

THE EFFECTS OF JOB CHARACTERISTICS ON SALESPERSON'S ENGAGEMENT OF LOCAL INSURANCE COMPANIES IN MANDALAY*

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Abstract

This study aims to examine the effects of job characteristics on salesperson's engagement at local insurance companies in Mandalay. This study uses both primary and secondary data. There are 8 local insurance companies in Mandalay. Among them, 5 local insurance companies were selected, and 67 salespersons were chosen as samples by using the multi-stage simple random sampling method. The structured questionnaire is used to collect primary data. Descriptive statistics, correlation analysis, and multiple regression analysis are applied to analyze the collected data. This study found that the three job characteristics - task identity, task significance, and autonomy - have an effect on salesperson's engagement in terms of vigor, dedication, and absorption. It is indicated that the job characteristics of an insurance salesperson may directly increase salesperson's engagement. Therefore, local insurance companies need to ensure that job roles are well-defined, providing clear task identity and significance. They should enable salespersons to understand the importance of their roles in contributing to the overall success of the organization and to feel a sense of purpose in their work. Companies should grant salespersons a certain level of autonomy to make decisions in their sales processes.

Keywords: Job characteristics, Task identity, Task Significance, Autonomy, Salesperson Engagement, Local insurance companies

Introduction

Today, many organizations are facing with challenges, especially with the constant changes in technology, economic, social, political and legal conditions and internal process. Where competition is fierce and customer expectations are constantly evolving, it is imperative for organizations to focus on maximizing employee engagement to maintain a competitive edge. The concept of employee engagement is rapidly gaining popularity and is used in the workplace to retain qualified employees. Employee engagement is an employee's level of commitment and involvement within their organization. Engaged employees are typically aware of their responsibilities toward their business goals and work to motivate their colleagues to achieve organizational objectives (Anitha, 2014).

Engagement is expected when employees are dedicated toward organization goals, finding their job exciting in addition to identifying the values of their organization (Armstrong & Taylor, 2014). Various factors play a key role in improving the level of employee engagement in organizations. Kinicki and Fugate (2016) discussed the drivers of employee engagement, such as environmental factors like job characteristics, personal factors, and organizational factors. When employees are engaged, they are more likely to invest in their work, which leads to a high quality of work produced.

Engaged organizations have doubled the rate of success compared to less engaged organizations (Baldoni, 2013). Engaging the right employees in the right behaviors remains a critical ingredient in how companies can improve their competitiveness and business performance. Despite employee engagement being viewed as positive company-wide, the

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majority of employees are disengaged at work. Only 33% of employees reported being engaged at work (Brook, 2019). It is clear that company leaders need to start viewing employee engagement as a strategic business objective because engaged employees lead to long-term employee retention, higher levels of productivity, and improved quality of work.

Employee engagement is important in all industries, including the service industry, especially insurance. With the entry of new players in the market, local insurance companies need to differentiate themselves from their competitors by offering unique and innovative products and services, providing an excellent customer experience, leveraging technology, and building a highly skilled workforce. To overcome these challenges, it is crucial for companies to prioritize employee engagement. The engagement of employees varies based on their job characteristics. Employees are motivated by a variety of tasks, autonomous work, and feedback. When employees take control over their work and get the efficacy of their results, they will get job engagement.

A critical element for employees to stay in the company for many years is their engagement with their job. Therefore, the five core job characteristics—skill variety, task identity, task significance, autonomy, and feedback—are relatively important for organizations to provide their employees with opportunities to enhance their job engagement. The insurance industry is customer-service-driven, which means insurance salespersons are brand ambassadors, and keeping them in a favorable condition is a key to an upstanding reputation. An insurance salesperson can build customer trust, nurture long-term relationships, create added value for customers, and provide market information to management. In these circumstances, salespeople are one of the most important assets in insurance companies, and the performance of insurance companies ultimately depends on the performance of their salespeople.

Problem Statement of the Study

In recent years, Myanmar's insurance sector has liberalized by giving foreign insurance companies a chance to enter the market. At the same time, the country's financial sector governance has been strengthened, while the insurance companies are increasing and developing in Myanmar, and they are competing to expand their businesses to become market leaders.

After the liberalization of the insurance industry, local insurance companies in Myanmar have strongly focused on customers by heavily committing to employee improvement activities. Employees are an important asset for insurance companies because they are the interface between the insurance industry and the public. They are the first-line operators in the insurance sector, and they play a very critical role in the distribution and uptake of insurance products.

