The study reveals that the personality traits have a mediating role in organizational commitment. This paper attempts to study the relationship between job performance and personality traits like "openness to experience", "conscientiousness", "extraversion", "agreeableness" and "neuroticism". Traits other than neuroticism have a positive effect on employee performance.

Tesdimir, Asghar & Saeed in the article titled "Personality Traits and Job Satisfaction" (2010) sought to investigate the relation between personality traits and job satisfaction. At the same time, it also tries to study the impact of some factors like experience, age and education on job satisfaction. The five personality traits are "openness to experience, conscientiousness, extraversion, agreeableness and neuroticism". The studies revealed that those with higher education have lower job satisfaction. Those who are younger derive higher job satisfaction than older employees. A study is a helpful tool for analyzing the relationship between personality traits and job satisfaction.

Mouaz & Abdul (2015) in their article titled "The Impact of Personality Traits of subordinates in their assessment of the Followed Leadership Style (An Empirical Study on the Education Sector in Damascus City)" talks about the influence of leadership on the performance of subordinates. The sample is 338 employees from public and private universities in Damascus city. The study reveals that the leader

should possess "agreeableness, extraversion, openness to experience and conscientiousness" so that subordinates give their best on their job. This paper sheds light on leader qualities and how the leadership does affect the performance of subordinates.

Binti Rusbadrol N, Mahmud N & Arif LS in "Association between Personality Traits and Job Performance among Secondary School Teachers" (2015) attempt to explain the relationship between personality traits and job performance among Malaysian public secondary school teachers. "There are five personality traits namely Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism". A total of 954 questionnaires were collected and 489 were selected for the study. The study reveals that "openness to experience and agreeableness has a positive relationship on job performance". At the same time, neuroticism and job performance are inversely related. This study serves as a useful tool for The Ministry of Education Malaysia for selecting and recruiting competent teachers.

Sayyed Mohamad & Reza Davoodi in their article titled "Studying Impact of Personality Traits on Job Performance the Case of University of Isfahan's Personnel" (2012) establishes a relationship between personality traits and job performance. The sample has been collected from 160 personnel. There are five personality traits; namely "openness to experience, conscientiousness, extraversion, agreeableness and neuroticism". The results of the study show that "consciousness", "openness" and "emotional stability" influences "job performance" and "consciousness" influence job validity".

Karthikeyan & Srivastava in their article titled "The Relationship between the Five Factors of Personality, Individual Job Performance and its Components in the Indian Corporate Sector" (2012) explains the relationship between five factors and individual job performance. The five factors are "openness, conscientiousness, extraversion, agreeableness and emotional stability". "Conscientiousness" was found to be the most important factor which showed a consistent link with employee performance. The other factors which predicted job performance was "extraversion and neuroticism".

The customers can derive satisfaction so that existing products can be improved and new products can be developed.

Ranjbari, Ahmadi, Gholami & Shirzad study on "Relationship between Salespeople's Interactive Behavior towards Customers and Customer Loyalty" (2015) shows "the relationship between salespeople's interactive behaviour towards Customers and customer loyalty. The independent variables involve idealized influence behaviour, inspirational motivation behaviour, intellectual stimulation behaviour, individualized consideration behaviour, and smart selling behaviour". The customers of a corporation are considered as one of the greatest properties of that corporation. Theoretical framework and background of the research include customer loyalty, leadership, and salesperson's interactive behaviour. In this paper, result exhibits statistical description and statistical conclusion. The current research with the subject of "the relationship of salespeople's interactive behaviour with customers and customer loyalty in Kermanshah province supermarkets" aiming at studying the relationship between salespeople's interactive behaviour factors and customer loyalty. The limitations of the research expressed that the lack of the capacity of management subjects to examine cases such as human resource management and other components. The study has been conducted in our country is in a stagnant period which has caused the buyers less think of purchasing unnecessary products.

2.3 Studies on Bancassurance and Other Channels of Distribution in Insurance Sector

Yıldırım writes in his article titled "Insurance Distribution Channels in Turkey: Effectiveness of Bancassurance" (2014) that the channel shows a significant part in the country's development. The paper deals with the effectiveness of bancassurance in Turkey. Insurance is the leading financial sector. Turkish insurance has had a great growth rate in the last decade. Europe has the leading bancassurance penetration rate. The main distribution channels in Turkey which is mentioned in the study are "agents, banks and brokers". The Association of Insurance and Reinsurance Companies of Turkey have a member of 61 insurance companies in 2013. In the beginning, the

partnership was materialized; bancassurance was in place through the retail networks of the banks. Bancassurance is leading in south European countries as well as in Austria and France. The performance in terms of business contribution through bank channel was remarkable in countries like as France, Portugal and Spain. The agents of distribution channels in Turkish insurance market are banks and brokers. Bancassurance turned as an effective distribution network in Turkey.

Ramaabaanu and Elakkiya "Bancassurance - An emerging Scenario in Indian Insurance Sector" (2014) state that insurance companies were able to sell their products through bank branches across India. Bancassurance is useful for customers, insurance companies and for banks also. Through bank distribution channels bancassurance is distributed. The bancassurance concept first rose in the 1980's in France. No company has any permission to transact both insurance and banking business in India. There are also joint vendors in India. Bancassurance is a new concept in India. The various models for bancassurance are strategic alliance model, full integration model, mixed models. Only if it is licensed to act as an agent and the specified person, the bank has the permission to receive a commission in the insurance business. There are lots of benefits to banks and insurers. Bancassurers establish their product range to include products beyond those related to bank products. The developments are expected to challenge the traditional bank insurers. Banks database is considered to be enormous.

Peng, Jeng, Wang & Chen in their article titled "Profitability of Banks: Evidence from the banking industry in Taiwan" (2015) shows that there is a visible difference between some banks in terms of revenue generation through bank channel. The study says that it is because of insolvent of banks makes the difference. The observation made in the study is that this involvement brings efficiency in its functions. It is evident in the bank's commission income. It was at 3 percent in 2004 and went up to 18 percent by 2012. The observation made in the study about prior studies about the efficiency of the bancassurance channel is that the bancassurance will be a reason to cater more range of products to the customers and their by the faith of the customer also will increase.

Hole, Amit Misal & Ashutosh in their study titled "Impact of compensation strategies on the performance of insurance agent's in general insurance companies" (2013) reveals "the impact of compensation on policies on the performance of insurance agents for the general insurance sector". The study says that "motivational factor of compensation strategies for agents in public sector are lower than sales executives and agents in private sector". The study observed that the impact of monitory incentives on the performance of employees is reflected in private companies than public companies. The public sector employees are not satisfied with the remuneration package as compared with private companies.

Buric, Kascelan & Vujosevic in their paper titled "Bancassurance concept from the perspective of Montenegrin market" (2015) reveals the advantages of integrating core banking operations and selling of insurance policies under one roof. Due to the integration of banking and insurance services, banks can earn additional cost and at the same time, insurance companies can increase their profits. Insurance companies can reduce the training cost also. Selling an insurance product need a detailed discussion with the customer, but it is very easy for a bank employee to sell a product due to their established customer-banker relationship. The paper is an attempt to explore the emergence of bancassurance in Montenegrin market. It also stresses the need to give proper training and motivation to bank employees and make them aware of selling insurance product through banking channel. Bancassurance reduces the cost of insurance companies as the bank has all the resources to participate in the selling task. This paper helps to increase the awareness among people of integrating banking and insurance sector and shows how this integration have an impact on the financial scenario.

Nikita Kumari "Determinants of Insurance of Investment: A case study of Life Insurance Corporation of India" (2015) explores how underwriting operation is related to investment in Life Insurance Corporation of India. Insurance is a term that guarantees protection from financial loss. Underwriting is the process of assessing a risk. Life Insurance Corporation of India is the only insurance company that existed in India before the emergence of private insurance companies. At present private

insurance companies are playing an important role in Indian insurance scenario. The insurance sector is facing the consequences of liberalization and globalization. This study paves a way in analyzing how underwriting operation has an impact on investment with the help of a case study and the result shows that both underwriting and investment are significantly related. This study also found out some tips that are helpful for the improvement of Life Insurance Corporation of India.

Anuj Agrawal explained in a study "Sales Force Attrition Study in Indian Life Insurance Industry" (2015) the reasons why salespersons belonging to both public and private insurance companies are quitting their jobs in the same year of appointment. The emergence of insurance companies has created a lot of job opportunities in the job market. Many entered into the sector by making it as a part time or full time means of earning. The study also focuses on the remedial measures on how to retain the dropouts in the industry. An insurance company needs to provide training to a novice by spending a lot of money and resources, but their quitting cause huge financial loss to the company.

Kaur writes in the article titled "Insurance Penetration and Density in India" (2015) discusses the effect of the emergence of the insurance sector and its destiny in India. There are mainly three types of insurance coverage, life insurance, non-life insurance and reinsurance. Insurance penetration and density are the two factors to assess the performance and potentiality of the insurance sector. Indian economic sector has witnessed a boom with the emergence of the insurance sector. As more companies come in private players introduce attractive premiums that are affordable to the common man. As more and more people foray into the sector to protect their assets and life, insurance sector flourishes and at the same time, it helps our economy to make huge profits. This study is helpful to analyze the effect of insurance penetration and destiny in India.

Palanisamy (2013) in the article titled "Bank Customer Satisfaction for Bancassurance Products in India" tries to emphasize the need for bancassurance channel in both private and public sector insurance companies so that insurance companies can make

use of this channel effectively. With the help of bancassurance channel helps to reduce the gap between banking and non-banking financial products. Bancassurance also assures work integration between bank and insurance companies. The data was collected using a structured questionnaire as the tool. This study focused on the customers of SBI and ICICI bank.

Popli & Rao (2009) highlighted in their article titled "An Empirical Study of Bancassurance: Prospects & Challenges for Selling Insurance Products through Banks in India" the need of distribution channels, especially bancassurance. The insurance industry is growing very fast. Bancassurance is a type of integration between the insurance company and bank where banks sell insurance products. With the help of bancassurance channel minimum financial and administrative effort are essential to distribute the products. This paper also tries to suggest measures that are helpful for the providers to give satisfactory services to the customers. Likes and dislike of the customer can be clearly identified and the image of bancassurance in the mind of customers can be analyzed each and every bank is striving hard to achieve customer satisfaction.

Constantinescu in a study titled "The Influence of Bancassurance System on the Quality of the Insurance Services" (2012) tries to focus on how bancassurance influences the quality of the insurance service. The study says "there are some factors like the size of the partners, the applicable legislation, the level of the market development and the cultural factors that relate to the potential advantage of bancassurance system". Bancassurance is a method of serving the customers by distributing insurance product and banking products under one roof. The study measured the quality of products and services offered through the bank channel.

Hadi Sagi and Ahmad Nateq Golestan in their article titled "Investigating the Factors Affecting the Ethical Decision –Making Insurance Salespeople" (2016) explain the importance of a code of conduct that decides the rightness and wrongness of a decision. Ethics is considered to be one of the essential factors that determine both the quality and quantity of work performance which have a positive effect on the

progress of the company. The lack of dedication shows a negative effect and become unethical to the company. Planned decisions will help an employee to convert his unconscious behaviour to conscious and at the same time, their skills can be also being improved. This paper discusses the factors that affect the ethical decision making of insurance salespeople.

Sanjay Manocha & Subhash Chand Chitkara (2012) in "A Study of choice of customers towards distribution channels of Life Insurance Industry" attempts to emphasize the need of distributor channels in the insurance industry. At the same time, insurers need to find out some features like riders, in order that the number of customers will be increased. Insurance agencies have to concentrate on distribution channels rather than merely selling the financial products. It will help definitely in strengthening the customer relationship and capturing the maximum market. This paper also focuses on the concepts of insurance

Elena & Ovidiuin their paper titled "Insurance Consultants Attitude towards Relationship Marketing Element" (2010) explains the relationship between the insurance company and customer. It provides tips on how to begin, maintain and continue the relationship. This paper also emphasizes to remove the hazards in attracting clients, gaining and maintaining confidence. Consultants of a firm have been surveyed using the questionnaire. It analyzes the customer client relationship in each stage of the sales process.

Maharana & Pandain their paper titled "Service Quality Measurement of Insurance Company in India" (2016) stresses the importance of service quality. As more and more companies are entering into the sector, each and every company competes to give more effective services to their customer. The banks will definitely become more market-oriented and customer friendly. The accuracy and reliability of the findings have been tested for the research. This paper will definitely be helpful in analyzing the service quality measurement in public and private sector insurance companies.

Chetali Soni & Rao in their article titled "A Study of Banker's Perception For The Factors Which Banks Deliver to Customers in Bancassurance" (2014) attempts to

study the psychological factors behind the satisfaction derived out of serving the customers using Bancassurance channels. At the same time, it focuses on the mindset of customers also. Bancassurance is one of the ways to sell insurance products through banking channels. One of the advantages of this type of selling is that it avoids a long-term discussion with the customer so that bank can effectively utilize their healthy relationship with the customers. It also reduces the training cost of insurance companies as recruiting and training an insurance executive is a costly procedure. A customer can avail banking and insurance services under one roof so that they can save time and energy. This paper acts as a tool in analyzing the mindset behind the banker and supplier.

The article "Revisiting the Technical Efficiency Gains of Indian Commercial Banks from Bancassurance" (2015) written by Grover N & Arora conducted a study and in this study they explained that the initiation of bancassurance will prove to be a bonanza for banks because of accompanying benefits such as increased return on assets, risk free fee income, reduced operating cost, customer retention, efficiency improvement etc. The selection of the banks for analysis was selected on the basis of the contribution in bancassurance income. The physical capital was measured as the value of fixed assets, while numbers of workers have been taken as labour. The commercial banks have gained from bancassurance in terms of OTE ("Overall Technical Efficiency) and competitiveness. The model-specific comparison shows that the banks following Agency model of bancassurance have witnessed higher OTE gains in comparison to the banks following Joint Venture (JV) model. Totally the analysis reveals significant efficiency gains from bancassurance to the Indian banking sector.

The article titled "A Study of Attrition Rate in Insurance Companies: A Comparative Study" (2014) written by Shah M & Bharti studied "the factors that are influencing agent's retention within the major insurance companies in Haryana. The study mainly focused on public and private insurance companies about the reasons for high attrition rate among sales force of insurance companies and how to manage high attrition rate". The high attrition rate of insurance agents is considered to be one of the biggest

challenges for an insurance company. This paper mainly focuses on the reasons for the high employee turnover in the industry and the factors that are leading towards job satisfaction. The main agenda of the study includes "to study the problem of attrition at different employee levels in public and private sector, to find out the factors which motivate employees to change their jobs, to know various techniques that can be utilized to manage attrition and to provide suggestions to effectively deal with the issue of rising employee attrition".

Manivannan & Karunanithi (2015) in "Marketing of Life Insurance Corporation of India's Products" (2015) talks about how LIC is marketing their products. The study also talks about the focus and efforts required to compete with other players in the market. The marketing divisions and how LIC sell their products also mentioned in the study.

Balachandar, Panchanatham & Subramanian in the study titled "Impact of Job Situation on the Motivation of Insurance Companies Officers: A Developmental Perspective" (2010) suggests that "contented motivation show results in commitment and dedication on the part of the officers in their duty and also results in the accomplishment of the organizational objectives at the appropriate time. It is possible to motivate workers by economic rewards, recognition, promotion, Job security, physical setup, training, and authority". Employees are prepared to do of any kind task allocated to them and do not sit shiftless in the office. A challenging work environment and the support of top management are considered to be a very high motivator. Learning is one of the modifications in the behaviour of the employee towards the job. Employees have two factors "physical abilities" and "intellectual abilities".

Arora in "Analysis on Contribution of Bancassurance on Financial Performance of Bank of India" (2013) reveals how GDP and income from the bank are related. Bancassurance is a channel through which banks sell insurance products so that customers can make use of both banking and insurance services under the same roof. Bancassurance helps banks to make extra income added to the income generated from

banking service. This extra income is called fee-based income. Camel Model is used as a tool for this study. This paper will be definitely helpful in finding out how bancassurance has an impact on the GDP.

Alamelu K & Sankaramuthukumar S conducted a study titled "Bancassurance in India: The Strategy Revisited" (2014) to explore the tie-up between banks and insurance companies. Bancassurance is a channel through which insurance companies sell their products with the help of banks. Banks can make extra income along with their usual revenue. The tie-up between banks and insurance companies in bancassurance is successful in India. At present banks are trying to make the tie-up with more than one insurance companies. This paper analyzes the impact of the arrival of bancassurance in the banking sector.

The article written by Rajasekar & Hymavathi Kumari in the article titled "Performance Evaluation of SBI Life insurance Company Limited" (2014) explores the financial and managerial performance of SBI Life considering its financial and managerial extent. Insurance companies make aware of people about the need of insurance policy. Bancassurance is a channel through which insurance companies sell their products. The study puts forward suggestions to increase the profit of SBI Life. Liberalization has a positive relation to the performance of insurance companies. The performance of insurance companies is studied using CARAMEL parameters.

Tamilselvi K & Hemavathy Ramasubbian in their article titled "Trends in Insurance Sector and Impact of Bancassurance in India" (2015) discusses the impact of bancassurance in India. Bancassurance is a channel where the distribution of insurance products is done through banking channels. Banks are responsible to sell insurance products in addition to their routine banking jobs. Banks make tie up with one or more insurance companies for the purpose of conducting their business with the help of bancassurance. This paper analyzes the trends in the insurance sector, insurance penetration and insurance density.

Hadi Sagi & Ahmad Nateq Golestan in the study titled "Investigating the Factors Affecting the Ethical Decision- Making of Insurance Salespeople" (2016) investigate

the factors affecting the ethical decision making of insurance salespeople. Ethics means a set of norms with some do's and don'ts. There are lots of challenges in front of salespeople while they need to take a decision. The tool used for this study is a structured questionnaire. Leaders have a strong influence on the decision making the power of subordinates. The relationship between the leader and subordinate should be healthy to attain organizational objectives. This paper also discusses the factors affecting the decision making process.

Fan CK, Lai H & Lu W in "An Evaluation of Key Factors for Bancassurance Success" (2013) explore the key factors that lead to the success of bancassurance in Taiwan. Bancassurance is a distribution channel through which insurance companies sell their products with the help of banks. It is useful for both banks and insurance companies. The banks can generate extra revenue and insurance companies can sell products without investing any resources as they use bank resources to sell the products. The present study attempts to analyze the factors that lead to the success of bancassurance in Taiwan. The strength and weakness are also discussed along with suggestions.

Grover N & Bhalla write in their article titled "Level of Awareness Regarding Bancassurance and Choice of Insurance Product among Bank Customers in India" (2013) attempts to discuss the need to make customers aware of bancassurance channel. Bancassurance is a mode through which bank customers can avail insurance products. The benefit of the bank is that they can make additional income along with their usual revenue. Insurance companies also can reduce the training and recruit cost. At the same time, they can use banking resources in order to promote their product. Even though Bancassurance is advantageous to banks and insurance companies, proper awareness has not been reached. Many customers are still unaware of the Bancassurance channel. The need of the hour is to make aware people about the Bancassurance system.

Lovelin & Sreedeviin their paper titled "Preference of Bancassurance" (2014) discusses the importance of bancassurance in today's banking environment.

Bancassurance is an alternative method of banks to generate additional income by providing some additional services to retain their customers. Both the bank and insurance companies have benefited due to Bancassurance. Insurance companies preferred this method because they can reduce the cost of training and recruitment of employees. People trust the bank and this causes them to buy insurance products from bank's portals. This study tries to make people aware of the advantages of bancassurance and focuses on why insurance products are sold easily using Bancassurance channels.

Satsangi R in an article titled "An Analysis of Effectiveness of Bancassurance as a Distribution Channel in India" (2014) explores the idea of bancassurance in India. The paper discusses the motivating factors that are helpful in the implementation of bancassurance. At the same time it focuses on the benefits of bancassurance. A lot of problems have to be faced while implementing bancassurance. The customers prefer to buy insurance products through banks because they have that much trust with the bank. The paper reveals how customers are benefitted on purchasing insurance products.

"The Determinants of Bank Insurance: Empirical Validation in the Tunisian Context" (2015) by Ferhi & Boujelbene attempt to highlight the elements that accelerate or decelerate bancassurance. The sample of the analysis was collected from a Tunisian bank. The study is an eye-opener to provide improved banking services to the customers. The study also highlights the factors that are helpful in marketing insurance products.

Fan CK, Lee YH, Lee LT & Lu WQ in their paper titled "Using TOPSIS & CA Evaluating Intentions of Consumers' Cross-Buying Bancassurance" (2011) talks about the concept of bancassurance. Bancassurance is a channel through which banks sell insurance products. At the same time, banks can generate income and insurance companies can make use of banking resources. TOPSIS method is used for the study. The findings of the study are very helpful in understanding the cross buying of insurance products.

The study by Neelamegam & Veni titled "Bancassurance – an emerging concept in India" (2008) focuses on bancassurance concept. Bancassurance is a concept of selling insurance products through the bank. Bancassurance is successful in India because of the cordial relationship with customers. At present banks are trying to make links with more than one insurance company so that customers can avail the services of different insurance providers. The concept of bancassurance has advantages to both insurance companies and banks because banks can make extra income and insurance companies are able to use banking resources without investing more in resources. This paper is a helpful tool in understanding about bancassurance.

Fan CK & Lee YH write in their paper titled "Key Factors Influencing Bancassurance Success -Mainland China Evidence" (2010) aims to focus on the success of bancassurance in China. Delphi Method and Analytical process are used for the study. Bancassurance is selling the insurance products through bank portals. The paper also analyses the strengths and weaknesses of bancassurance and suggests the areas to be improved so that bancassurance is successful.

CH S (2015) conducted a study titled "Bancassurance –the insurance companies perspective: a study with special reference to public and private sector insurance companies in India" focuses on measuring the efficiency gains of bancassurance. Here two insurance companies i.e. SBI Life and ICICI Prudential from the private sector and LIC from public sector were selected for measuring the efficiency gains of bancassurance. Presently bancassurance share accounts for one-fourth of the total new premium collected. In India penetration of life insurance as a whole is considerably low at 4.1 percent of Gross Domestic Product.

Singh M P (2011) in "Contemporary issues in the marketing of life insurance services in India" reveals the important aspects of life insurance marketing activity from a services perspective and highlights the contemporary issues and challenges facing the life insurance companies in product marketing. The major chunk of financial services in India is contributed by banking and insurance services. Insurance marketing is defined as the marketing of insurance products. People are considered as a critical

resource in any organization, particularly in a service organization. The agents are a major source of both pre-sales and post-sales services to customers. Bancassurance is the distribution of life insurance products through a bank's distribution channel. Rural and social sector exploitation is a major issue for life insurance companies.

Sharma B (2016) in his article titled "Bancassurance in India: Promising Distribution Network of Insurance Industry" tries to explain the advantages of bancassurance in India. Bancassurance is a system through which insurance companies sell their products through bank portals. This paper shed light into the benefits earned by insurance companies in India during the year 2003-04 to 2013-14. The study is based on secondary data that has been collected from journals of RBI and IRDAI, websites and magazines. The growth rate of bancassurance is computed using Compound Annual Growth Rate. The findings of the study are related to scope of bancassurance and its trends in the Insurance sector. This paper also analyzes the scope of bancassurance in future.

Vijay & Grover RR in "Integrating System Dynamics Approach for Reinventing Life Insurance Industry in India" (2016) emphasizes the need for rejuvenating the insurance sector. The insurance sector has contributed a lot to employment opportunity generation and investment of funds. The aim of the study is to identify the various challenges that Indian Insurance companies are facing and to find out the solutions to cope up with the challenges. Analysis of data has been done with Content Analysis and System Dynamics. The study shows that Indian insurance companies are at their golden period.

Daneshfar Z, RoshaniA & Sabzali H (2016) in their paper titled "Investigating the Effectiveness of the SMS Marketing in Increasing the Sale of Insurance in the Bank Branches (A case study)" talks about using facilities like electronic banking system to reduce the crowd and to save time also. Due to the high mobile phone density, people use SMS as one of the means to advertise. The responses after sending an SMS to customers are studied. The advantage of SMS advertising is that it can enhance customer relationships.

Abey in "Mounting Role of Bancassurance in India" (2016) sought to investigate the merits of bancassurance to customers, insurance companies and banks. Bancassurance is a system of selling insurance products through the bank channels. It is a very advantageous method as banks need not canvass customers. Bank can retain its customers and at the same time, it can attract new customers. Insurance companies are able to gain the confidence of consumer when they sell their products through the bank. Liberalization and globalization have made a lot of changes in the insurance sector. Insurance has a remarkable influence in one's personal, financial, industrial and commercial life. The study is to analyze the bancassurance models and discusses the advantages that insurance companies are getting due to bancassurance.

Choudhury, Singh & Saikia (2016) explained in their study titled "Measuring Customer Experience in Bancassurance: An Empirical Study" attempts to measure the experience of customers who avail bancassurance. Bancassurance is a method of distributing insurance products through banking portals. The sample of the study is the customers of SBI Life. The reliability of the questionnaire was tested with Cronbach's alpha. The findings of the study revealed that customers have a favourable experience with bancassurance. Proper care should be taken from banks side so that they can retain its customers and attract new customers.

Baskar & Jaya in "A Perception Analysis on the Determinant Factors for the Selection of Insurance Company" (2015) seeks to investigate the factors behind selecting an insurance company. Selecting an insurance product is a difficult task and it can be solved with the help of a sales executive. Right policy should reach the right customer. Policies vary based on customer age, term, premium etc. Private players are introducing a lot of attractive products in order to attract customers. The customer always looks for the trust that a company has, its net worth, service of agents, settlement of claims, products and infrastructure. The sample is customers based in Chennai.

Meenakshi & Hebbar write in their article titled "A Comparative Study of Insurance Advisor and bancassurance Channel in Selling Life Insurance Products in India"

(2016) discusses the insurance policy distribution with the help of bancassurance and agents. Since IRDAI is the regulating agency, both agents and companies need approval from IRDAI. The sales executives play a vital role in all insurance companies and hence they are an inevitable part of the companies. Bancassurance is a system through which insurance companies are selling their products without developing additional resources as they use the resources of the bank.

Kaushik (2015) in his article titled "Bancassurance- an Empirical study" discusses bancassurance. Bancassurance is the service given by banks to sell insurance products through banking channels. This paper also analyzes the reason why banks and insurance companies enter into bancassurance. Banks act as representatives of the insurance companies. Banks can generate income in addition to their unusual income also; insurance companies can make use of the banking resources so that they can avail the resources free of cost. Banks need to retain its old customers and at the same time measures should be taken to attract new customers.

Mansoor writes in his article titled "Study of Banc-assurance for the Muslim Co-Operative Bank, Pune" (2016) is an attempt to explain the scope of bancassurance for a Muslim Co-Operative Bank. The objective of the study discusses the trends of bancassurance, customer attitude towards bancassurance, issues faced due to the implementation of bancassurance. A structured questionnaire was used as a tool; 50 customers and 20 employees were surveyed. Strengths, weaknesses, threats and opportunities were also discussed in the study.

