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THE ANALYSIS TOWARD FACTORS THAT AFFECT SALES WORK PERFORMANCE AMONG INSURANCE AGENTS OF PT. SINAR MAS BOGOR

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ABSTRACT

This study aims to determine the effect of organizational customer orientation towards customer orientation, and also examined the effect of environmental sales condition on adaptive selling, as well as the influence of consumers' orientation and adaptive selling on insurance agent performance. The study was conducted on 37 insurance policy agents at PT. Asuransi Sinar Mas in Bogor. The analysis used Partial Least Square (PLS). The results showed that the organizational customer orientation has significantly positive effect on consumer orientation. Environment sales conditions also have positive significant effect on adaptive selling. In addition, consumer orientation and adaptive selling also have significantly positively effect on the salespersons performance.

KEY WORDS

Organizational customer orientation, customer orientation, environmental sales conditions.

The tight competitions between companies has demanded the salesmen to develop some competitiveness points through relational approach more intensively, thus the business will be continuously developed. That is why the companies must be able to transform their salesman to be adaptive. Roman, S. and Iacobucci, D. (2010) states that the effectiveness of adaptive sales is effects by the working environment. Meanwhile, according to Rentz et al. (2002) salesman must be able to filter some sales techniques that will be use later on the field, thus it will be easier for them to adapt with the environment and condition of market. That is why the implementation of adaptive sales is effects by the working environment.

Another factor that affects the working performance of salesman is customer orientation and customer oriented selling. the characteristic of customer orientation sales which is implemented by some companies are keep in good touch with the customers, diagnose the customer's need, trying to build long term relationship with customers, and overcome the problems which has something to do with the quality of product and services from companies (Flaherty et al., 2001). Brasher et all (2007) firmly stated that customer orientation is learned behavior which is affected by environment factors, which is adapted during several times. The organization custom helps to develop the behavior and attitude of sales performance (Rozell et al., 2003). That is why the culture of companies who applies customer orientation is in positive outcome within customer orientation approach.

The salesman who applies customer orientation will create plus points that will give more attraction in product offer and become a strong candidate of predictor for future market (Franke and Piller, 2004). This method is already proven by support in cross buying, customer maintenance, and affect direct buying (Dean, 2007).

In insurance market, the human resource is one of important aspect where the companies are must to be able to manage the resource more effective in other to compete with other companies. Because, insurance is one of company type who use services which is very crucial in attracting more customers. The business is very prospective market, and the potential markets are still lots of variety, thus, it will give a long term benefit for the company. The development of macro business that contributes in nation's income for society is one of indication that shows increasing demand of insurance use among society. In summary, the ability of company to attract new customer and maintain the old one will be an important barometer for insurance company.

METHODS OF RESEARCH

The study belongs to one of casual research, because the research problems stated in the paper is the result of previous studies that needs for supports, examination, and development of conceptualization from the latest facts (Ferdinand, 2006). The data collection technique is using questionnaire. The series of questions has connection with the organizational customer orientation, market's environment, customer orientation, adaptive sales, and salesman working performance. The indications of customer oriented organization environment is taken from Cross et al (2007) within 6 indicators, the indication of sales environment is taken from Franke and Park (2006) within 3 indicators, the customer orientation indications is taken from Cross et al (2007) within 10 indicators, the indications of adaptive sales is taken from Franke and Park (2006) within 5 indicators, and the salesman performance indicators are taken from Cross et al (2007) within 5 indicators.

The respondents of research consist of 37 insurance agents of Sinar Mas Bogor. The questionnaire is handed directly to them. The scale used in this experiment is Likert scale within 5 levels. The analysis techniques in this study is Partial Least Square which is component based predictive model within variance based approach or component based. it means that the data must not meet the ideal criteria, which has not estimated the scale, data distribution, and total sample. In the PLS analysis, it does not require big data assumption, the data must be normal multivariate distributed, and must meet the determinacy condition (Ghozali, 2008:4).

RESULT OF STUDY

According to the 37 respondents, the sex of respondents are dominated by male which is 27 men or 72,97%, which contains most of 30-40 years old people or 56,76%. The level of education among respondents are dominated by bachelor degree which are 78 people or 56,12%. On one hand, most of respondents have served the company for approximately 3 to 4 years of working which are 19 people or 51,35%.

