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**SHAPING THE COMPETENCIES AND BEHAVIOUR
OF THE INSURANCE COMPANIES' EMPLOYEES
IN THE PROCESS OF CREATING THE RELATIONS WITH CUSTOMERS**

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Abstract

The article presents evaluation of shaping competences and behaviour of insurance companies' employees in the process of creating relations with clients. According to the conducted research, employees and agents of insurance companies have numerous ideas to improve relations with clients, but they are rarely put into practice. It is due to the lack of clearly established procedures according to which the best ideas could be chosen, then put into practice and verified on everyday basis. What is more, there is no regular research of the valuation of insurance companies' employees and agents made by the clients. In consequence, the managers of insurance companies receive only random valuations. The insurance companies' managers are not regularly given employees' suggestions the aim of which is to improve relations with clients. On one hand, it may indicate the lack of organisational solutions in this matter, but on the other hand the lack of managers' encouragement for such employees' behaviour and attitude. Only in a half of the analysed insurance companies "less promise – more offer" rule in relations with clients has been applied. It means that the remaining number of insurance companies not actively enough apply the policy of tightening the relations with clients. This policy is the main factor conditioning the success of an insurance company not only in a long period but also in its current financial rates and effectiveness.

Keywords: employee's competences, relations with clients, satisfaction of insurance companies' clients.

JEL classification: M12.

Introduction

The aim of the article is the evaluation of shaping the competencies and behaviour of the insurance companies' employees in the process of shaping their relations with clients. The evaluation will be carried out on the basis of the research conducted by the author. The chosen methodology of research is measure research in which the data collection instrument is a self-completion questionnaire sent both via the Internet and by post. The measure was sent to all 62 insurance companies based in Poland in 2011. 59 measures were sent back, two of which were only partially completed and included many mistakes. As a result, only 92% of the insurance companies took part in the research. The survey consisted of 180 open or multiple choice questions, with the available answers being „Yes” or „No” or escalating from 1 to 5 giving the respondents the possibility to choose the intensity of their answers. The surveyed group were managers, marketing department workers as well as randomly chosen insurance agents. The insurance companies which were chosen for the survey employed from a dozen up to a few hundred to even a few thousand workers.

1. The issue of competence in the theories of employees' motivation

The motivation to work is often considered equivalent to the reasons why people pursue gainful employment and work more or less efficiently. Motivation is “a regulation mechanism which plays the role of controlling activities so that they lead to the achievement of the set aims”¹. The aim may vary and it may depend not only on people's needs but also on the way they behave in order to satisfy these needs. What is more, the needs of every human being differ and change during their lifetime. In addition to that, people's actions are not always consistent. On the other hand, for many managers the task of motivating employees to work by taking into account the workers' needs is a very hard, tiresome and discouraging process², especially when employees, taking into account the established criteria, obtain negative results when comparing the individual financial situation with the material possessions of other workers in their workplace, their promotion prospects and even with the level of consumption in their closest environment³. According to the theory of expected value he has confirmed V. Vroom tries to prove that the desire to act and operate in a particular, eligible way depends mainly on employees' expectations as far as the effects of his or her own actions are concerned. The expected effects here are connected with the proposed degree of efficiency, the estimation of the effort needed to achieve this degree as well as the value of the expected prizes and awards. The more the prizes correspond with the individual aims and needs of the employee, the

higher their value is⁴. In such case, the professional competence becomes the component which determines the selection process of choosing the employee's behaviour in the face of specified professional tasks.

The role of professional competency also turns out vital when we analyze the effort-execution relation, i.e. the level of self-esteem as far as completing the task is concerned. The self-esteem is mainly determined by the estimation of an employee's own competencies, although other factors as the access to the information, working conditions, the possibility to choose the action's variant, etc. are also important. In case of companies providing services, employees' awareness concerning their own competencies as well as perfecting and developing those competencies when creating the relations with clients becomes the condition warranting the appearance of high value of those relations defined in the expectation theory as the effects – effort ratio. In order to achieve the high value the changes which occur in the field of knowledge, the worker's skills and experience should be constantly monitored and should lead to the adequate adjusting processes not only as far as the system of remuneration is concerned but also when analyzing the systems of motivation taking into account the customer satisfaction connected with the customer-company cooperation. The pleasure should gradually turn into satisfaction. Such client's behaviour model acknowledges the function of time and shows that it is satisfaction on which the client's attitudes, intentions and future behaviour are built⁵. The comparison of the service with the received value is the determinant of the clients' satisfaction.