Singh N (2015) explained in an article titled "Selling Life insurance in the new era of digitalization: A study in Indian perspective" discusses digitalization. Digitalization is the process of rejuvenating the existing channels with some innovations so that customers can avail the products easily. This will create a customer-friendly atmosphere and it attracts customers. The objective of the study is to understand the scope of selling life insurance products online.

Subashini S & Velmurugan R in their article titled "Misselling – A Bane on Growth of Life Insurance" (2016) mainly discusses the mis-selling of insurance products.

Mis-selling means exaggerating the product's features and returns. The utmost aim of the study is to understand the reason being mis-selling of policies by sales executive. A structured questionnaire was used as a primary data collection method. Secondary data has been collected from journals, newspaper and internet. The study is confined to Coimbatore district. The findings of the study indicate that the main reason behind mis-selling is the income generation mind of executive and pressure from the superior officers to meet the targets.

2.4 Studies on Leader-Member Relationships

Babic, S in his paper "Ethical leaders and leader-member exchange (LMX) theory" (2014) conveys the contribution that develops in the area of ethical leadership and it is based on a case study from Harvard Business Review called IBM – Leading the Turnaround. The author uses the LMX theory by Graen and Uhl-Bien and critically evaluates the leadership style of the CEO of IBM Louis.V by integrating the values of ethical leadership. LMX theory discusses the relationship between the leader and members. Leadership means the ability to influence others and motivate them to gain a common goal. The LMX processes depend on the assumption that leaders pay attention to the traits, skills and competencies of their followers during the exchange process and also decide whether they are competent or effective to take care of certain position or work in the organization. The quality of exchange process is based upon the qualitative exchange between leader and member. Ethical leaders must pay close attention to the needs of the employee. The fourth principle of ethical leadership shows the manifestation of honesty in an ethical leader. Gerstner at IBM practiced five principles of ethical leadership to bring out transformational change. A trust leadership combined with three aspects; the first one is two symmetrical roles – one who trusts, another who is trusted, the second one is an element of risk and the last one is reciprocating the roles of the trustee. According to Maister, Green and Galford; credibility, reliability, intimacy and self-orientation are four traits. LMX theory makes use of dyadic exchange relationship as the main leadership process. This theory also relates positive organizational outcomes. LMX leadership model further explained the importance of ethical leadership together with the notion of trust.

Khatri, N in their paper titled "A taxonomy of supervisor-subordinate exchanges across cultures" (2011) speaks about how to overcome three main theoretical shortcomings of LMX theory as per past research. Firstly, LMX theory never explains about exchange process. Secondly, it never captures the cross-cultural influences on the supervisor. Thirdly, it considers the relationship between supervisors and subordinates to be useful for the organization. This paper also provides the information of how supervisor-subordinate exchanges may vary towards the cultural syndromes of vertical collectivism, horizontal collectivism, vertical individualism and horizontal individualism. Fiske's relational theory includes four elementary relationships having comparisons to Marx and Freud for its breadth and elegance. Fiske proposed four elementary relational models normally used by peoples when they remind about social interaction: communal sharing, authority ranking, equality matching, and market pricing. Fiske imposed relational models theory representing cultural universals. Moreover, Fiske's relational theory shows social exchanges. Triandis and colleagues first proposed idea and research on horizontal, vertical individualism and collectivism. Early gave an argument about the conceptual relationship between Triandis's cultural syndromes and Fiske's relational modes. Using Fiske's relational models and Triandis's cultural syndromes the taxonomy of supervisor-subordinate exchanges is developed. The primary relational models in H-I cultures are equality matching and market pricing. Two possible propositions in H-I cultures are supervisor-subordinate will result in equality matching and market pricing than authority ranking and communal sharing and also takes place between more or less equal individuals. V-C is opposite to H-I. Resulting propositions for V-C cultures are making greater use of authority ranking and communal sharing than equality matching and market pricing; supervisors will care and protect their subordinates. In LMX theory the exchange process between supervisors and their subordinates is a functional and objective one. The available propositions in supervisor-subordinate exchanges V-C cultures include the highest level of cronyism and in V-I cultures involve the highest level of instrumental cronyism. Most of the theories and debates in the management literature, involving LMX theory depend on ideas and data collected

from the western populations. This paper gives the description of supervisor and subordinate exchanges across four cultural syndromes.

Turunc, Celik, Tabak, & Kabakwrite in their paper titled "The impact of transformational leadership and contingent Reward leadership styles on innovative behaviour: Mediating Role of leader-member exchange quality" (2010) mainly discussed about the determination of leader-member exchange Quality's (LMX) mediator role at the effects of transformational and contingent reward Leadership's style. Hypothesis discussed in this paper formulated through theory and empirical research. The case study in this paper discussed the measure is used for describing the measure Bettencourt's study in Turkey. Here the effects of transformational leadership and contingent reward leadership on innovative behaviour mediated by leader-member exchange quality are examined. Transformational leadership behaviour heightens leader-member exchange quality positively and significantly. This research is made in one sector and an important constraint of research. Hence different results of researches made in different sectors need to be obtained.

Bhargavi S & Shehhi MI (2016) "LMX Leadership and Organizational Performance: A Study in a Company in the UAE" shed light on the relationship between leadership and organizational performance. It also discusses the necessity to strengthen the leader-subordinate relationship. Leader-Member Exchange theory (LMX) is used for the study. The study was conducted on the employees of an oil company in the UAE using a questionnaire as the research instrument. The questionnaire contains data elements like demographics and employee perception towards their boss. It also contains factors like supportive nature of leader, leader-member relationship and leader-member trust. The work analyzes the positive effect of leader-employee relationship in attaining organizational objectives. It also discusses how a boss should be to the employees. With the help of the study, improvements can be done in leader-employee relations who will help in the progress of the organization.

Asgari, Silong, Ahmad & Samah "The relationship between leader-member exchange, organizational inflexibility, perceived organizational support, interactional justice and

organizational citizenship behaviour" (2008) stresses the need for a friendly and cordial relationship between leaders and subordinates for the success of the organization. This study has been conducted on 220 employees of an educational firm in Iran with the help of a structured questionnaire used in the study to identify the relationship between leader-member exchange, organizational inflexibility, perceived organizational support, and interactional justice on organizational citizenship behaviour. Statistical analysis has been done in order to check data accuracy. The result of the study shows that the four factors are highly related to organizational citizenship behaviour.

Eliyana (2015) in the paper titled "Influence of Organizational Culture and Leader-Member Exchange to Affirmative Action Policy, Diversity and Employee Work Quality at PtPelabuhan Indonesia III" tries to find out the relationship between affirmative action policy and work quality. A diversified workforce is built on three principles-affirmative actions, equal employment opportunity and diversity. Affirmative action program is intended to reduce various inequalities like the diversity of gender, ethnicity and nativity. Even though affirmative action program reduces inequalities, it has a negative relation to work quality. This paper tells us how to reduce inequalities and implement affirmative action plans so that the implementation has a positive relation to employee work quality.

The article titled "Relationship between Superior-subordinate Relationships Quality and Group Commitment: The Mediating Factor of Superior-Subordinate Communication" (2010) by Bakar HA & Mustaffa CS aims to establish a linkage between superior-subordinate relationship and work commitment. Subordinate finds superior as his role model. At the same time superior need to influence his follower. Only then followers will come out with flying colours. Hence they show more commitment towards their work. This paper strongly supports the need for superior-subordinate relationship.

The article written by Scott, Craven & Green titled "A Meta-Analysis of Organizational Citizenship Behavior and Leader-Member Exchange" (2011)

discusses the organizational citizenship behaviour and leader-member exchange. At the same time, it focuses on the effect of moderators like employee status, supervisory status, tenure and perceptions outside of the United States. There is a two-way relationship between leaders and followers; it may be like sharing of ideas and knowledge and showing respect and hence building mutual trust. This paper strongly suggests the need for citizenship behaviour and leader-member exchange. This member exchange relation influences the responsibility of the subordinates.

Leoin the article titled "Leader-Member Exchange Theory in Higher and Distance Education" (2013) details the relationship between a leader and a subordinate which the team to attain organizational objectives easily. The leader should be conscious about the quality of the relationship. Job satisfaction and high rate of productivity can be achieved with the help of a strong leader-member relationship. This paper highlights the need for creating a good relationship between leader and members so that productivity and organizational objectives can be achieved easily.

Sathiyaseelan & Anuradhain their article titled "Relationship Based Leadership: The Development of Leader-Member Exchange Theory" (2016) tries to focus on the evolution and development of Leader-Member Exchange Theory. The relationship between a leader and subordinate should be cordial. There must be an open communication between the two. The leader should not be partial to any of his followers. The leader should be a person who will be able to influence the followers. The relationship between the member and leader has a positive impact on the attainment of organizational goals. This paper gives us a clear understanding of the Leader-Member exchange theory.

Jack Zenger & Joseph in their article titled "If Your Boss Thinks You're Awesome, You Will Become More Awesome" (2015) discusses the partiality of managers towards their subordinates. The data is collected from 50 managers. The Managers always rate some higher and others lower. The study shows that managers have a biased attitude towards subordinates. Employees who are lifted by the managers feel

proud and those who are lowered feel confused. This study assesses the biased attitude of managers.

Bernerth, Armenakis, Feild, Giles & Jack Walker in "Is personality associated with perceptions of LMX? An empirical study" (2007) explains the relationship between Leader-Member Exchange (LMX) and personality of the employees. The leader should be a person who is willing to solve the career-related problems of an employee. The conscientiousness and agreeableness of leader are linked to employee perception of Leader-Member Exchange. At the same time, the paper reveals that the five traits; openness to experience, conscientiousness, extroversion, agreeableness and neuroticism have an impact on employee perception of Leader-Member Exchange. The sample for the study is collected from 196 employees in an organization.

Amaliyah, Anis, Mustain & Falih write in their article titled "Employee Work Quality: Affirmative Action Policy and Leader-Member Exchange as Antecedent Variable" (2015) the relationship between affirmative action policy and leader-member exchange theory. Discrimination is one of the issues that most of the employees are facing. Discrimination is a different type; caste, creed, nationality, gender, ethnicity, etc. Due to discrimination employee feel inferior to his colleagues. So the leader should not be partial to his subordinates. Then only the leader can derive best out of his subordinates. The success of an organization is not based on the performance of the leader alone. Subordinate is an inevitable part of the organization. An able leader can derive the best from his followers and thereby they can work together for the success of the organization. This co-operation has a positive effect on the work quality of the employee. Affirmative action policy has a negative effect on the employee.

Winska conducted a study titled "Influence of Superior-Subordinate Communication on Employee Satisfaction" (2010) tried to establish a relationship between superior-subordinate communication and job satisfaction. The paper strongly suggests that superior should be a motivator and a leader needs to communicate well to his

followers. Positive reinforcement from superior side increases the work quality of the subordinate.

Krishnan VR in his paper titled "Leader-Member Exchange, Transformational Leadership, and Value System" (2005) highlights the need for a cordial relationship between leader and follower. The aim of the organization is to attain organizational objectives. In order to obtain the organizational objectives, both the leader and follower need to work together. A strong support from the leader is necessary for the subordinate to attain goals easily. Leader-Member Exchange has a positive impact on transformational leadership. The transformational leadership has a positive impact on leader-follower terminal value system congruence. The study aims to focus on a healthy relationship between a manager and follower.

The article titled "Delegation, Job Satisfaction and Subordinate Performance: The Mediating Effect of Leader-Member Exchange" (2006) by Joiner TA, Bakalis S & Choy J shares some ideas about superior-subordinate relation and subordinate job performance. The sample has been collected from 186 Chinese subordinates who were working with a transport company in Hong Kong. The study affirms that the leader can influence his subordinate as the role model in a leader. So the leader should have good communication skill and act as a strong motivator so that subordinates can easily achieve organizational goals.

Pradeep DD & Prabhu their article titled "The Relationship between Effective Leadership and Employee Performance" (2011) aims to establish the need for leader-follower relationship. This paper explores the relationship between transactional, transformational laissez-faire model and employee performance. The leader should be a strong motivator and role model to the employees. The sample is the managers and subordinates of both private and public sector companies. The samples were compared and analyzed using appropriate methods. Finally, it emphasized that the leader can motivate employee and hence can affect employee performance.

Iqbal N, Anwar S, Haider N in their paper titled "Effect of Leadership Style on Employee Performance" (2015) explains how different leadership styles and

employee performance are related. There are three types of leadership styles namely-autocratic, democratic and participative. The findings reveal that participative style has a positive relationship on employee performance. Employees have the power to take the decision and hence feel confident under participative style. In autocratic style, the employee feels inferior and the authority to take decision vests only on the leader. Since employees have some power to take a decision on the democratic model they feel better in the democratic model.

Jing-Zhou P, Xiao-xue Z & Xia-qing Z in an article titled "The role of leadership between the employees and the organization: a bridge or a ravine? An empirical study from China" (2010) talk about the relationship between leaders and members. It should be cordial and hence can have a positive effect on attaining the organizational objectives. It is impossible for a leader to attain the organizational objectives alone. He needs some sort of assistance from the follower's side. The strength of the relationship helps them to achieve the organizational objectives easily. This paper tries to explain that maintaining a healthy relationship between employee and leader is helpful for the success of the organization.

Chaurasia S & Shukla in their article titled "The Influence of Leader-Member Exchange Relations on Employee Engagement and Work Role Performance" (2013) seeks to investigate the relationship between leader-member relation and employee performance. This paper tries to find out how employee engagement and work performance are related. The findings of the study are collected from the samples taken from 198 managers who were working in various sectors. The findings of the study reveal that quality relationship between employee and leader is very essential.

Steyrer J, Schiffinger M & Lang R in their article titled "Organizational commitment-A missing link between leadership behaviour and organizational performance?" (2008) confirms the direct and strong impact of the quality relation between leader and follower on employee job satisfaction. The data is collected from 78 companies in Germanic cultural areas. The paper strongly suggests the need for a superior-

subordinate relationship for attaining organizational objectives. The superior-subordinate relationship encourages employee commitment.

Hanna P in his paper titled "The Leader–Subordinate Fit and Its Relationship to Performance and Burnout" (2014) determine "leader-subordinate congruence influences leaders' and subordinates 'experience of burnout and the subordinate's satisfaction with the leader's work performance". The study tries to figure out what is the factor that influences the leader's choice at the time recruitment. The study mentioned that "the recent research seeks to discover the relationship between leader-subordinate fit and burnout among both leaders and subordinates and the study also hypothesizes a relationship between leader-subordinate congruence and the subordinate's satisfaction with the leader's job performance". Personality factors play a vital role in conducting research in this area. The idea of personality traits attains a main position in the research especially the "Big Five" theory. The study evaluated the level of satisfaction subordinates based on the leaders' performance. The result of the study gives a conclusion that the three should be some heterogeneity between the personalities of the superior officer and the leader.

Malik SH writes in his article titled "Relationship between Leader Behaviors and Employees' Job Satisfaction: A Path-Goal Approach" (2013) the study says that "there is a significant correlation between all the four path-goal leader behaviours i.e. directive; supportive; participative; and achievement-oriented leader behaviour and job in general & supervision".

Reza R & Mehdi H in their study titled "Impact of Leader-Member Exchange on Job Satisfaction in Tehran Social Security Branches" (2009) tries to figure out "the relationship with immediate manager commonly called leader-Member Exchange (LMX) or Vertical Dyad Linkage (VDL) as one of the important factors affecting employee's job satisfaction". LMX is explained in the context where the leader develops relationship with the subordinates. These members are either falls in the in-group member of the leader or out member of the leader. The study evaluates the quality of the relationship and its impact on the job satisfaction. The anticipation lies

in the theory is that an individual is influenced to act in a precise way when initially, he obtains incentive, and again, the payment is valuable for them. The research findings reveal the constructive and meaningful influence of high-quality leader-member exchange on the satisfaction level of employees. The findings of the study are that the attention and care can solve many issues in the organization.

Yu X in article titled "Exploring the relationship between supervisor's Leadership and subordinates' performance" (2010) investigates "the relationship between supervisor's leadership and job performance of subordinates; compare immediate male and female supervisors' leadership styles. The performance of employees are influenced by many factors arising inside the organization. It is important to diagnose the rapport between the supervisors and performance of employees in order to shape and preserve pleasant work relationship between the supervisor and the subordinate. The supervisor is the first level of management and their major duty is form and lead work groups in organizations.

Carstens FJ & Barnes N (2006) in the article titled "The quality of leader/employee relationship in business performance" investigates the role of rapport between leader and employees reflect in the performance of the organization. The study brings out the influence of "vision, trust, accountability and decision- making on business performance". The study reveals "the influence of accountability, decision-making, vision and trust on business performance and an individual would then reasonably deduce that those elements are critical for any leader if he or she would want to successfully impact business performance".

Mohamad B, Abu Bakar H & Herman write in their paper titled "Leader-Member Exchange and Superior-Subordinate Communication Behavior: A Case of a Malaysian Organization" (2004) tests the quality of the relationship between superiors and subordinates as indicated in leader-member exchange (LMX) theory of superior communication behaviour. The results of the study show that there are no significant differences between out-group and in-group members. Negative relationship communication mainly deals with the superior ridiculing subordinates and criticizing

them in the presence of others. The quality of LMX is likely to affect perceived superior-subordinate behaviour among subordinates. The measurement of the quality of relationship in this study reflects primarily on scales from the LMX theory. This research hypothesis is based on how the quality of LMX affects perceptions of superior communication behaviour among group members. The hypothesis deals with the effects of LMX superior communication behaviour. The LMX theory suggests that superiors distribute their resources unequally to their subordinates. According to Gerstner and Day (1995), the next phase of the LMX theory describes the exchange itself, in terms of discovering its quality and consequences. The results are encouraging in that no evidence was found that the higher-quality dyads were more similar than others in terms of the limited demographics considered.

Stander & Rothmann (2008) investigates "the relationship between leader empowerment behaviour, job satisfaction and organizational commitment for employees in selected organizations in South Africa. The researcher found that teamwork and leadership have the highest correlation with empowerment". The study says that the leader should take initiative to empower the employees to improve the "job satisfaction" and "organizational commitment". The results indicated that if the leader exhibits the empowerment of subordinates then the measurement of this can predict the "job satisfaction" and "organizational commitment".

Thamrin HM in the article titled "The Influence of Transformational Leadership and Organizational Commitment on Job Satisfaction and Employee Performance" (2012) analyze the influence of "transformational leadership" and "organizational commitment on job satisfaction" and "employee performance". Transformational leadership is a skill that is possessed by leaders to motivate their subordinates to increase mindfulness on the importance of work results. "Transformational leadership" has a forward vision to do novelties and the capability to spread certain attainments by giving motivation. "Transformational leadership" alone cannot bring job satisfaction. Transformational leadership is a model that can be implemented in an organization based on the willingness to move forward.

Choi D in the article titled "Differentiated leader-member exchange and group effectiveness: a dual perspective" (2013) sought to investigate the relationship between leader-member exchange and group effectiveness. The survey data has been collected from group members, members and upper-level managers. The findings of the study are that a leader should develop a strong relationship with the followers. The leader should be supportive and cordial so that the work environment will be conducive to the employee.

Scroggins & Jennifer B in the article titled "Combined Influence of Personality and Leader-Member Exchange on Task and Citizenship Performance" (2016) discusses the relationship between Personality traits and Leader-Member Exchange and its effect on job performance. The findings showed that there is a positive relationship between leader-member exchange, "conscientiousness", "agreeableness" and "organizational behaviour". Leaders should maintain a cordial relationship with the subordinate and the relationship has a positive effect on organizational performance. In addition, the paper also showed the importance of the relationships between conscientiousness and agreeableness with organizational citizenship behaviour.

Yang DJ & Wu MJ "Does Customer Trust Play a Mediating Role between Salesperson Competence and Performance?" (2014) discusses the relationship between employee competence and performance. The sample is collected from the employees of an insurance company. There is a positive relationship between trust and job performance. The salesperson should have effective communication skills so that he can interact with his customers effectively. Gaining customer trust is an important factor in job performance. Maintaining a good relationship with the customer is essential for an organization to attain the organizational goal. The paper is a helpful tool in determining the relation between employee competence and job performance.

Sougui AO, Bon AT & Hassan HM write in their paper titled "The Impact of Leadership Styles on Employees' performance in Telecom Engineering companies" (2016) discusses the linkage between the four leadership styles transformational,

servant, transactional and Laissez-Faire and employee performance. The samples selected for the study are the employees of a Telecom Engineering Company. The findings of the study were analyzed with the help of Structural Equation Model and SPSS model. A leader should motivate and influence the followers. The study reveals the relationship between leadership styles and employee motivation, and satisfaction.

Lumbasi GW, K'Aol GO & Ouma CA in their article titled "The Effect of Participative Leadership Style on the Performance of COYA Senior Managers in Kenya" (2016) seeks to investigate the relationship between leadership style and employee performance. The study was conducted on the performance of the senior managers of a company in Kenya, which has won Company of the Year award. A well-structured questionnaire was used to collect data. The study emphasizes that there is a positive co-relation between participative leadership and performance of the employees

Hakala, Din the paper titled "Ways to Measure Employee Performance" (2016) makes us familiar with employee assessment factors, which serve as very good tools in assessing employee performance. Performance measurement has a strong relationship with the progress of the firm. Now a day's employee assessment has great significance as those who are below the mark are forced to terminate. There are a lot of means to measure employee performance at present, as the job scenario has completely changed from the past. Quantity or number of items produced is an indicator of performance measurement but at the same time another factor, quality should also be considered important. Timeliness is the number of work done in a specified time. Employees who finish their work within the specified time are measured as good performers. Cost is an important way to measure performance, and employees are advised to reduce work cost while production. Irregular attendance of one employee adversely affects the other and the firm because it will increase the workload of others. Creative employees are an asset to the organization because they can contribute more to the firm. Goals cannot be changed according to the wish, should be within company policies. Some personal habits can make employee concentrates on work, and hence these habits need to be avoided. Assessment of

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performance is also done based on appearance or looks, so some companies define dress codes to their employees. Managing appraisal is another way to measure performance, but employees have no role in the matter. The issue can be solved through self-appraisal which helps employees assess themselves. Peer appraisal is one of the effective ways to judge an employee because an employee in the similar position is the suitable person to assess the co-worker. In team appraisal, each team has some specific goals and contribution from each employee matters. Employee performance can be assessed with the help of experts so that there will not be any bias. Full circle or 360 degree is the way to assess specialized employees with the help of people who interact with them. Management by objective is teamwork done by both managers and employees for the achievement of a specified goal. The present study brings in light not only the factors which are helpful in assessing the employees, but it also reminds to choose only suitable assessment indicators.

2.5 Research Gap

Past research studies have focused on the comparative analysis of subordinate's perception of leader-member exchange and superior's perception about the leader-member exchange in a supervisor and employee setup. Bernerth, J. B (2004) studied the role of personality factors that influence the leader-member relationship. There are a few studies that have evaluated the impact of personality factors on performance. But there is no study that covers the impact of personality factors of sales managers in discriminating leader-member relationship into "in-group' or 'out-group' members and the level of performance as 'high' or 'low' performing category with special reference to bancassurance.

Chapter 3

AN OVERVIEW OF BANCASSURANCE AND OTHER DISTRIBUTION CHANNELS OF LIFE INSURANCE

Overview

This chapter describes an overview and performance of each channel of distribution in life insurance industry. The chapter also analyze the performance of each channel based on the number of policies issued, the premium collection by each channel, new business premium collected by each channel in the past, comparative analysis on individual and group business performance through various channel of distribution and comparison of various channel among LIC and private players separately.

3.1 Introduction

Distribution channels are the motorists which cater the insurance products to the customers. This chapter mainly deals with channel-wise performance to identify the major contributors who are bringing sales to the company. An analysis has been done based on new policies sold through different channels, new business contributed by various channels group insurance and individual business separately, comparative study on the presence of different channels in private sector and public sector etc to identify the best performing channels in the life insurance industry. Life insurance agents are the main channel for distributing the life insurance products among customers in the early stages and the status of this channel in contributing towards the life insurance industry are significant. Most of the Indian life insurance companies are using all the channels to the maximum possible ways to achieve the market share. Individual Agents, Bancassurance, corporate agents other than banks, online channels and brokers are the popular channels in the industry.

3.1.1 Bancassurance

Neelamegan, R (2009) mentioned in his study bancassurance as "a term coined by combining the two words bank and insurance (in French)-connotes distribution of insurance products through banking channels" Alavudeen (2015) states that the

insurance industry is progressing in India from its starting stage. In this study it also mentioned that there will be a very positive forthcoming situation for bancassurance in India. Progress of insurance earnings is significant in several of the bank's total revenue. In this regard the bancassurance channel is expected to grow further in near future.

Table 3.1

Contribution of Bancassurance towards The Channel of Distribution of Life Insurance

Figures are in percentage

Year	Individual Business		Group Business		Industry total	
	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium
2013-14		6		2		4
2014-15	15	12	52	4	16	7
2015-16	13	11	44	4	14	7

Bancassurance is one the channel which emerged recently and quickly gained some momentum as an insurance distribution channel in India. During the year 2013-14, the contribution made by bancassurance towards the total new individual gross premium collection is at 6 percent and it has recorded at 12 percent in 2014-15. The number of policies sold through this channel also remarkable. It was at 15 percent in 2014-15 and 13 percent in the following year. The percentage of number of polices issued by the bancassurance channel is at 52 percent in 2014-15 and it went down to 44 percent in the following year.