However, many companies in Myanmar suffered many threats and experienced the negative effects of the spread of COVID-19 disease problem in 2020. According to the current situation in Myanmar, many organizations face various challenges and dynamic changes. At that time, insurance companies also faced many challenges in competing in the marketplace. Especially, local insurance companies try to compete with other joint ventures and foreign insurance companies by overcoming various challenges and problems.

To remain competitive, local insurance companies need to emphasize the achievement of a competitive advantage in human resources. Companies need to differentiate themselves from

their competitors by offering better products, services, and customer experiences. Insurance salesperson's play a critical role in creating and sustaining a competitive advantage for local insurance companies.

A salesperson who has a direct relationship with customers plays a crucial role in achieving a competitive advantage. They interact directly with customers, providing them with information about policies, handling claims, and helping them select insurance products that meet their needs. All sales and marketing employees give an initial impression of their company to customers. An engaged salesforce is crucial for a company to achieve competitive advantage and overall success. Insurance companies need to prioritize salesperson engagement and create a work environment that fosters salesperson's motivation. Therefore, this research aims to study the effects of job characteristics on salesperson's engagement at insurance companies in Mandalay.

Objectives of the Study

The objective of the study is to analyze the effects of job characteristics on salesperson engagement of local insurance companies in Mandalay.

Scope and Methods of Study

This research focuses on the effects of job characteristics of salesperson engagement at local insurance companies in Mandalay. Two-stage simple random sampling method was used in choosing the sample size. According to the survey data (2022), there are eight local insurance companies in Mandalay. Among them, five local insurance companies are selected by using a simple random sampling method as the first stage. And then, as the second stage, a sample of 67 insurance salespersons is selected from the population of 80 insurance salespersons in five selected local insurance companies. Primary data are collected by using a structured questionnaire. Secondary data are gathered from relevant text books, journals, and previous research papers. Descriptive statistics, correlation analysis, and multiple regression analysis are used to analyze the effects of job characteristics on salesperson engagement at local insurance companies in Mandalay.

Literature Review

In today's business environment, successful organizations design an effective work environment that engages employees to be successful in their work. Creating effective job characteristics is a crucial element in designing a work environment that engages and enables employees to succeed.

Job Characteristics

Job characteristics, or the design of a job, can have a significant impact on an employee's motivation, satisfaction, and performance. It identifies five core job characteristics that can be manipulated to increase an employee's motivation and satisfaction: skill variety, task identity, task significance, autonomy, and feedback (Hackman & Oldham, 1980).

Skill Variety: It is the degree to which the job requires a variety of activities and involves many different skills and talents (Hackman & Oldham, 1980). Skill variety is the extent to which a job requires a variety of employee competencies to carry out the work (Hellriegel & Slocum, 2011).

It also defines the degree to which the job has many different activities using several skills, abilities, and talents of a person (Champoux, 2011).

Task Identity: It is the extent to which a job requires an employee to complete a whole and identifiable piece of work, that is, doing a task from beginning to end with a visible outcome (Hellriegel & Slocum, 2011). It is also the degree to which the job lets a person do a whole piece of work from start to finish (Champoux, 2011). Task identity is the extent to which the job requires an individual to perform a whole or completely identifiable piece of work. In other words, task identity is high when a person works on a product or project from beginning to end and sees a tangible result (Kinicki & Fugate, 2016).

Task Significance: It refers to the degree to which the person doing the job perceives it as important to others in the organization or clients of the organization (Champoux, 2011). Luthan (2011) states that task significance involves the importance of the task. It involves both internal significance—how important the task is to the organization—and external significance—how proud employees are to tell relatives, friends, and neighbors what they do and where they work.

Autonomy: It is the extent to which the job provides empowerment and discretion to an employee in scheduling tasks and in determining procedures to be used in carrying out those tasks (Hellriegel & Slocum, 2011). It is also defined as the degree of a person's discretion in deciding how and when to do the job (Champoux, 2011). Autonomy is the extent to which the job enables an individual to experience freedom, independence, and discretion in both scheduling and determining the procedures used in completing the job (Kinicki & Fugate, 2016).