2. The theory of behaviour modification

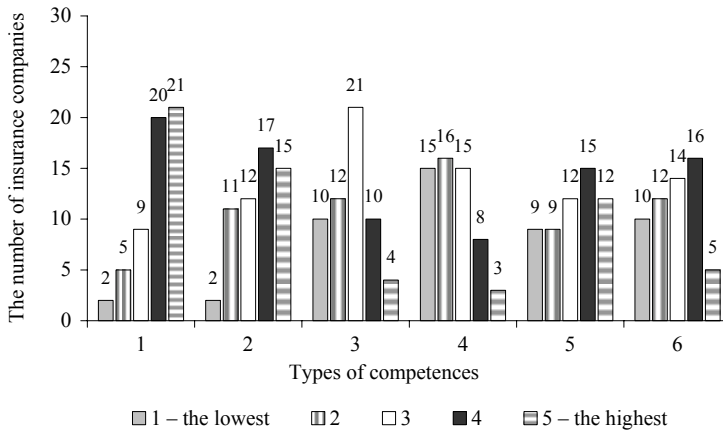
The theory of behaviour modification, also known as the theory of positive reinforcement, assumes that people act in the way they have learned in the past. One kind of behaviour is connected with positive and another – with negative effects. Actions having negative effects are less likely to be repeated as people try to avoid the behaviour which may have unpleasant consequences⁶. The probability of behaviour which is rewarded is much higher, that is why such actions are usually repeated. B.F. Skinner⁷, the author of the reinforcement theory, believed that the main driver of human behaviour is their social environment, so by changing the environment we can change the behaviour of the individual and modify his or her reactions – we can either weaken or strengthen them. However, not only the type of reinforcement is important. The choice of the appropriate moment as well as the frequency of the reinforcement are also crucial. In this theory reinforcement generally means that the process of learning where the way in which the results of previous experience influence the conduct in future similar situations is established.

It also means that the theory may be used in the process of motivation to improve the existing competencies and acquire new ones which may turn out to be really important, especially in terms of the long-term aims of companies. It should be established that the rewarding behaviour is the evidence of competencies being developed. On the other hand, it should result in further employee's involvement in the process of professional development.

The relations within the company have significant influence on the relation with the external customer. The workers' involvement in the processes of creating the added value is of special importance. The above mentioned processes should result in the specification of the product or service settled with the client⁸. Enhancing the workers' appropriate behaviour is a necessary condition when we wish to deliver high value services to external customers, as 'the value cannot be achieved outside if it is not achieved inside' (translation mine)⁹. Until the company management do not treat their own employees as equal as far as the rights and obligations connected with external customers are concerned, the organization will not be perceived by its workers as a machinery which is used to satisfy widely understood human needs. The processes in the organizations are performed by the workers who have to change and modify their behaviour not only as a result of changing circumstances and customers' requirements but also as a result of their own courage to make an independent decision.

3. The research results

Figure 1 shows the results of the research dealing with the evaluation of the importance of workers competencies from the point of view of insurance companies' needs. The research clearly shows that creativity is the most appreciated employees' competency. Openness for changes, readiness to constant skills improvement are also highly praised. The least valued competencies are the readiness to take risk, the willingness to team work and the ability to take the constructive criticism. The workers' competencies are one of the most important elements of the variant part of the remuneration system in insurance companies (apart from the employees' results and the results of the company). That is why the awareness of the types of those competencies which are highly praised by insurance companies should be available to all their workers. However, it does not mean that the competencies which are not so crucial should not be formed and developed as for example the ability to take the constructive criticism or the willingness to work in a team may, in certain situations become of great importance.



The types of particularly praised competencies: 1 – creativity, 2 – openness to changes, 3 – the willingness to work in a team, 4 – readiness to take the risk, 5 – readiness to improve skills, 6 – the ability to take constructive criticism.

