Factors Influencing Agents Retention In Insurance Industry: A Survey Of Selected Insurance Companies In Nairobi (Kenya).

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 Abstract

Life insurance industry has been suffering for a long time now from high rate of turnover of the agents. Therefore this study was intended to establish the factors that are influencing agents' retention within the major insurance companies in Nairobi. The study focused on the selected assurance companies in Nairobi on the bases of the volume of business reported in the three selected companies as opposed to the small volume of business which is reported weekly by the up country agencies of the same companies.

 The study focused on the three major life assurance companies in Kenya following the AKI 2011 insurance companies positioning. The study concentrated on British America Investment Company founded in 1920, Pan Africa life assurance founded in 1945 and CFC life founded in 1964 as ALICO (American Life Insurance Company).

The Main objective of this study was to establish the factors influencing agents' retention in the insurance industry with great emphases on Life insurance. The study was guided by six specific objectives, namely the social demographics influence, influence of product knowledge, the influence of working conditions, influence of resourcing strategies, influence remuneration mode and the influence of training and development. The study used a descriptive survey design. The study employed descriptive analysis technique on both primary and secondary data. To collect primary data, a set of questionnaires were administered to the agents from the selected major insurance companies in Nairobi. The target population of study was the agents working in the agencies of BRITAK, Pan Africa Life and CFC Life Assurance Company in Nairobi. The sample population for the study consisted of 129 respondents selected from the target population of 1000 possible respondents using **stratified random sampling.** The data was collected using the drop and pick method. The respondents filled the questionnaires at their convenient time. The study employed descriptive analysis technique on both primary and secondary data.

From the findings, the study established that, use of commissions as a mode of remunerating agents, working conditions does not influence retention of agents negatively however training and development, social demographic, product knowledge and resourcing strategies were found out to be key factors

influencing the retention of agents negatively. The study therefore recommends that for the insurance industries use more resources in training and developing their agents and also improve on the resourcing strategies.

Keywords: Agents Retention; Insurance Industry; Working Condition; Remuneration

Abbreviations

AKI   :   Association of Kenyan insurance.

BRITAK   :   British American insurance company

LIMRA   :   Life insurance management research association.

IRA   : Insurance Regulatory Authority

1.0 Introduction

1.1 Background of the Study

Insurance is broad with great economic force in the entire world. Inwin, (2002). As much as there are two main categories of businesses carried under insurance industry the researcher concentrated on life assurance, with special interest on the factors influencing retention of agents in insurance in the industry. According to Bakos (2008) one of these factors influencing the rate of retention of agents is heavily affected by use of commissions as a mode of remuneration unlike the convention form of reward or rather remuneration by salary.

 According to Christopher (2007) insurance agents are the sales representatives of insurance companies who earn commissions from their sale of insurance products. LIMRA (2008) notes that, Commission is the core motive and pivot which propels insurance sales representatives to work hard to earn their living. However there have been various problems in the field as far as personal development, personal sales volumes and retention of agents in the industry. Stevens (2008) and LIMRA (2010) agree that the turnover rate in the industry is one of the highest and alarming.

LIMRA (2009) points out that, It has been of great concern to many managers, the fact that many sales representatives who join the industry and become successful out of 100% who are recruited in the sales force only 5% remain in the industry and become successful sales representatives ,out of 5% only 2% become high achievers in the industry Despite the fact that those on commissions earn more than majority of the salaried people, it has remained a very challenging field especially for the young people from college and university who would wish to earn good money easily and fast. Burand (2010) notes that over time, agents retention in the life insurance industry remains a perennial challenge for companies operating within the traditional career agency system. According to LIMRA (2010), 68% of agents leave companies within their first two years.

In 2005, the four-year agent retention rate was 14% with a total annual turnover rate of 31% (Annual Agent Production and Survival Survey, 2008). Although this retention Percentage did increase in 2005, over the past 20 years, agent retention has been unable to dramatically increase.

Many managers presuppose that retention rates correspond with a company's effectiveness in building its sales and Organization in general. Company "bottom lines" would benefit substantially from increased retention rates. Calder (2009) However, this problem has endlessly been a throbbing headache to

numerous assurance companies without any foreseen solution. This is the main focus of the researcher to unearth the way forward out of the situation and give the necessary recommendations.

Companies are losing money because it takes an enormous amount of resources to recruit, hire and train new agents. LIMRA (2009), estimates that it costs anywhere from $65,000 to $215,000 to develop a new agent through the first three years of his or her Career.