Feedback: refers to the extent to which the job activities provide the worker with direct and clear information about performance (Hackman & Oldham, 1980). Feedback is provided after carrying out job-related tasks by giving direct and clear information about the effectiveness of an employee's performance (Hellriegel & Slocum, 2011). It is also defining the degree to which a person learns about the quality of his or her job performance while doing the task. Feedback comes from clients directly served by the job, but not from a supervisor or coworkers (Champoux, 2011).

Employee Engagement

Schaufeli et al. (2002) suggested that engaged employees possess high energy and are stimulated to invest effort and time for their job without fatigue; engaged employees feel enthusiasm and significance by involving themselves in their work and feel satisfied and inspired; and engaged employees who are completely concentrated in their work and feel pleasant.

Vigor: It refers to a state of high energy, resilience, and a willingness to invest effort and time into one's job. In other words, it is characterized by factors such as having high energy levels and mental resilience when working, a willingness to invest effort in one's work, and being full of determination even when faced with difficulties. Therefore, an employee who is working with great vigor is highly motivated by their job and is likely to remain very positive when faced with work-related problems or hassles (Mauno et al., 2006).

Dedication: It is characterized by deep involvement in work, accompanied by enthusiasm, satisfaction, and inspiration. It involves a profound psychological connection and commitment to

the tasks and responsibilities associated with one's job (Mauno et al., 2006). When individuals are dedicated to their work, they demonstrate a strong sense of purpose, motivation, and pride in what they do.

Absorption: It occurs when employees are fully concentrated and deeply engaged in their work, to the point where time seems to pass quickly and it becomes challenging to detach from the job. Absorption is regarded as having high levels of concentration and focus at work (Schaufeli et al., 2002). People are engaged so deeply in an activity that nothing else seems to matter; the experience itself is so pleasant that people do it at a great cost just for the sake of doing it (Mauno et al., 2006).

An engaged employee is aware of the business context and works with colleagues to improve performance within the job for the benefit of the organization. The organization has to work to develop and nurture engagement, which requires a two-way relationship between employer and employee (Robinson et al., 2004).

Wang et al. (2015) suggested that skill variety, task significance, and feedback had a positive and significant effect on employee engagement among insurance sales representatives in China. However, task identity and autonomy did not show a significant effect on employee engagement. Task significance, autonomy, and social support were positively associated with employee engagement levels in the insurance sector of Pakistan. However, skill variety and feedback did not show a significant effect on employee engagement (Raziq & Maulabakhsh, 2015).

Lee and Kim (2020) found that autonomy, skill variety, and feedback had a positive impact on employee engagement among insurance employees in South Korea. Task significance and social support did not show a significant effect on employee engagement. It is suggested that future research could examine the effect of job characteristics on employee engagement in other industries and countries to generalize the findings. Based on the literature reviews, the conceptual framework of the study is developed and shown in Figure (2.1).

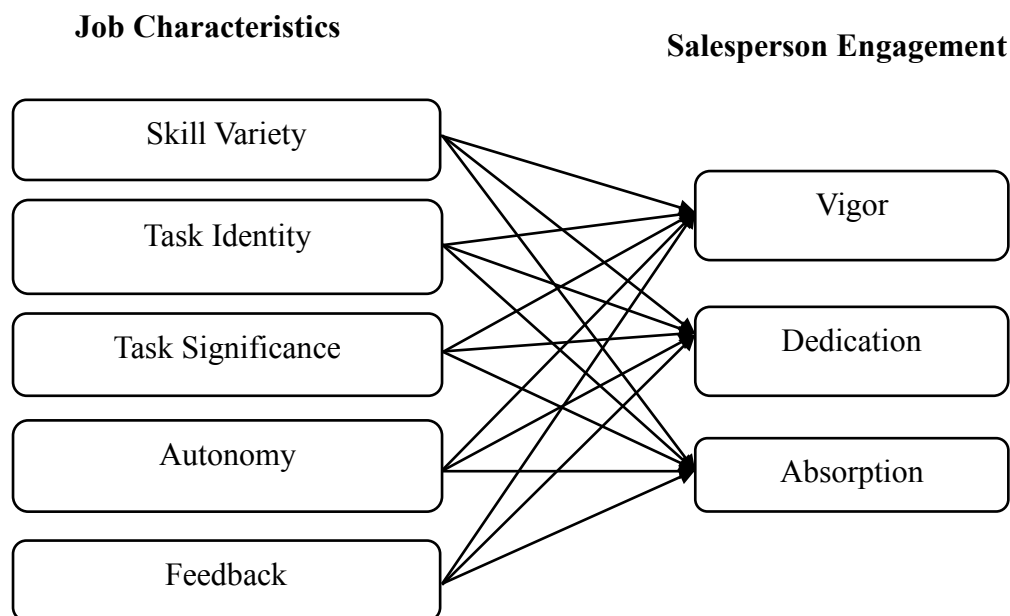


Figure (2.1) Conceptual Framework of the Study

Own Compilation Based on Previous Studies, 2023

As shown in the Figure (2.1), this study explores the effect of job characteristics on salesperson engagement. Job characteristics of salesperson are independent variables that include