Table 1 – Statistic Description

Variable	Average	Deviation Standard
X ₁	3,79	0,53
X ₂	3,81	0,61
Z ₁	3,71	0,57
Z ₂	3,71	0,64
Y	3,69	0,73

The descriptive statistic shows in the table 1 that the average number of organizational customer orientation is 3,79 within deviation standard of 0,53, it shows the variation of organizational customer orientation which is 14,03%. The average value of sales environment is 3,81 within 0,61 deviation standard, it shows the variation of sales environment about 16,04%. The average value of customer orientation is 3,71 within 0,57 deviation standard, it shows the variation of customer orientation about 15,44%. the average value of adaptive sales is 3,71 within 0,64 deviation standard, it shows the variation of adaptive sales about 17,23%. The average value of salesman working performance is 3,69 within 0,73 deviation standard, it shows the variation of salesman working performance about 19,85%.

The result of convergent validity analysis, shown in table 2, it stated that all declaration items for each variable is valid as it possesses above 0,7 loading factor value.

The result of discriminant validity examination by comparing the square root of Average Variance Extracted (AVE) for each construct to another. The model results in consistent value within convergent validity test in previous step. The construct root of AVE variable is indicated in bold number, it shows the higher value than construct variable correlation to other variables.

Table 2 – The Outer Loading Value

Variable	Indicator	Loading Factor
Customer Orientation Working Environment (X ₁)	Develop the commitment toward customer.	0,8294
	Provide valuable product to customer.	0,8844
	Understand the customer expectation.	0,9121
	Fulfill the customer satisfaction.	0,7928
	Provide product's prototype.	0,8366
	Measure the customer satisfaction.	0,8073
Sales Environment (X ₂)	The needs and customer type.	0,9260
	Sales situation type.	0,9031
	Products provided by company.	0,7876
Customer Orientation (Z ₁)	Help the customers to find his objective.	0,8262
	Help the customers to find his objective by giving satisfaction.	0,8231
	Reveal the customer expectation.	0,8165
	Help customer discussing the needs.	0,8199
	Provide customer with information and not oppression.	0,8305
	Help customer finding the expected products.	0,8251
	Offer the proper and expected products to the customers.	0,8496
	Answer the questions from customer.	0,8297
	Provide customers with good argument to help them make a better decision.	0,8260
Adaptive Sales (Z ₂)	Provide customer with precise data about the products.	0,8189
	Use different approaches techniques for different customers.	0,9299
	Interchange the approaches technique during interaction with customers.	0,8934
	Reveal the information about customer in order to give them with proper needs.	0,7906
	Effectively interchange the presentation.	0,8633
Sales Working Performance (Y)	Must be sensitive toward customer need.	0,7212
	The quantity target.	0,8488
	The ability to achieve the target.	0,8913
	The quality of sales working performance related to relationship with customers.	0,8406
	The quality of sales working performance related to time, cost, and planning management.	0,9094
	The quality of sales working performance related to knowledge about customer background.	0,9546

Table 3 – The AVE Root Comparison with Latent Variable Correlation

Variable	X1	X2	Y	Z1	Z2
Customer Orientation Working Environment (X ₁)	0.8448	0	0	0	0
Sales Environment (X ₂)	0.5625	0.8744	0	0	0
Sales Working Performance (Y)	0.2297	0.53	0.8899	0	0
Customer Orientation (Z ₁)	0.558	0.6435	0.7108	0.8266	0
Adaptive Sales (Z ₂)	0.2303	0.5872	0.8034	0.5714	0.8430

Source: The result of PLS analysis.

Discriminant validity can also be seen in the cross loading value between the indicator and the construct. It can be seen that the correlation of consumer-oriented organizational environment (X₁) with the indicator is higher than the correlation of consumer-oriented organizational environment indicator (X₁) with sales environment construct (X₂), consumer orientation (Z₁), adaptive sales (Z₂), and salesman performance (Y). This also applies to the other four variables, which indicate that the latent construct predicts the block indicator better than the other block indicators. The results can be seen in Table 4.

The result of reliability test within composite reliability analysis is displayed on table 5, it shows that each research variables has composite reliability over 0,70. thus, it could be concluded that each variable possessed good reliability.

The result of structural model is displayed on table 6. the coefficient path test is performed by comparing the t table value on significance level of 5%, it is about 1,96. If the t statistic value is higher than t table value which is 1,96, the coefficient path is certainly significant. According to the structural model, it could be concluded that the customer oriented organization (X₁) is positively significant affected toward customer orientation(Z₁), the sales environment (X₂) is positively significant affected toward adaptive sales (Z₂),

customer orientation (Z_2) is positively significant affected toward salesman work performance (Y), and adaptive sales is positively significant affected toward salesman work performance (Y).