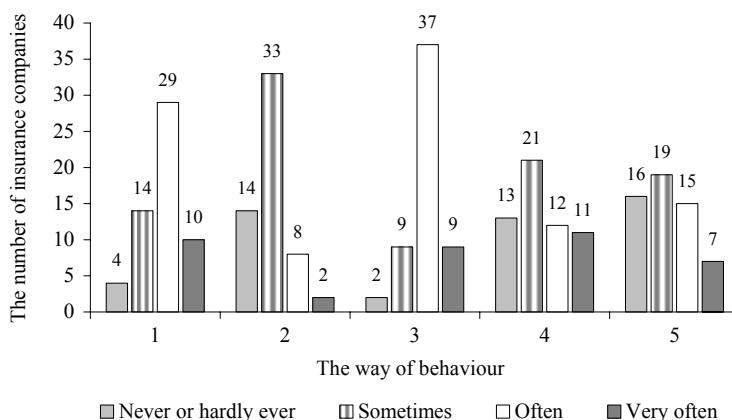
Fig. 1. The degree of the praised competencies

Source: own study.

It may, for example, concern the work of task force appointed to solve a particular operational programme of a company disrupted by some conflicting views of various working groups. In such a situation the company expects of its workers collective effort in solving the problem. Such action would not be possible without the workers demonstrating the desire to work collectively in a team. Also, the ability to present the suggested solution and the ability to take constructive criticism must become characteristic features of the task force as it determines the success of the search for the best solution to the problem regardless of difficulties and of breach of interests of numerous working groups.

Figures 2 to 5 show the results of the research dealing with the behaviour of an employee or an agent of the insurance company as far as the development of the relations with their clients and the insured are concerned. When it comes to the first question of the survey, i.e.: “I have a lot of ideas on how to improve the relations with clients” – the employees and agents from 39 insurance companies (68.4%) indicated that there is a high or very high frequency of occurrence of such ideas, and the employees and agents of the remaining 18 companies (31.6%) when asked about the same frequency of occurrence answered “never”, “hardly ever” or “sometimes”. When it comes to introducing one’s own ideas aiming at improving the relations with customers/the insured (aspect number 5), the employees and agents of only 22 insurance companies (38.6%) chose high or very high frequency of such actions. However, the employees and agents of the remaining 35 companies (61.4%) when asked about the frequency

selected “never”, “almost never” and “sometimes”. These results clearly demonstrate the high-level cognitive and preventive dissonance of the employees and agents of the companies within the realm of declarations and actions taken on their own initiative when dealing with the improvement of the relations with the clients. The reasons behind it may be the deficiency of technical and organizational opportunities (i.e. the lack of a superior’s acceptance) to such actions. It may also be the fear of the lack of effectiveness of those actions. The results of the research connected with the fourth aspect – “I try, on the margin of my routine work, to test the new measures (practices) to improve the relations” – show that the workers and agents of only 23 companies (40.3%) try “often” or “really often” to test the above mentioned new ways of making the relations more efficient. 34 companies (59,7%) never take this action or do it only sometimes. On the other hand, the research connected with the second aspect – “I defend my client’s interests against my superiors” – shows that employees and agents of as much as 86% of the surveyed insurance companies do it really seldom. Of course it does not mean that customers are rarely right. It rather indicates the lack of willingness among the employees and agents in the insurance companies or their reluctance to accept customers’ rights by their