The total number of policies issued through bancassurance channel put together both individual and group life insurance business recorded in the range of 14 to 16 percent

during 2014 to 2016 period. The gross premium collected by the bancassurance channel to the industry stands at 4 percent in 2013-14. The channel's contribution towards the industry recorded at 7 percent for the next two years.
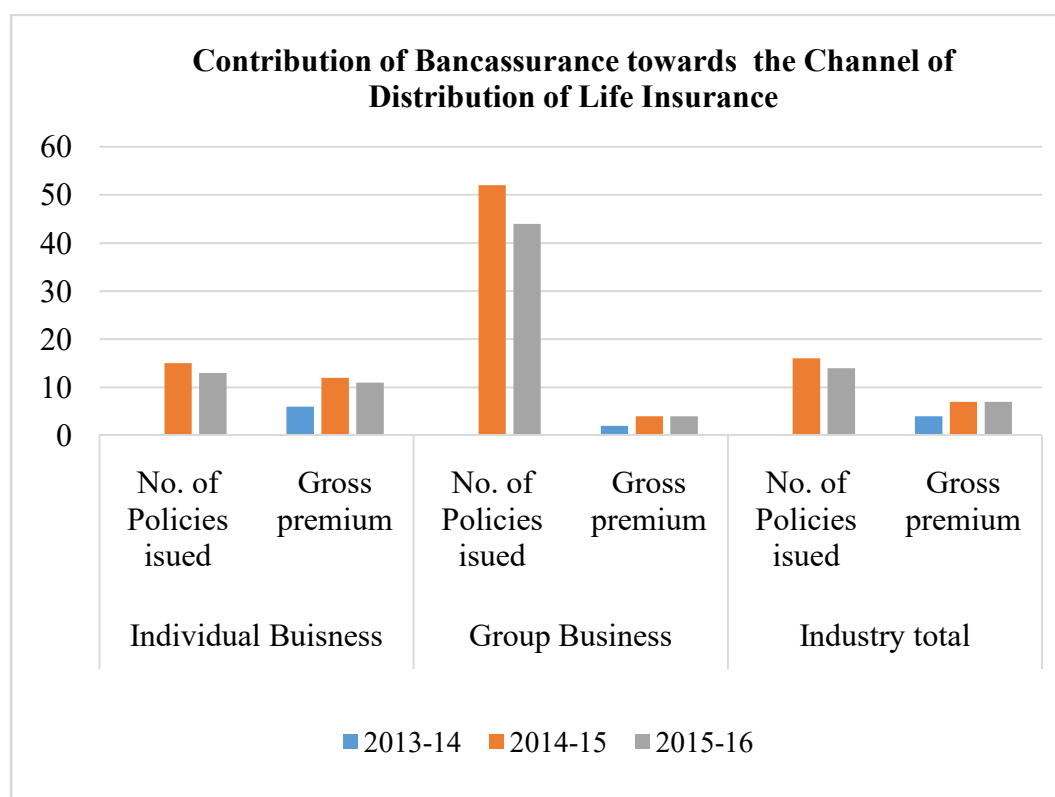
Figure 3.1

The bancassurance channel's performance in terms of individual policies sold compared with the total individual policies sold during 2013-14 stood at 15 percent and it has decreased to 13 percent in 2013. This shows a decreasing trend in the performance of bancassurance channel in terms of individual policies sold. During 2013-14, the channel has contributed 6 percent towards the total individual gross premium collected and the trend was very positive and the contribution became double in 2014-15 to 12 percent. But such a huge increase doesn't visible in 2015-16 and declined to 11 percent. In case of the group life insurance business, the channel witnessed a declining trend from 52 percent in case of the number of policies sold during 2014-15 to 44 percent in 2015-16. The channel's performance in terms of the gross premium of group business has increased from 2 percent in 2013-14 to 4 percent

in 2014-15. The contribution is same at 4 percent in 2015-16. Bancassurance has sold 16 percent of policies in 2014-16 and the performance towards the life insurance industry in terms of life insurance policies sold came down to 14 percent in 2015-16. There was a visible change in the trend on the gross life insurance premium collected during 2013 14 at 4 percent to 7 percent in 2014-17 and the contribution of bancassurance channel was same in 2015-16.

3.1.2 Brokers

Insurance regulatory and development authority (insurance brokers) regulations, 2013 defines Insurance broker as "a person for the time-being licensed by the Authority under regulation 15, who for remuneration arranges insurance contracts with insurance companies and/ or reinsurance companies on behalf of its clients"

Table 3.2

Brokers Contribution towards the Channel of Distribution of Life Insurance

Figures are in percentage

Year	Individual Business		Group Business		Industry total	
	Policies issued	Gross premium	Policies issued	Gross premium	Policies issued	Gross premium
2013-14		4		39		24
2014-15	3	3	7	43	3	26
2015-16	4	4	7	39	4	24

The table 3.1 explains about the contribution made by the broker as a distribution channel in the insurance industry for the last three years from 2013 to 2016. Brokers have contributed only 3 to 4 percent towards the gross premium collected from

individual business for the period. The data about the number of insurance policies sold through this channel also very low compared with the other channels. Insurance brokers have contributed only 3 to 4 percent of the new individual insurance policies during the period 2015-16. But the story is different in case of the contribution from new group business premium collected during the period. The broking channels presence were significant and they were collected 39 percent of new business premium during 2013-14. The number of group insurance policies contributed by this channel is 7 percent for the last two years. Even it is almost twice of the individual policies sold, the figure seems to be low while analyzing the performance of the insurance distribution channels. The individual new business premium and group new business premium together contributed 24 to 26 percent towards the industry premium collection in the last three years since 2013. This figure shows the level of contribution made by the brokers in the new business generation of the insurance industry. The number of policies issued by insurance brokers to the insurance industry is only 3 to 4 percent during the last two years.

Brokers' Contribution towards the Channel of Distribution of Life Insurance
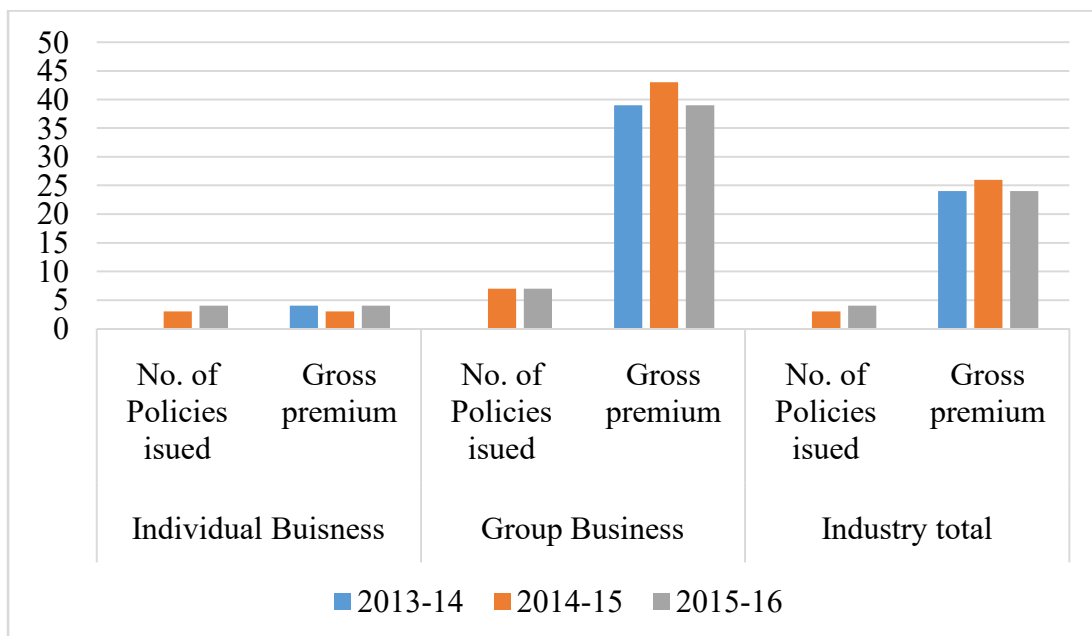
Figure 3.2

The trend is almost consistent in the brokers' contribution towards total individual insurance premium collected by all channels put together. Broking channel have witnessed a growing trend in case of number of policies of individual business sold from 3 percent in 2014-15 to 4 percent in 2015-16. This shows an increase of 1 percent. But the trend in the gross premium collection of individual business by broking channel towards the total life insurance premium collection was fluctuating since 2013. The number of policies of group life insurance business stood at 7 percent towards the total number of life insurance policies sold by all channels put together for the last two years staring from 2014-15 which shows a consistent performance of the broking channel. The trend of group life insurance business gross premium collection has been increasing in the first two years from 39 percent in 2013-14 to 43 percent in 2014-15. This growth didn't sustain and went down to 39 percent in 2015-16. The percentage of gross life insurance premium collected by the insurance brokers towards the total life insurance premium collection of both individual and group insurance business also increased from 24 percent recorded in 2013-14 to 26 percent in the year 2014-16. The trend has not been continued and went to 24 percent again in 2015-16.

3.1.3 Corporate Agents other than Banks

Corporate agents other than banks means business organization sell the insurance products of an insurance company. These business organizations do their business where there has potential scope of selling insurance products along with their main products. A travel agent is a business entity provides services. These entities may sell travel insurance along with their services. This is an example of corporate agents other may engage in selling their

Table 3.3

**Corporate Agents other than Bank's Contribution towards the Channel of
Distribution of Life Insurance**

Figures are in percentage

Year	Individual Business		Group Business		Industry total	
	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium
2013-14		8		1		4
2014-15	2	4	11	1	3	2
2015-16	3	5	11	1	3	2

Corporate agents other than banks have contributed 2 to 3 percent towards the total individual policies sold during 2014-15 and 2015-16 respectively. Gross premium of individual policies collected by this channel in 2013-14 has recorded at 8 percent. But the gross premium generated through this channel fell down to 4 percent in the financial year 2014-15 and 5 percent in 2015-16. The group insurance policies sold through this channel has recorded at 11 percent towards the total group insurance premium collected in 2014-15 and 2015-16. Even the percentage of policies stood at 11 percent in case of group insurance business, but the story is different in the gross premium collection made by this channel. The contribution of corporate agents excluding banks have contributed only 1 percent towards the total group insurance premium collected by the whole channel put together. The analysis of the contribution of corporate agents other than banks towards the insurance sales both individual and group business put together in terms of number of policies sold during 2014 15 and 2015-16 stood at 3 percent. The contribution towards the gross premium collection was at 4 percent in 2013-14 and went down to 2 percent in the next two years. The presence of corporate agents excluding banks among the channel of distribution of life insurance is visible, but the contribution is not that much significant while analyzing the contribution made by the other channels.
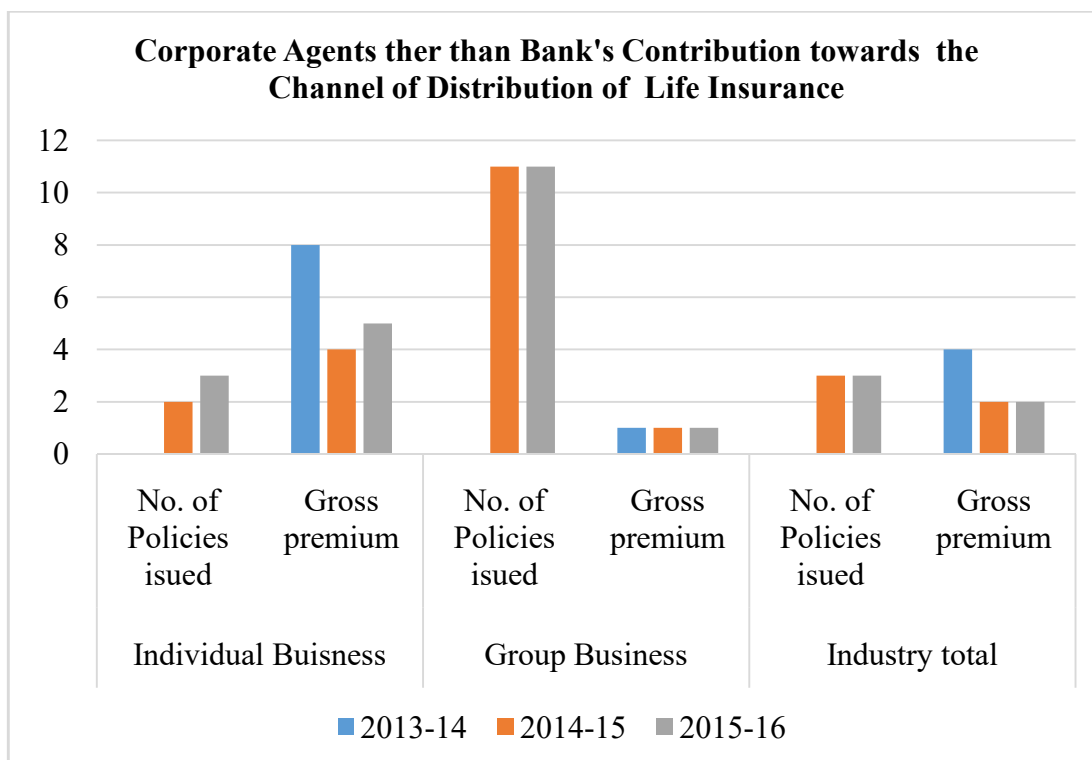
Figure 3.3

Corporate Agents other than bank's contribution towards channel of distribution of life insurance in case of group life insurance policies sold has been showing a consistent trend and marked at 11 percent for 2014-15 and 2015-16. The contribution of corporate agents other than banks towards the gross premium collection of group business stood at 1 percent for the last three years since 2013 which is also a constant contribution even the level of contribution is at a low level. There has been a very small increasing trend in contribution towards the number of life insurance policies sold through corporate agents other than banks from 2 percent in 2014-15 to 3 percent in 2015-16. The story is slightly different in case of gross premium collected by this channel in case of individual gross life insurance premium collection. In 2013-14 the level of contribution was at 8 percent and then declined to 4 percent in 2014-15. The contribution of this channel again increased to 5 percent in 2015-16 towards the gross life insurance premium collection of individual business. The channel's contribution towards life insurance industry in terms of the number of policies showed constancy at 3 percent for the last two years from 2014 to 2016. But the story is not same in case

of life insurance premium collection of this channel towards the life insurance business which was at 4 percent in 2013-14 then went down to 2 percent in 2014-15 and continued at the same level during 2015-16.

3.1.4 Direct Sales (Online)

According to ASSOCHAM, people who purchase through online in India are estimated to cross 10 crores by the end of 2017 and the retail through internet also likely to increase by 65 percent in 2018. The recent Jio mobile data revolution and digitalization may lead to having more growth in this channel.

Table 3.4

Direct Sales (Online) Contribution towards the Channel of Distribution of Life Insurance

Figures are in percentage

Year	Individual Business		Group Business		Industry total	
	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium
2013-14		2		0		1
2014-15	2	3	0	0	2	1
2015-16	2	2	2	2	2	2

Direct online sales contributed 2 percent towards total new life insurance policies sold for the two continuous financial years starting from 2014 to 2016. The channel y has contributed 1 percent towards the total individual and group life insurance premium together for 2013-14 and 2014-15. The next year that is in 20151-6 the contribution of direct sales online has been increased to 2% towards the life insurance policies sold in 2014-15 and the level of contribution sustained at the same level at 2 percent in 2015-

16.Performance of direct sales online as a channel of distribution doesn't contribute significantly towards the number of policies sold and the amount of premium collected.

Individual business has contributed only 2% towards total gross life insurance premium collected during 2013-14. The channel's contribution was at 3% in 2014-15. The channel has contributed 2% in 2015-16 towards the number of policies sold in the life insurance industry. The story is not different in the case of the contribution of new policies issued by the channel during 2014-15 period which was at 2%.The presence of direct sales online channel's group business sector was not visible during 2013-14 and 2014-15, but the channel started contributing towards the sales of new life insurance policies in 2015-16 which was recorded at 2 percent of business generated and 2% towards group business premium collected.
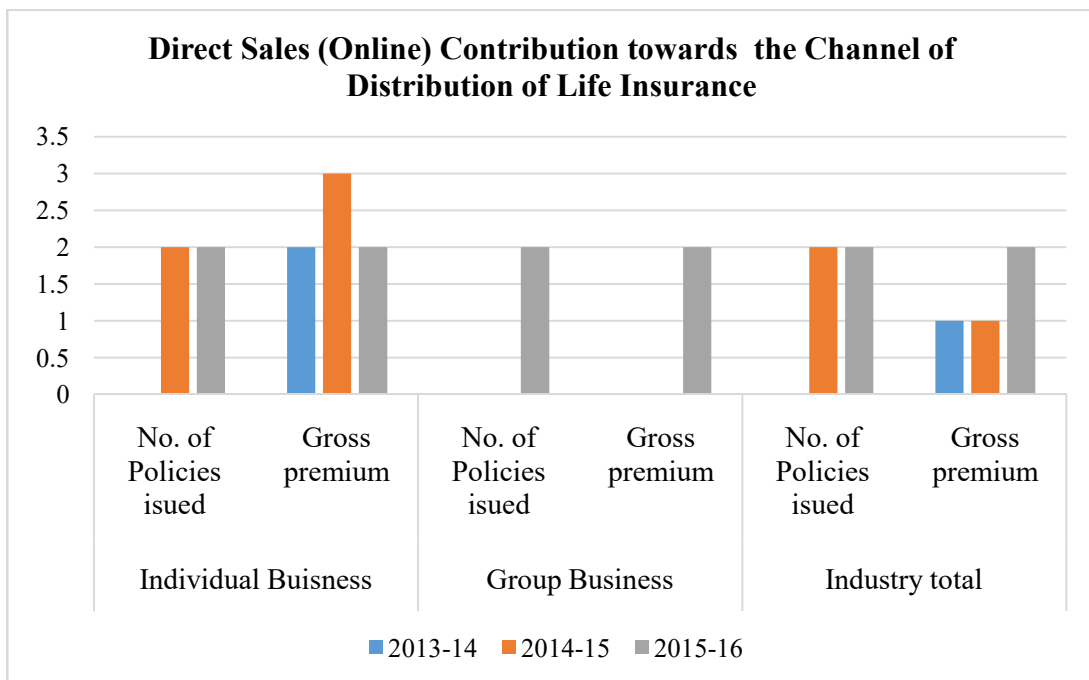
Figure 3.4

The trend of percentage of individual new life insurance policies sold for the recent two years 2014-15 and 2015-16 shows 2 percent. The channel was continuously contributing 2 percent. The percentage of new individual life insurance premium

collection towards the total individual life insurance premium for the year 2013-14 was at 2 percent and it was increased to 3 percentage in 2014-15.Again it went down to 2 percentage in 2015-16. The group business sales did not happen through online channel till 2014-15 and it gained a growth from zero to 2 percent in 2015-16. So the channel expected to gain further growth in future. The direct sales through online have contributed constantly at 2 percent towards the number of policies sold in the life insurance industry during 2014-15 and 2015-16 periods. The story is slightly different in the case of the contribution towards the group life insurance premium collection of this channel. In 2013-14, the contribution towards the total life insurance premium collected by both types of policies was only at 1 percent. Then it went up to 2 percent in 2014 15 and continued at the same level in 2015-16.

3.1.5 Individual Agents

Individual agents are the back born of the insurance industry. The contribution of individual agents' as a channel of distribution in the insurance industry is significant since inception. The individual agents' contribution is more visible in case of sales and premium collection of individual policies than group insurance business.

The number of individual policies sold by individual agents was at 69 percent for the year 2015-16 and 2015-16 periods. This is the highest level of contribution towards the number of individual policies sold while comparing the performance of other channels of distribution in the life insurance industry. The relevance of this channel is also visible in the case of new individual life insurance premium collection for the same period. It stood at 71 percent in 2013-14 and 70 percent for the rest of the years. The story is slightly different in the case of group life insurance business. The channel has contributed only 13 percent towards the new group insurance policies sold during 2013-14. But it was at 33 percent in 2015-16.

Table 3.5

Individual Agent's Contribution towards the Channel of Distribution of Life Insurance

Figures are in percentage

Year	Individual Business		Group Business		Industry total	
	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium
2013-14		71		10		36
2014-15	69	70	13	8	67	35
2015-16	69	70	33	6	68	33

The individual agents' contribution towards the total group life insurance premium collected by this channel at 10 percent in 2013 14and 8 percent in 2014-15. The individual agents' contribution in terms of the number of policies sold towards the life insurance industry was stood at 67 percent during 2014-15 and it went up to 68 percent during 2015-16 periods. Individual agents' have contributed 36 percent towards the total life insurance premium collection of the industry in the year 2013-15, 35 percent in 2014-15 and 33 percent in 2015-16.

The figure 3.5 explains about individual agents showed consistency in contributing towards the number of individual policies sold for two continuous years from 2014 to 2016. It was at 69 percent. Individual agents' presence in collecting group life insurance premium towards the total group life insurance premium collected was at 71 percent in 2013-14 and stood at 70 percent for the next two years
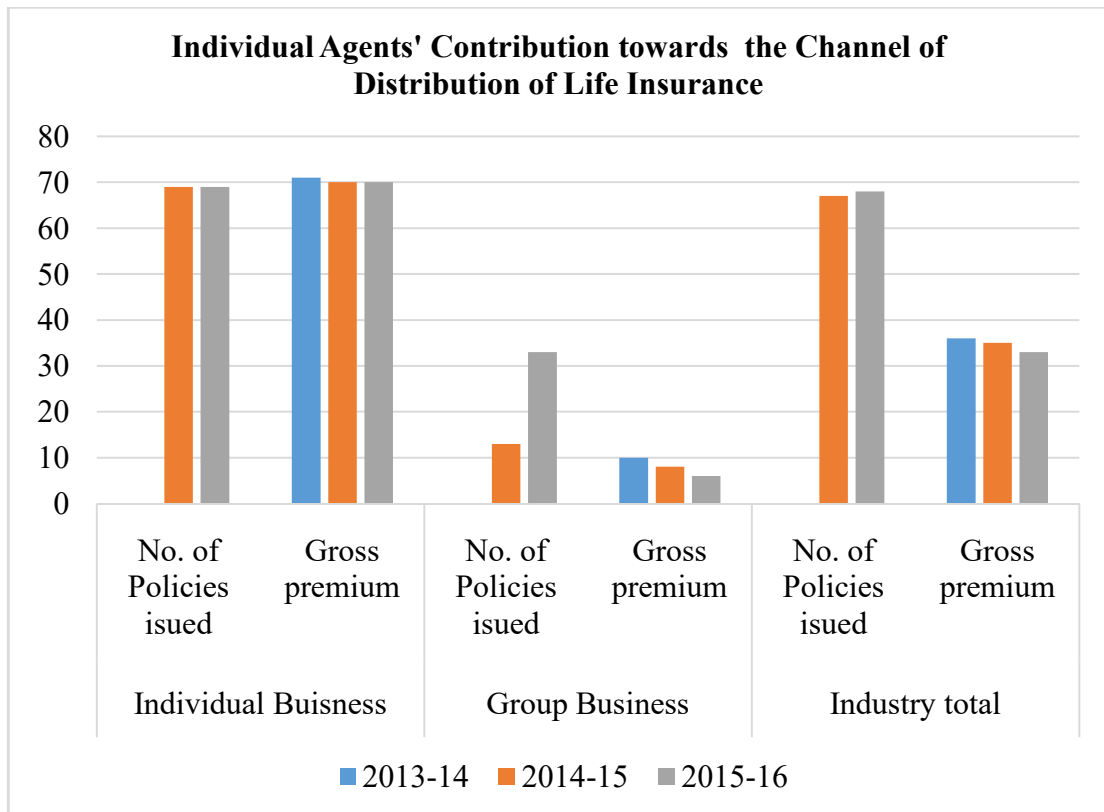
Figure 3.5

So the channel of individual agents' showed consistency in selling as well as in collecting the premium in recent past. There was a significant level of increase in 2015-16 compared with 2014-15 in terms of number group life insurance policies sold through this channel. But the percentage of group life insurance premium collection showed a decreasing trend. The channel has contributed only 10 percent towards the total gross group life insurance premium collected during 2013-14 and it went down to 8 percent in 2014-15. This decreasing trend has been continued in the following year also. It was recorded at 6 percent in 2015-16. The individual agents have been contributing significantly towards the individual business and it is visible from the table number 3.5. The channel has contributed 67 percent in 2014-15 and increased to 68 percent in 2015-16. The channel's contribution towards the number of policies sold witnessed a falling trend for the last three years. The contributions stood in a

range of 33 to 36 percent in the same period. The channels' contribution towards the total group life insurance premium was at 36 percent in 2013-14 and started decreasing from 36 percent to 35 percent in 2014-15. The trend continued and decreased by 2 percent dragged to the level of 33 percent during 2015-16.

3.1.6 Micro Insurance Agency

Insurance Regulatory and Development Authority of India (IRDAI) has formed a distinct type of insurance policies called micro-insurance policies to help insurance protection among economically helpless sections of people. These policies are normally specially designed policies by the government to protect the underprivileged category.

Table 3.6

Micro Insurance Agents' Contribution towards the Channel of Distribution of Life Insurance

Figures are in percentage

Year	Individual Business		Group Business		Industry total	
	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium
2014-15	0.005	0	0	0.008	0.013	0.004
2015-16	0.02	0	0.04	0	0.02	0

The presence of micro insurance agency in the field of life insurance business has been visible since 2014-15.The contribution of micro insurance is very minimal compared with other distribution channels of life insurance. Micro insurance has been contributed 0.005 percent towards the total number of life insurance policies sold

during 2014-15. The channel's contribution has improved and recorded 0.02% towards the total number of policies issued during 2015-16.The contribution of micro insurance agency towards the new group business stood at 0.04 percent in 2015-16.Micro insurance agency's contribution towards the life insurance business was at 0.013 percent towards the total number of policies sold including both individual and group business in 2014-15. The sales generated through this channel were recorded at 0.02% in 2015-16 Micro insurance agent is one of the distribution channels which was originated very recently.

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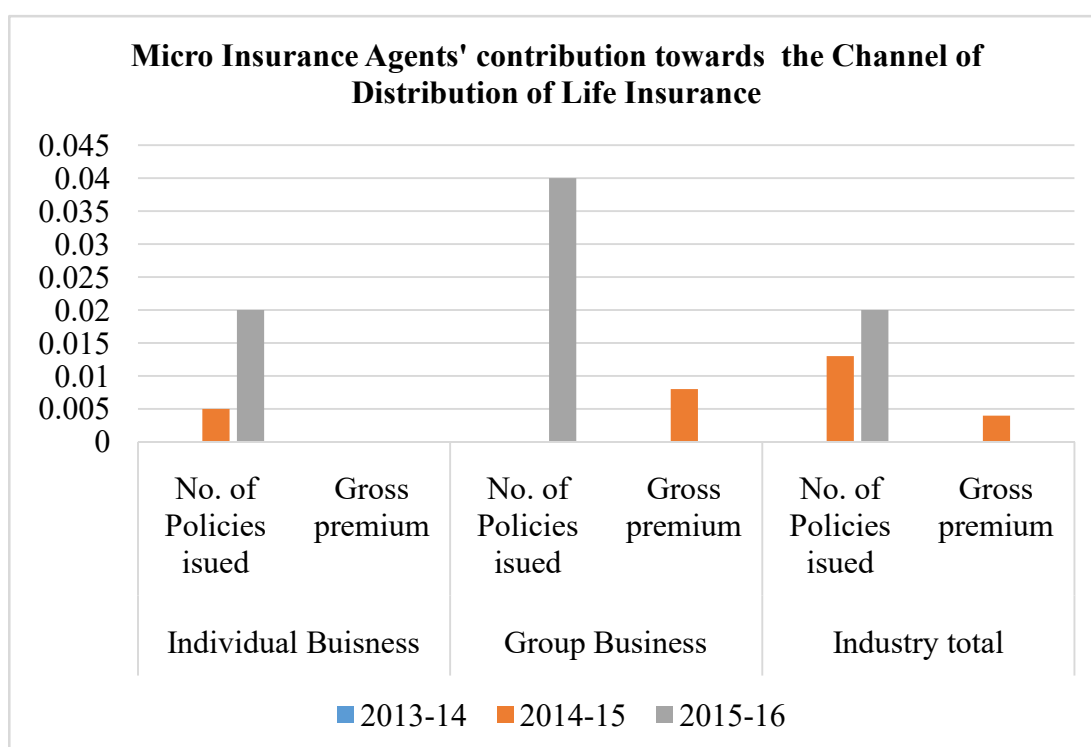
Figure 3.6

The micro insurance agents' contribution towards the channel of distribution of life insurance business was very low since its inceptions, but the channel's contribution has been increasing continuously. The channel has contributed 0.005% during 2014-15 and the contribution went up to 0.02 percent in the year 2015-16. The total numbers of policies by micro agencies towards the total numbers of life insurance policies issued were at 0.013% during 2014-15 and then improved to 0.02percent in

2015-16. There is a 300 percent increase in the number of individual policies sold in 2015-16 as compared with the level contribution in 2015-16. The micro insurance agents have to prove their presence in the premium collection towards the premium collection of individual policies.

