

# Factors Affecting the Core Competencies of Salesmanship in the Non-Life Insurance Business

Pornnipha Plubpla  
Graduate School, Rattana Bundit University, Thailand

Nantaporn Chalaechorn  
Graduate School, Rattana Bundit University, Thailand

Benjawan Leecharoen  
Graduate School, Rattana Bundit University, Thailand  
Corresponding author: E-mail: benjawan\_l@rbac.ac.th

## Article History

**Received:** 8 October 2021    **Revised:** 31 October 2021    **Published:** 1 November 2021

## Abstract

This academic article aimed 1) to review the literature relating to variables affecting core competencies of salesmanship in the non-life insurance business in Thailand to promote success and competitive advantages of non-life insurance industry in Thailand 2) to use the results from the literature review to develop a research conceptual framework showing the factors that contribute to competencies of salesmanship. The causal variables consisted of digital leadership, organizational trust, and internal branding that promoted core competencies of salesmanship and helped drive the organization to move forward. The results of the literature review also showed that the organizational trust may be an interstitial variable of the relationship between digital leadership and core competencies of salesmanship. That meant, if the leader had a high level of leadership, it would result in a higher level of organizational trust and an increase in core competencies of salesmanship.

**Keywords:** Core Competency, Salesmanship, Causal Relationship Model, Non-Life Insurance Business

## Introduction

Nowadays, the insurance industry especially the non-life insurance is more accepted by consumers as it increases the efficiency of business. Any large or small business is risky, and when unexpected events occur, non-life insurance reduces the burden of expenses by providing the benefits and coverage obtained from the insurance. For that reason, it causes the non-life insurance business to have a higher rate of growth throughout the past (Office of Insurance Commission, 2021).

Non-life insurance plays a role in the development of the country's economy in strengthening stability and financial and investment insurance for business operators and individuals. It is also a source to raise savings into the system to use the capital to diversify investments, and to create loans to the economic sector in other businesses. This causes the rise of production, employment and the expansion of national income levels, and directly affects the growth of the country's economy. Therefore, the government has emphasized the importance of insurance business, and created a policy to support the benefit of the whole nation. Department of Insurance, Ministry of Commerce is directly responsible for regulating and supervising those in this business (Auaprachakul, 2017).

From the importance of developing core competencies of salesmanship as mentioned above, the researchers reviewed the literature on non-life insurance from 2017 to 2020 and found questions such as “With higher business growth rates, why is the percentage of policyholders so low?” and “why is the target group of non-life insurance customers not reached as much as it should be?” The results of the study found that one of the main reasons was that core competencies of salesmanship was the most important factor in the business. Communication of wrong sales presentation and lack of professionalism of sales staff caused customers to have a bad attitude towards the non-life insurance business. The fact that if salespeople have high core competencies of salesmanship in the non-life insurance business, it will influence the career path to progress and success (Charoensuk, 2021). According to previous research, competent personnel in an organization will help drive the organization to move and grow faster. Most of the successful Thai organizations have given priority to the development of competence as well as human resources in order to effectively manage personnel in the organization. That is why current Thai organizations have become more successful on a global scale (Suri-khan & Chureemas, 2021; Bikker, 2016; Charoensuk, 2021; Puttharak et al., 2020). There was past research that studied core competencies of salesmanship in many businesses such as banking, education, hospitals, hotels, information and communication technology, Ministry of Public Health as well as Excise Department (Surikhan & Chureemas, 2021; Bikker, 2016 ; Charoensuk, 2021; Puttharak et al., 2020) According to the results of the literature review, the correlation of variables that may be the causal factors of today’s core competencies of salesmanship were digital leadership and internal branding (Thongkham, 2018; Kouzes & Posner, 2012; Ratliff , 2012).