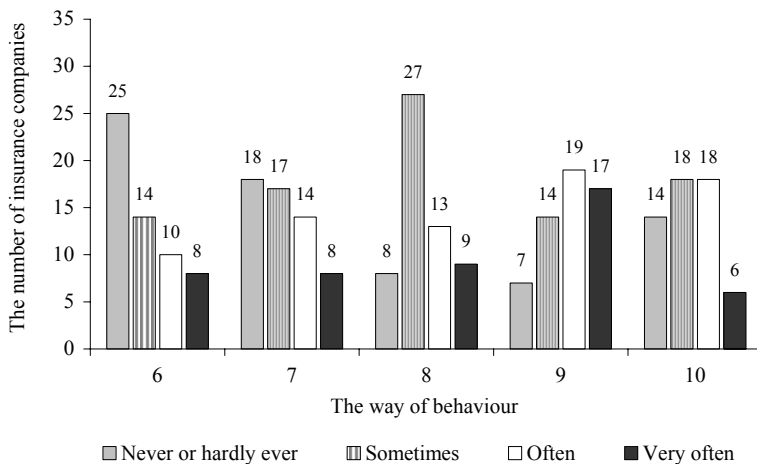
The ways of behaviour of the insurance company employees or agents as far as establishing the relations with the customers/the insured are concerned: 1 – I have a lot of ideas on how to make the relations with the clients more efficient, 2 – I defend my client’s interests against my superiors, 3 – I learn better communication skills in direct contacts with customers/the insured, 4 – I try, on the margin of my routine work, to test the new ways of improving the relations with customers/the insured, 5 – on my own initiative I try to introduce new ideas connected with improving the relations with customers/the insured.

Fig. 2. The frequency of the insurance company employees’ or agents’ way of behaviour as far as establishing the relations with customers/the insured is concerned – part 1

Source: own study.

superiors on account of the necessity of dealing with some more important issues. It seems that if the insurance companies do not establish any clearly defined procedures of consumer surveys as far as their needs and rights are concerned the whole procedure will remain incidental and will depend on the good will declared by the employees and managers of the companies. In such case, this aspect of the insurance companies' activity will not help to create close relations with their customers/the insured.

The results of the research connected with the 6th aspect (Figure 3) – “I try to show my superior the imperceptible area of relations with clients which may create the added value” – show that in as much as 39 insurance companies (68.4%) the employees and agents from insurance companies do not do it or do it rarely or sometimes. The results of the research dealing with aspect number 9 – “I try to contact people from other company departments in order to find a more appropriate way to shape better relations with clients” – show that in as many as 36 cases (63%) the workers and agents of the insurance companies conduct such activities often or even very often. Unfortunately, it does not translate into enforcing those better solutions. It is also



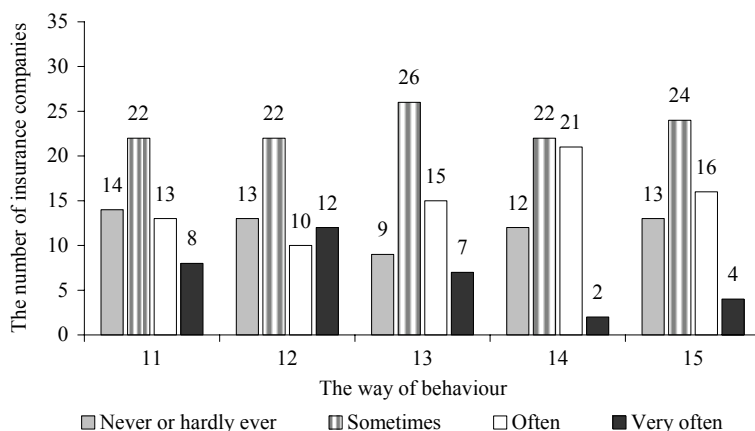
The ways of behaviour of the insurance company employees or agents as far as establishing the relations with customers/the insured: 6 – I try to show my superior the imperceptible area of relations with clients, which may create the added value, 7 – I try to use the ideas from other domains when trying to solve the problems in contacts with clients/the insured, 8 – I take the risk of introducing the innovative ideas into my work to make customers/the insured satisfied, 9 – I contact people from other departments to find a better way to shape relations with customers/the insured, 10 – I introduce to my work some ideas making the establishment of the constructive contacts with customers/the insured easier.

Fig. 3. The frequency of the insurance company employees' or agents' way of behaviour as far as establishing the relations with customers/the insured is concerned – part 2

Source: own study.

confirmed by the results of the research connected with aspects 7, 8 and 10. Without any clearly defined tasks in company's procedures dealing with employees' and agents' behaviour as far as the ways to develop the effective relations with clients are concerned, no satisfactory results will be achieved. The indispensable conditions to shape those relations are workers' and agents' willingness and their ability to act in an appropriate way. However, the attitude of the company management towards the necessity to introduce such activities is also crucial.