According to Kenya Association of Insurers (2008) journal, over 50,000 agents were recruited in insurance companies in Kenya Since then that number has dropped by 40%. While declining numbers could be a result of sales managers looking for quality over quantity, retention rates have not seen a dramatic increase since then.

Better understanding of leadership, organizational structures and management techniques are the vital elements which are sighted, by (Churchill, 2008).

Cravens (2010) points out that, life insurance industry can be a difficult business to get started in, but with the right tools and training a person can become successful at selling life insurance products. The first few years as a new agent can be the toughest. If agents could be properly coached and supported during this period, retention rates would improve. Furthermore, the life insurance industry is a social business where agents and producers can learn from one another. Having a new agent shadowed by a more experienced one could be one key to improving the new agents experience on knowing what it is like being a producer LIMRA, (2008) this way of helping the new agents in the field seems to have faded recently. Having a mentor can create a sense of safety and reliability in a new agent because they would have someone go to with questions and concerns. (Dubinsky, 2008)

1.2 Statement of the problem

Insurance industry has been characterized by huge losses due to high rate of turnover among the new agents especially the four-year agents. These are the sales representatives who have been with the company for less than four years. Annual report published by LIMRA international in 2004 pointed out that four year agents' retention has not been able to move above 13 percents. This translates to 87 percent of the new agents in the insurance industry leaving their respective companies within the first four years of signing the contract.

An agent in the insurance industry especially life insurance starts becoming profitable only after the third year of their contract in the company. This implies that most of the insurance companies have been incurring huge losses since the retention rate of the new agents has continuously been poor. Insurance agents' retention has become a matter of concern as the Association of Kenya Insurers (AKI) highlighted in the 2011 report concerning developments of the tied agents in the insurance industry in Kenya.

AKI report (2010) observed that lack of personal development of many sales persons who join insurance industry is a subject worthy being given due consideration if the industry is to remain relevant in the country, lack of personal development among the agents has been cited as the key pointer to the impact of agents retention in the industry. These state affairs made this study relevant in the field of insurance since the problem of retention requires agent attention.

1.3 General objective

The purpose of this study was to determine the factors influencing agents' retention in the insurance industry. A survey of major selected assurance companies in Nairobi.

1.3.1 Specific Objectives

The following specific objectives will guide the study

1. To establish whether social demographics have influence on the retention of agents.
2. To establish the relationship between the mode of remuneration and the retention of agents.
3. To establish the relationship between resource strategies and agents retention.
4. To establish the relationship between product knowledge and the retention of agents.
5. To establish the relationship between agents' working conditions and the retention of the agents.
6. To establish whether training and development has influence on the agents retention.

1.3.2 Research Questions

i. What is the relationship between social demographics and the retention of agents in the assurance industry in Nairobi?

ii. What is the relationship between the mode of remuneration and the retention of agents?

iii. What is the relationship between resource strategies and the retention of agents in assurance industry in Nairobi?

iv. What is the relationship between product knowledge and the retention of agents in assurance industry in Nairobi?

v. What is the relationship between working conditions and the retention of agents in the assurance industry in Nairobi?

vi. What is the relationship between training and development and the retention of agents in assurance industry in Nairobi?

1.4 Scope of the Study

The study concentrated on the agents of the selected major insurance company in Nairobi based on the criteria used by AKI to grade insurance companies. The Researcher settled on Nairobi as the area of study due to the volume of business which is transacted by the agents working within Nairobi as opposed to small volume of business the agents working in the upcountry acquire.

2.0 Literature review

2.1.1   Theoretical Review

2.1.1.1 Definition of Insurance

In Law and economics insurance is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss. Insurance is defined as the equitable transfer of the risk of a loss, from one entity to another, in exchange for payment. An insurer is a company selling the insurance; an insured, or policyholder, is the person or entity buying the insurance policy. The insurance rate is a factor used to determine the amount to be charged for a certain amount of insurance coverage, called the premium. Risk management, the practice of appraising and controlling risk, has evolved as a discrete field of study and practice.

The transaction involves the insured assuming a guaranteed and known relatively small loss in the form of payment to the insurer in exchange for the insurer's promise to compensate (indemnify) the insured in the case of a financial (personal) loss. The insured receives a contract, called the insurance policy, which details the conditions and circumstances under which the insured will be financially compensated. (Anderson, 1987)

2.1.2 An insurance agent

According to Independent insurance Agents of America (IIAA) (2009) an agent is a person who performs services for another person or an organization under an express or implied agreement and who is subject to the other's control or right to control the manner and means of performing the services. The other person is called a principal. Rosenberg (2004) expresses the same opinion in different words by saying that, Insurance agents are sometimes referred the as insurance sales agents whose main obligation is to help clients choose insurance policies that suite their needs.