It was also found that organizational trust was significantly, positively correlated with leadership factors, and optimistically associated with core competencies of salesmanship. Ratliff (2012) stated that organizational trust was a belief that support to enhance the relationship between leadership variables and key competencies specific to human resources. This was consistent with the research of Chobsaard et al. (2019) and Matsui et al. (2021) who found that organizational trust was a variable that had the ability to significantly develop the core competencies of salesmanship in the organization. If employees in the organization are honest, believe in the success of the organization, and recognize the care from the organization, it will allow them to have higher trust in the organization, and the performance will increase equivalently. Therefore, the authors would like to present the variables that are expected to be the important factors promoting the core competencies of salesmanship in the non-life insurance business in Thailand, namely digital leadership, organizational trust and internal branding.

### **Research Objectives**

- 1) To review the literature relating to variables affecting core competencies of salesmanship of the non-life insurance business in Thailand in order to promote success and competitive advantage in insurance industries in Thailand
- 2) To develop the results from the literature review into a research conceptual framework showing the factors that contribute to core competencies of salesmanship

### **Significances of the Study**

- 1) The results of the literature review revealed the causal factors affecting the core competencies salesmanship for the non-life insurance business in Thailand
- 2) The results can be developed into a conceptual framework for the core competencies of salesmanship study of the non-life insurance businesses in Thailand

### **Literature Review**

From the literature review, it was found that the causal factors influencing the core competencies of salesmanship were defined as independent variables that are expected to

enhance core competencies of salesmanship. Job-specific core competencies were inherent characteristics in a person that were applied appropriately to their work to achieve sales performance (Khunluek, 2021; Kulkarni, 2021). This academic article described the core competencies salesmanship of the non-life insurance business consisting of 6 components: 1) skills in sales design, 2) technology implementation, 3) problem solving and decision-making, 4) operational improvement, 5) change management, and 6) communication. The details of each causal factor were as follows:

### **Digital Leadership**

Leadership was an important factor affecting the success in enhancing the core competencies of salesmanship in the organization because leadership was the process by which executives would influence the behavior of personnel to have a purpose to achieve the goals of the organization (Premssmit et al., 2021). Previous research studies found that in the midst of the rapidly changing trends, leaders in the digital era needed to be aware and focus on handling with change to transform the organization into the digital era. This is widely known as digital transformation which means using digital technology to create or develop various processes in the organization, so that the organization can adapt to the higher competition in the market. Not only is digital transformation about applying technology to different processes for more convenient work, but it is also a change at all levels of the whole organization. Therefore, the leaders must understand the direction of change in the organization, make it ready for new skills on all accounts, and be aware and up-to-date with technology which is an inevitable catalyst for change in every organization. The leaders need to focus on digital strategy planning, and support employees to have the ability to perform tasks. This was consistent with Kouzes and Posner (2012), which described that the management strategies of digital leaders were 1) practical role model, 2) digital decision-making, 3) inspiring shared vision, 4) empowering associates to act, and 6) promoting encouragement.

Leadership is the art of stimulating and mobilizing to help employees in need of work with a dedicated effort to work and learn together successfully (Kouzes and Posner, 2012). Executives with a high level of digital leadership are beneficial to human resource management and work-specific competence of personnel in empowering. These advantages result in developing and promoting skills, knowledge, and ability of personnel to manage changes, which is an important method that affects the success of the organization in the future. In summary, digital leadership is defined as the behavioral actions of corporate leaders that influence and motivate a group of people to voluntarily accomplish a common goal. The leaders use technology as a key to managing and preparing for the impact of change. This approach promotes the development of the core competencies of employees.

### **Organizational Trust**

The literature review revealed that employee trust was essential to an organization for its effectiveness. Positive outcomes were the results from an increase in trust within the organization, which affected the core competencies of the team in business (Jansuri & Jadesadalug, 2020). Other current research showed that the effect of trust principle was positively correlated with job-specific core competencies of personnel in an organization (Trailuk, 2019; Sarahong, 2015; Surikhan & Chureemas, 2021). It was stated that trust was essential to core competency development activities of personnel in the organization. The characteristics of a trustee were expressed in the form of reliability which could be divided into four dimensions: 1) competency dimension 2) openness dimension 3) concern dimension and 4) reliability dimension. Shaw (1997) stated that trust in a person depended on three main factors that affected the creation of trust within the organization. The three factors were as follows:

1) Achieving results: To create confidence or trust, a person must make a clear commitment to achieve the goal until it creates a belief in the person's success. An incompetent person who fails to meet expectations inevitably decreases the level of trust.