A rather negative view of shaping relations with clients is shown on Figure 4 which presents the research results dealing with other aspects of employees' and agents' behaviour. The results show that as far as aspects 11 and 12 are concerned the employees and agents in insurance companies relatively rarely talk with their direct superiors about their potential improvements in relations with clients/the insured (aspect 11). They also rarely look for their own ways of enforcing the solutions improving the relations with clients/the insured (aspect 12). Such attitudes may result from the employees' and workers' previous experience in this aspect. They also really rarely convince their colleagues to introduce their new ideas in the field of developing the relations with clients/the insured (aspect 13). What is more, they really rarely



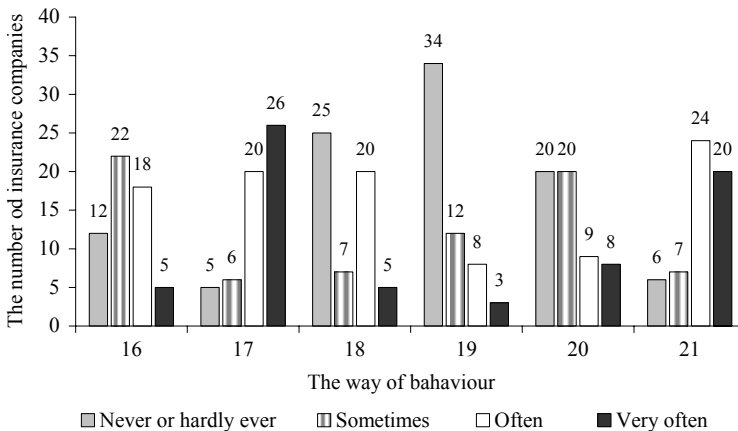
The ways of behaviour of the insurance company employees or agents as far as the establishment of the relations with customers/the insured is concerned: 11 – I talk with my direct superior about the potential improvements in relations with clients/the insured, 12 – I look for my own ways of enforcing the solutions improving the relations with clients/the insured, 13 – I try to convince my colleagues to my new ideas in the field of developing the relations with clients/the insured, 14 – I discuss with others the ideas and projects aiming at gaining clients'/the insured trust, 15 – I listen to others (from outside the workplace) showing interest in their ideas how to improve their relations with clients/ the insured.

Fig. 4. The frequency of the insurance company employees' or agents' way of behaviour as far as establishing the relations with customers/the insured is concerned – part 3

Source: own study.

discuss with others the ideas and projects aiming at gaining clients'/the insured trust (aspect 14) and extremely rarely listen to others (from outside the workplace) showing interest in their ideas how to improve their relations with clients/the insured (aspect 15).

The demand for a particular service depends on increasing the value praised by a client. This value is the resultant of the level of the service quality, the efficiency of customer service, the expenses and the terms of service execution¹⁰ including meeting the deadlines of the claim settlements in case of insurance services. Taking into consideration just the efficiency of clients'/the insured service, the results of the research concerning chosen aspects of insurance workers' or agents' behaviour in the process of creating the relations with clients /the insured are shown in Figure 5. The results obtained in the course of the research show that insurance employees and agents often and very often behave, often and very often follow in relations with the clients/the insured the code of conduct worked out in the company (aspect 17). They do not behave unintentionally, spontaneously and voluntarily. The research also shows that employees and agents behave according to the aspect number 21, i.e. they meet the deadlines of the claim settlements. In other examined aspects the answers such as "never", "hardly ever" and "sometimes" prevail.



The ways of behaviour of insurance company employees or agents as far as establishing the relations with customers/the insured is concerned: 16 – I do everything I can to make the customer come back to my insurance company, 17 – in relations with my clients/the insured I very often follow the code of conduct worked out in the company. I do not behave unintentionally, spontaneously and voluntarily, 18 – I promise my clients less but I give them more, 19 – I my client's wish is my command, 20 – I encourage my clients to point out my weak points in the process of our cooperation, 21 – I meet the deadlines of the claim settlements.

