# SOFT SKILLS AND SALES PERFORMANCE OF LIFE INSURANCE AGENTS IN TAGUM CITY

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## ABSTRACT

*This study explores the significant relationship between soft skills and the sales performance of life insurance agents in Tagum City. The findings contribute to existing knowledge in the literature by shedding light on the connection between soft skills and sales performance among these agents. Utilizing a quantitative approach with a descriptive correlational method, the study employed correlation techniques to characterize existing traits. The 87 life insurance agents in Tagum City who participated in the study demonstrated a high level of soft skills, encompassing communication, problem-solving, leadership, teamwork, and interpersonal skills. Similarly, their sales performance, measured in terms of self-efficacy, competitiveness, performance, and effort, was also notably high. Significantly, the study revealed a strong and statistically significant relationship between soft skills and sales performance among life insurance agents in Tagum City. The implications suggest the importance of prioritizing developing and refining soft skills for employees in this industry.*

*Keywords**: life insurance agents, quantitative research, sales performance, soft skills, Philippines*

## INTRODUCTION

Sales occupations can be challenging but are a widely growing field across the world. Concurrently, sales jobs make up a large portion of the global workforce. After all, a salesperson's competence on the job frequently determines a company's ability to succeed. When there are discrepancies regarding an individual's distinctive qualities and characteristics, personality and the skills that an individual possesses also matter a lot. A person's personality and skills are frequently the most important factors for success in sales-related jobs, particularly on the sales insurance agents. Furthermore, several academics have

asserted that personality and skills may play a significant impact on sales and might lead to higher levels of success (Rackham, 2019). In the global setting, particularly in the United States, it was found that the insurance industry in the United States is facing a challenging business environment characterized by intense competition and evolving customer needs. Despite the critical role that insurance agents play in driving sales growth, many insurance companies in the United States struggle to improve the sales performance of their agents. This problem is exacerbated by a lack of research on the factors that contribute to the sales performance of insurance agents in the United States (Turner, 2008).

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In the Philippines, particularly in Metro Manila, the same scenario is also evident wherein most companies, specifically sales insurance companies, have experienced reduced business outputs, manageable amounts of revenue losses, and poor sales performance, especially during the surge of the Covid-19 pandemic. As a result, unemployment rates skyrocketed, and fears of an economic crisis began to take hold. This has affected a lot of small and medium enterprises, particularly in terms of the sales performances of the insurance agents (Adversario, 2016).

As such, studying this concern is timely and relevant since the world has been facing a pandemic for quite some time, and there are a lot of insurance company that tends to offer insurance benefits, this study will be beneficial on the part of the insurance companies since through the result of this study it will provide them with enough knowledge on how to encourage the insurance agents to perform their best and will enable them to provide appropriate plans to elevate sales performance of their agents. On the part of the insurance agents, the result of this study it will help them improve their soft skills and develop some competency and skills in dealing with customers. More importantly, this research has significant societal implications because by improving the sales performance of life insurance agents through the development of soft skills, such as effective communication and customer service, agents can better connect with potential customers, educate them about the importance of life insurance, and help them find policies that fit their needs and budget. This can enhance the accessibility and affordability of life insurance, ultimately contributing to social welfare by providing greater financial protection to more individuals and families.

## OBJECTIVES OF THE STUDY

This study is centered on addressing the following objectives: (1) To assess the level of soft skills among life insurance agents; (2) to evaluate the sales performance of life insurance agents; and (3) to establish the significant relationship between soft skills and sales performance.

## METHODOLOGY

This study utilized a quantitative descriptive-correlational research design. This design looked if soft skills have a significant relationship with the sales performance of life insurance agents in Tagum City. As Apuke (2017) mentioned, quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures and structured techniques such as questionnaires. Statistical data is usually in the form of tabulations; findings are conclusive and usually descriptive in nature, used to recommend a final course of action.

The respondents of this study were chosen based on the following pre-inclusion criteria: (a) must be employed in a life insurance company that has been operating for a minimum of 3 years, and (b) must be a life insurance agent for about 3 years and above. The respondents with the life insurance company they are currently employed are reflected in the table.

The researchers sought permission from different life insurance companies in Tagum City requesting a letter that would allow the researchers to disseminate a questionnaire and allow them to conduct the research using printed questionnaires or e-questionnaires for their life insurance agents, the researchers are fully vaccinated and tend to follow the safety measures approved by the IATF COVID-19 Inter-Agency Task Force for the Management of Emerging Infectious Diseases Resolutions such as wearing safety gears such as a face mask, face protection, and the use of alcohol and other sanitary procedures.

The researchers distributed the survey questionnaires to the respondents. Afterward, the respondents were given ample time to answer the survey forms as honestly as they could. Later, the survey questionnaires were retrieved from the respondents. They manually collated and tabulated

the research data obtained from the respondents using Microsoft Excel. After this, the researchers asked the help of a reputable statistician to aid them in analyzing the data. Once the results are ready, the researchers have prepared to interpret and present the obtained and analyzed research data.

The following statistical tools were utilized to calculate the data in this study. Mean was used to express the respondents' soft skills and sales performance, and Pearson r was used to express the significant relationship between soft skills and sales performance.