2) Acting with integrity: This factor shows integrity, honesty and sincerity in words and actions consistently. That is, when one says something, he acts on what he says honestly, accurately and fairly. There will be a high level of trust if a person or organization is faithful, act honestly, disclose information, coordinate, and work together on a sincere process and form.

3) Demonstrating concerns: Demonstrating concerns is a concept of paying attention to other people. In general, individuals tend to place their trust in those who care and take care of them in distinguish ways. For example, when one cares for the well-being of people at all levels, understands individual needs and expectations, and allocates and takes care of the rights and benefits of other individuals. An act of empathy and concern builds confidence and trust in an organization through the perception of such expression.

This research applied Shaw's organizational trust concept (1997) since it has been favored in research studies of sales context. The concept was divided into 3 components: 1) achieving results, 2) acting with integrity and 3) demonstrating concerns. These three components have been confirmed to be essential for the study of organizational trust in the sales context.

Reina & Reina (2007) found that staff in production and sales department who respected and believed in their senior supervisors often increased the performance of the organization. In such case, it resulted in 42 percent more profits from corporate shareholder investments than organizations lacking trust as the norm. Chiva (2021) stated the relationship of trust that organizations with high trust commonly have more effective leaders and better collaboration. High trust shaped and provided the organization in different aspects as follows: 1) the highest sense of commitment to reach the common goal, 2) more employees who are capable of working toward the set goals, 3) an organizational culture that has a sense of strong and a high level of collaboration, 4) more leaders who teach than leaders who direct, and 5) employees who are more involved in expressing their opinions and participating in decision-making.

Therefore, when the trust in the organization increases, it will promote the efficiency of work including the increase in the performance of the organization. Besides, trust is also the anchor of quality personnel of the organization. On the contrary, when the organization lacks trust, it will diminish the efficiency of work, and the profits in doing business will consequently decrease leading to lower job satisfaction which affects higher employee turnover rates (Chiva, 2021).

In conclusion, the literature review found research that identified a positive correlation of organizational trust with the job-specific core competencies of employees in the organization. When employees have confidence and organizational trust as well as a sense of the leadership's care, they will perceive that the organization cares and values the dedication of their work resulting in an increase of job-specific core competencies (Chiva, 2021).

### **Internal Branding**

Internal branding studies started with personnel being identified as a critical factor in the improvement of an organization. As a result, several studies have been conducted to find out what employees need. Peungposop et al. (2016) indicated that the concept of internal branding helped organizations recruit talented people, and create engagement between personnel and organization that can yield a higher performance.

Later, it was found that internal branding was the most important strategy of the business in service industry, mainly because the industry required the ability of employees to provide quality service that customers expect, and the employees also helped to create an image for customers both inside and outside the organization. The literature review disclosed that human resources (HR) involved in building a brand or image of an organization. It built a brand from the perception of external customers to the organization looking from the outside-in. Likewise,

it built a brand from the perception of the internal customers towards the organization. Looking from the in-side-out created bonds among employees, dedication, devotion, and good word-of-mouth in the organization (Chiranonthakit, 2021).

In addition, the definitions of internal branding varied widely according to the context of the subject matter studied. For example, MacLavery et al (2007) defined internal branding as a strategy and process of nurturing employees within the organization to deliver the best customer experience they expect. In line with Thongdaeng (2018), who stated that internal branding referred to the process by which employees within an organization modify information about the brand values they receive to the behavior of presenting that value to customers in a concrete manner of employees.

Therefore, internal branding reflected the behavior of employees in working effectively which is related to the core competencies of salesmanship. Research on internal branding and its employees was a concurrent study. Moreover, another issue was the study of branding in the Thai academic context from 2012 to 2020. When analyzing in detail, the focus was more on building and communicating an external branding than internal branding.