Table 4 – Cross Loading Factor

Indicator	X1	X2	Y	Z1	Z2
X1.1	0.8294	0.3317	0.0922	0.3386	0.1031
X1.2	0.8844	0.4701	0.2063	0.5052	0.1911
X1.3	0.9121	0.5119	0.2209	0.4862	0.245
X1.4	0.7928	0.3411	-0.0111	0.3179	-0.0771
X1.5	0.8366	0.4878	0.097	0.3598	0.1313
X1.6	0.8073	0.5895	0.3745	0.6449	0.3779
X2.1	0.4302	0.926	0.4937	0.5601	0.5545
X2.2	0.4976	0.9031	0.5514	0.6058	0.5172
X2.3	0.5631	0.7876	0.3329	0.5222	0.4643
Y1	0.1683	0.3962	0.8488	0.6109	0.6005
Y2	0.2036	0.5148	0.8913	0.699	0.6954
Y3	0.1917	0.5554	0.8406	0.6395	0.7641
Y4	0.2662	0.4472	0.9094	0.5901	0.7166
Y5	0.1911	0.4327	0.9546	0.6192	0.78
Z1.1	0.4535	0.5076	0.5782	0.8262	0.577
Z1.2	0.2819	0.4009	0.5983	0.8231	0.4264
Z1.3	0.3688	0.439	0.5609	0.8165	0.4402
Z1.4	0.4516	0.6133	0.5431	0.8199	0.4521
Z1.5	0.4329	0.5234	0.7259	0.8305	0.5021
Z1.6	0.5894	0.4635	0.5408	0.8251	0.4919
Z1.7	0.6337	0.6402	0.5735	0.8496	0.5235
Z1.8	0.5151	0.5173	0.5365	0.8297	0.3604
Z1.9	0.4644	0.642	0.6188	0.826	0.4578
Z1.10	0.3546	0.5398	0.5854	0.8189	0.4739
Z2.1	0.2891	0.5898	0.8404	0.5543	0.9299
Z2.2	0.2342	0.574	0.7548	0.5496	0.8934
Z2.3	0.0942	0.4511	0.5423	0.3923	0.7906
Z2.4	0.242	0.4967	0.6499	0.5334	0.8633
Z2.5	0.0384	0.3012	0.53	0.3268	0.7212

Table 5 – The Result of Composite Reliability and Cronbach Alpha

Variable	Composite Reliability	Cronbach Alpha
Customer Orientation Working Environment (X_1)	0.9372	0.9214
Sales Environment (X_2)	0.9065	0.8435
Sales Working Performance (Y)	0.9500	0.9337
Customer Orientation (Z_1)	0.9557	0.9485
Adaptive Sales (Z_2)	0.9241	0.8971

Source: The result of PLS analysis.

Table 6 – The Examination of Coefficient Significance Path Structural Model

Relation	Coefficient path	t statistics	Note
$X_1 \rightarrow Z_1$	0.5580	6.3696	Significant
$X_2 \rightarrow Z_2$	0.5872	4.8267	Significant
$Z_1 \rightarrow Y$	0.3739	2.4091	Significant
$Z_2 \rightarrow Y$	0.5898	5.0143	Significant

According to Hair et al (2014), generally the R value is 0,75; 0,50; or 0,25 the endogen construct could be described respectively as substantial, moderate, and weak affection. The R^2 Value for customer orientation variable (Z_1), adaptive sales (Z_2) and salesman work performance (Y) are 0,3114; 0,3449; 0,7396. The customer orientation (Z_1), adaptive sales (Z_2) and salesman work performance (Y) shows moderate affection.

Figure 1 – The result of Partial Least Square analysis

The R Square (R^2) value and stone geyser (Q^2) for each endogen construct is displayed on table 7.

Table 7 – The value of R Square (R^2) and Stone-Geisser (Q^2)

Endogen variable	R^2 Value	Q^2 Value
Customer Orientation (Z_1)	0,3114	0,2072
Adaptive Sales (Z_2)	0,3449	0,2395
Sales Working Performance (Y)	0,7396	0,5798

The Q^2 value which is higher than zero (0) shows path model predictive relevance for the corresponding construct. The Stone-Geisser value (Q^2) for customer orientation (Z_1), adaptive sales (Z_2) and salesman work performance (Y) are 0,2072; 0,2395; 0,5798. as those Stone-Geisser value are higher than zero, it means that the model possessed predictive relevance for each construct.

DISCUSSION OF RESULTS

According to the results of the analysis, it can be concluded that the path coefficient is positive with a t value of 6.3696 > t table value of 1.96, this indicates that the consumer-oriented organizational environment (X_1) has a positive significant effect on consumer orientation (Z_1). Therefore, the first hypothesis which states that the environment of consumer-oriented organization (organizational customer orientation) has a significant positive effect on the orientation of consumer salesmen is accepted.