skill variety, task identity, task significance, autonomy and feedback. Salesperson engagement: vigor, dedication and absorption are dependent variables.

Findings and Discussions

In order to meet the objectives of the study, the perceptions of job characteristics and engagement of 67 insurance salespersons were analyzed. Table 1 illustrates the demographic profiles of the 67 insurance salespersons, which include gender, age, marital status, educational qualification, salary, and working experience of the respondents.

As shown in Table (1), it can be found that out of 67 salespersons from 5 local insurance companies in Mandalay, 32.8% are males and the rest, 67.2%, are females. It revealed that female salespersons are greater than males at the local insurance company, Mandalay. Concerning the age of salespersons in local insurance companies in Mandalay, 31.3% of the respondents fall into the age category of 18–27 years, 64.2% belong to the age group 28–37, and the rest, 4.5%, are at the age of 38 years and above. Concerning the marital status, 64.2% are single, and the rest, 35.8%, are married salespersons at local insurance companies in Mandalay.

Table (1) Demographic Profile of the Respondents

	Particular	No. of Respondents	Percentage (%)
I	Gender		
	Male	22	32.80
	Female	45	67.20
	Total	67	100.00
II	Age		
	18 – 27 years	21	31.30
	28 – 37 years	43	64.20
	38 years and above	3	4.50
	Total	67	100.00
III	Marital Status		
	Single	43	64.20
	Married	24	35.80
	Total	67	100.00
IV	Education		
	Bachelor Degree	64	95.50
	Master Degree	3	4.50
	Total	67	100.00
V	Working Experience		
	Under 2 years	7	10.40
	2 – 4 years	42	62.70
	5 – 7 years	8	11.90
	8 years and more	10	14.90
	Total	67	100.00

Sources: Survey Data (2022)

In addition, as far as the educational background of the employees of local insurance companies in Mandalay is concerned, 95.5% are bachelor degree holders, and the rest, 4.5%, are

master degree holders. Concerning the working experience of the employees, 10.4% of salespersons have under 2 years, 62.7% of salespersons have between 2 and 4 years of working experience, 11.9% of salespersons have between 5 and 7 years of working experience, and the remaining 14.9% of salespersons have 8 years and above of working experience.

The Cronbach alpha value and mean value of each variable is described in Table (2). Both job characteristics and salesperson engagement are considered reliable as the value of Cronbach's alpha have been found to be more than 0.70 criterion.

Table (2) Descriptive Statistics

Sr. No.	Variables	Cronbach's Alpha	Mean
1	Skill Variety	0.814	4.27
2	Task Identity	0.828	4.00
3	Task Significance	0.777	4.16
4	Autonomy	0.758	3.55
5	Feedback	0.740	3.69
6	Vigor	0.760	4.10
7	Dedication	0.862	4.22
8	Absorption	0.821	4.03

Source: Survey Data (2022)

As presented in Table (2), the mean scores of all dimensions of job characteristics are high. Skill variety has the largest mean value (4.27), followed by task significance, task identity, feedback and autonomy, with the implication that in the perception of insurance salespersons. It can be concluded that the nature of insurance sales inherently involves a combination of diverse skills, end-to-end task involvement, a sense of contributing to a significant purpose, autonomy in decision-making, and insurance salespersons often receive regular feedback on their performance, whether it's in the form of sales metrics, customer feedback, or performance reviews.

The means for salesperson engagement show that dedication has the highest value (4.22), followed by vigor and absorption dimensions. The high mean value of dedication suggests that salespeople in local insurance companies are dedicated to their work through motivated acts such as working hard and giving the best that one can at work. According to the nature of their work, they experience a sense of significance, enthusiasm, inspiration, and challenge. The relatively high mean value in the vigor dimension highlights the characteristics of salespersons in local insurance companies as high levels of energy, mental resilience while working, and persistence even in the face of difficulties. The high mean value in the absorption dimension indicates that salespeople have high levels of absorption and deeply immerse themselves in their work, integrating their professional life with their personal life.