However, Chiranonthakit (2021) stated that organizations in Thailand should adopt the branding concept in order to display the strength to attract competent and suitable personnel into the organization. Internal branding concept was discussed as a tool that influenced employee's attitudes and behaviors toward the brand. It built on employees' understanding of the brand's values, and kept employees on the brand's reality. Consequently, internal branding was a process that involved communicating one thing to others. According to Punjaisri, Wilson & Evanschitzky (2009), it was found that internal communication (marketing), training and development influenced brand support behaviors of employees including the performance and development of specific core competencies in the non-life insurance business. However, there has been no study of internal branding in the context of the non-life insurance business in Thailand. The concepts of Punjaisri, Wilson & Evanschitzky (2009) and Thongdaeng (2018) were used to develop elements, and measure brand characteristics within the organization. Internal branding was classified into 4 components: training, orientation, small group meetings, and summary review. This was due to the straightforward, clear components that covers the nature of internal branding in Thailand.

After the researchers carried out a literature review including studying documents, related research, and extracting variables, several factors were found correlated or influenced core competencies as shown in Table 1. The results of the synthesis of factors influencing the core competencies of salesmanship revealed that there were 14 important theoretical frameworks. In this research, the criterion to be considered was the frequency of the elements of which most researchers who were informants for this research selected as a factor influencing the core competencies of salesmanship. The researchers used frequency criterion 6 or higher, which was equal to or greater than 60% of the total frequency (Creswell & Clark, 2011). The causal factors including digital leadership, internal branding, and organizational trust were recommended as the influencers to the core competencies of salesmanship of the non-life insurance business.

**Table 1** Synthesis of variables influencing core competencies of salesmanship

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Frequency
Knowledge	*	*						*												*	*				5
Skill	*							*												*	*				4
Attitude		*	*					*														*			4
Organizational atmosphere						*						*											*		3
Organizational trust			*	*	*		*	*	*											*	*		*		9
Innovation												*	*										*		3
Performance motivation					*					*													*		3
Digital Leadership			*		*									*	*	*	*						*		7
Organization management					*	*				*															3
Organization support		*		*									*									*			4
Job satisfaction		*																		*	*				3
Branding				*	*	*	*	*	*	*									*	*					8
Internal communication		*		*																					2
Organizational commitment			*																*	*					3

Note: 1) Charoensuk (2021); 2) Puttharak et al (2020); 3) Tanapatpoondetch et al. (2019); 4) Iamratanakul & Matnok (2018); 5) Thongdaeng (2018); 6) Khotsriwong & Saiyasopon (2021); 7) Premsmrit et al. (2021); 8) HRNOTE (2019); 9) Phonchai (2020); 10) Chalardsakul et al (2020); 11) Shaw (1997); 12) Punjaisri, Evanschitzky & Wilson (2009); 13) Bikker (2016); 14) Kouzes & Posner (2012); 15) Ratiff (2012); 16) Wise (2018); 17) Arneson et al (2013); 18) Preez & Bendixen (2015); 19) Yang, Wan & Wu (2015); 20) Fard & Karimi (2015); 21) ASTD Public Policy Council (2003); 22) Matsui et al. (2021); 23) Chiranonthakit (2021); 24) Kulkarni (2021)

### Conceptual Framework

The literature review uncovered the variables affecting the core competencies of salesmanship of the non-life insurance business include digital leadership, organizational trust and internal building which could be developed into a conceptual framework as displayed in Figure 1.



**Figure 1** Conceptual Framework

### Research Results

The literature review indicated that the core competencies of salesmanship were very important in doing a business in a highly competitive era since the employees were the essential keys to drive the organization to move forward steadily. The core competencies of salesmanship in this digital era should include: 1) skills in sales design, 2) technology implementation, 3) problem solving and decision-making, 4) operational improvement, 5) change management, and 6) communicational proficiency. Furthermore, an organization full of competent personnel will

progress faster with higher levels of development. Nowadays, most successful organizations in Thailand have taken competence development seriously. The development of core competencies should, therefore, be focused on the factors suggested, which include digital leadership, organizational trust, and internal branding.