3.1.7 Web Aggregators

Companies registered under "Companies Act" and recognized by IRDAI are known as Web aggregators. They will display all the information about the insurance products provided by various companies on their website. At present 18 web aggregators have registered in India.

Table 3.7

Web Aggregators' Contribution towards the Channel of Distribution of Life Insurance

Figures are in percentage

Year	Individual Business		Group Business		Industry total	
	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium	No. of Policies issued	Gross premium
2015-16	0.21	0.23	0	0	0.2	0.1

Web aggregators are a newly emerged distribution channel in the field of insurance. The channel started functioning only by 2015. The channel has been contributing 0.21 percent towards the total number of individual life insurance policies sold during 2015-16 and 0.23 percent towards total individual gross life insurance premium collection of the same period. Out of the total number of life insurance issued during 2015-16, web aggregators have contributed 0.2 percent. The contribution towards total gross life insurance premium stood at 0.1 percent.
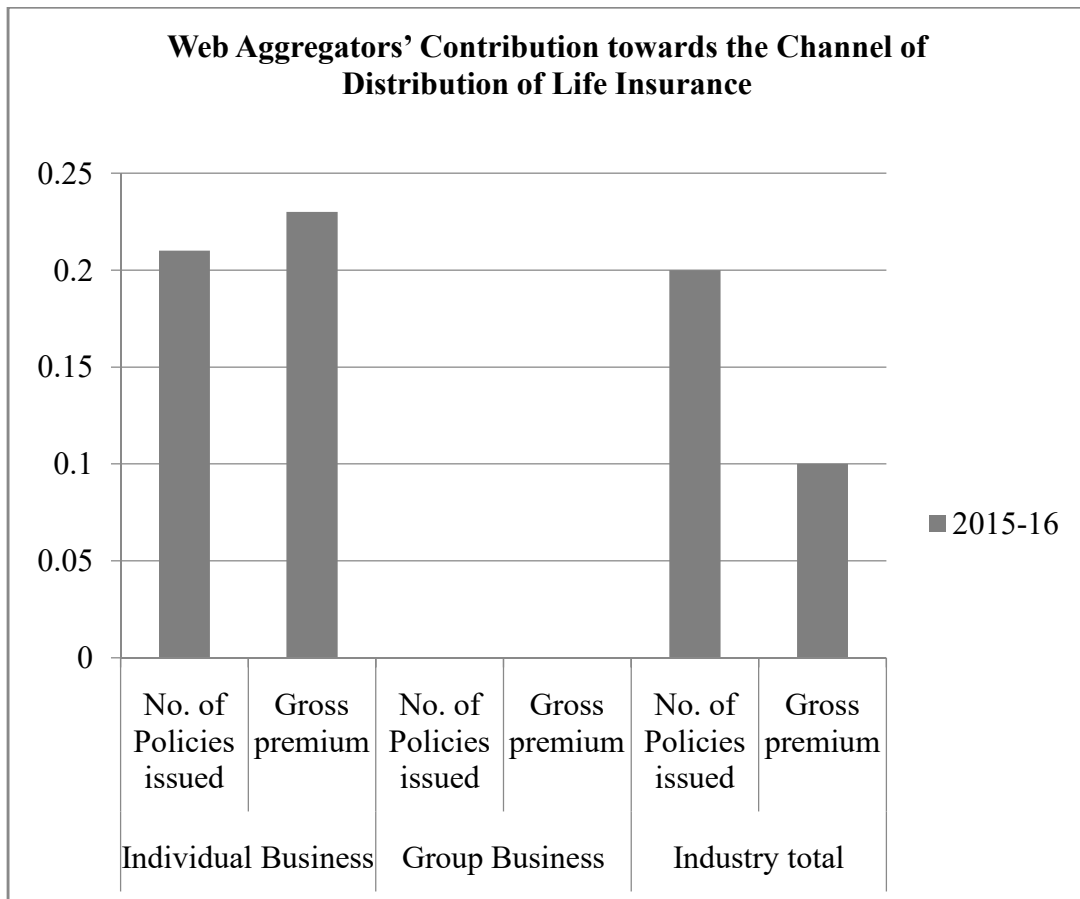
Figure 3.7

The trend of web aggregators in selling insurance can't be identified due to lack of presence of this channel in early days. But the channel's scope in future might be bright due to digitalization and internet penetration in India. According to information from live mint, India had projected 45 crore internet users by June 2017. The report finds that the whole internet penetration in India is about 31percentage currently. It may go up further. The internet penetration and digitalization will definitely pave the way for web aggregators.

3.2 Individual and Group Insurance Business.

There are two types of insurance in life insurance based on the insurance products sold by insurance companies are known as individual business and group business.

The products sold to individuals are known as individual policies. If the life of a group of people is insured then those policies are known as group policies

3.2.1 Individual Agents' Performance

The below table 3.8 shows the performance of individual agents in collecting the life insurance premium of LIC, private companies and to the industry as whole. An analysis is done separately for individual business and group business.

Table 3.8

Individual and Group Business Performance of Life Insurers- Individual Agents

(Figures in percentage of premium)

Year	Private individual	LIC individual	Industry	Group Private	Group LIC	Industry
2007-08	59.81	98.36	83.75	0.48	10.11	7.68
2008-09	54.94	97.34	79.57	0.32	12.11	8.96
2009-10	50.67	97.75	79.61	0.75	7.44	5.81
2010-11	46.89	97.45	78.95	0.96	6.84	5.63
2011-12	44.05	96.56	78.69	4.26	4.38	4.36
2012-13	39.68	95.86	77.53	4.08	3.12	3.34
2013-14	40.08	95.99	78.4	1.23	1.87	1.76
2014-15	35.73	95.97	71.42	4.52	2.47	2.9
2015-16	31.9	96.50	68.27	0.77	1.91	1.69

Individual agency is one of the dominant and popular channels of distribution in the insurance industry. The above table shows a comparison of the performance of individual agents among private players and LIC. The individual agency has contributed in the range of 31.9 percent to 59.81 percent towards the total private individual life insurance premium collection in the last 9 years. Individual agents have contributed 59.81 percent of life insurance premium towards total private individual life insurance premium collected during 2007-08. The life insurance premium

collected by private companies in terms of the premium for private individual policies stood at 31.9 percent in 2015-16.Individual agents are more dominant in LIC than private companies. Individual agents' contribution towards total life insurance premium collected by LIC for the last 9 years falls between 95.86 percent 2012-13 to 98.36 percent in 2007-08. Individual agents' contribution in case of LIC is always above 95 percent in terms of premium collection against total life insurance premium collection of LIC. The contribution of individual Agents towards total individual policies combined by both private players and LIC has been recorded in between 68.27 percent 2015-16 to 83.75 percent in 2007-08.The story is different in case of group life insurance business. The contribution of individual agent's towards the group insurance business lies in between 0.32 percent to 4.52 percent in the last 9 years. The story is almost same in case of the contribution of individual agents towards LIC's life insurance premium collection of group business. It was recorded in between 1.87 percent in 2013-14 to 12.11 percent in 2008-09. The analysis helps to understand the level of contribution of individual agents as a channel of distribution in the life insurance industry. It is evident that the individual agents have been contributing significantly towards the life insurance premium collection of individual life insurance business of both LIC and private players. The contribution towards group life insurance business is low compared with the individual business of both LIC and private players put together. The individual agent' contribution towards the group life insurance industry in terms of premium collection stood in the range of 8.96 percent in 2008-19 and 1.79 percent in 2013-14. It was at 1.69 percent in 2015-16.

The figure 3.8 shows Individual agents Contribution towards the total Private individual life insurance premium was at 59.81% in 2007-08 and decreased to 54.94% in 2008-09. The decreasing trend has been continued and reached the level of 50.67% in 2009-10. Again the contribution has been decreased to 46.89% in 2010-11. In the next few years also the trend has been continued and decreased to 39.68% in 2012-13. There is a slight increase of 0.32%and reached to the level of 40.08% during 2013-14 and the growth trend did not sustain. During 2014-15 the contribution declined to

35.73 % and again it went down to 31.9 % in 2015-16. The trend is almost similar in case of LIC but at a lower rate. Individual agents have contributed to 98.36% during 2007-08 and continuously decreasing till 2012-13 and reached the level of 95.86%. There is a slight increase of 0.19 percent in 2013-14 and reached the level at 95.99% but decreases to 95.97% in 2014-15. Individual agents have contributed 96.5% towards the total individual life insurance premium collected by LIC.
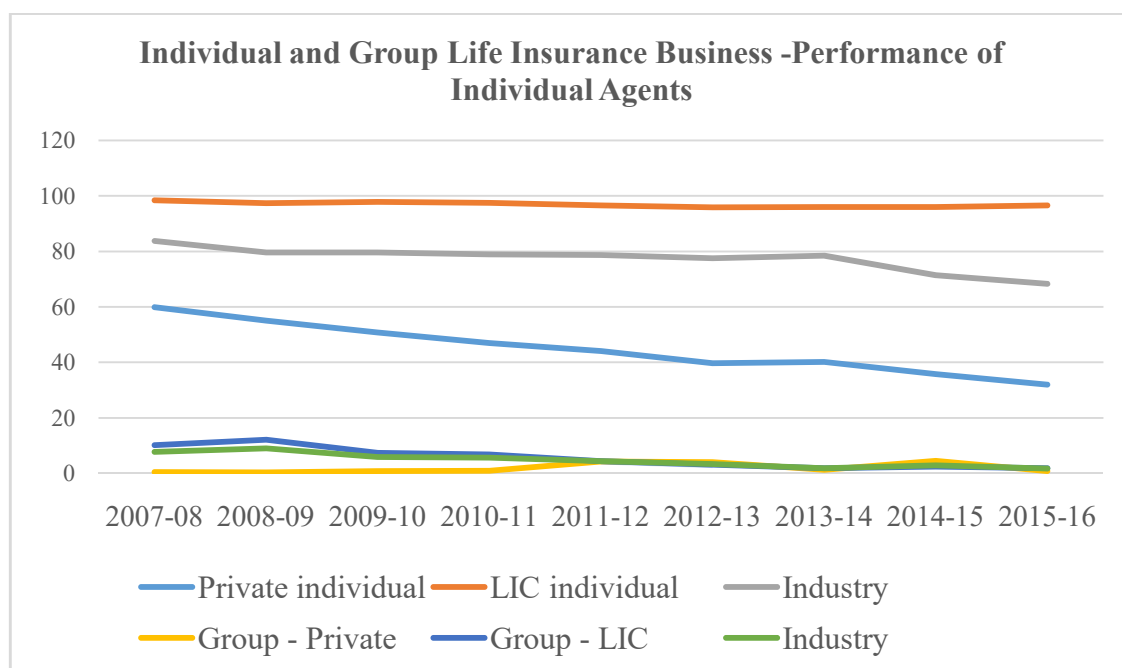
Figure 3.8

The percentage of the premium for individual policies collected by LIC and private players has been recorded in between 8.375% during 2007-08 to 68.27% in 2015-16. This shows a continuous decrease in trend for the last 7 years. The trend of group life insurance premium collection of private players has been increased from 0.48% in 2007-08 to 4.08% in 2012-13. It has declined to 1.23% in 2014-15 and then channels contribution in terms of life insurance premium collection went up to 4.52% in 2014-15. But the channel's contribution did not sustain and fell down to 0.77% in 2015-16. The LIC's premium collection contributed by individual agent's shows at 10.11% during 2007-08 and increased to 12.11% in 2008-09. From 2009-10 onward the percentage of group life insurance premium collected by individual agents of LIC

falls continuously and reached a level of 1.91% in 2015-16. The story is not different in case of individual agents' contribution towards total group life insurance premium collected by private life insurance companies and LIC put together. During 2007-08, individual agents have contributed about 7.68% and again increased to 8.96% during 2008-09. From 8.96% it has been decreasing continuously till 2013-14 to 1.76%. In 2014-15 the premium collected by individual agents showed an increasing trend and which was recorded at 2.91% and again it has decreased to 1.69% in 2015-16.

3.2.2 Performance of Bancassurance

The performance of bancassurance channel towards the life insurance premium collection of both private and LIC's is analyzed in the table 3.9. The same table also shows the comparison of the channels contribution towards the individual business and group business separately.

Corporate agents (banks) popularly known as Bancassurance which is an emerging channel of distribution of insurance products on the assumption that the bank becomes financial supermarket capable of dealing with all financial related services for the customers. Pani Lalat K, "Bancassurance refers to the selling of insurance policies through banks. Banks earn revenue through this sale". Bancassurance is a very important channel of distribution of private individual insurance business. In early stages, the channel's contribution was less compared with other channels. But later the channel started contributing significantly towards new private life insurance premium collection.

Table 3.9

Individual and Group Business Performance - Bancassurance

(Figures in percentage of premium)

Year	Private individual	LIC individual	Industry	Group Private	Group LIC	Industry
2007-08	18.89	1.30	7.97	12.36	0.44	3.46
2008-09	20.78	1.70	9.69	9.19	1.13	3.28
2009-10	24.88	1.64	10.60	8.67	0.06	2.15
2010-11	33.21	1.81	13.30	11.51	0.88	3.08
2011-12	39.01	2.57	14.96	29.65	0.36	6.35
2012-13	43.08	3.16	16.18	19.88	0.02	4.63
2013-14	43.62	2.77	15.62	17.22	0.05	3.05
2014-15	47.37	2.6	20.84	10.36	0.03	2.22
2015-16	51.70	2.18	23.82	8.79	0	1.69

During 2007-08 the contribution of banks in collecting the premium of private individual life insurance business was at 18.89 percent whereas only 1.3 percent in case of LIC in the same period. The channels' contribution is very much visible towards the industry premium collection on behalf of individual policies. The percentage of premium on total premium collection by LIC and private players put together has been recorded in between 7.97 percent to 23.82. The major share has been contributed by private players. While looking into the group life insurance business, the picture is different from individual policies. Banks have contributed towards the total private group life insurance premium has been recorded in between 8.67 percent to the maximum of 29.65 percent during 2011-12. The bank's contribution towards the total group life insurance premium of LIC lies in the range of 0.02 percent to the maximum of 0.88 percent in 2010-11. The bank's contribution

towards the total group life insurance premium has been recorded in between 1.96 percent to 6.35 percent in 2011-12.
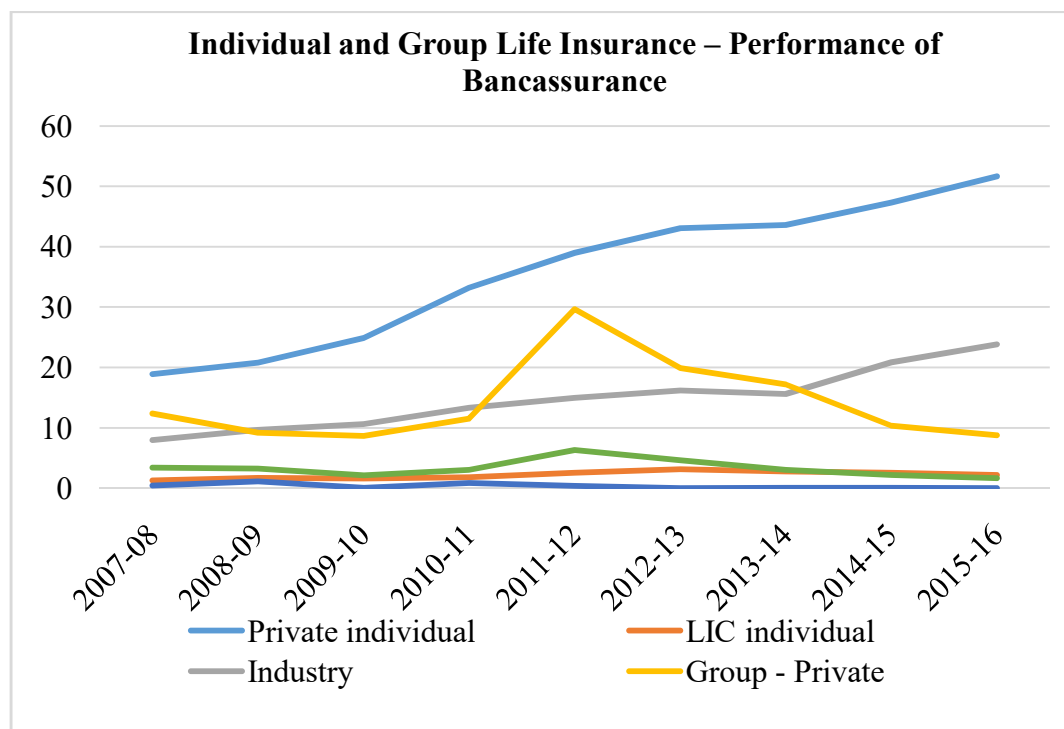
Figure 3.9

The acceptance of bancassurance was first visible in private sector in collecting premium from policyholders which were sold through banks. During 2007-08 it was at 18.89 percent in case of private life insurance premium and started increasing year on year significantly. The increasing trend has been continued from 2007 to 2016 without any break. In 2015-16 the channel's contribution has been increased to 51.7 percent which shows the level of growth happened to bancassurance especially in dealing with individual policies. The trend is almost similar in case of LIC, but the quantum of growth was not in the same magnitude compared with private individual companies' performance. From 2007 onwards the channel's contribution in terms of totals private life insurance premium collected by LIC has been increasing continuously till the end of the year 2013. During 2014, it came down to 2.77 percent and again decreased to 2.6 percent in 2015. The declining trend continued and reached a level of 2.18 percent in 2015-16. The contribution of banks to the industry

in case of premium collection of individual life insurance policy also increasing continuously from 2007 at 7.97 percent to 23.82 in 2016 without any break.

Bank channel witnessed volatility in the level of group life insurance premium generated during the last 7 years starting from 2008. First, three financial years starting from 2008 to the end 2010, the level of contribution of banks in terms of premium collection was decreasing. In the next two years, i.e from 2011 and 2012 ending, again it stated increasing and recorded the highest level of contribution in case of private group life insurance premium collected by banking channel during 2012. The contribution level has been declining in case of private players also since 2013. The story is worst in case of LIC. The channel's contribution in terms of premium collection from group business was very minimal for the entire study periods except during 2011-12. The banks' contribution as a channel of distribution in the life insurance industry towards the total group life insurance premium collection by private and LIC put together also decreasing year on year basis. The bancassurance channel's contribution is commendable in case of the premium collection of individual private life insurance policies.

Private individual policies sold through bancassurance increasing at very rapid phase and the channel expected to grow further in near future. At the same time group business sold through the bancassurance channel showing a decreasing trend.

3.2.3 Corporate Agents other than Banks' Performance

The contribution of corporate agents other than banks as a channel of distribution in individual private life insurance field was significant in the early stages. During 2007-08, the channel has contributed 11.3%. The contribution of this channel towards total private individual life insurance premium came down to 3% in 2015-16. In case of LIC, the same channel has contributed only 0.29% during 2007-08, and it came down to 0.14% in 2015-16 towards total individual life insurance premium collected

Table 3.10

Individual And Group Business Performance - Corporate Agents Except Banks

(Figures in percentage of premium)

Year	Private individual	LIC individual	Industry	Group - Private	Group - LIC	Industry
2007-08	11.03	0.29	4.36	0.65	0.16	0.29
2008-09	10.92	0.49	4.86	0.83	0.72	0.75
2009-10	10.28	0.52	4.28	4.96	0.31	1.44
2010-11	8.7	0.59	3.56	2.91	0.18	0.74
2011-12	7.52	0.22	2.7	5.61	0.02	1.17
2012-13	6.04	0.15	2.07	3.45	0.01	0.81
2013-14	4	0.1	1.33	4.26	0	0.74
2014-15	3.35	0.12	1.44	5.1	0	1.08
2015-16	3	0.14	1.39	4.74	0.07	0.96

The channels contribution towards total private life insurances premium collected by both private companies & LIC but together stood at 4.36% in 2007-08. The private life insurances premium generated by corporate agents other than banks was in between 4.36% to 1.39% in the last 9 years. Group life insurances premium collected by all private life insurances company through corporate agents other than banks stood in between 0.65% to 5.61% in the last 9 years. The channels contribution recorded at highest during 2011-12 at 5.61% towards total group life insurances premium collected by private companies. The lowest was recorded during 2007-2008 at 0.65%. The channels contribution towards total group life insurance premium collected by all private companies was at 4.74% during 2015-16. The contribution of corporate agents other than banks in case of LIC's group insurances premium collection was very low in the recent past. It was always below less than 1%. Channels' Contribution towards group life insurance premium collection by private

insurance companies and LIC put together recorded in between 0.29% during 2007-2008 to 1.44% in 2009-2010.
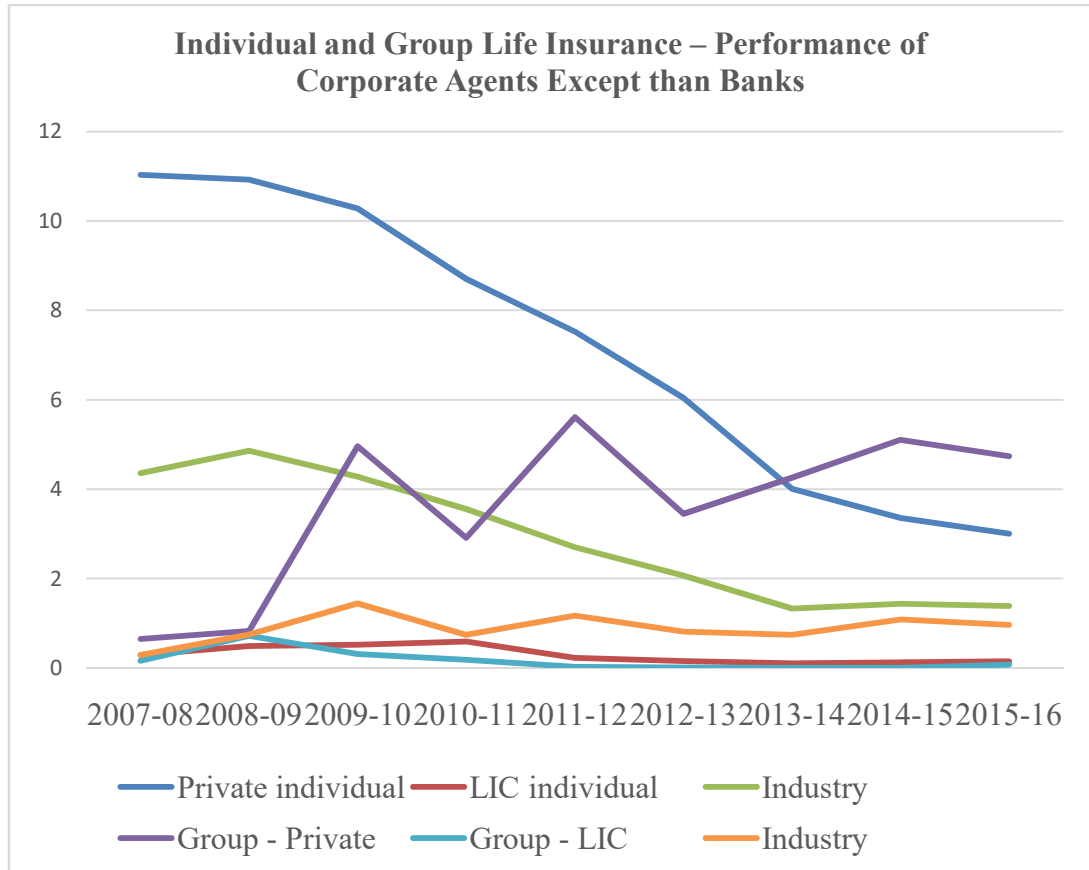
Figure 3.10

Private individual life insurance premium collected through corporate agents other than banks has been decreasing continuously in the past 9 years since 2007-08. Corporate agents other than banks have contributed 11.03% in 2007-08 towards the collection of total private individual life insurance premium and the contribution of this channel has been showing a decreasing trend continuously. The contribution has reached at 3% in 2015-16. This shows a losing momentum of corporate agents other than banks as a channel of distribution in individual life insurance business. The trend is same in case of LIC also. The contribution of corporate agents other than banks has recorded at 0.29 percent 2007-08 and has been increasing till 2010-11 which was

reached at 0.59%. The channels contribution towards total individual life insurance premium collected by LIC has been declining till 2015-16 since 2010-11 and reached the level of 0.14%. The channels decreasing trend like private individual life insurance premium collection is reflected in individual life insurance premium collection by both LIC and private companies put together. The declining trend has been consistently continuing from 2007-08 to 2015-16 at 4.36% to 1.39% respectively. Corporate agents other than banks have contributed differently towards total group life insurance premium collected by private companies. There was an uptrend in the initial period 0.65% during 2007-08 to 4.96% in 2009-10.

The contribution went down 2.91% during 2010-11 and then went up to 5.61% in 2011-12. Again the trend started decreasing in 2012-13 and reached at 3.45% in 2012-13. Then the trend started increasing & reached at 5.1% in 2014-15. There was a nominal decrease in 2015-16 & reached the level of 4.74% towards total group life insurance premium collected by private companies. The channel doesn't show a substantial level of participation towards total group life insurance premium collected by LIC. The corporate agents other than banks contribution towards group life insurances premium collection by LCI & Private players put together has been increasing in the first 3 years from 2007-08 at 0.29% to 1.44% in 2009-08. Then it came down to 0.04% in 2010-11 & increased to 1.17% in 2011-12. The trend again declines in the & next 2 years. During 2015-16 it was reached to the level of 0.96%.

3.2.4 Brokers' Performance

Brokers' contribution towards private individual life insurance premium collection has recorded in between 1.5% to 5.07% in the last 9 years starting from 2007 to 2016. The lowest contribution through brokers was at 1.5% in 2007-08 and highest was in 2011-12.The Brokers doesn't contribute significantly towards LIC's individual life insurance premium. The records show that the broker has contributed less than 0.50% throughout last 9 years. The total private life insurance premium collected through broking channel including private players and LIC put together has been recorded in between 0.6% to 1.84% in the last 9 years starting from 2007 to 2015. Brokers'

contribution towards group life insurance premium of private players has recorded in between 1.75% to 3.4%.

Table 3.11

Individual and Group Business Performance - Brokers

(Figures in percentage of premium)

Individual and group business performance of life insurers- Brokers						
Year	Private individual	LIC individual	Industry	Group - Private	Group - LIC	Industry
2007-08	1.5	0.05	0.6	2.59	0.06	0.7
2008-09	2	0.47	1.11	1.75	0.02	0.48
2009-10	3.44	0.09	1.38	1.88	1.05	1.25
2010-11	4.77	0.04	1.77	2.36	0.01	0.49
2011-12	5.07	0.04	1.75	2.99	0.07	0.66
2012-13	5.05	0.02	1.66	2.38	0.02	0.02
2013-14	4.91	0.02	1.56	2.91	0.04	0.54
2014-15	4.49	0.02	1.84	3.4	0.03	0.75
2015-16	3.64	0.02	1.6	3.17	0.02	0.63

The visibility of Brokers as a distribution channel of group life insurance premium collection of LIC was very low and which was always reported less than 0.07% except during 2009-10 which was at 1.05 %. The total group life insurance premium

collection of LIC and private players put together through brokers was in the range of 0.02% to 1.25% in the last 9 years since 2007-08.