There are two types of agents as classified by LIMRA (2007), some agents are captive agent s who mainly work for an insurance company and only sell that companies' products, the other category of agents are those who work for various insurance companies and sell insurance products for many insurance companies.

2.1.3 Qualification for becoming an Insurance agent

Frankas (2010) eludes that, For Insurance sales agents, job, most companies and independent agencies prefer to hire college graduates-especially those who have majored in business or economics, high school graduates are occasionally hired if they have proven sales ability or have been successful in other type of work. In fact, many entrants to insurance sales agent jobs transfer from other occupations.

According to LIMRA (2007), College training may help agents grasp the technical aspects of insurance policies and fundamentals and procedures of selling insurance. As per the recommendation of AKI (Association of Kenya Insurers) regulations, every insurance agent must have done C.O.P (Certificate of proficiency in insurance) which is a proficiency certificate to transact insurance business in Kenya. Various employers are also placing greater emphasis on continuing professional education as the diversity of financial products sold by insurance agent's increases. (Holt, 2010).

An Insurance sales agent who shows ability and leadership may become a sales manager in a local office. As noted by U.S Bureau of Labor statistics (2010) a few advance to agency manager. However, many agents who have built up good clientele prefer to remain a sales work some particularly in the property and casually field-establish their own independent agencies or brokerage firms.

2.1.4 Resourcing strategies

George (1990) has pointed out that before selecting an agent there has to be a great process than just interview. He asserts that pre-hire assessment like testing and call center simulations have become essential tool in the industry.

Tett (2000) of employment Technologies Corporation says that, for the insurance industry to succeed in improving agents retention there has to be simulation centers where the applicants would be given the opportunity to experience what they expect to find in the field and how sales are like.

According to Ashly (2000) it is good to control; the flow of less-interested candidates before they reach the interview stage. Sometimes the applicant knows better than the hiring specialist that he or she is not the right sampling the job. Tom (2009), and Peter (1999) agree that accepting agents without checking their interests in the initial selection stage leads to poor retention of the agents. Nevertheless Srivivas (2003) warns against relying too heavily on the simulation. He says that simulation can be very effective for providing people with some exposure to what the job is likely to be. On the same note Banks (2010) disputes the other authors by pointing out that simulation are too artificial such that good candidates get left behind because they do poor simulations Wright (1992) asserts that simulation is only good to give a job presentation. The Agency must be antecedently given or subsequently adopted; and in the latter case

there must be an act of recognition or acquiescence in the act of the agent, from which recognition may be fairly implied.

2.1.5 Working condition of insurance agents

According to Robinson (2002) agents have a noble duty of analyzing statistical data, such as mortality, accident, sickness, and disability and retirement rates and construct probability tables to forecast risk and liability for payment of future benefits, may ascertain premium rates required and cash reserves necessary to ensure payments of future benefits.

According to William(2008) to be able to establish whether the client is insurable, agents do examine and analyze accounting records to determine financial status of establishment and prepare financial reports concerning operating procedures.

Insurance agents in many occasions serve as claim pre-settlements agents by reviewing claims for the clients to be made. Stevenson (2007) they interact with customers to provide information in response to inquiries about product and services and to handle and resolve various complaints which arise from the customers in the field.

However, according to Zeithalm,(2008) and Groholdt (2001) most often insurance agents concentrate on selling life insurance, automobile, property, health and pension.

Agents are required to attend meetings, seminars and programs to learn about new products and services, learn new selling skills and receive technical assistance in developing new accounts.

They are supposed to calculate premiums and establish the mode of payment method after they have made the presentation. Once the policy documents have been issued it becomes the sole responsibility of the agents to deliver the policy document to the client to explain the wordings of the policy to make sure that there is no misunderstanding to necessitate the clients owning the business so that it remains in books of the company long enough. (Nowotarski, 2006).