## Recommendations

This research was based on the literature review both domestically and internationally that differed in many aspects such as sample group, region and type of industry. To create the extension and benefits to the operation of non-life insurance business in Thailand, the further research should be conducted as qualitative research in order to gain insights from key informants such as corporate executives, sales managers, and salespeople. The results of the future study would reveal the factors and other causes that affect the development of core competencies of salesmanship of non-life insurance business in Thailand.

## References

- Auaprachakul, S. (2017). *Study Digital Readiness for Technology Adoption about Activities and Provide Customer Service of Insurance Companies in Thailand*. Master of Science Information Technology Policy and Management Thesis, Thammasat University.
- Arneson, J., Naughton, J. & Rothwell, W. (2013). *ASTD Competency Study: The Training & Development Profession Redefined*. Virginia: ASTD Press.
- ASTD Public Policy Council. (2003). *The human capital challenge*. Retrieved from [www.astd.org](http://www.astd.org).
- Bikker, J. (2016). Performance of the Life Insurance Industry Under Pressure: Efficiency, Competition and Consolidation. *Risk Management and Insurance Review*, 19(1), 73-104.
- Charoensuk, T. (2021). *Competency Development for Excise's Personnel in Bangkok*. Master of Business Administration Thesis, Phranakhon Si Ayutthaya Rajabhat University.
- Chobsaard, V., Boonyoo, T., & Kantanapa, N. (2019). Serial Mediated Effects of Organizational Trust and Job Satisfaction as Moderating Factors in Influencing Corporate Social Responsibility towards Customer Orientation of Staff of Commercial Bank (Head Office). *Association of Private Higher Education Institutions of Thailand*, 25(2), 6-21.
- Chalardsakul, C., Khamprasert, K., Sangkhamart, K., & Junwanna, P. (2020). Development of Security Guards' Functional Competencies Model in Private Sector. *Journal of Social Science and Buddhist Anthropology*, 5(6), 245-260.
- Chiranonthakit, P. (2021). Human Resource Management in Public Sector with Employer Branding. *Political Science and Public Administration Journal*, 12(2), 269-294.
- Chiva, R. (2021). *Change and Development in Organisations Towards Consciousness, Humanity and Innovation*. Oxfordshire: Routledge.
- Creswell, J., & Clark, V. (2011). *Designing and Conducting Mixed Methods Research*. Washington DC: Sage.
- Fard, P., & Karimi, F. (2015). The Relationship between Organizational Trust and Organizational Silence with Job Satisfaction and Organizational Commitment of the Employees of University. *International Education Studies*, 8(11), 197-217.
- HRNOTE. (2019). *Strengthening personnel competencies to promote effective human resource management in the organization*. Retrieved from <https://th.hrnote.asia/orgdevelopment/190624-competency/>.
- Iamratanakul, S., & Matnok, T. (2018). The Impact on Customer Retention through Telemarketing Channels of Insurance Brokers. *Veridian E-Journal, Silpakorn University*, 11(2), 2818-2834.