Figure 3.11 shows the contribution of brokers as a channel of distribution of private life insurance business has been growing since 2007 to 2012 continuously and reached the level of 5.07% from 1.5%. The contribution level has sustained in 2012-13 at 5.05% but, from 2013-14 onwards, the contribution of brokers as a channel of distribution in the life insurance business had been declining and reached to the level of 3.64% in 2015-16.
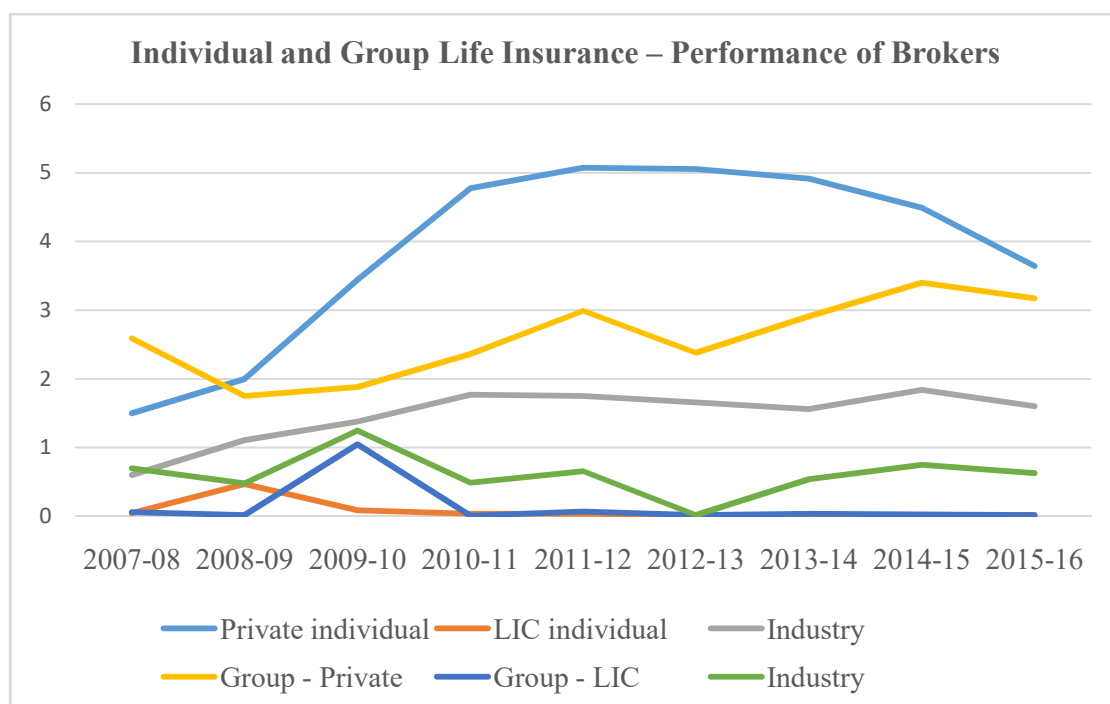
Figure 3.11

Brokers didn't play a vital role in case of LIC's individual life insurance premium collection which was always recorded below 0.5%. The total individual life insurance premium collected by both private as well as LIC put together has been growing continuously from 0.6% in 2007-08 to 1.6% in 2015-16. The increasing trend had been continued from 2007-08 to 2010-11. Then there was a small decreasing trend in 2011-12 and continued till 2013-14. The group life insurance premium collection of private players though brokers have been increasing continuously from 2008-09

which was at 1.75% to 2.99%in 2011-12. Then there was a small declining trend in 2012-13. Again it started increasing till 2015-16 to the level of 3.17%. The channel's contribution towards group life insurance premium of LIC was very low and showed a decreeing trend in the recent past. Group life insurance premium collection of LIC and private players put together through brokers has been showing a fluctuating trend from 2007 to 2009.The channels contribution has increased in 2009-10 to 1.25% and again declined to 0.49% in 2010-11. The channels' fluctuating trend has been continued till 2015-16.

3.2.5 Performance of Direct Selling Channel

Table 3.12 explains the direct selling which is one of the dominant sales channels of group life insurance business of both private as well as LIC. The group life insurance premium of the private insurance company through direct selling has recorded in the range between 57.49% in 2011-12 to 91.19% in 2009-10. The channel's contribution is significant towards the total life insurance premium collected by private companies. The story is same in case of LIC also. The channel has been contributing in the range between 86.02 % in 2008-09 to 98% in 2015-16. The group life insurance premium collected through direct selling stood in the range between 86.53% in2008-09to 95.03% in 2015-16.This data concludes that direct selling is one of the dominant channels in life insurance business. The channels contribution towards private individual life insurance premium collection has recorded in between 4.35% to 11.37%. The highest was in 2008-09 and the lowest was in 2011-12. Direct selling has contributed 8.65% in 2015-16.The premium collection through direct selling in case of LIC was very low and started contributing towards the business since 2010-11, which was at 0.11%. Direct selling has contributed 1.03% during 2015-16 towards total individual life insurance premium collected by LIC.

Table 3.12

Individual and Group Life Insurance Business - Direct Selling

(Figures in percentage of premium)

Year	Private individual	LIC individual	Industry	Group Private	Group LIC	Industry
2007-08	8.78	0	3.33	83.92	89.22	87.88
2008-09	11.37	0	4.76	87.91	86.02	86.53
2009-10	10.73	0	4.13	91.15	89.34	*
2010-11	6.43	0.11	2.42	82.26	92.09	90.06
2011-12	4.35	0.61	1.9	57.49	95.17	87.46
2012-13	6.14	0.82	2.55	70.21	96.84	90.66
2013-14	7.39	1.12	3.09	74.38	98.04	93.91
2014-15	9.06	1.24	4.42	76.6	97.47	93.05
2015-16	8.65	1.03	4.36	82.56	98	95.03

*Not available

This shows that direct selling is most popular among private players in case of life insurance premium collection of individual policies. The channels contribution towards total individual life insurance premium by both LIC and private companies put together has been recorded in the range of 1.9% to 4.76%.During 2015-16; the direct selling has contributed 4.36% towards individual life insurance premium of life insurance industry. Direct selling is more visible in group insurance business than individual insurance business. The channels contribution in group life insurance business is more dominant in LIC than private companies. Direct selling has been continuously increasing from86.02% in 2008-09 to 98% in 2015-16. The channel's contribution towards the total group life insurance premium of private companies has been showing a fluctuating trend. The channels' contribution has been increasing

from 83.92% in 2007-08 to 91.15% in 2009-10. Then it started decreasing in the next 2years till 2011-12to 57.49%. The contribution of direct selling towards group private life insurance premium has been increasing from 70.21% in 2012-13 to 82.56% in 2015-16.

Figure 3.12 shows the group life insurance industry witnessed a fluctuating trend in terms of contribution towards total group life insurance premium through direct selling. Since 2008-09 onwards the channels' contribution has been increasing from 86.53% to 90.06% in 2010-11. The level of contribution in terms of life insurance premium collection through direct selling has declined to 87.46% in 2011-12 and started increasing from 87.46% to 95.03% in 2015-16. The contribution of direct selling towards total private individual life insurance premium collection has been showing a fluctuating trend in the last 9 years since 2007-08. The level of contribution was at 8.78% in 2007-08 and increased to 11.37% in 2008-09.
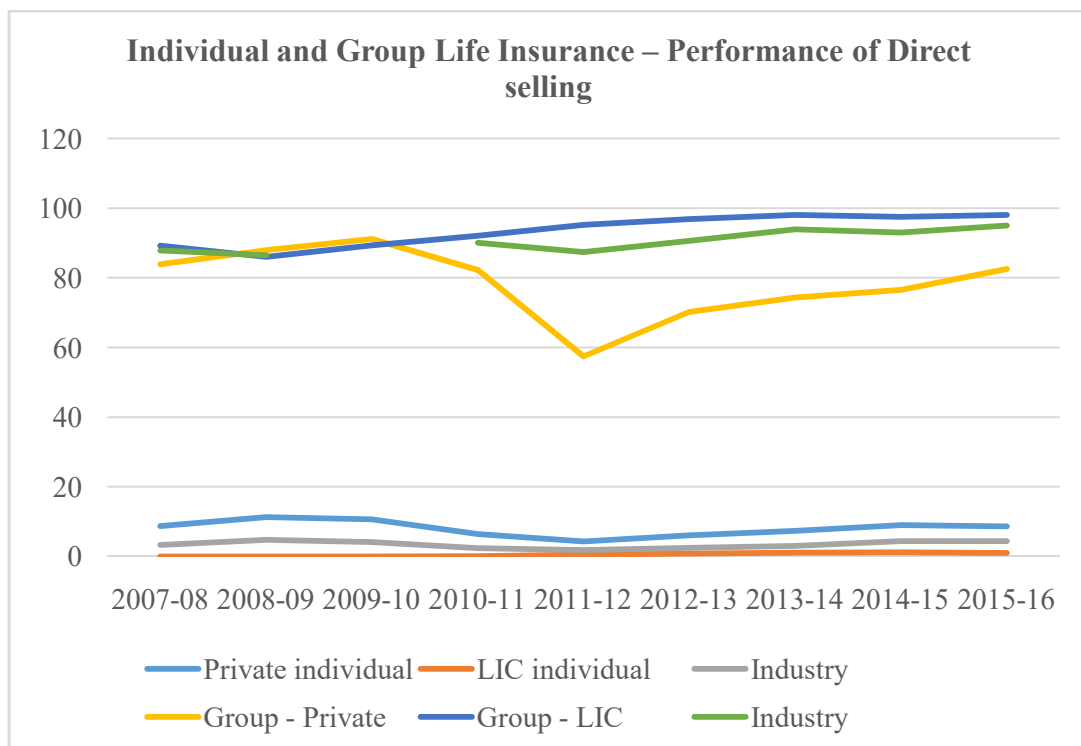
Figure 3.12

Then private individual life insurance company witnessed a declining trend in the next 2 years and reached the level of 4.35%in 2011-12. It has been increasing till 2014-15 from 2012-13 and reached to a level of 9.06% in 2014-15. The increasing trend did not sustain and decreased to 8.65% in 2015-16. The presence of direct selling as a channel of distribution in case of LIC was not visible in early stages. The channel started contributing from 2009-10 onwards which was recorded at 0.11% and then it started increasing continuously. The contribution towards life insurance premium collection of LIC's individual life insurance business reached at 1.24% in 2014-15. There is a slight decrease in 2015-16 and reached to a level of 1.03%. The direct selling as a channel of distribution in individual life insurance business has been showing an increasing trend in first 2 years from 2007 to 2009. The contribution was at 3.33% and 4.76% respectively. Then it started decreasing in the next 3 years and reached the level of 1.9% in 2011-12. Then in 2012-13 onwards it has been increasing continuously and reached to the level of 4.36% in 2015-16.

3.3 Performance Based on New Business Premium

New business premium is one of the criteria to evaluate the growth of insurance industry. Every year insurance company will collect premium from the existing customers. This is called the renewal premium. But the new business premium means the amount of premium collected by the insurance company from the new business sold. The growth of the industry is more visible by analyzing the new business premium. Here an analysis has been done on new business premium collected by each distribution channel in the life insurance industry of private companies and LIC separately. First of all the traditional channel of life insurance business the individual agents have been analyzed.

3.3.1 Performance of Individual Agents

Insurance agents have contributed towards new business premium at 53.46% in 2007-08. In the same period, agents have contributed towards new business premium of LIC was at 82.68%. Agents have contributed 72.17% towards new business premium collected by both private and LIC put together. Agents as a life insurance distribution

channel contributed in the range of 20.13% to 53.46% towards total new business premium collected by private companies since 2007. Agents have contributed towards LIC's new business premium lies in between 33.68% to 82.68% in the last 9 years since 2007.

Table 3.13

New Business Premium of Individual and Group- Individual Agents

(Figures in percentage of premium)

Year	Private	LIC	Industry
2007-08	53.46	82.68	72.17
2008-09	47.44	76.9	65.45
2009-10	41.85	71.14	60.91
2010-11	36.48	61.79	53.9
2011-12	31.59	52.55	46.64
2012-13	27.59	53.96	46.4
2013-14	26.48	45.25	40.64
2014-15	24.75	41.64	36.44
2015-16	20.13	33.68	29.68

The channel contribution towards new business premium to the industry has been recorded in the range between 29.68%in 2015-16 to 72.17% in 2007-08. Table 3.13

shows the strength of the individual agents in collecting new business premium of LIC. It stood very high level during initial days. Later the level contribution towards the LIC's new business premium came down 33.68 percent. The same is visible in case of private players also. The contribution of individual agents towards the new business premium of group business and individual business put together recorded at 72.17 percent in 2007-08 and then it reached the level at 29.68 percent in 2015-16. Insurance agents are the popular channel distribution of insurance industry. This channel is dominant in life insurance industry from the beginning stage of the life insurance business in India.
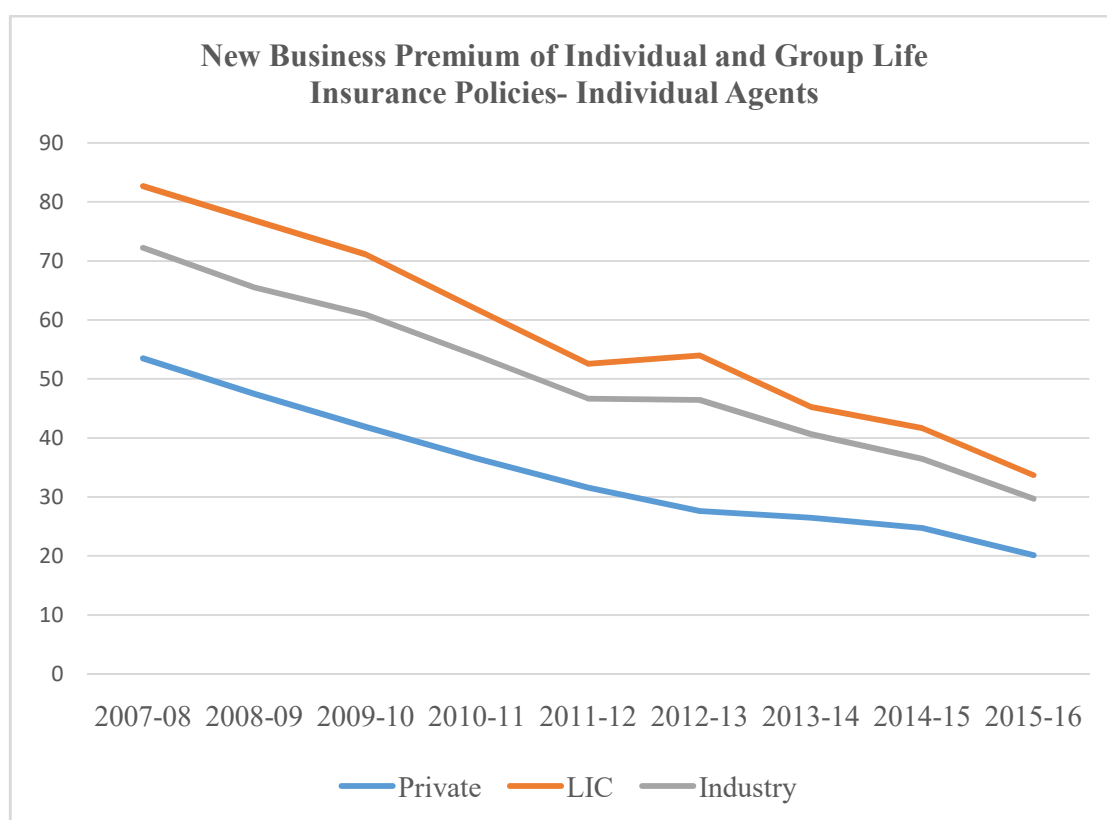
Figure 3.13

Figure 3.13 shows that it has been decreasing since 2007. From the data, it is clear that the insurance agent's contribution towards private life insurance new business premium has been continuously decreasing from 53.46% in 2007-08 to 20.13% in 2015-16. The declining trend was visible in last 9 years without any break. The trend

is same in case of LIC also. Agent's contribution towards new business premium collation of LIC has been continuously falling from 82.68% in 2007-08 to 33.68%. The declining trend of agency channel is visible in private and public life insurance rector. Therefore the trend is reflected in life insurance industry also. Agent's contribution towards industries new business life insurance premium stood at 72.17% in 2007-08 and decline to 29.68% in 2015-16. This declining trend has been continued from 2007 to 2016 without any break

3.3.2 Performance of Bancassurance

Cooperate agents other than banks is popularly known as banc assurance in the field of insurance. The channel is more dominant in private sector than in public rector. Bancassurance has contributed 18.2% towards new business life insurance premium of private players in 2007-08. The acceptance of this channel helps to improve the level of contribution to 36.08% in 2011-12. Bank has contributed in between 0.73%to 1.74% in cases of LIC's new business life insurance premium collected during 2007 to2016 time period. Even though the banc assurance's contribution was very less in case of LIC, the industries premium collection through the channel is significant due to the private sector. Bancassurance has contributed in the range between 7.28% in 2007-08 to 11.34% in 2014-15 towards the premium collection of life insurance industry. It is evident that the contribution of bancassurance channel has been increasing continuously from 18.2% in 2007-08 to 36.08%in 2011-12. Then it came down to 35.2% in 2012-13.The contribution of bancassurance channel was consistent with a level of 34%to 35% in 2012-13 and 2014-15 periods. The new business premium collection through bank channel of LIC was consistent. It was recorded in between 1.11% to 1.74% except a declining trend at 0.73% during 2015-16.

Table 3.14

New Business premium of Individual & group - Bancassurance

(Figures in percentage of premium)

Year	Private	LIC	Industry
2007-08	18.2	1.15	7.28
2008-09	19.19	1.56	8.41
2009-10	22.02	1.17	8.46
2010-11	28.29	1.44	9.81
2011-12	36.08	1.51	11.26
2012-13	35.2	1.74	11.33
2013-14	34.38	1.3	9.43
2014-15	34.35	1.11	11.34
2015-16	35.48	0.73	10.99

The channels presence in the industry in terms of the new business premium collection has been continuously growing from 7.28% in 2007-08 to 11.33% in 2012-13. There was a declining trend in the level of contribution made by bank channel in 2013-14 to 9.43%. Again it went up to 11.34% in 2014-15 and then declined to 10.99% in 2015-16. Bank channels contribution towards new business premium has been showing an increasing trend in the last 9 years since 2007-08 except small decline happened in 2013-14 and 2015-16.

New Business Premium of Individual and Group Life Insurance Policies- Bancassurance
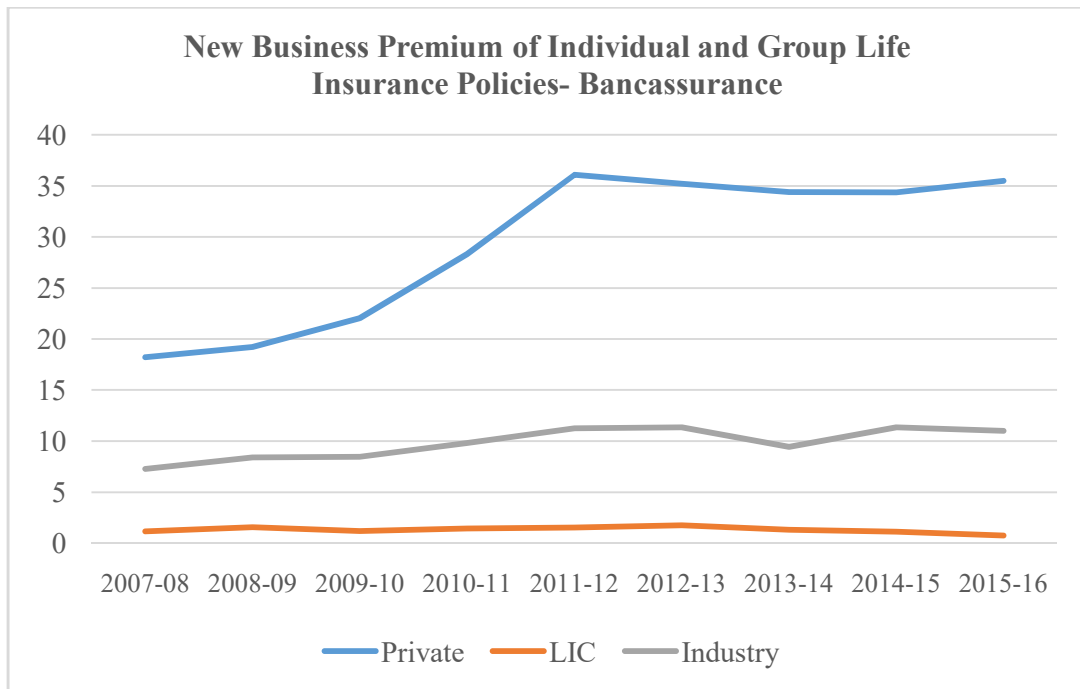
Figure 3.14

3.3.3 Corporate agents other than Banks' Performance.

Corporate agents other than banks as a channel of distribution in life insurance industry are more visible in private sector in terms of new business premium collected than LIC. In private sector, the channel's contribution has been recorded in the range of 3.36 percent to 9.92 percent in the last nine years since 2007 08. The highest contribution was marked during the 2007-08 period and the lowest was at 3.65 percent during 2015-16. The channel's contribution towards the total premium collection of LIC stood in between 0.55 percent to .05 percent. This shows that the channel doesn't play a major role in selling insurance products through corporate agents except for bank route. The lowest contribution made by the channel called corporate agents other than banks towards the total life insurance premium collection of LIC recorded during 2013 to 2015 with a level of 0.05 percent and highest marked during 0.55 during 2008 09. This shows that the corporate agents other than banks have contributed always less than 0.5 percent towards the total new business premium collection of LIC. The corporate agents other than banks have contributed only at very low level towards the total new life insurance premium collected by both LIC and

private players put together compared with other channels of distribution in the field of insurance. The channels' contribution towards industry stood in between 1.04 percent to 4.04 percent during the last nine years since 2007. The highest has recorded during 2008-09 and the lowest contribution towards the new life insurance premium was at 1.04 percent in 2013-14.

Table 3.15

New business Premium of Individual and Group of Life Insurers- Corporate Agents except Banks

(Figures in percentage of premium)

Year	Private	LIC	Industry
2007-08	9.92	0.27	3.74
2008-09	9.54	0.55	4.04
2009-10	9.34	0.46	3.56
2010-11	7.39	0.42	2.59
2011-12	6.92	0.12	2.04
2012-13	5.16	0.09	1.54
2013-14	4.09	0.05	1.04
2014-15	3.96	0.05	1.26
2015-16	3.65	0.09	1.14

The channels contribution towards the new business premium collection of private life insurance companies has been decreasing since 2007. It is evident from the graph 3.15. The channels have contributed towards the total new business life insurance premium collection of private players stood at 9.92 percent in 2007-08. Them each year the channel's contribution started decreasing continuously without any break till 2015-16. This shows that the channels significance towards the new life insurance

premium collection of private players is coming down. To some extent, the trend of the corporate agents other than banks as a channel of distribution is same in case of LIC. The contribution levels are not comparable because the contribution of the channel is very low in terms of new life insurance premium collection of LIC. It always recorded below 0.05 percent. Even though there was an increasing trend in early days, that trend did not sustain for a long time. In the third year onwards i. e, from 2008-09 to 2014-15, the channel's contribution in terms of total new life insurance premium collected by LIC has been declining.

New Business Premium of Individual and Group Life Insurance Policies-Corporate agents Except Banks
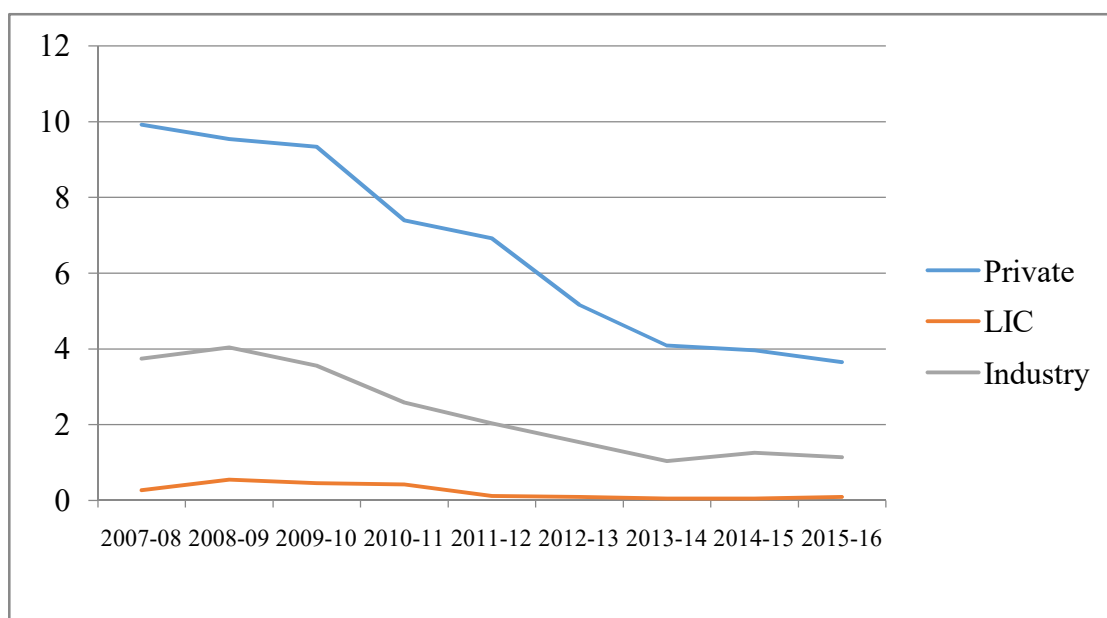
Figure 3.15

In 2015-16 also there was no big change in the level of contribution towards the total life insurance premium collected from new business. Only a nominal increase to 0.09 percent from 0.05 percent recorded in the previous year. The declining trend of corporate agents as a channel of distribution in terms of the new business premium collection of life insurance companies both private players and private players put together is visible. There was an increasing trend in initial days from 3.74 percent in 2007-08 to 4.04 percent during 2008-09 periods. Then the level of contribution

towards the new business premium generated through this channel started decreasing and continued the decreasing trend till 2013- 14 and reached the level of 1.04 percent. There was a slight positive change in the level of contribution during 204 15 to 1.26 percent from the level of 1.04 percent compared with the level last year. Again it went down in the following year to 1.14 percent.

3.3.4 Performance of Brokers

The brokers as the channel of distribution in life insurance industry are not contributing significantly towards the new life insurance business premium collection in case of LIC as well as private companies. This is visible while analyzing the channel's contribution towards the new life insurance business industry as a whole.