## RESULTS AND DISCUSSION

### 1. Summary of the Level of Soft Skills

*Table 1*
*Level of Soft Skills*

| Indicators | Mean | Description |
|---|---|---|
| Teamwork | 4.68 | Very High |
| Leadership | 4.70 | Very High |
| Communication Skills | 4.21 | High |
| Interpersonal Skills | 4.60 | Very High |
| Problem-Solving Skills | 4.65 | Very High |
| **Overall** | **4.57** | **Very High** |

Presented in Table 1 is the overall level of soft skills of life insurance agents, which geared the overall mean of 4.57 with a very high description. This means that the insurance agents' soft skills is oftentimes manifested.

Data showed that the highest mean is leadership, with a mean of 4.70 and a descriptive equivalent of very high. This indicates that the insurance agents' level of soft skills in terms of leadership is always manifested.

On the other hand, communication skills have a mean of 4.21, considered the lowest mean with a descriptive equivalent of high. This indicates that the insurance agents' level of soft communication skills is often manifested.

## 2. Summary of the Level of Sales Performance

*Table 2*
*Level of Sales Performance*

| Indicators | Mean | Description |
|---|---|---|
| Self-Efficacy | 4.89 | Very High |
| Competitiveness | 4.72 | Very High |
| Performance | 4.73 | Very High |
| Effort | 4.78 | Very High |
| **Overall** | **4.78** | **Very High** |

Presented in Table 2 is the overall level of sales performance of life insurance agents in Tagum City, which garnered an overall mean of 4.78 with a very high description. This means that the insurance agents always manifested the said item.

Data showed that the highest mean is Self-Efficacy, and the highest mean is 4.89, with a descriptive equivalent of very high. This indicates that the insurance agents' level of sales performance in terms of Self-Efficacy is always manifested.

Consequently, competitiveness has a mean of 4.72, which is considered the lowest mean with a descriptive equivalent of very high. This means that the insurance agents' level of sales performance in terms of competitiveness is always manifested.

### 3. Significant Relationship between Soft Skills and Sales Performance

Table 3
*Significant Relationship Between Soft Skills and Sales Performance*

| Variable | Mean | R-Value | P-Value | Decision @=0.05 |
|---|---|---|---|---|
| Soft Skills | 4.57 | 0.55*** | <.001 | |
| Marketing Performance | 4.19 | | | $H_0$ Rejected |

Presented in Table 3 are the actual r – r-values and values of each indicator when paired with the dependent variable. The data revealed that soft skills as the independent variable and sales performance as the dependent variable had

an r- r-value of 0.55 and a p – p-value of <.001 since the p – p-value was less than the level of significance a=0. 05,. this leads to the rejection of the null hypothesis, which states that there was a significant relationship between soft skills and sales performance among the life insurance agents in Tagum City, Davao del Norte.

This implies that having strong, soft skills can positively impact a salesperson's performance. Thus, there is a positive correlation between soft skills and sales performance in which it suggests that a salesperson who can effectively communicate with clients, build trust, and understand their needs and concerns is more likely to succeed in sales. Conversely, a salesperson who lacks these skills may struggle to connect with clients and close deals.

## CONCLUSIONS

The respondents, comprising life insurance agents, consistently demonstrated a very high level of performance in terms of soft skills, consistently manifesting the construct. Among the soft skills indicators—teamwork, leadership, interpersonal, and problem-solving skills—all exhibited a descriptive equivalent of very high, indicating consistent manifestation. While commonly exhibited, communication skills received a higher descriptive equivalent among the five indicators. Similarly, the results regarding sales performance indicated that the employees consistently performed at a very high level, manifesting the construct across all indicators: self-efficacy, competitiveness, performance, and efforts—all demonstrating a descriptive equivalent of very high. The overall correlation analysis revealed a statistically highly significant relationship between the two variables—soft skills and sales performance of life insurance agents in Tagum City.

## RECOMMENDATIONS

The study recommends that insurance companies address the high level of soft skills among agents, focusing on improving communication skills. Seminars and training programs, including workshops, coaching sessions, or online courses, should emphasize effective communication techniques like active listening, empathy, and clarity in language.

The researchers suggest developing a transparent performance measurement system for sales performance, which was found to be at a very high level, particularly in competitiveness. This system should consider factors beyond sales numbers, incorporating customer satisfaction ratings, market research, and feedback from peers and supervisors. Setting realistic targets, accommodating individual strengths and weaknesses, and fostering a growth mindset through orientations, seminars, and training are recommended to enhance agents' competitiveness.

Given the strong correlation between soft skills and sales performance, the study emphasizes developing soft skills. This can be achieved through relevant seminars, workshops, and training programs tailored to enhance agents' soft skills, ultimately improving their sales performance. Information on the benefits of soft skills is crucial to help agents appreciate the value of investing time and effort in their improvement.

Additional recommendations include offering incentives, such as bonuses, promotions, or recognition, to encourage agents to develop soft skills. Regularly monitoring agents' soft skills and providing feedback through methods like check-ins, performance reviews, or peer evaluations is also suggested for continuous improvement.

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