- Jansuri, A., & Jadesadalug, V. (2020). The Influence of Trust towards the Effectiveness of Teamwork in Service Industry. *Kasem Bundit Journal*, 21(1), 1-12.
- Kouzes, J., & Posner, B. (2012). *The Leadership Challenge: How to Make Extraordinary Things Happen in Organizations*. 5<sup>th</sup> ed. San Francisco: Jossey-Bass.
- Khunluek, K. (2021). The Confirmatory Factor Analysis of Factors Affecting Professional Competency in Community Health Practitioners of North-Eastern Thailand. *Annals of the Romanian Society for Cell Biology*, 25(4), 7696 -7709.
- Kulkarni, G. (2021). Review Paper on Competencies Essential for Project Manager. *Psychology and Education*, 58(1), 2502-2514.
- Khotsriwong, P., & Saiyasopon, S. (2021). Development of digital competency components and indicators of human resources practitioners in local government organizations. *Journal of Research and Development Institute, Rajabhat Maha Sarakham University*, 8(2), 117-134.
- Matsui, K., Inoue, Y., Yanagawa, H., & Takano, T. (2021). A Proposed Model of Core Competencies for Research Ethics Consultants. *Asian Bioethics Review*, 13, 355-370.
- MacLavery, N., McQuillan, P., & Oddie, H. (2007). *Internal Branding Best Practices Study*. Toronto: Canadian Marketing Association.
- Office of Insurance Commission. (2021). *Insurance about you*. Retrieved from [www.oic.or.th/th/consumer](http://www.oic.or.th/th/consumer).
- Phonchai, R. (2020). Leadership and Administration in the Digital Age. *Journal of Humanities and Social Sciences Mahamakut Buddhist University Isan Campus*, 1(3), 53-62.
- Premssmit, P., Chotiwong, C., Pinthapataya, S., & Attavinijtrakarn, P. (2021). The Management Model Development for Executive towards High Performance Organization in Banking and Financial Institutes. *Journal of Humanities and Social Sciences Nakhon Phanom University*, 11(2), 58-72.
- Peungposop, N., Junprasert, T., Yoelao, D., & Kaewmano, C. (2016). Brand Image, Internal Branding, and Affective Brand Commitment of Staff in Thai University. *Journal of Behavioral Science for Development*, 8(2), 71-91.
- Puttharak, S., Wichultam, C., Na Nakorn, S. & Phongphaew, A. (2020). Achievement in the career of life insurance agents under the representative office of AIA Co., Ltd. *Interdisciplinary Journal of Humanities and Social Sciences*, 3(2), 221-234.
- Preez, R., & Bendixen, M. (2015). The Impact of Internal Brand Management on Employee Job Satisfaction, Brand Commitment and Intention to Stay. *International Journal of Bank Marketing*, 33(1), 78-91.
- Punjaisri, K., Evanschitzky, H., & Wilson, A. (2009). Internal branding: An enabler of employees' brand-supporting behaviours. *Journal of Brand Management*, 20(2), 209-226.
- Punjaisri, K., Wilson, A., & Evanschitzky, H. (2009). Internal branding to influence employees' brand promise delivery: A case study in Thailand. *Journal of Service Management*, 20(5), 561-579.
- Ratliff, R. (2012). *Effect of Organizational Climate on Job Performance and Employee Engagement*. Dissertation, Walden University.
- Reina, D., & Reina, M. (2007). The HR executive's role in rebuilding trust. Retrieved from [www.hreonline.com/HRE/story.jsp?storyId=12160414](http://www.hreonline.com/HRE/story.jsp?storyId=12160414).
- Sarahong, P. (2015). *Organizational Culture, Leadership Performances and Organizational Trust Affecting Acceptance Organizational Change: A Case of Siam Multi-Services Limited*. Master of Business Administration Thesis, Bangkok University.
- Shaw, R. (1997). *Trust in the balance: Building successful organizations on results, integrity and concern*. San Francisco: Jossey-Bass.

- Surikhan, U., & Chureemas, S. (2021). Key Factors and Essential Competency for Life Insurance Agents of Life Insurance Companies in the Age of 4.0. *GIS Business*, 16(2), 16-26.
- Tanapatpoondetch, N., Panjan, W., & Chuacharoen, O. (2019). The Development of Training Program in Competency Development Program for Sales Jobs in Real Estate. *Academic Journal Phranakhon Rajabhat University*, 10(1), 204-220.
- Thongdaeng, H. (2018). *Causal Model of Internal Branding and Communication on Brand Supporting Behaviours of Employees of Private Organization in The Asean Market*. Doctoral of Philosophy Thesis, Srinakharinwirot University.
- Trailuk, C. (2019). *The Influences of Working Style, Work Participation and Communication toward Work Trust of Generation Y employees*. Master of Business Administration Thesis, Bangkok University.
- Wise, W. (2018). Life insurance company efficiency: best method and proxies. *Insurance Markets and Companies*, 9, 10-21.
- Yang, J., Wan, C., & Wu, C. (2015). Effect of Internal Brand on Employee Brand Commitment and Behavior in Hospitality. *Tourism and Hospitality Research*, 15(4), 267-280.