Table 3.16

New Business Premium of Individual and Group- Brokers

(Figures in percentage of premium)

Year	Private	LIC	Industry
2007-08	1.61	0.05	0.61
2008-09	1.96	0.37	0.99
2009-10	3.16	0.37	1.34
2010-11	4.22	0.03	1.33
2011-12	4.42	0.05	1.28
2012-13	4.14	0.02	1.20
2013-14	4.24	0.03	1.05
2014-15	4.11	0.03	1.28
2015-16	3.47	0.02	1.04

Brokers have contributed in the range of 4.22 percent to 1.61 percent towards the total new life insurance premium generated in the last nine years since 2007. The highest contribution has recorded at 4.22 percent in 2010-11 and the lowest was in 2007-08 at 1.61 percent. The presence of broking channel was very low in case of LIC. The level of contribution of brokers towards the total new business life insurance premium collection was in between 0.02 percent which was recorded in 2012 -13 and 2015-16 to 0.37 in 2009 and 2010. The low-level contribution of brokers in case of LIC compared with the contribution towards private sector has been reflected in industry figure also because of higher weight of LIC's business volume in the industry. Brokers contribution towards the new life insurance business premium collection of LIC and private players put together stood in between 0.61 percent in 2007-08 to 1.34 percent in 2009-10.

New Business Premium of Individual and Group Life Insurance Policies-Brokers
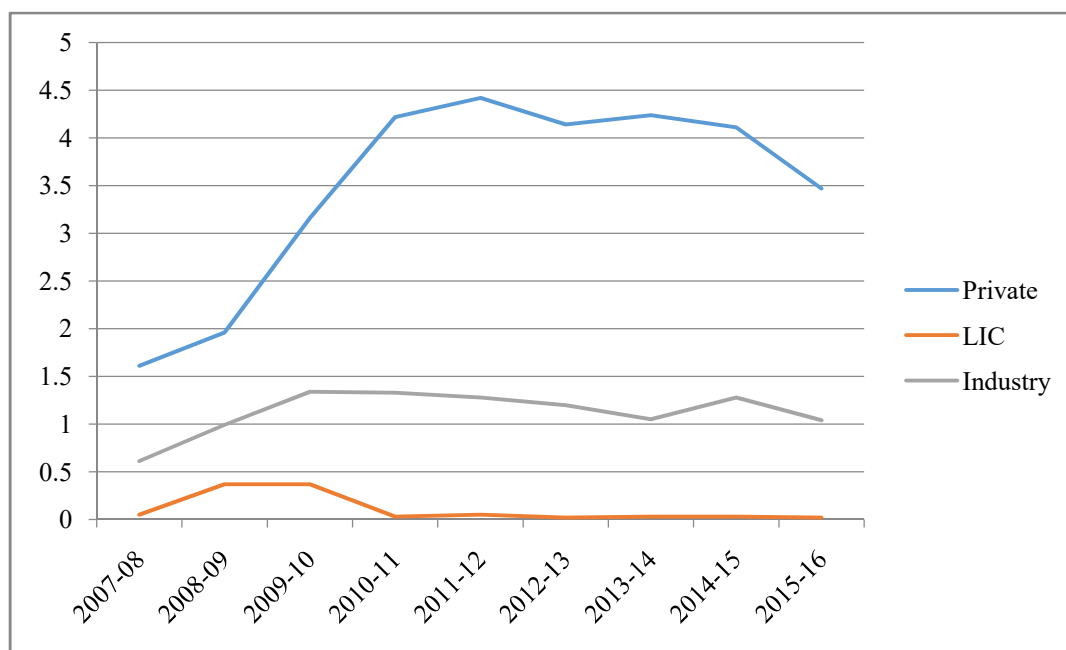
Figure 3.16

The level of contribution of brokers towards the total new life insurance business premium generated has been increasing from 1.61 percent in 2007- 08 to 4.42 percent

in 2011-12. There was a continuous increasing trend have been visible in the first five years. Then in 2012-13, there was a slight fall in broker's contribution towards new private life insurance premium generated to the level of 4.14 percent. Then the channel's contribution was in fluctuating trend. In 2014-15, the contribution level went up to 4.24 percent compared with 4.14 percent in the previous year. Then again started declining and the trend continued in the next two following years and reached the level of 3.47 percent in 2015-16. The broker's contribution towards the new business life insurance premium of LIC has increased from 0.05 percent in 2007 08 to 0.37 percent in 2008-09 and the channel's contribution continued at the same level in the following year also. But from 2010 onwards the presence of this channel in case of new business life insurance premium collection LIC was in a very low level which was recorded at 0.03 percent in 2010-11 periods. Then it has increased to 0.05 percent in 2011-12. But the brokers' contribution started declining again and recorded at 0.03 percent in the next two financial years. In 2015-16 the brokers' contribution was again slipped into 0.02 percent. The broker's contribution towards industry has been increasing in the first three years from 2007 08 onwards from 0.61 percent, 0.99 percent and 1.34 percent respectively. Then the channel's contribution has started declining for the next four consecutive years and reached the level at 1.05 percent in 2013 14. Again there was an increasing trend in the level of contribution towards the new business life insurance premium collection of industry figure through broking channel and went up to 1.28 percent and then declined to 1.04 percent in 2015-16.

3.3.5 Performance of Direct Selling

Direct selling is one of the prominent channels in life insurance business for both LIC and private players. The contribution of new life insurance premium collection through this channel is significant.

Table 3.17

New business Premium of Individual and Group - Direct selling

(Figures in percentage of premium)

Year	Private	LIC	Industry
2007-08	16.81	15.85	16.20
2008-09	21.87	20.63	21.11
2009-10	23.63	26.86	25.73
2010-11	23.62	36.32	32.36
2011-12	20.99	45.76	38.78
2012-13	27.90	44.19	39.52
2013-14	30.84	53.37	47.84
2014-15	32.83	57.15	49.67
2015-16	36.59	65.43	56.92

The channel has been contributing towards the new business premium of private life insurance companies in the range of 16.81 percent to 36.59 percent in the last nine years since 2007. The highest contribution recorded during 2015-16 and the lowest was in 2017-08. Direct selling as a channel of distribution has been contributed in the range of 15.85 percent to 65.43 percent. The lowest level of contribution towards new business life insurance premium has recorded during 2007-08 and the highest was in 2015-16. This data shows that the channel is more visible in LIC than the private sector. Direct selling has been contributing in between 15.20 percent to 56.92 percent towards the new business premium collection of life insurance industry in the last

nine years since 2007. The lowest was recorded during 2007-08 and the highest has been recorded in 2015-16.

New Business Premium of Individual and Group Life Insurance Policies- Direct Selling
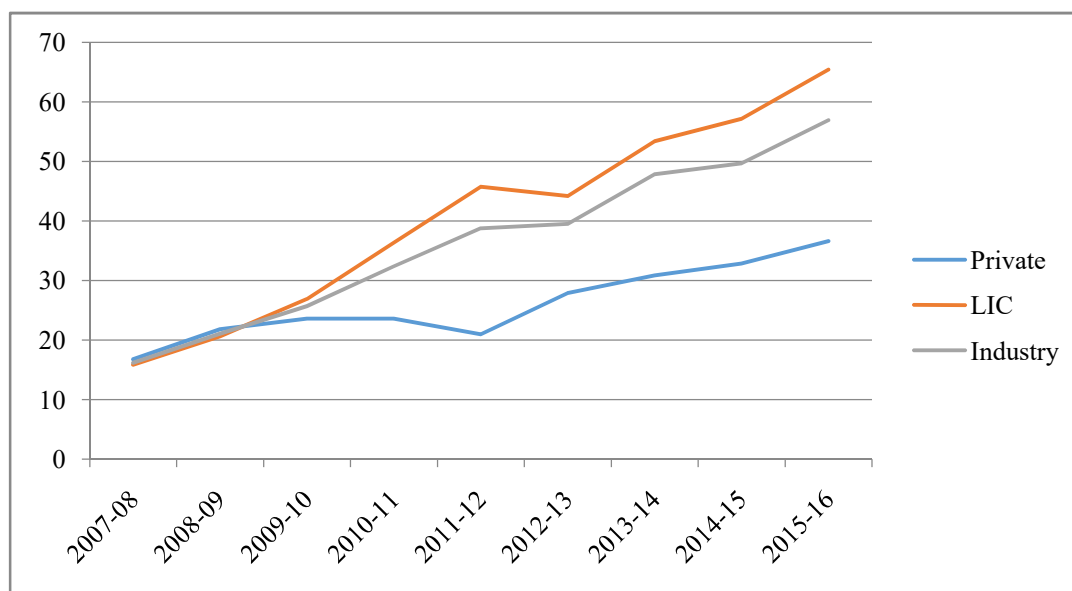
Figure 3.17

LIC scored the highest in terms of both contribution and growth rate while comparing the direct sales as a channel of distribution in life insurance industry. The analysis was done based on the new business life insurance premium collection in each year. The channel's contribution has been growing since 2007 and continued till 2015-16 in case of private players. The level of contribution made by direct selling towards the new business premium of private life insurance players has been showing an increasing trend since 2007 from the level of 16.81 percent to 23.62 percent in 2010-11. Then there was a declining trend in 2011-12 to 20.99 percent and the increasing trend has been continued till 2015-16 and reached the level of 36.59 percent. That means the channel's contribution has been increasing in all years except in 2011-12. The story is not different in case of LIC also. The contribution towards the new life insurance premium collected through direct selling has been increasing in all years since 2007 except 2012-13. But this was a very small decline by 1.57 percent. The channel's contribution was at the level of 15.85 percent in 2007 and started increasing

and the trend has been continued for the next four years and reached the level of 45.76 percent in 2011-12. The data shows that the channel's relevance has been increased by 9.46 percent in 2011-12, 9.18 percent in 2013-14 and 8.26 percent in 2015-16. The trend of direct selling as a channel of distribution in terms of the new business premium collection of life insurance industry has been increasing in the last nine years since 2007 without any break. The level of contribution was at 16.20 during 2007-08 and then the level has been increasing till 2015-16. The level of contribution made by this channel has recorded at 56.92 percent in 2015-17. It is expected that the relevance of this channel will increase further in future.

Chapter 4

DATA ANALYSIS AND INTERPRETATION

Overview

This chapter discusses the impact of personality factors in discriminating bancassurance persons into in-group or out-group and the discriminating ability of personality factors of sales managers into high performing or low performing category with the help of Canonical Discriminant Function Analysis. .

4.1 Impact of Personality Factors on Leader Member Exchange

Dansereau, Graen and Haga (1975) "Leader-Member Exchange Theory, also called LMX or Vertical Dyad Linkage Theory, narrates how leaders in groups maintain their position through a series of tacit exchange agreements with their members".

The approaches of the leaders are not similar towards all the workers. This concept is explained by Graen's in a theory known as "Leader Member Exchange" also called as "the vertical dyad linkage theory". The theory says that the leader establishes different kinds of relationship with the subordinates. This can be in-group or out group members. The strength of the leader's relationship with subordinates are backed by the trust, respect, loyalty and responsibility gained by the subordinate while doing their job. The in-group people possess very strong relationship with the leader. They are favorable workers of the leader. On the other side, out-group members who are disfavored by the superior officer.

4.1.1 In-group and out-group

Graen and Cashman (1975) "In particular, leaders often have a special relationship with an inner circle of trusted lieutenants, assistants and advisors, to whom they give high levels of responsibility, decision influence, and access to resources. This in-group pays for their position. They work harder, are more committed to task objectives, and share more administrative duties. They are also expected to be fully

committed and loyal to their leader. The out-group, on the other hand, is given low levels of choice or influence".

Krishnan (2005) "this study looked at the relationship between leader-member exchange (LMX), transformational leadership, and terminal and instrumental value system congruence between leader and follower, and their relative impact on four outcomes, using a sample of 100 pairs of managers and subordinates from a non-profit organization in the United States".

The study focuses towards the discriminating ability of personality factors to predict the leader member relationship into in-group or out group members. The personality factors of sales managers have been measured with the help of BIG five personality questionnaire. The big five model measures five personality dimensions namely "Extroversion", "Agreeableness", "Conscientiousness", "Neuroticism, and "Openness to Experience". The study also tries to discriminate the performance of sales managers into high performing group and low performing group based on the personality factors. Two elements considered in the study are leader member relationship and performance of sales managers. The tools used for the analysis is Canonical Discriminant function analysis. It is used to discriminate sales managers into in-group or out-group members based on the personality factors. The other dimension of the study tries to classify the sales managers in to high performing and low performing group based on their personality factors.

At the end of this chapter a cross tabulation has been done with sales mangers i.e. in-group members and out- group members. One more cross tabulation has been done to discriminate the sales mangers into high performing group and low performing group.

Table 4.1

Descriptive Statistics for components of personality factors

	E	A	C	N	O
Mean	25.1751	27.4915	26.8927	21.5706	24.5028
Std. Deviation	7.46719	5.11028	6.02974	6.54502	6.49399
Minimum	4.00	13.00	12.00	4.00	7.00
Maximum	39.00	38.00	40.00	39.00	38.00

The above table shows the descriptive statics for the component of personality factors. The mean of personality factors recorded at 25.17 for Extroversion, 27.49 for Agreeableness, 26.89 for Conscientiousness, 21.56 for Neuroticism and 24.50 for openness to experience. The table also shows the standard deviation of these variables.

Box plots of Factors contributing towards personality
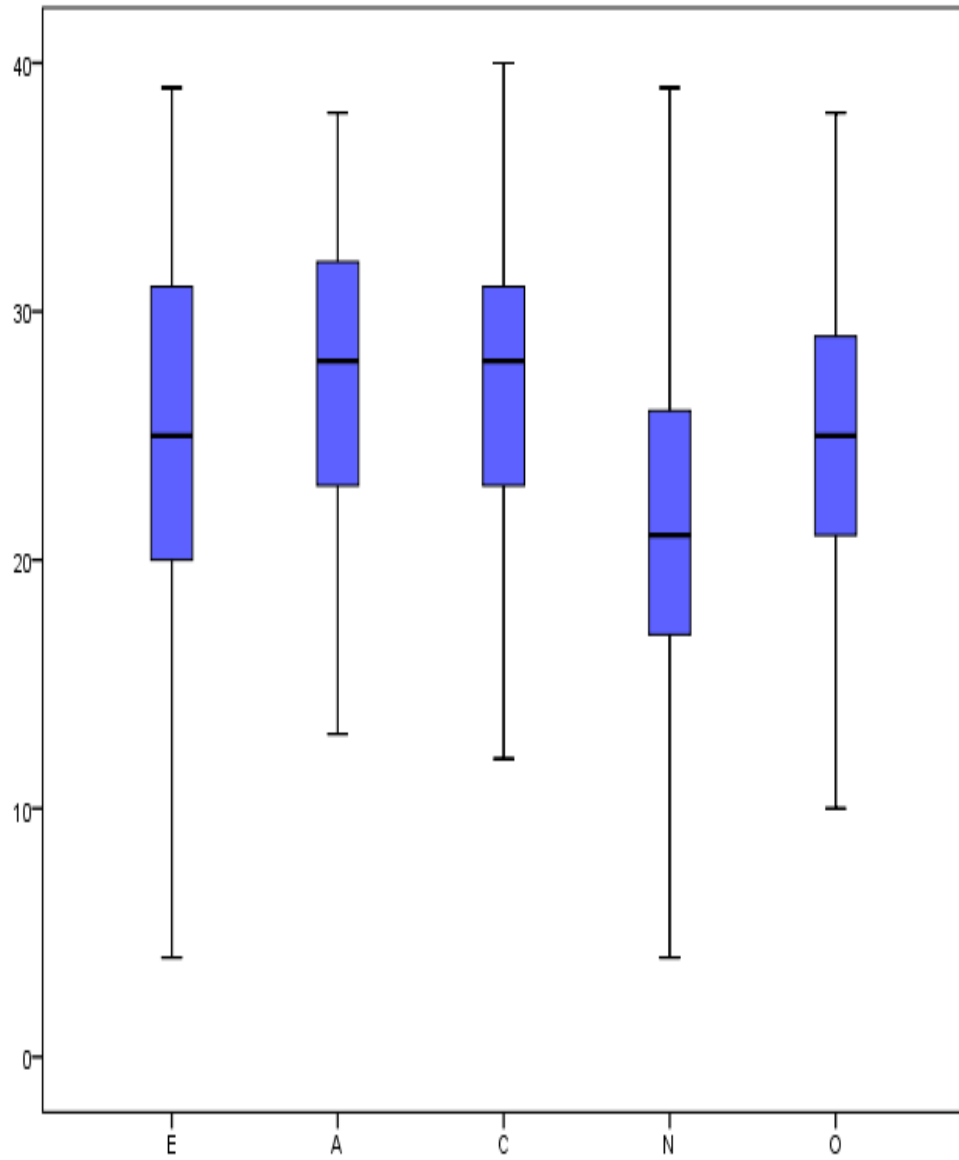
Figure 4.1

4.1.2 Classifying the Sales Managers based on Leader Member Exchange (LMX)

Now the sales managers are classified into various groups depending on their personality factors into in-group or out-group members known as Leader Member Exchange (LMX). The following histogram shows that data is normally distributed and not skewed. Thus the researcher could classify the data into two groups that can be considered as in-group members and one that can be considered as out-group members

Histogram

Figure 4.2

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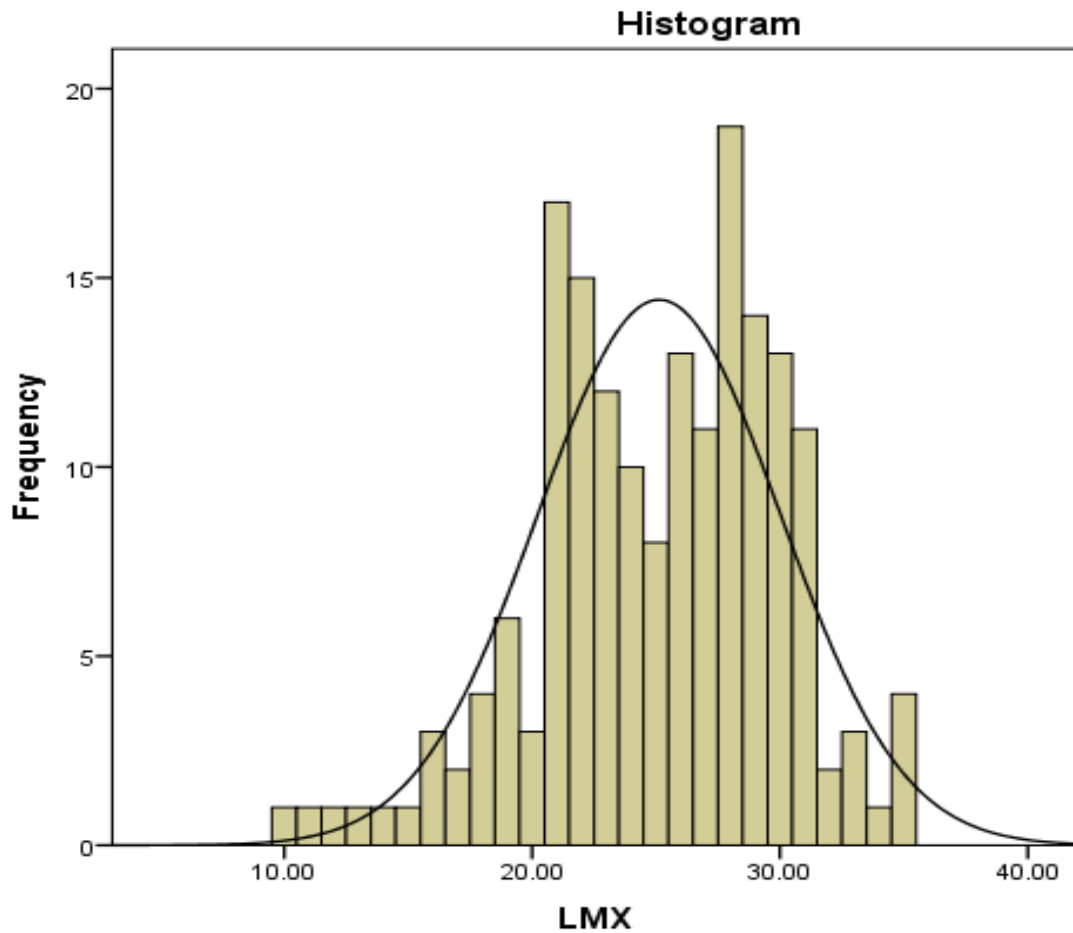
Leader Member Exchange (LMX) talks about the relationship of subordinates with the leader. When the descriptive statistics for Leader member exchange was considered the mean value obtained is 25.1243 with standard deviation 4.89623 (Table 4.2) A large value of standard deviation indicates the heterogeneity in the data. Minimum value is 10.00 and maximum is 35.00, thus a range of 25.00 is obtained. Such a huge range suggests that a clearer picture will be obtained if data is classified into in-group members and out-group members.

Table 4.2

Descriptive Statistics of Leader Member Exchange (LMX)

Mean	25.1243
Std. Deviation	4.89623
Range	25.00
Minimum	10.00
Maximum	35.00

Personality factors have been measured in a 5 point scale with 50 questions and LMX is measured in a 5 point scale with 7 questions, which was subdivided into three groups; in- group members, moderate group members and out-group members. When frequency analysis was performed it was found that 55.67% of the sales managers are in-group members, 32.33% are in moderate group and 12.00% are in out-group members.

Table 4.3

Frequency Table of LMX Group (In-group, Moderate and Out- group)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	In-group	167	55.67	55.67	55.67
	Moderate	97	32.33	32.33	88.00
	Out-group	36	12	12	100.0
	Total	300	100.0	100.0	

One more function is generated and it is found that the classification of moderate group members is insignificant and the final classification has been done into two groups namely "in-group" members and "out-group" members. When frequency analysis was performed it was found that 88.33% of the sales managers are in-group members and 11.67% are in out-group members.

Table 4.4

Frequency Table of LMX Group (In- group and Out-group)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	In-group	265	88.33	88.33	88.33
	Out-group	35	11.67	11.67	100.0
	Total	300	100.0	100.0	

4.1.3 Discriminating into "in-group", "moderate" and "out-group" members

Table 4.5

Discriminating into "in-group", "moderate" and "out-group" members

Group Statistics			
LMX Group		Mean	Std. Deviation
In-group	Extroversion	28.6970	5.84573
	Agreeableness	29.5051	4.29374
	Conscientiousness	29.3434	5.50169
	Neuroticism	23.8182	6.43074
	Openness to experience	27.4747	4.91425
Moderate	Extroversion	22.5088	6.16767
	Agreeableness	25.8947	5.08037
	Conscientiousness	25.0702	4.51924
	Neuroticism	19.5614	5.43802
	Openness to experience	22.4386	5.56461
Out-group	Extroversion	15.8095	6.55453
	Agreeableness	22.3333	3.45447
	Conscientiousness	20.2857	5.42349
	Neuroticism	16.4286	5.22084
	Openness to experience	16.0952	5.99921
Total	Extroversion	25.1751	7.46719
	Agreeableness	27.4915	5.11028
	Conscientiousness	26.8927	6.02974
	Neuroticism	21.5706	6.54502
	Openness to experience	24.5028	6.49399

This session of the study is focused to find out the capacity of personality factors in discriminating into in-group and out-group members. An analysis have done based on Discriminant function to figure out the value of a dependent categorical variable based on its relationship to one or more predictors. This analysis helps to establish a predictive model for group membership. The model is composed

This part of the analysis is directed towards finding out the ability of the personality factors in discriminating into an in-group members and out-group members. Discriminant analysis is used to model the value of a dependent categorical variable based on its relationship to one or more predictors. Discriminant analysis builds a predictive model for group membership. The model is composed of a discriminant function (or, for more than two groups, a set of discriminant functions) based on linear combinations of the predictor variables. The Predictor variables give the best discrimination between the groups.

The group statistics of the five personality factors are considered to measure the discriminating capacity are shown below. It shows that if the means of all the five variables are examine along with the grouping variable, it is evident that, the means for in-group members is more than the means of out-group members.

An experiment was made to examine the significance of the difference in the means among the two classifying groups.

Table 4.6

Tests of Equality of Group Means

	Wilks' Lambda	F	Sig.
Extroversion	.646	47.700	.000
Agreeableness	.759	27.551	.000
Conscientiousness	.734	31.491	.000
Neuroticism	.830	17.882	.000
Openness to experience	.649	46.955	.000

The table 4.6 shows the Tests of Equality of Group Means and it reveals that the means significantly differs (p<0.05) across the two categories for all the factors. This is indicates that there is difference among mean score for all the five factors of personality among sales managers with in-group, moderate and out-group membership. It can be generally concluded that all the personality factors are having the discriminating ability.

Shusha (2013) the study shows how employer-member relation affects job performance. Also, reminds of the impact of employer motivation on employee job performance. There should be a healthy relationship between employer and employee so that it will be very easy to achieve the organizational objectives.

4.1.4 Canonical Discriminant Function – A summery

Table 4.7

Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	1.004[a]	99.4	99.4	.708
2	.006[a]	.6	100.0	.080

a. First 2 canonical discriminant functions were used in the analysis.

Table 4.7 shows the Eigen value (1.004) specifies the proportion of variance explained. In this model two canonical functions have applied and thus the percentage of variance for first function is 99.4% and the second function is 0.6%. The canonical correlation for the first function (0.708) is the correlation between the discriminant scores and the levels of the dependent variable which was found to be positively correlated. But the canonical correlation for the second function stood at 0.080. The square of the canonical correlation of first function is 0.5013 and hence 50% of the variance in the discriminating model is due to changes in the five factors of

personality. The significance of the discriminant function is tested by outlining the following hypothesis.

Hypothesis

H_0: The personality factors do not have the discriminating ability to distinguish into in-group, moderate or out-group members

H_1: The personality factors have the discriminating ability to distinguish into in-group, moderate or out-group members

Table 4.8

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1 through 2	.496	120.711	10	.000
2	.994	1.104	4	.894

The statistical test of significance for Wilks Lambda was undertaken and proved to be significant ($p < 0.05$)

The statistical test of significance for Wilks Lambda was carried and was found to be significant ($p < 0.05$) displayed in the Table 4.7. Therefore the hypothesis is rejected and the discriminant function can be further used for explanations.

Table 4.9

Standardized Canonical Discriminant Function Coefficients

	Function	
	1	2
Extroversion	.494	-.283
Agreeableness	.145	.436
Conscientiousness	.446	-.032
Neuroticism	-.054	1.003
Openness to experience	.424	-.637

Every Standardized Canonical Discriminant Function Coefficients in absolute values mirrors the relative contribution of each of the predictor variable on the discriminant function. In the study it was found that Extroversion (0.494), Conscientiousness (0.446) and Openness to experience (0.424) in exerting more influence in discriminating between a 'in-group' membership, 'moderate' membership and 'out-group' membership with the leader. The lowest influence on discriminating between types of leader member relationship is for Neuroticism (0.054) and then (0.145) agreeableness.

The 'Canonical Discriminant Function Coefficients' indicate the unstandardized scores concerning the independent variables. It is the list of coefficients of the unstandardized discriminant equation.

Here the coefficients with large absolute values correspond to variables with greater discriminating ability. Thus Extroversion and Conscientiousness are having the highest discriminating power

Table 4.10

Standardized Canonical Discriminant Function Coefficients

LMX Group	Function	
	1	2
In-group	.783	.033
Moderate	-.574	-.106
Out-group	-2.131	.134

Unstandardized canonical discriminant functions evaluated at group means

The advanced way of interpreting discriminant analysis results is to describe each group in terms of its profile, using the group means of the predictor variables. These group means are called centroids. 'Functions at Group Centroide' indicates the average discriminant score in the two groups

In this case it can be interpreted that, in-group members have a mean of 0.783, moderate membership have a mean of -0.574 and out-group members have mean of -2.13. Cases with scores near to a Centroid are predicted as belonging to that group.