According to Blair (2010) Agents have a noble duty of developing marketing strategies to compete with other individual agents or companies who sell insurance. In case of individual clients who may require policies which exceed medical cover limit, the agent has the responsibility of directing the clients on necessary medical examination and the completion of appropriate firms. U.S.A Bureau of labor statistics occupational hard book (2010), Insurance companies need to open and acquire new business through activations. These activations are usually carried out by the agents so that they get the opportunity to explain the features, advantages and disadvantages of various policies to promote sale of Insurance plans.

2.2   Empirical review

The study conducted by Turner (2008) on factors influencing and affecting retention of agents in the insurance industry in U.S.A. found out that; several factors affecting life insurance agent production were tested in an effort to produce a predictive mode of agent and agency production which directly has impact on their retention. Surprisingly, formal education, professional education and training showed no effect on production. The number of policy holders and smaller management span of control both proved predictive. The most important predictors, however, proved to be prior performance.

Published industry research, performed by the life insurance marketing and research Association in (LIMRA) (2000) has served to define the extent of the problem. Agent retention is measured by the percentage of agents hired in a given calendar year surviving into succeeding years.

Four-year retention for example is approximately 11% for home service companies and 17% for ordinary companies. For the year 1991, median production for ordinary agents, measured by sales commissions per survivor, was $18,215.

Much general research has been done attempting to isolate the determinants of a sales person's performance. Churchill, Ford, Hartley, and Walker, (1998) explored role variable, skin, motivation, personal factors, aptitude, and organizational/environmental factors.

This Meta-analysis based on 116 studies found that, on average, single predictors or sales performance accounted for less than 4% of the variation in salesperson performance. Aptitude accounted for less than 2% skill levels slightly more than 7%>, motivation accounted for 6.6% role perceptions was by far the best predictor, accounting for as much as 14% of the variation in performance. Personal variables (age, height, and sex, completion, and dressing) accounted for 2.6% while organization and environmental factors accounted for about 1%. They concluded that personal characteristics, while important, are not as important as the influencing factors such as, training, company policies, skill levels, and motivation.

Cravens, Ingram, Loforge and Youngs, (1993), explored the relationships between compensation/control systems and performance and retention. Their results indicate that the type of control system, that is management control versus commission control, is correlated to several measures of success and agents retentions.

They found out that sales performed and agents retention was more affected by commission control than by management control. Lamount and Lundstorm (1977) studied a combination of personality attributes (dominance, endurance, social recognition, empathy, ego strength (and personal characteristics cage, height, weight, formal education and outside activities, civic and professional organization) as predictors for sales success and not retention of an agent in insurance. Using sales results as the dependent variable (Instead of management ratings) the height of the sales representatives and membership in civic and professional organization was the most commonly significant predictor.

In a meta-analytic study of personality predictors of job performance and retention of agents, Tett, Jackson, and Rothstein (1991) generally supported the use of personality measures in selection. Even though significant the amount of variation explained by these factors was small (overall relation between personality and job performance or corrected) and the measure of performance was largely a subjective performance rating.

A study by Bluen, Barling, and Burns (1990) found out that there is great correlation between the number of sales an agent can make and with age and retention. While Caldwell and O'Reilly (1982) found self monitoring positively related to job performance and retention, Dubinsky and Hartely (2000) found self-monitoring unrelated to performance.

2.2.1. Inputs in training and development

Any training and development programme according to Srinivas (2003) must contain input which enables the participants to gain skills, learn theoretical concepts and help acquire vision to look into the distant future. Lucas (2008), In addition to these, there is a need to impart ethical orientation, emphasizes on attitudinal changes and stress upon decision – making and problem solving abilities.

Peter (1999) says that, worker needs skills to operate machines, and use other equipments with least damage and scrap. This view is supported by Rohinton (2002)when he asserts that, This is a basic skill without which the operator will not be able to functions. There is also the need for motor skills. Motor

skills (or psychomotor skills, as they are sometimes called) refer to performance of specific physical activities. These skills involved learning to move various parts of one's body in response to certain external and internal stimuli. (Thomas, 1982).

On the other hand education is to teach theoretical concepts and develop a sense of reasoning and judgment that any training and development program must contain an element of education to well understood by HR specialists as explained by (Ashly, 2000).

Development is an important component training programme which is less skill-oriented but stresses on knowledge. Ford (2002) Knowledge about business environment, management principles and techniques, Human relations, specific industry analysis and the like is useful for better management of a company (Zeitham, 2008).

Christopher et al (2007) says that ethics is another very vital component of training, which is essential for imparting greater ethical orientation to a training and development programme. There is no denial of the fact that ethics are largely ignored in businesses. Unethical practices abound in marketing. Finance and production functions in the organization.