To examine the effects of job characteristics on salesperson engagement, the mean value of each engagement dimension is regressed by five job characteristics. The results of the multiple regression analysis are presented in Table (3).

Table (3) The Effects of Job Characteristics on Salesperson Engagement

	Vigor			Dedication			Absorption		
	B	SE	β	B	SE	β	B	SE	β
Skill Variety	-.089	.102	-.098	-.011	.131	-.011	-.047	.140	-.045
Task Identity	.385***	.096	.528	.164	.123	.199	.234**	.131	.277
Task Significance	.093	.092	.114	.332***	.118	.361	.276**	.126	.291
Autonomy	.200**	.098	.292	.031	.126	.040	.152	.134	.191
Feedback	-.073	.104	-.097	.128	.133	.151	-.050	.142	-.057
R ²	.518			.379			.331		
Adjusted R ²	.478			.328			.276		
F value	13.089***			7.439***			6.024***		

Source: Survey Data (2022)

, *: Indicate statistical significance at the 5% level, and 1% level.

The results of the regression analysis highlight the fact that job characteristics have an effect on all dimensions of salesperson engagement at a 1 percent significant level and a 5 percent significant level, respectively. Task identity has a positive and significant effect on vigor and absorption. It reveals that when salespeople have a strong sense of task identity, they may also be more likely to develop a sense of pride and purpose in their work. In addition, having a clear task identity can help a salesperson better manage their workload and priorities. When they know exactly what is expected of them, they can prioritize their tasks more effectively and manage their time more efficiently.

Task significance has a positive effect on the dedication and absorption of salespersons. It indicates that when salespeople perceive their work as significant, they are more likely to be dedicated and committed to their jobs. This is because they are able to see the positive impact that their work has on the lives of others, which can be a powerful motivator. In addition, feeling that their work is significant can also increase a salesperson's sense of pride and accomplishment. For example, they may feel proud of the fact that they are helping individuals and families protect themselves from financial risks and providing them with peace of mind, which can further enhance their dedication.

Autonomy has a positive effect on the vigor of insurance salespersons. For example, when salespeople have a say in how they carry out their work, they are more likely to feel invested in the outcomes and put in greater effort to achieve their goals. Moreover, when salespersons have the freedom to make decisions about how they approach their work, they can choose to focus on tasks that they are skilled at and find enjoyable. They are more likely to feel

accountable for their results. This can increase their sense of responsibility, drive them to perform at a higher level, and also lead to a greater sense of job satisfaction, which can in turn increase their vigor.

Conclusion

This section discussed the implications for the literature and management of local insurance companies in Mandalay. Several studies show that job characteristics have significant effects on salesperson engagement. Consistent with the literature, this study found that the three job characteristics—task identity, task significance, and autonomy—have an effect on salesperson engagement in terms of vigor, dedication, and absorption. Task identity and task significance have a positive effect on the vigor of the salesperson. It supports the previous studies of Raziq and Maulabakhsh (2015) and Wang et al. (2015). Skill variety and feedback have no significant effects on any dimension of salesperson engagement at local insurance companies in Mandalay. This finding supports the previous finding of Lee and Kim (2020) and contradicts the finding of Wang et al. (2015).

According to the findings, it is indicated that salesperson engagement, especially their vigor, is influenced by two job characteristic variables: task identity and autonomy. Moreover, the dedication of a salesperson is influenced by task identity. Furthermore, the absorption of salespeople is found to be influenced by task identity and task significance. The findings of this study indicate that the job characteristics of insurance salespersons may directly increase salesperson engagement in local insurance companies in Mandalay.

To be an effective salesperson, local insurance companies need to ensure that job roles are well-defined and provide clear task identity and significance. They should allow salespersons to understand the importance of their roles in contributing to the overall success of the organization and feel a sense of purpose in their work. Companies should grant salespersons a certain level of autonomy to make decisions in their sales processes. Empowering salespersons to make choices related to their work can increase their engagement and foster a sense of ownership. Companies should offer training programs that focus on enhancing task-related skills and competencies. Salespersons who receive relevant training are likely to feel more engaged and capable in their roles.

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