4.1.5 Function

Function 1   Y = -1.53 + (-0.088E) + (0.063A) + (-0.119C) +(0.161N)=(0.064 O)

Function2   Y = -0.855 + (-0.045E) + (-0.0175A) + (0.035C) +(-0.024N)=(0.190 O)

Table 4.11

Classification Results

		LMX Group	Predicted Group Membership			Total
			In-group	Moderate	Out-group	
Original	Count	In-group	136	29	3	168
		Moderate	29	39	29	97
		Out-group	2	3	30	35
	%	In-group	80.9	17.4	1.7	100.0
		Moderate	29.9	40.2	29.9	100.0
		Out-group	5.7	8.6	85.7	100.0

➢ a. 68.00% of original grouped cases correctly classified.

4.1.6 Discriminating sales mangers into in-group, moderate and out-group members
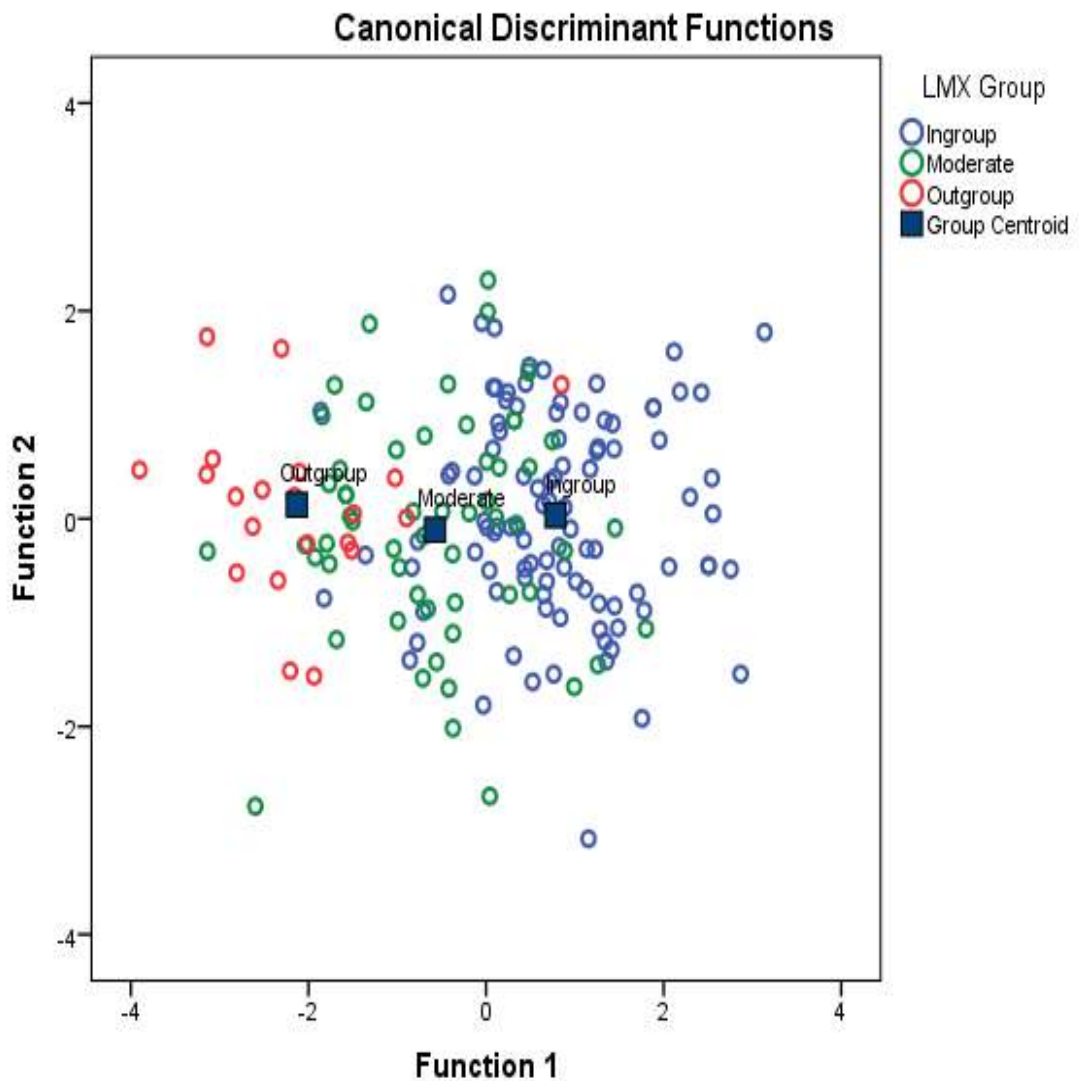
Figure 4.3

From the above figure it is clear that the moderate group members are over lapped with in-group members. One more functions have been generated to discriminate the sales managers into in-group and out-group members**.**

Discriminating sales mangers into in-group, moderate and out-group members-Function 1
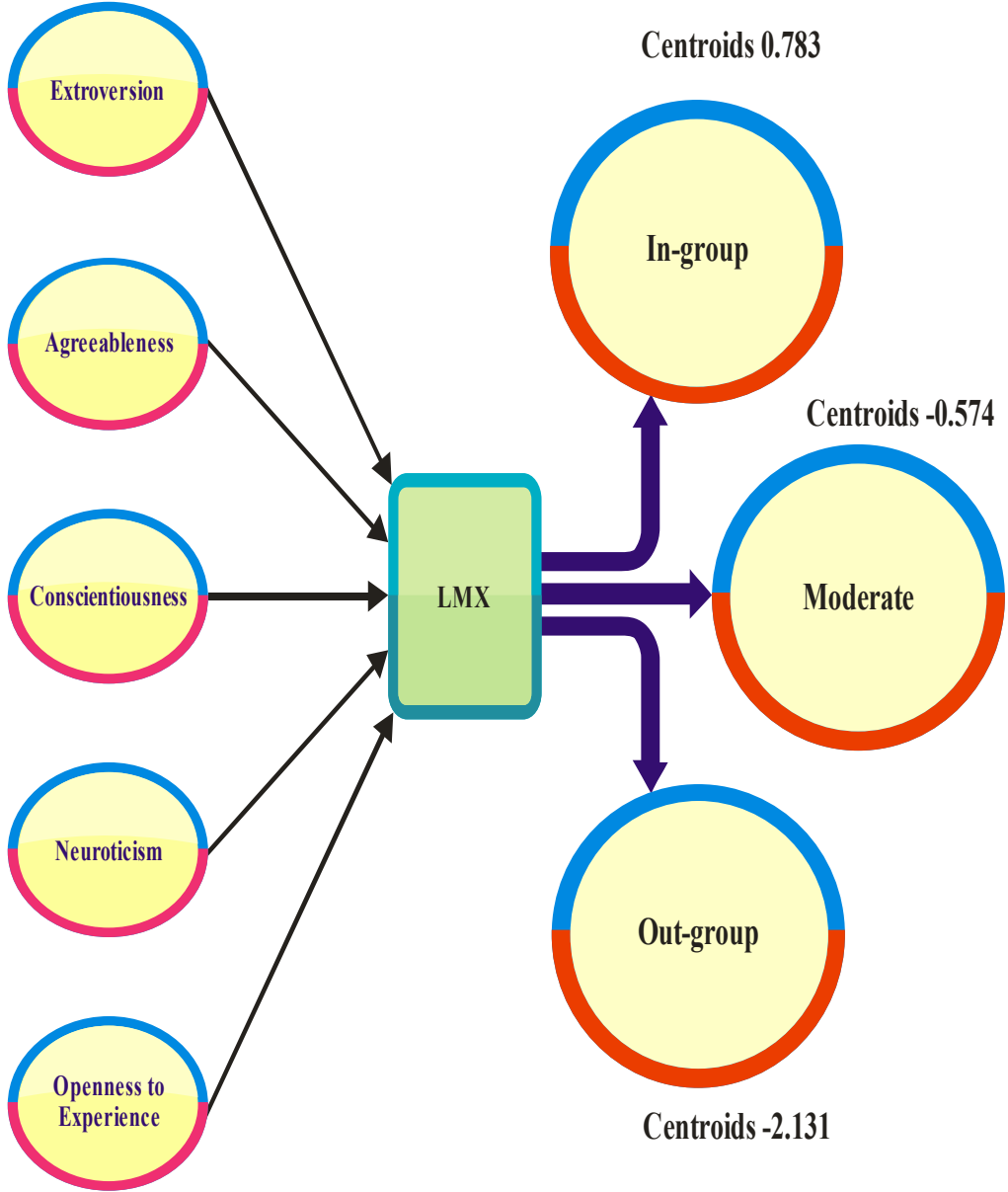
Figure 4.4

Discriminating sales mangers into in-group, moderate and out-group members-
Function 2
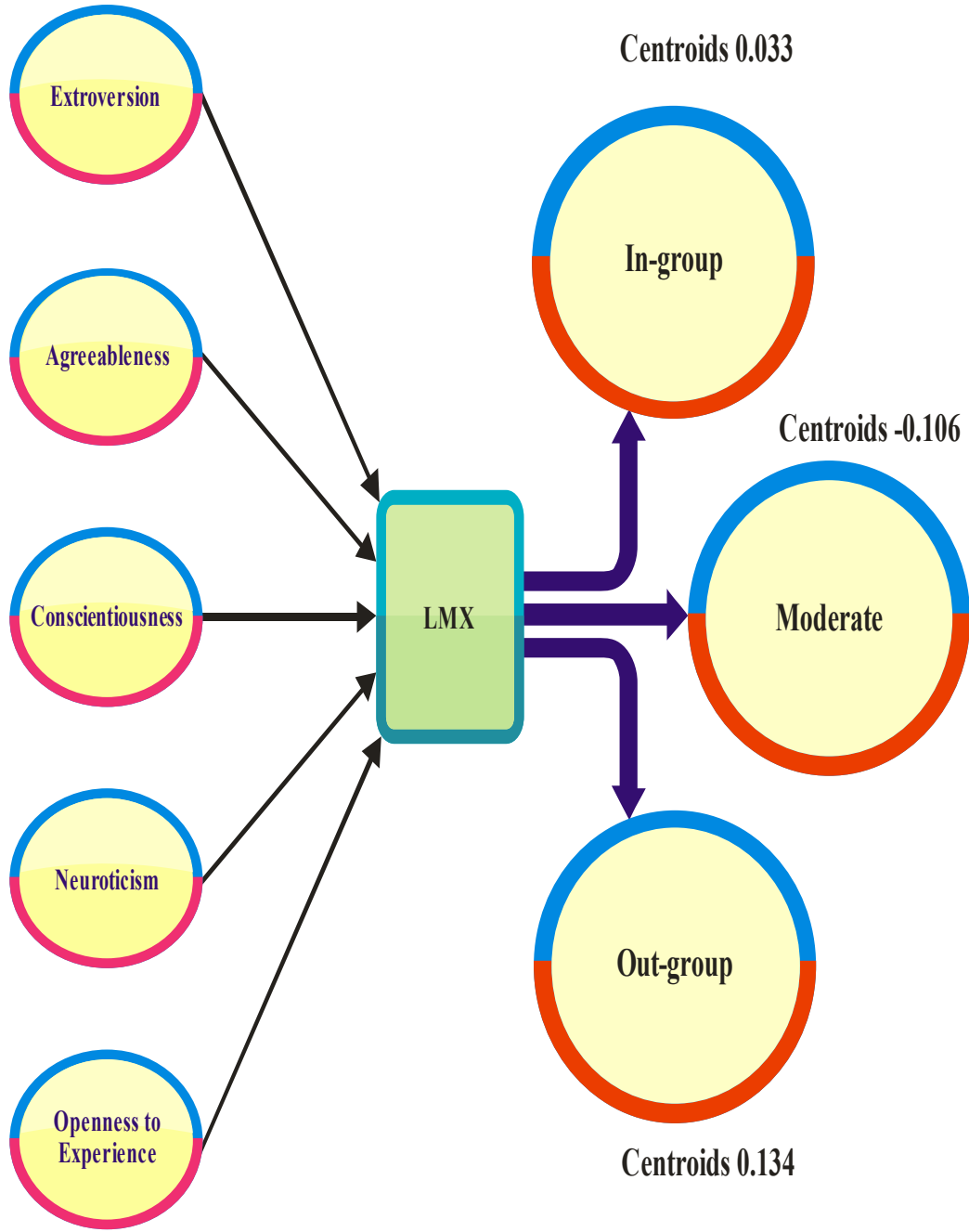
Figure 4.5

Table 4.12

Discriminating into 'in-group' and 'out-group' members

LMX Group		Mean	Std. Deviation
In-group	Extroversion	26.4359	6.65479
	Agreeableness	28.1859	4.90136
	Conscientiousness	27.7821	5.54779
	Neuroticism	22.2628	6.40777
	Openness to experience	25.6346	5.68993
Out-group	Extroversion	15.8095	6.55453
	Agreeableness	22.3333	3.45447
	Conscientiousness	20.2857	5.42349
	Neuroticism	16.4286	5.22084
	Openness to experience	16.0952	5.99921
Total	Extroversion	25.1751	7.46719
	Agreeableness	27.4915	5.11028
	Conscientiousness	26.8927	6.02974
	Neuroticism	21.5706	6.54502
	Openness to experience	24.5028	6.49399

An effort was put to examine the significance of the difference in the means across two classifying groups.

Table 4.13

Tests of Equality of Group Means

	Wilks' Lambda	F	Sig.
Extroversion	.787	47.354	.000
Agreeableness	.862	28.000	.000
Conscientiousness	.837	33.965	.000
Neuroticism	.916	15.957	.000
Openness to experience	.773	51.368	.000

From table 4.13 the Tests of Equality of Group Means, it was found that the means significantly differs ($p < 0.05$) among the two categories for all the factors. This shows that, there is difference among mean score for all the five factors of personality among sales managers with in-group and out-group membership. It can be generally concluded that all the personality factors are having the discriminating ability.

Table 4.14

Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.455[a]	100.0	100.0	.559

a. First 1 canonical discriminant functions were used in the analysis.

The Eigen value (.455) indicates the proportion of variance explained. In this model canonical functions have taken and thus the percentage of variance for first function is 100%. The canonical correlation for the function (0.559) is the correlation between the discriminant scores and the levels of the dependent variable which was found to be positively correlated. The square of the canonical correlation of function is 0.312481 and hence 31% of the variance in the discriminating model is due to changes in the five factors of personality. The significance of the discriminant function is tested by framing the following hypothesis.

H_0: The personality factors do not have the discriminating ability to distinguish into in-group or out-group members

H_1: The personality factors have the discriminating ability to distinguish into in-group or out-group members

Table 4.15

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.687	64.660	5	.000

The statistical test of significance for Wilks Lambda was undertaken and it is proved to be significant ($p < 0.05$) (Table 4.14). Therefore the hypothesis is rejected and the discriminant function can be further used for explanations.

Table 4.16

Standardized Canonical Discriminant Function Coefficients

	Function
	1
Extroversion	.496
Agreeableness	.082
Conscientiousness	.407
Neuroticism	-.161
Openness to experience	.466

Every Standardized Canonical Discriminant Function Coefficients in absolute values shows the relative contribution of each of the predictor variable on the discriminant function. The study found that Extroversion (0.496) Openness to experience (0.466) and Conscientiousness (0.407) in exerting more influence in discriminating between 'in-group' membership and 'out-group' membership with the leader. The lowest influence on discriminating between types of leader member relationship is for agreeableness (0.0820) and then Neuroticism (0.161).

The 'Canonical Discriminant Function Coefficients' indicate the unstandardized scores concerning the independent variables. It is the list of coefficients of the unstandardized discriminant equation.

4.1.7 Final Function - LMX

Y = -1.66 + (-0.078E) + (0.093A) + (-0.123C) +(0.163N)=(0.029 O)

Here the coefficients with large absolute values correspond to variables with greater discriminating ability. Thus Extroversion, Openness to experience and Conscientiousness are having the highest discriminating power.

- H0 Extroversion doesn't have a discriminate effect on 'in-group' or 'out-group' membership
- H1 Extroversion have a discriminate effect on 'in-group' or 'out-group' membership

Extraversion is measured in this study with the help of big five personality test and this variable has the ability to discriminate the leader member relationship of sales managers into in group or out group members. The study reveals that the extroversion having the highest level of discriminating ability among other four variables in this study. Every Standardized Canonical Discriminant Function Coefficients in absolute values echoes the relative contribution of each of the predictor variable on the discriminant function. The study found that Extroversion (0.496) exhibits in contributing more influence in discriminating between in-group membership and out-group membership with the leader.

- H0: Agreeableness doesn't have a discriminate effect on 'in-group' or 'out-group' membership
- H1: Agreeableness have a discriminate effect on 'in-group' or 'out-group' membership

Agreeableness is measured in this study with the help of big five personality test and this variable has the ability to discriminate the leader member relationship of sales managers into in group or out group members. The study reveals that the Agreeableness having the lowest level of discriminating ability among other four variables in this study. Each Standardized Canonical Discriminant Function Coefficients in absolute values mirrors the relative contribution of each of the predictor variable on the discriminant function. The study found that Agreeableness lowest in exerting influence which stood at (0.082) in discriminating between in-group membership and out- group membership with the leader.

- H0: Conscientiousness doesn't have a discriminate effect on 'in-group' or 'out-group' membership
- H1: Conscientiousness have a discriminate effect on 'in-group' or 'out-group' membership

Conscientiousness is measured in this study with the help of big five personality test and this variable has the ability to discriminate the leader member relationship of sales managers into in group or out group members. The study reveals that the Conscientiousness having a significant level of discriminating ability among other four variables in this study. Every Standardized Canonical Discriminant Function Coefficients in absolute values shows the relative contribution of each of the predictor variable on the discriminant function. The study found Conscientiousness (0.407) is contributing more influence in discriminating between an in-group membership and out- group membership with the leader.

- H0: Neuroticism doesn't have a discriminate effect on 'in-group' or 'out-group' membership
- H1: Neuroticism have a discriminate effect on 'in-group' or 'out-group' membership

Neuroticism is measured in this study with the help of big five personality test and this variable has the ability to discriminate the leader member relationship of sales managers into in group or out group members. The study reveals that the Neuroticism having the second lowest level of discriminating ability among other four variables in this study. Every Standardized Canonical Discriminant Function Coefficients in absolute values echoes the relative contribution of each of the predictor variable on the function. The study found that Neuroticism has the second lowest capacity in exerting influence which stood at (0.161) in discriminating between in-group membership and out- group membership with the leader.

- H0: Openness to experience doesn't have a discriminate effect on 'in-group' or 'out-group' membership

- H1: Openness to experience have a discriminate effect on 'in-group' or 'out-group' membership

Openness to experience is measured in this study with the help of big five personality test and this variable has the ability to discriminate the leader member relationship of sales managers into in group or out group members. The study reveals that the Openness to experience having the highest level of discriminating ability after Extroversion among other four variables in this study. All Standardized Canonical Discriminant Function Coefficients in absolute values echoes the relative contribution of each of the predictor variable on the discriminant equation. The study found that the Openness to experience (0.466) shows more influence in discriminating between an in-group membership and out- group membership with the leader.

Table 4.17

Functions at Group Centroids

LMX Group	Function
	1
In-group	.246
Out-group	-1.828

Table 4.18

Predicted Group for Analysis First Cross tabulation

		LMX Group	Predicted Group Membership		Total
			In-group	Out-group	
Original	Count	In-group	227	38	265
		Out-group	3	32	35
	%	In-group	85.7	14.3	100.0
		Out-group	8.57	91.43	100.0

➤ 86.33% of original grouped cases correctly classified

Chaurasia & Shukla (2013) seeks to investigate the relationship between leader-member relation and employee performance. This paper asserts the need for maintaining a healthy relationship between leader and follower.

4.1.8 Discriminating sales managers based on their personality into in-group and out-group members

Discriminating sales managers based on their personality into in-group members and out-group members
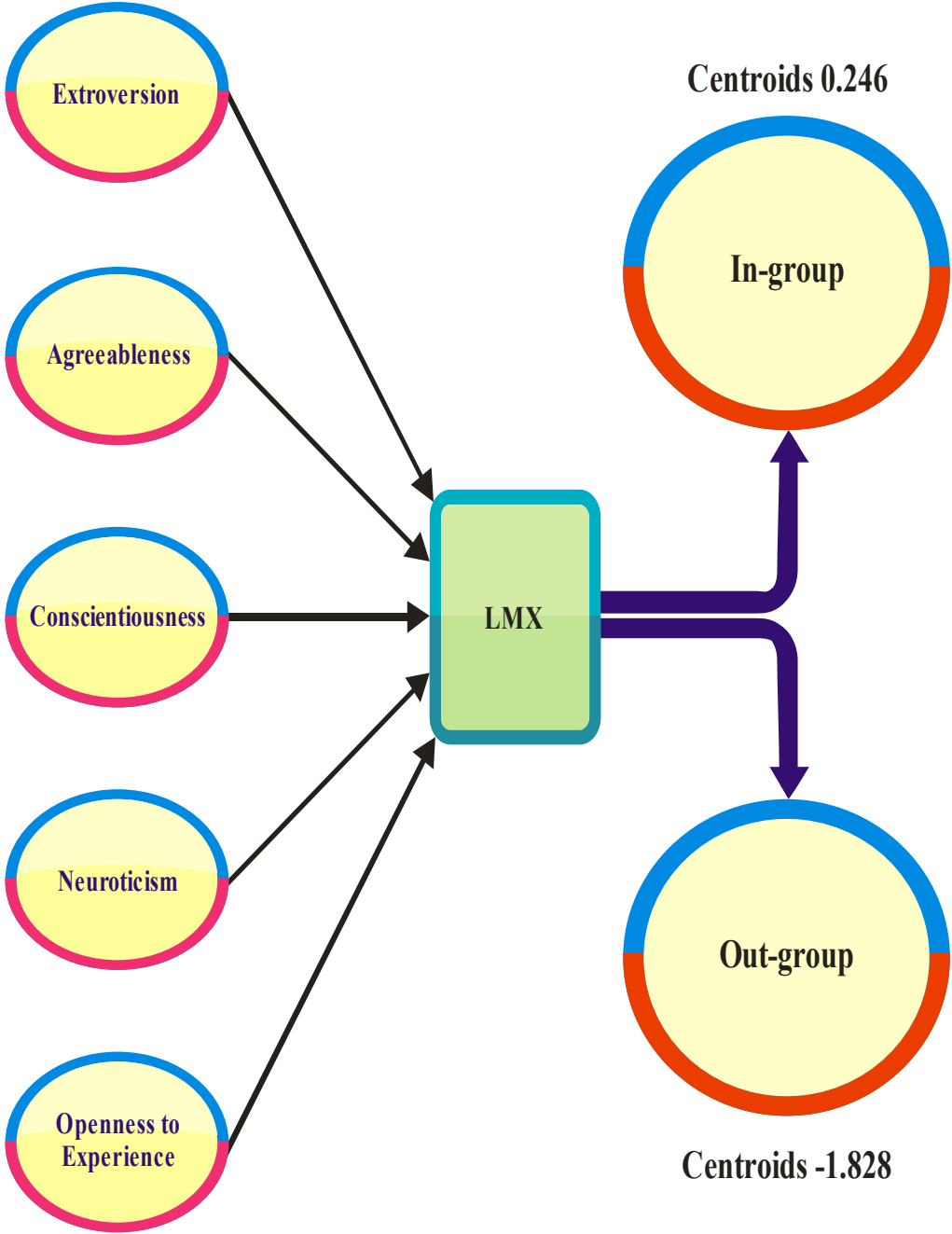
Figure 4.6

4.2 Impact of Personality Factors on Performance

Performance is measured with the help of a questionnaire. The performance is categorized as high performing group and low performing group based on the incentives received in the last year. If the incentives are above 50 percent of the basic pay are considered as high performing group and the managers who have been receiving less than 50 percent is considers as low performing category.

A canonical function has created to discriminate the sale mangers in to high performing group and low performing group.

Table 4.19

Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.597[a]	100.0	100.0	0.611

    a.   First 1 canonical discriminant functions were used in the analysis.

The table 4.19 shows the Eigen value (.597) specifies the proportion of variance explained. In this model canonical functions have taken and thus the percentage of variance for first function is 100%. The canonical correlation for the function (0.611) is the correlation between the discriminant scores and the levels of the dependent variable which was found to be positively correlated. The square of the canonical correlation of function is 0.373321 and hence 37% of the variance in the discriminating model is due to changes in the five factors of personality. The significance of the discriminant function is tested by outlining the following hypothesis.

Ozgur Ongore (2014) study shows a positive relation between Extraversion, Agreeableness, Conscientiousness, and Openness to Experience and job engagement.

At the same time, the study discusses a negative relationship between Neuroticism and job engagement

H$_0$:   The personality factors do not have the discriminating ability to distinguish into high performing group or low performing group

H$_1$:   The personality factors have the discriminating ability to distinguish into high performing group or low performing group

Table 4.20

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	Sig.
1	.626	80.777	.000

The statistical test of significance for Wilks Lambda was carried and was proved to be significant ($p < 0.05$) (Table 4.20). Therefore the hypothesis is rejected and the discriminant function can be further used for explanations.

Table 4.21

Standardized Canonical Discriminant Function Coefficients

	Function
	1
Extroversion	.672
Agreeableness	.065
Conscientiousness	.010
Neuroticism	-.250
Openness to experience	.633

Every Standardized Canonical Discriminant Function Coefficients in absolute values mirrors the relative contribution of each of the predictor variable on the function. The study found that Extroversion (0.672) and Openness to experience (0.633) in exerting more influence in discriminating between a high performing and low performing group. Neuroticism stands in the middle (0.250) in contributing the influence in discriminating between a high performing and low performing group. The lowest influence on discriminating based on the level of performance of sales is for agreeableness (0.065) and Conscientiousness (0.010).

Klang (2012) the study revealed that extroversion, conscientiousness and neuroticism related moderately with work performance. This paper analyzes the relationship between personality and job performance.

- H0: Extroversion doesn't have a discriminate effect on the level of performance
- H1: Extroversion have a discriminate effect on the level of performance

Extroversion has the ability to discriminate the performance of sales managers into high performing group or low performing group. The study reveals that the Extroversion having the highest level of discriminating ability among other four variables in this study. All Standardized Canonical Discriminant Function Coefficients in absolute values echoes the relative contribution of each of the predictor variable on the final function. Here it was found that Extroversion (0.672) in contributing more influence in discriminating between high performing group and low performing group.

- H0: Agreeableness doesn't have a discriminate effect on the level of performance
- H1: Agreeableness have a discriminate effect on the level of performance

Agreeableness has the ability to discriminate the performance of sales managers into high performing group or low performing group. The study reveals that the

Agreeableness having a very low discriminating ability among other four variables in this study. The study found that Agreeableness shows (0.065) in contributing more influence in discriminating between high performing group and low performing group.