2.3 Conceptual framework

Training and development helps in optimizing the utilization of human resource that further helps the employees to achieve the organization goals as well as their individual goals. Training enhances agents' confidence and boosts self-esteem which eventually enables them to identify themselves with the company, consequently reducing chances of their leaving the company.

Training and development helps in increasing the job knowledge and skills of agents at each level .It helps to expand the horizons of human intellect and an overall personality which definitely sharpens the skills and competence of the agent in the field.

Age of an agent determines to a great extent the maturity and attitude in facing various situations in the field and generally life problems which agents face on daily bases in their endeavor to source for clients to buy insurance.

Working conditions affects employees generally since working condition would either demoralize an employee or motivate. Once an employee is demoralized definitely performance becomes the casualty which eventually may lead to an employee quitting the job or even being sacked.

Level of education determines the confidence of an employee in what he or she does. Most of the time due to self confidence an employee becomes competent and performance generally good, hence the image of the organization is boosted.

 According (Armstrong, 2006) Remuneration is the compensation an employee receives in return for his or her contribution to the organization.

 Luthans (1992) asserts that Remuneration occupies an important place in the life of an employee. His or her standard of living, status in society. Groholdt (2001) points out that, Motivation, loyalty, and productivity depend upon the remuneration he or she receives. For the employer too, employee remuneration is significant because of its contribution to the cost of production, besides, many battles (in the form of strikes and lock outs) are fought between the employer and the employees on issues relating to wages or bonus. For HRM (Human Resource Management) too, employee remuneration is such an important subject, considerable space is devoted to books and periodicals for detached discussion of wage-related and salary related problems.

3.0 Research methodology

3.1 Research design

The study used a descriptive design aimed establishing the factors influencing agents retention of agents in the insurance industry**.** The survey was a non-experimental, descriptive research method. Surveys are useful when a researcher wants to collect data on phenomena that cannot be directly observed. The results of a survey give conclusive findings that can be generalized to the large proportion of insurance companies.

3.2 Target population

The population size will be the entire sales force of CFC life assurance company which consists of 6-3 agents

3.3 Sampling design

The sample size was determined using *Fisher et al*, sample size calculation formulae (*Fisher et al* 1998);

$$n = \frac{Z^2{}_{1-\alpha/2}P(1-P)}{d^2}$$

Where;

n = Minimum sample size required

d = Absolute precision (6%)

α = Level of significance (5%)

Z = Standard normal deviate corresponding to 95% confidence interval (1.96)

P = Estimated prevalence of high retention among agents working for assurance companies (13%)

Therefore, $n = \dfrac{(1.96)^2 \times 0.13\,(1\text{-}\,0.87)}{(0.06)^2} = 121$

Allowing for 7% non-response, the sample size was adjusted upwards to 129.

The target population size (sampling frame) was 1000 distributed in three insurance companies; 300 in British America, 400 in CFC life and 300 in Pan Africa life. Probability Proportional to Size (PPS) allocation was used to determine the number of participants to be interviewed from each company.

Simple random sampling method was used in selecting an agent from each insurance company. All the agents were listed using serial numbers from 1 to last; for British America from 1 to 300, CFC life from 1 to 400 and Pan Africa life from 1 to 300. Random numbers for each company according to the proportional sample were generated using a computer program. The identified agents were contacted and the questionnaire administered.

3.4 Data collection

3.4.1 Data collection method and techniques

A set of questionnaires was administered to the agents working for BRITAK, Pan Africa Life and CfC Life in Nairobi. The data was collected using questionnaires given to the respondents at their convenient times. Questionnaires were used because it was easier for the very busy respondents to answer and fill in

the questionnaire at their own convenient times. The questionnaire had both open and closed questions to enable the researcher collect enough information on the specific objectives which the study intended to investigate. Secondary data was extracted from various annual reports published by AKI and IRA.

3.4.2 Data collection procedures

The researchers organized meetings with the agency managers of the selected companies to secure appointment with their agents so that the researcher could administer the questionnaire.

3.4.3 Data analysis and reporting

The study employed descriptive analysis technique on both primary and secondary data. In both cases, the data analysis was conducted using SPSS statistical software. Exploratory data analysis (EDA) technique was used at the initial stage of analysis to uncover the structure of data and identify outliers or unusual entered values.

Univariate analysis: Descriptive statistics such as proportions were used to summarize categorical variables.