The consumer-oriented organizational environment will make consumers feel comfortable because they feel cared for. This will have a positive effect on insurance agents in making a better approach to consumers. Your insurance agent will feel comfortable working, because they are supported by a climate and a consumer-oriented corporate culture. This supports the study of Cross et al. (2007) which shows that organizational consumer orientation or consumer orientation environment has a significant effect on consumer orientation. This result is also consistent with the opinion of Stock and Hoyer (2005), that sales people who adopt consumer orientation are the result of organizational and marketing management practices that also focus on consumer orientation.

Second, According to the result of analysis, it is revealed that the path coefficient value is positive within 2,4091 t value which is higher than 1,96. This shows that the customer orientation (Z_1) is positive significant affected toward the salesman work performance (Y). That is why, the second hypothesis stated that the customer orientation from salesman is positively affected toward the work performance is accepted.

If an insurance salesman is willing to collect the customer demand and help them to discuss of what they need, the agent will earn a good relationship with customers. It will help the agent to offer appropriate products and bale to sell the products within high quantity. This result supports the cross et all research (2007) and Srinada (2003) who state that the salesman resource is able to increase sales expectation through approach that has customer orientation principles. Franke and Piller (2004) the salesman who has customer orientation is able to identify and satisfy the customer's expectation. The same result is also declared by Dean (2007), he stated that the customer orientation approach will able to increase the sales volume through the cross-buying possibility.

Third, According to the result of analysis, it is revealed that the coefficient path has positive value within 4,8267 t statistic value, it is higher than the t table which is 1,96. It shows that the sales environment (X_2) is positive significant affected toward adaptive sales (Z_2). Thus, the third hypothesis stated that sales environment contribute positive effects toward adaptive selling performed by salesman, is accepted.

The different situation will make the salesman to change its strategy to deliver the information toward customers by using different approaches. The insurance agent will also change the presentation within different variations based on the number of products provided by the company. The varieties of product offering will guide the salesman to fulfill the expectation of the customers. The agent will be able to diagnose the problems faced by customers and the varieties of product offering will help them to find solution above what customers expected to receive.

The result supports Irianti's research which stated that the varieties and knowledge amount the details of product, the selling environment also plays important role in order to increase the selling rate. In consistency with the opinion from Franke and Park (2006), that the product's varieties will help the salesman to provide more options to the customer to fulfill their expectations. Giacobbe (2006), also stated that the characteristics of selling environment which is connected with customer expectation, sales situation types, and sold products plays important role on the economic wheels.

Last Result, according to the analysis, it could be shown that the coefficient path has positive value within t statistic value about 5,0143 which is higher than the t table principles, 1,96. It shows that the adaptive selling (Z_1) give positive significant impact towards the work performance of the salesman agents (Y). That is why, this hypothesis stated that the adaptive selling give positive significant impact towards the work performance of salesman, is accepted.

The result support Irianti's study (2008) and Srinanda (2003) who stated that the service orientation affects the work performance. Meanwhile, Keillor et all (2000) also stated that successful salesman are those who able to adapt the communication style while performing interaction with customers. In consistency with Roman and Iacobucci (2010), he stated that the adaptive selling is conceptualized as smart working where the salesman is able to identify the varieties of selling situation in order to implement the correct selling approaches.

CONCLUSION AND SUGGESTIONS

Based on the result and discussion of study, there are several conclusions as follow:

- The more conducive environment organization in supporting the expectation of the customers, the better ability of customer orientation approach which is performed by the salesman.
- The better ability of customer orientation approach which is performed by the salesman, the better quality and quantity of salesman work performance.

- The more support towards selling environment, the more adaptive salesman will be in transaction as the companies possesses effective resource in transaction process.
- The more salesmen who are adaptive to sell the products, the better choice in determining proper communication style while interacting with customer. Thus, the productivity and working performances will be higher as well.

And there are several managerial implication that could become suggestions of the study, they are:

- The companies need to hold a gathering, it is an event for the customers to build relationships or introduction or offering to new products or special products. By inviting the potential customers periodically, the companies must involve salesman to get better understanding with customers. Thus, it will increase the selling with customer orientation.
- The company needs to hold continuing workshop or training for the salesman, it will train them to be more sensitive and understand the market situation that must be faced every day. The training will focus on the special products in order to explore more markets.
- Company must provide continuing Focus Group Discussion in every unit, it is discussion about the practice of sales in markets within significance situation, and thus the sales man will have several options to improve their working performance through peer co-workers discussion.
- Company needs to build integrated working environment in order to give positive impact for the salesman, create the productive atmosphere in the office. Thus, there will be a good communication among salesmen without being ego, they must share the information about how to handle the customers about administration process, and the product's benefit, or even the competitors.

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