- H0: Conscientiousness doesn't have a discriminate effect on the level of performance
- H1: Conscientiousness have a discriminate effect on the level of performance

Conscientiousness has the ability to discriminate the performance of sales managers into high performing group or low performing group. The study reveals that the Conscientiousness having the lowest discriminating ability among other four variables in this study. Every Standardized Canonical Discriminant Function Coefficients in absolute values echoes the relative contribution of each of the predictor variable on the discriminant equation. The study found that Conscientiousness (0.010) in contributing more influence in discriminating between high performing group and low performing group.

Ceschi et al (2016) Conscientiousness is found to be the most important trait among the five personality traits that influences the job performance of employees. The second position goes to emotional stability. The other factors do not have a much effect on job performance. It is also mentioned in the paper that someone can analyze the relationship between personality traits and job performance in future.

- H0: Neuroticism doesn't have a discriminate effect on the level of performance
- H1: Neuroticism have a discriminate effect on the level of performance

Neuroticism has the ability to discriminate the performance of sales managers into high performing group or low performing group. The study reveals that the Neuroticism having a negative discriminating ability among other four variables in this study. Every Standardized Canonical Discriminant Function Coefficients in

absolute values mirrors the relative contribution of each of the predictor variable on the discriminant function. The study found that Neuroticism (-0.250) in exerting more influence in discriminating between high performing group and low performing group.

- H0: Openness to experience doesn't have a discriminate effect on the level of performance
- H1: Openness to experience have a discriminate effect on the level of performance

Openness to experience has the ability to discriminate the performance of sales managers into high performing group or low performing group. The study reveals that the Openness to experience having the highest level of discriminating ability after Extroversion among other four variables in this study. Every Standardized Canonical Discriminant Function Coefficients in absolute values echoes the relative contribution of each of the predictor variable on the discriminant function. The study found that Openness to experience (0.633) in contributing more influence in discriminating between high performing group and low performing group.

The 'Canonical Discriminant Function Coefficients' indicate the unstandardized scores concerning the independent variables. It is the list of coefficients of the unstandardized discriminant equation.

4.2.1 Function for the Level of Performance

Y = -2.322 + (-0.008E) + (0.144A) + (-0.143C) +(0.002N)=(0.096 O)

Here the coefficients with large absolute values correspond to variables with greater discriminating ability. Thus Extroversion and Openness to experience are having the highest discriminating power.

Table 4.22

Functions at Group Centroids

Performance Group	Function
	1
Low	-.739
High	.799

Unstandardized canonical discriminant functions evaluated at group means

classification results

4.2.2 Cross Tabulation with Sales Managers and Level of Performance

Table 4.23

Cross Tabulation with sales managers and level of performance

After conducting the discriminant analysis, a cross tabulation was performed to find out the level of performance of sales mangers

		Performance Group	Predicted Group Membership		Total
			Low	High	
Original	Count	Low	115	41	156
		High	27	117	144
	%	Low	73.7	26.3	100.0
		High	18.8	81.2	100.0

- ➤ **a.77.3% of original grouped cases correctly classified**.

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4.2.3 Predicted Group for Analysis Second Cross tabulation- Performance Group

Table 4.24

Predicted Group for Analysis Second Cross tabulation-

Performance Group

		Frequency	Percent	Valid Percent	Cumulative Percent
	Low	156	52.0	52.0	52.0
Valid	High	144	48.0	48.0	100.0
	Total	300	100.0	100.0	

4.2.4 Discriminating sales managers based on their personality into high performing and low performing group.

Discriminating sales managers based on their personality into high performing and low performing group.
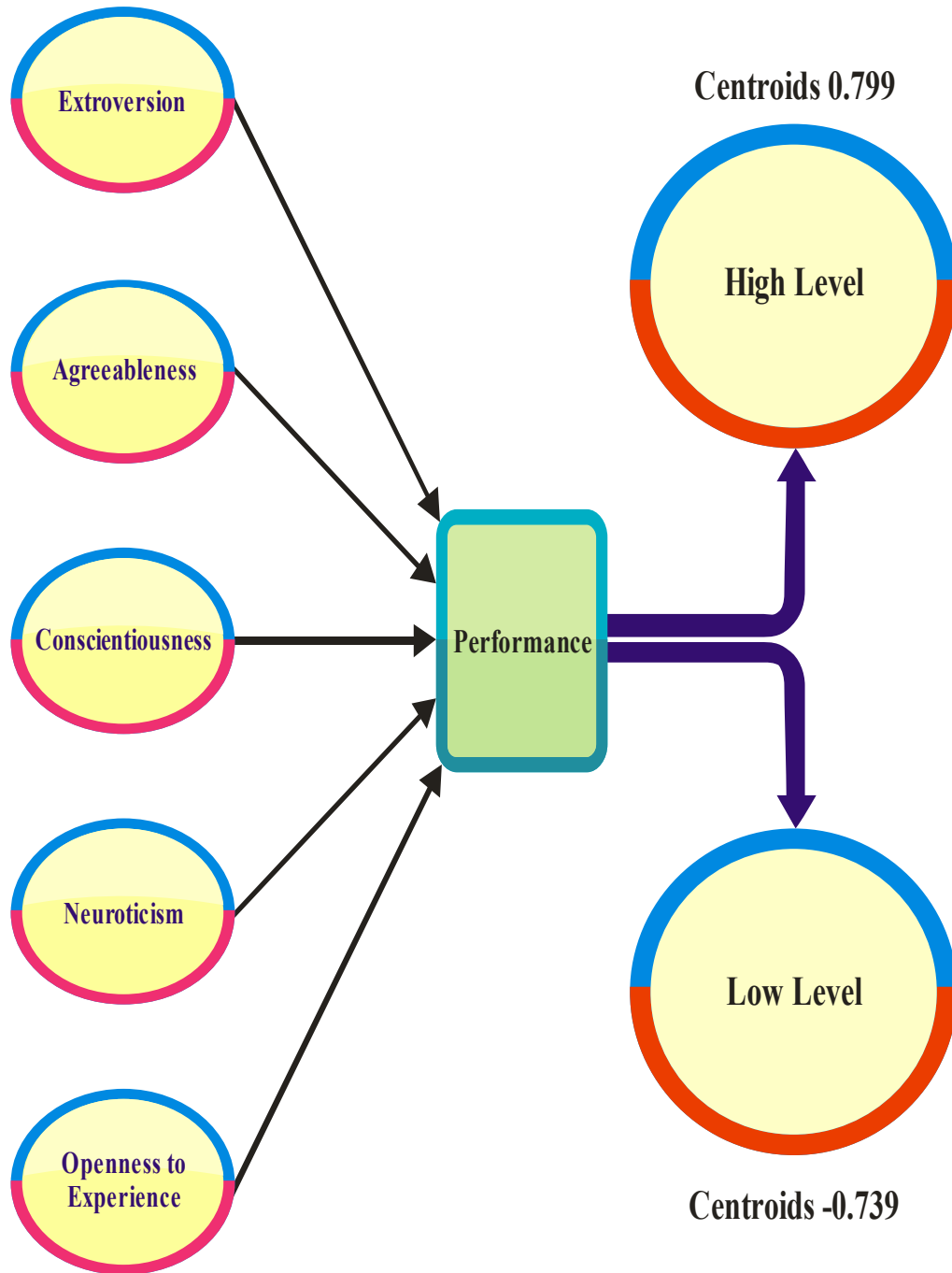
Figure 4.7

The Standardized Canonical Discriminant Function Coefficients in absolute values reflect the relative contribution of each of the predictor variable on the discriminant function. The developed function can be used to predict the level of performance of the sales mangers by measuring their personality factors. In this case it can be interpreted that, high performing group members have a mean of 0.799 and low performing group members have mean of -0.739. Cases with scores near to a Centroid are predicted as belonging to that group.

Yakasai & Jan (2015) studied "the impact of personality traits on salespeople's performance". The study also concluded that the salesperson's culture also has an effect on job performance.

Chapter 5

FINDINGS, SUGGESTIONS AND CONCLUSION

Overview

This chapter presents the summary of findings based on data analysis, suggestions and conclusion.

5.1 Introduction

A lot of studies and discussions are going on in the area of leadership, performance of employees, employee turnover etc. The healthy employee-employer relationship brings harmony and peace to the organization. A good relationship with the superior officer is essential for the continuous growth of the organization. The next important issue is recruiting right employees and retaining them in the organization. Poor performers are a burden for the company. In this context, a study has been done to evaluate the capacity of personality factors in discriminating leader-member relationship and the level of performance of sales managers who sell insurance products only through banks in Kerala. The study helps to predict the relationship with the leader based on their personality factors. This will enable the business organization to judge their relationship with the immediate supervisor in future. The other dimension of the study has evaluated the capacity of personality factors in discriminating into high performing category and low performing category. The major issue with measuring performance of employees is that the measurement of their performance is only possible after the recruitment and spending one or two years in the organization. Here the performance can be measured by measuring personality factors and that can be at the time of recruitment

5.2 Results of Hypothesis

Table 5.1
Results of Hypothesis

Variables	Discriminating effect	Result
Personality Factors	Membership	Supported
Personality Factors	Level of performance	Supported
Extroversion	Membership	Supported
Agreeableness	Membership	Supported
Conscientiousness	Membership	Supported
Neuroticism	Membership	Supported
Openness to experience	Membership	Supported
Extroversion	Level of performance	Supported
Agreeableness	Level of performance	Supported
Conscientiousness	Level of performance	Supported
Neuroticism	Level of performance	Supported
Openness to experience	Level of performance	Supported

H1: Personality factors are having a discriminate effect on 'in-group' or 'out-group' membership – Supported

H2: Personality factors are having a discriminate effect on the level of performance of sales managers - Supported

H3 Extroversion is having a discriminate effect on 'in-group' or 'out-group' membership - Supported

H4: Agreeableness is having a discriminate effect on 'in-group' or 'out-group' membership -Supported

H5: Conscientiousness is having a discriminate effect on 'in-group' or 'out-group' membership - Supported

H6: Neuroticism is having a discriminate effect on 'in-group' or 'out-group' membership -Supported

H7: Openness to experience as personality factor is having a discriminate effect on 'in-group' or 'out-group' membership -Supported

H8: Extroversion is having a discriminate effect on the level of performance - Supported

H9: Agreeableness is having a discriminate effect on the level of performance - Supported

H10: Conscientiousness is having a discriminate effect on the level of performance - Supported

H11: Neuroticism is having a discriminate effect on the level of performance - Supported

H12: Openness to experience as personality factor is having a discriminate effect on the level of performance - Supported

5.3 Summary of Findings Using Discriminant Analysis

▸ All personality factors of sales managers have the discriminating ability to distinguish 'in-group' or 'out-group' members.

▸ It is found that Extroversion (0.496), Openness to experience (0.466) and Conscientiousness (0.407) exerts more influence in discriminating between 'in-group' and 'out-group' membership with the leader. Neuroticism has a discriminating ability of (0.161).

▸ The lowest discriminating ability between types of leader member relationship is for agreeableness (0.0820).

▸ All personality factors of sales managers have the discriminating ability to distinguish into 'high – performing' or 'low - performing group'.

- The study found that Extroversion (0.672) and Openness to experience (0.633) exert more influence in discriminating between a high performing and low performing group.

- Neuroticism has discriminating level of (0.25) to distinguish 'high performing' or 'low - performing group'.

- The lowest influencing variables are agreeableness (0.065) and Conscientiousness (0.010) in distinguishing 'high performing group' or 'low performing group'.

- Two functional equations have been pointed out through canonical discriminant functional analysis. One function is to discriminate the leader member relationship and other one is to discriminate the level of performance of sales managers.

- The developed function can be used to predict the leader member relationship by measuring their personality factors. In this case it can be interpreted that, in- group members have a mean of 0.246 and out-group members have mean of -0.828. Cases with scores near to a Centroid are predicted as belonging to that group.

- The second function developed in the study can be used to predict the level of performance of the sales mangers by measuring their personality factors. In this case it can be interpreted that, high performing group have a mean of 0.799 and low performing group have mean of -0.739. Cases with scores near to a Centroid are predicted as belonging to that group.

- The study also found out that the instrument for measuring personality factors is sufficient to predict the "in-group" or "out-group" membership with the leader. No need of an additional exercise to measure leader remembers relationship by using LMX (Leader Member Exchange) instrument.

5.3.1 Summary of Findings of the Analysis on Channel of Distribution of Life Insurance

▶ Brokers' contribution as a channel of distribution in life insurance industry towards the group life insurance premium collection has been significant during the study period. Brokers' presence towards the industry's gross premium collection is also significant.

▶ Corporate agents other than banks' contribution towards channel of distribution of life insurance business is not as visible as compared with other channels except in case of the contribution towards the number of group life insurance policies issued

▶ A direct sale (online) as a channel of distribution of life insurance industry has not at all grown till 2016. The channel's contribution is very low during the study term.

▶ Individual agents are the most important player in terms of contribution towards the number of individual policies issued and collection of individual gross premium. The channel has contributed significantly towards the number of life insurance policies issued and gross premium collection of life insurance industry. The presence of individual agents towards the group insurance policies sales as well as gross premium collection was very low.

• Micro Insurance Agents and Web aggregators were contributing only in a very negligible level towards the channel of distribution of life insurance industry.

▶ Individual agents are the major contributors towards the individual life insurance premium collection of LIC. Individual agent's contribution towards the private sector is low compared with LIC. Individual agents are the highest contributor towards the total premium collection of individual business for both LIC and private players put together. The contribution of this channel towards Group insurance business is low for both private as well as LIC.

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- Bancassurance plays a major role in case of premium collection of private players for both individual business and group business. But the level of contribution of LIC's premium collection through bancassurance is very low.

- The presence of corporate agents other than banks is considerably visible only in case of the premium collection of private individual business. The contribution towards the premium collection through this channel is very low in case of group life insurance business as well as LIC.

- The contribution of Broking channels towards the life insurance sector is very negligible for both LIC and private players in group insurance business as well as individual life insurance business.

- Direct selling as a channel of distribution in case of group business of both LIC and private players was significant during the study period.

- Individual agent's contribution has been decreasing towards the new business premium collection of Life insurance industry. Individual agents are the major contributor in case of LIC towards the new business premium collection. The contribution of this channel towards the private players' premium collection is also significant but lowers as compared with the level of contribution towards LIC.

- Banks as a channel of distribution in life insurance business in terms of new business premium is more visible in private players than LIC. The level of contribution in case of private sector has been increasing continuously.

- Corporate agents other than banks and brokers as channel of distributors in terms of new business premium are more visible in case of private players than LIC. The level of contribution has been decreasing continuously for corporate agents other than banks. But the trend in terms of new business premium collection of private players by brokers has been increasing continuously.

▶ Direct selling has proven its track record in the channel of distribution of new business premium collection of life insurance sector for both LIC and private players irrespective of group business as well as individual business. The trend in case of new business premium through direct sales is also increasing continuously across the life insurance industry.

5.3.2 Summary of Findings using Cross Tabulation Analysis

▶ Cross tabulation analysis was performed to find out the predicted level of 'in group' members and 'out-group' members among sales mangers based on their personality factors. It is found that the predicted level of these variables was significantly close to the actual level calculated.

▶ One more tabulation analysis was performed to find out the predicted level of 'high' performing group and 'low' performing group among sales managers based on their personality factors. It is found that the predicted level of these variables was significantly close to the actual level calculated.

5.4 Practical Implication

▶ This study establishes the capacity of personality factors of sales managers in discriminating the leader member relationship in to 'in-group' or 'out-group' members of a superior officer. So by measuring the personality factors through the instrument, the recruiters will have an idea about the relationship that is established in future with the superior officer.

▶ The study was instrumental in establishing the discriminating ability of personality factors of sales managers in grouping them into high performing and low performing group.

▶ The study helps the recruiters in selecting the right candidates who can perform in their job in future. The measurement of personality factors at the time of selection procedure can give an idea about how these candidates will perform in future.

- Other factor in case of job performance is the relation with the superior officer. The study could help to establish the ability of personality factors of sales managers and how these personality factors discriminate their leader member relationship. The recruiters can thus measure the personality factors and predict whether these candidates fall into high performing group or low performing group and in-group members or out-group members of the superior officer. This will reduce the complicated procedure of recruitment of conducting a psychometric test at the time of recruitment.

- The study will help the training and development department to develop the training content for the sales force in order to improve the relationship with the leader and their performance.

- Evaluation of personality factors can be done in the existing organization to understand the training needs of the organization for the better performance of sales force.

- Evaluation of personality factors also helpful in understanding the training needs of the organization, to train them in building better relationship with the leader.

5.5 Suggestions

- The basis of every business organization is a committed sales force those can perform well and have the ability to develop a healthy relationship with the superior officer. Selecting the right candidates will solve many of these concerns. The study suggests measuring the personality factors of candidates while doing the selection procedure in the organization.

- Sales force is the back bone of every business organization. So the need for highly focused training is essential for the development of the organization.

- Study suggests evaluating the personality factors of the sales force before inducting them in to the organization.

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- ▶ Study helps to develop training modules based on the personality factors of sales force to improve their relationship with leader as well as their performance.

- ▶ Coaching and periodic reviews should be provided to superior officers to sustain the relationship and performance with an intention to retain the talented sales force.

- ▶ Training and development will help the sales force to improve their relationship with superior officer and performance. But, the talented employees are always looking for better opportunities. It is evident from the study that employees with certain personality traits makes good relation with leader and also perform well. So there should be an attractive remuneration package to reduce the employee turnover of the organization

- ▶ The study reveals that the personality factors have the capacity to predict their relationship with the superior officer as well as their performance. The management should ensure a proper and motivating working environment to utilize their talents within them.

- ▶ The psychometric test can be incorporated with the recruitment procedure for those jobs where personality factors of employees may influence their performance or relationship with superior officer or both.

- ▶ The leader's main job is to provide a clear path so that the team members can follow. The leader has the role of sharing the vision and mission among his team members. This will enable them to get proper direction while performing their job.

- ▶ The existing organizations have the opportunity to conduct the psychometric test to measure the personality factors of the sales force, their performance and relationship with superior officer. The study will help them to find out the gap and the management can develop strategies to solve these problems. Talented

employees are the assets of the organization and low performing employees will make loss to the organization

▸ An employee with good personality traits always have time to do things with greater perfection. They have great passion and enthusiasm for better work. They will perform well even when the leaders are ineffective.

▸ The success of great leaders lies in showing real appreciation and gratitude for perfect work. In most organization employees have the privilege to get appreciation at the right time.

▸ The study helps to predict the relationship of sales force with superior officer based on the personality factors of sales managers. If the prediction is opposite to the reality then the management can seek the reason for the difference, this will enable the management to find out the reason for the differences other than personality factors of sales force which can improve the relationship with the superior officer.

▸ The study helps to predict the performance of sales force based on the personality factors. If the prediction is opposite to the reality then the management can seek the reason for the difference and that will enable the management to find out the reason for the differences other than personality factors of sales force which can improve the performance of sales force.

▸ The study found that Extroversion, Openness to experience and Conscientiousness exerts more influence in discriminating between 'in-group' membership and 'out-group' membership with the leader. This can be referred at the time of recruitment and training.

▸ All personality factors of sales managers have the discriminating ability to distinguish 'high - performing group' or 'low - performing group'. Here it was found that Extroversion and Openness to experience exerts more influence in discriminating between a 'high performing' and 'low performing group'. The

lowest influencing variables are agreeableness and Conscientiousness. This can be referred at the time of recruitment and training.

▸ Policy related to promotion of superior officers can be determined based on those officers having strong leader member relationship in the organization.

▸ Insurance industry faces high level of attrition rate. The recruitment and selection procedure is a costly affair for the company. There is huge number of studies about cause of attrition. One of the important finding is that the relation with the superior officer may lead to the attrition of employees. This situation can be avoided if the management can select the candidates who can build a healthy relation with the leader.

▸ The studies also found out that the poor performance of the employees also causes attrition of employees. Even though it is termed as good attrition, the selection procedure involves lot of time and resources. So the management can take decision to recruit those candidates having the personality traits to perform well in their job there by reducing the attrition rate.

▸ Bancassurance is proved to be one of the dominant channels in private life insurance sector. LIC also can think about utilizing bank network to increase their revenue further.

▸ Individual agents are the main contributor towards the individual life insurance business of LIC. Private players also can replicate the agency model of LIC along with other channels.

▸ Even in the digitalization face, the online channel doesn't find enough growth. This channel can be developed further by focusing through on various online platforms.

5.6 Scope of further research

▸ Effect of the level of performance on profitability per sales manager or productivity, personality factors and employee turnover can be studied

- The role of personality factors in discriminating leader member relationship and performance can be studied in various industries.

- Personality factors, leader member relationship and the impact on length of the service in the organization can be studied.

5.7 Contribution of the Study

The following are contributions of this research work:

- The variables used in this study prove to be highly reliable and valid, and hence they can be used and explored by academicians and practitioners in other industries

- Human resource managers can conduct a psychometric test in their organization and see how the personality factors affecting their performance

- The relationship between subordinate and supervisor plays vital role in retaining the talented human resources in the organization. The companies can evaluate the relationship by referring this study

- A training need can be easily identified to improve the performance of sales managers

- An initiative can be taken to improve the leader member relationship.

- The study recommends incorporating psychometric test in the selection procedure that can help to reduce the attrition rate in life insurance business.

- The study suggests using personality factors to predict the leader member relationship instead of using the standard LMX Questionnaire. So this will eliminate the procedure needed to assess the leader member relationship.

5.8 Conclusion

The study evaluated the capacity of personality factors of sales managers in predicting leader member relationship into 'in-group' or 'out-group' members of a

superior officer. Relationship with immediate higher official will influence several factors in the development of the organization. The other dimension of the study reveals the capacity of personality factors of sales managers in predicting the level of performance of sales managers into high performing group and low performing group. If any organization needs to know the leader member relationship, they should use the LMX questionnaire. The level of performance of sales managers will be known when the management measures their performance after joining and completing the service for a certain period of time. The study gives a situation where the management will be in a position to predict the leader member relationship and level of performance before recruitment. The study suggests using personality factors to predict the leader member relationship without using the standard LMX Questionnaire. So this will eliminate the procedure. The attrition rate of employees is mainly due to performance related issues or due to the relation with superior officers. The attrition rate of life insurance industry especially in private sector is very high. According to IRDAI report the attrition rate in private sector life insurance is 49.5 percent and in LIC it is 30.95 percent during 2011-12. The life insurance industry attrition rates 39.8 percent in the same period. The study suggested to have a personality test at the time of recruitment based on big five model and can predict their performance and leader member relationship. Recruiting a wrong candidate and giving training may lead to out of pocket cost to the companies. Insurance industry witnessed nearly 50% attrition every year. So study is trying to give a solution for this problem. The study also helps to identify the training need of an organization. There can be some improvement in the personality factors by way of continues training to sales people. The other contribution of the study is the measurement of leader member relationship. This dimension will help the top management to design a training program that could improve the leader member relationship. Policy related to promotion of superior officers also can be determined based on the officers having strong leader member relationship.

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Appendix

A STUDY ON "THE IMPACT OF PERSONALITY FACTORS OF SALES MANAGERS IN DISCRIMINATING LEADER MEMBER RELATIONSHIP AND PERFORMANCE WITH SPECIAL REFERENCE TO BANCASSURANCE

Instructions

In the table below put tick mark, for each statement 1-50 mark how much you agree with on the scale 1-5, where 1=disagree, 2=slightly disagree, 3=neutral, 4=slightly agree and 5=agree, in the box to the left of it.

1. I am the life of the party.

1	2	3	4	5

2. I feel little concern for others

1	2	3	4	5

3. I am always prepared.

1	2	3	4	5

4. I get stressed out easily.

1	2	3	4	5

5. I have a rich vocabulary.

1	2	3	4	5

6. I don't talk a lot.

1	2	3	4	5

7. I am interested in people.

1	2	3	4	5

8. I leave my belongings around

1	2	3	4	5

9. I am relaxed most of the time.

1	2	3	4	5

10. I have difficulty understanding abstract ideas

1	2	3	4	5

11. I feel comfortable around people.

1	2	3	4	5

12. I insult people

1	2	3	4	5

13. I pay attention to details.

1	2	3	4	5

14. I worry about things

1	2	3	4	5

15. I have a vivid imagination.

1	2	3	4	5

16. I keep in the background.

1	2	3	4	5

17. I sympathize with others' feelings

1	2	3	4	5

18. I make a mess of things.

1	2	3	4	5

19. I seldom feel blue.

1	2	3	4	5

20. I am not interested in abstract ideas

1	2	3	4	5

21. I start conversations.

1	2	3	4	5

22. I am not interested in other people's problems

1	2	3	4	5

23. I get chores done right away

1	2	3	4	5

24. I am easily disturbed.

1	2	3	4	5

25. I have excellent ideas

1	2	3	4	5

26. I have little to say.

1	2	3	4	5

27. I have a soft heart.

1	2	3	4	5

28. I often forget to put things back in their proper place.

1	2	3	4	5

29. I get upset easily

1	2	3	4	5

30. I do not have a good imagination

1	2	3	4	5

31. I talk to a lot of different people at parties

1	2	3	4	5

32. I am not really interested in others.

1	2	3	4	5

33. I like order

1	2	3	4	5

34. I change my mood a lot.

1	2	3	4	5

35. I am quick to understand things

1	2	3	4	5

36. I don't like to draw attention to myself

1	2	3	4	5

37. I take time out for others..

1	2	3	4	5

38. I shirk my duties.

1	2	3	4	5

39. I have frequent mood swings.

1	2	3	4	5

40. I use difficult words.

1	2	3	4	5

41. I don't mind being the center of attention

1	2	3	4	5

42. I feel others' emotions.

1	2	3	4	5

43. I follow a schedule.

1	2	3	4	5

44. I get irritated easily

1	2	3	4	5

45. I spend time reflecting on things.

1	2	3	4	5

46. I am quiet around strangers.

1	2	3	4	5

47. I Make people feel at ease

1	2	3	4	5

48. I am exacting in my work.

1	2	3	4	5

49. . I often feel blue

1	2	3	4	5

50. I am full of ideas

1	2	3	4	5

LMX 7 Questionnaire

Instructions

This questionnaire contains items that ask you to describe your relationship with either your leader. For each of the items, indicate the degree to which you think the item is true for you by circling one of the responses that appear below the item.

51. Do you know where you stand with your leader and do you usually know how satisfied your leader is with what you do?

Rarely	Occasionally	Sometimes	Fairly often	Very often

52. How well does your leader understand your job problems and needs?

Not a bit	A little	A fair amount	Quite a bit	A great deal

53. How well does your leader recognize your potential?

Not at all	A little	Moderately	Mostly	Fully

54. Regardless of how much formal authority your leader (follower) has built into his or her position, what are the chances that your leader would use his or her power to help you solve problems in your work?

None	Small	Moderate	High	Very high

55. Again, regardless of the amount of formal authority your leader has, what are the chances that he or she would "bail you out" at his or her expense?

None	Small	Moderate	High	Very high

56. I have enough confidence in my leader that I would defend and justify his or her decision if he or she were not present to do so.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

57. I have enough confidence in my leader that I would defend and justify his or her decision if he or she were not present to do so.

Extremely ineffective	Worse than Average	Average	Better than Average	Extremely effective

58. Percentage of attendance maintained in last one year

59. Percentage of total incentive received on total salary for the last one year

60. Experience in bancassurance in years