Bivariate Analysis: Pearson's Chi-square test or fisher exact test was used to test for the strength of association between categorical variables. All exposure variables (Independent factors) were associated with the dependent variable (*retention score*) to determine which ones had significant association. Odds Ratio (OR) and 95% Confidence Interval (CI) were used to estimate the strength of association between independent variables and the dependent variable. The threshold for statistical significance was set at $\alpha = 0.05$ and a two-sided p value at 95% confidence intervals (CI) reported for corresponding analysis.

Multivariate Analysis: All independent variables identified to significantly associate with *'retention score'* at bivariate analysis were considered together in a Multivariate analysis. This was performed using Binary logistic regression where '*backward conditional method'* was specified in order to eliminate confounders and/or effect modifiers. Adjusted odds Ratios (AOR) together with their respective 95% Confidence Interval (CI) were used to estimate the strength of association between the retained independent predictors and the dependent variable *(retention score).*

4.0 Findings

4.1 Discussions

According to Torre, (2008), selection process is key to the retention of employees in any

 Organisation which he points out that, for any organisation to be profitable the resourcing Strategies must be commercially aligned and directly linked to the checks and balances which makes sure the rate of turnover is as minimal as possible. James et al (2009) affirms the same point by saying that selection process for the agents in the assurance industry is very critical and is directly associated with the retention of the agents in the assurance industry. This study has confirmed these views in the study carried out to determine the influence of resourcing strategies on the retention of the agents.

The study found out that there is great significant association between selection (resourcing strategies) used by the assurance companies and the retention of the agents. Neutrality or disagreement with the statement affirming this from the respondents was significantly associated with the retention hence affirming that resourcing strategies have an influence on the retention of agents.

Armstrong (2006) points out that remuneration is the compensation an employee receives in return for contribution made to the organisation. This view is also supported by Kenneth (2004) which he affirms

that remuneration is a great motivator especially where the subject of remuneration is money besides other fridge benefits. However according to the findings, the study found out that commissions as a mode of remuneration used by all the assurance companies to remunerate their agents does not have any impact on retention of the agents. Actually the research revealed that commissions in the assurance industry acts as the major motivator for the seasoned sales people to remain in the assurance companies.

The study revealed that most of the sales agents would rather be paid commissions than salary this was found to be in disagreement with what Lorbrd, et al (2009) asserted, that commissions as a mode of remunerating assurance agents is influencing retention of agents. The findings also revealed that those respondents who scored high on salary as the preferred mode of payment exhibited a very high possibility of not being retained in the current assurance companies they are working for.

Tessin, (2008) in the literature review points out that training and development of the employees in the organisation leads to the morale of the employees which makes them feel as part and parcel of the organisation .When the employee identifies with the organisation the possibility of that kind of employee remaining in the organisation is very high which eventually would help the company cat cost in training new employees and also on recruitment and selection procedures. This view as been affirmed by the findings of this study. Where by product knowledge was found to directly influence the retention of agents in the assurance industry

The study found out that the working conditions have no influence on the retention of the agents as opposed to the support that the agents require from the management to facilitate them in prospecting for new clients. It was found out that beautiful structures would not be a motivation for an agent to remain in an assurance company for a long time but rather proper reporting channels and management systems which facilitate timely payment of commissions would motivate an agent to work longer with the current assurance company.

Social demographics, gender and age were some of the variables which were found directly impacting on the retention of the agents in the assurance industry such that female agents have the highest rate of turnover in the industry as compared to male agents while young people of age bracket 24-35 have the highest rate of turnover unlike the counter parts of age bracket 36-65.

4.1.2 Extent to which remuneration influences retention of the agents.

The entire study was targeted at evaluating the key items that influence the retention of agents in the assurance industry. The study established that, the mode of using commissions to remunerate assurance agents did not have any significant impact on retention of agents hence does not influence the rate of turnover of agents in the industry. Only 23.3% of the respondents agreed that using commissions as a mode of remuneration had a bearing on the retention of agents, while the majority of the agents are motivated by commissions as a mode of payment to remain in the industry.

4.1.3 Extent to which social demographic influence the retention of agents in the assurance industry.

The research revealed that there is great association between the age of the agents, level of education, gender and the retention of agents. The researcher revealed that the agents between Age brackets 24-45 have the greatest possibility of not remaining in the current assurance companies they are working for. At the same time the study revealed that women have the greatest possibility of leaving the current employer than male the counter parts. On the other hand the study revealed that the level of education has no influence on the retention of agents in the assurance industry.