Fig. 5. The frequency of the insurance company employees' or agents' way of behaviour as far as establishing the relations with customers/the insured is concerned – part 4

Source: own study.

The above results prove the lack of clear attitude of the insurance employees and agents as far as “the necessity of systematic tightening of bonds with clients, paying them small favours, struggling for him or her” are concerned¹¹. It is often forgotten that what is sold to the clients are not only services but also hope that their expectations related to the transaction will be met.

Conclusion

The most important concluding remarks from the conducted research, as far as the evaluation of shaping the competencies and behaviour of insurance employees and agents in the process of shaping the relations with clients are concerned, can be described as follows:

1. When talking about the most praised competencies among employees and agents the insurance companies appreciate creativity, openness to changes and the readiness to constant skills' improvement.

2. The employees and agents of insurance companies have a lot of ideas on how to improve the relations with customers/ the insured, however most often they test those ideas only on the margin of their routine work and not within the framework of the standard procedures.

3. The managers of insurance companies are not informed about the areas of contacts with customers/the insured which they do not notice and which may form the added value of the insurance services.

4. The insurance employees and agents rarely discuss with each other the ideas connected with improving the relations with customers/the insured in the workplace. They also do not demonstrate any interest in the ideas connected with the issue (outside the workplace).

5. In the insurance companies their employees and agents follow the standard behaviour patterns and relations with customers system established by the company. They prefer to use it in relations with customers/the insured instead of spontaneous, random and voluntary behaviour.

6. In only about half of the examined insurance companies a really important customer service rule – “promise less, give more” – is applied.

7. Very rarely customers/the insured of the insurance companies are encouraged to make an assessment of the insurance employees' and agents' work, and specifically of the way they behave in the process of establishing relations with them.

8. Employees and agents of the insurance companies rarely do everything they can to make a customer come back to their company.

9. Employees and agents almost always meet the deadlines of claim settlement.

Developing employees' and agents' competencies and behaviour in the process of establishing the relations with clients/the insured aims at creating those relations on the level that satisfies both sides. Clients' satisfaction is often not enough as a satisfied client sometimes changes the insurance company because in his or her mind they have nothing to lose. What makes a company successful is the possibility to have regular clients, who speak highly of its products and services and who bring their friends to the company¹². That is why "the only correct definition of the business objective is: finding regular customers"¹³. Adopting such definition of business means that companies have two basic functions to fulfill and those are marketing and innovation. One of the above mentioned marketing activities which should be introduced by companies is defining precisely the competencies and behaviour of employees and agents. The clients'/insured satisfaction measurement is the starting point to introduce some improvements. However, the research must satisfy some conditions, i.e. there must be some interdependence between the the company's performance and its measure. What is more, the results must be commonly known to the people who have some influence on them, and they must be acceptable. The understanding of what the employees look for in the company and how they see it is of key importance. One of the most significant general conclusions drawn from the conducted research is that employees and agents of insurance companies are given not enough decisions concerning the methods and job procedures and do not bear increasing responsibility for planning, establishing and controlling their work. As it turns out, people working within the internal control system, contrary to the people working within the external control system, are more focused on accomplishing tasks, on achievements in their professional career and on entrepreneurship¹⁴. It means that unless the insurance company management agrees to let the employees and agents look for challenges to their own abilities, it will not be possible for them to achieve the level of relations with customers/the insured which could be satisfactory for each of the parties.

Notes

¹ Reykowski (1975), p. 35.

² Stoner, Freeman, Gilbert (2001), p. 363.

³ Penc (1998), pp. 145–147.

⁴ Tyszka (1997), p. 89.

⁵ Davis, Heinke (1994).

⁶ Griffin (2005), p. 535.

⁷ Skinner (1971), p. 67.

⁸ Sikora (2006), p. 34.

⁹ Bank (1996), p. 47.

¹⁰ Sewell, Brawn (1992), pp. 7–8.

¹¹ Geffroy (1996), pp. 120–122.

¹² Deming (1994), p. 34.

¹³ Drucker (1994), p. 52.

¹⁴ Spector (1982), pp. 482–497.

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