4.1.4 Extent to which resorcing stagies influence the retention of agents.

The study revealed that there was significant association between agent's retention .whereby the respondents who disagreed or they were neutral was significantly associated with high retention. An agent that was neutral with the statement which measured retention was 100 times more likely to be retained in the current assurance company compared to one that was in agreement with the statement.

4.1.5 Extent to which management support influencies the retention of agents.

The extent to which the management support to the seles representatives was found to be greatly influencing the rate of retention of the agents in the assurance indurstry.The study revealed that the agents who are suported by the managent to carry on their business of prospecting for clients have a higher posibility of remaining in the current assurance companies they are working for.Therefore the study revealed that the managent has a bearing on the retention of agents.

4.1.6 The extent to which product knowledge influence agents' retention

The study revealed that product knowledge is a key factor which impacts on the retention of agents directly such that most of the respondents agreed that product knowledge enables them to identify themselves with the company and this factor would make them work longer with the current assurance companies they are working for.

4.1.7 The extent to wish working conditions influence retention of agents

The study revealed that working conditions of the agents does not have significant impact on the retention of agents in the assurance industry. It was apparently clear that in whatever conditions the agents work they would still be retained by their current employer.

4.2 Conclusions

The study revealed that the mode of remunerating assurance agents by use of commissions has no influence on the retention of agents. It has revealed that actually commissions serve as a great motivation for the seasoned assurance agents to work longer in the industry. On the same note the study revealed that the level of education has no impact on the retention of agents, notwithstanding there was a great problem realised within the agents between age bracket 24 and 35.These is the youngest group of the entire population which was targeted. The results revealed that within this age group in the insurance industry rate of retention is very poor which means that these agents between 24years and 35 years do not remain in the industry for a considerable period of time to be profitable. However, training and development and product knowledge came out so strongly as one of the major factors influencing retention of agents.

4.3 Recommendations

Therefore the study recommends proper training of the agents is given necessary emphasis within depth consideration if the rate of turnover in the assurance industry is to change positively. The study also recommends that agents are given financial support in line with their performance to facilitate prospecting and soliciting new accounts.

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Fig 1 Illustration of the conceptual framework

Independent variable   **Dependent variable**
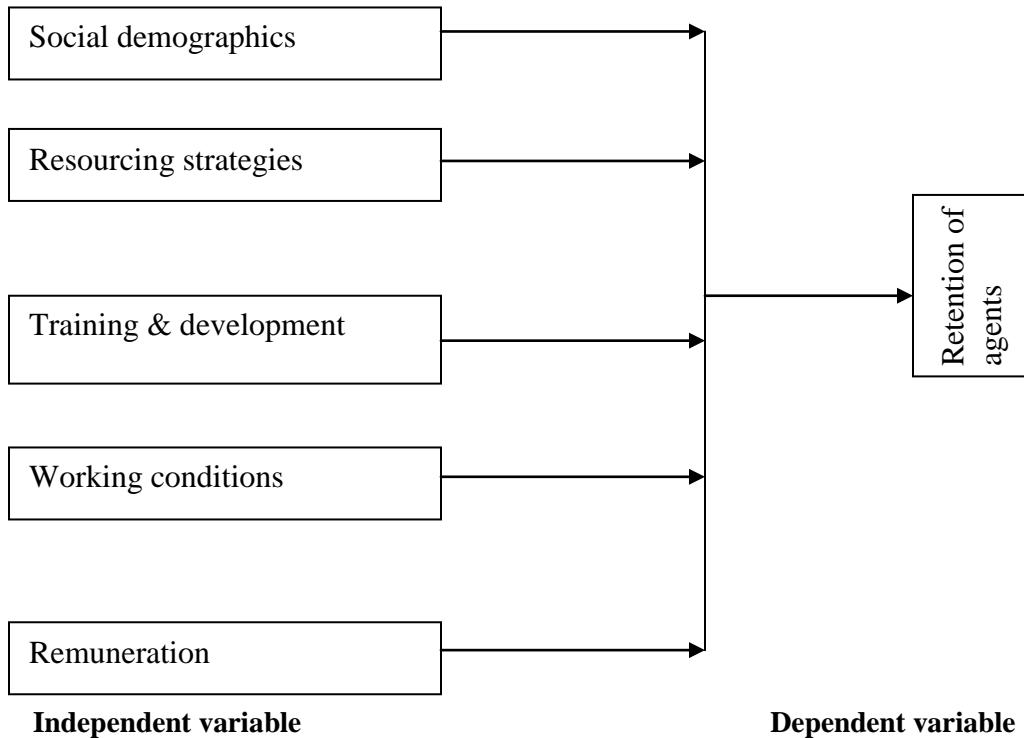
Source: Authors 2011

Fig: 2 operational framework
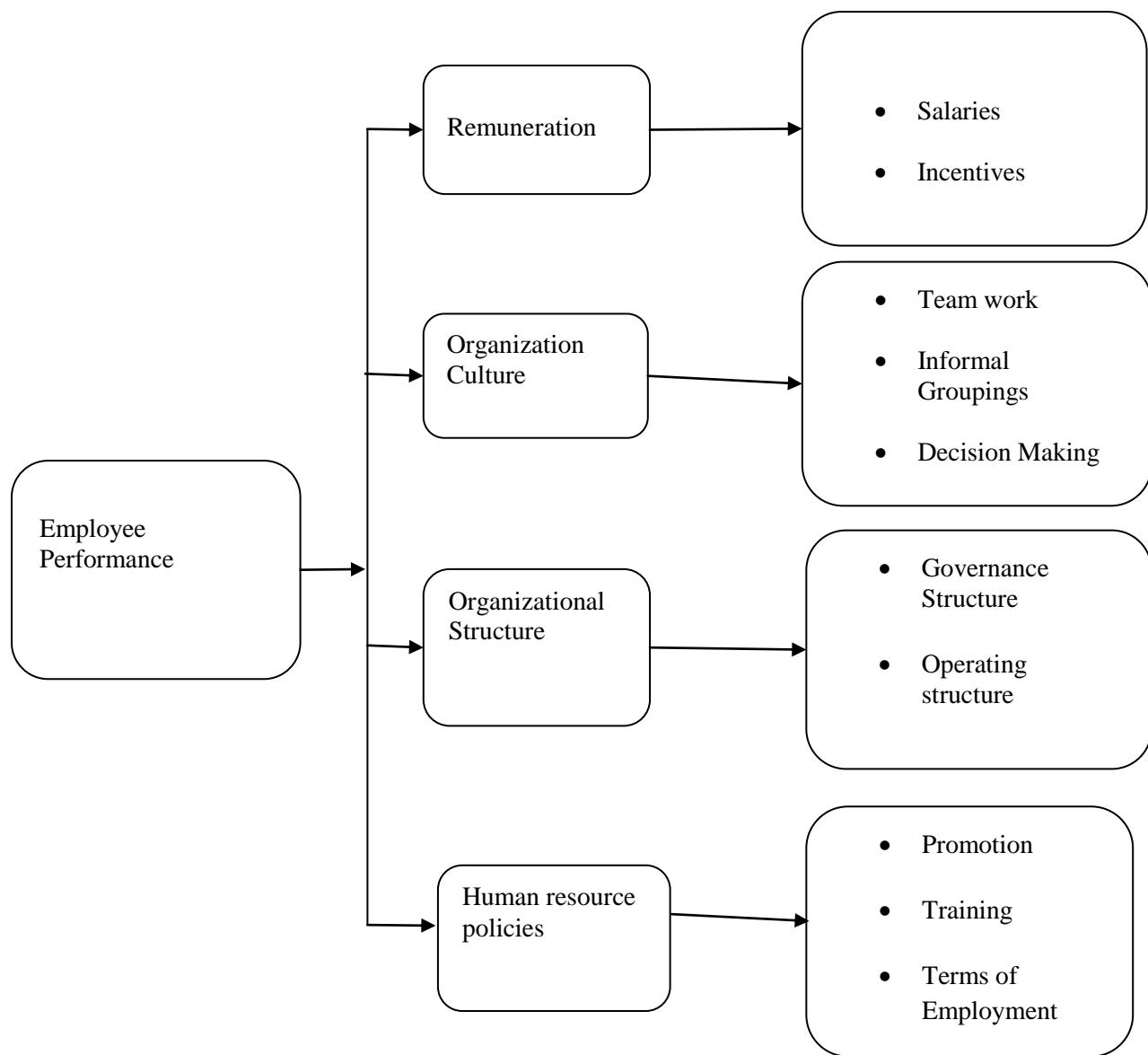
Table 1.Target population

Sections	population frequency	Percentage %
Male	600	50%
Female	400	48%

Source; Authors, 2011

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Table 3.3.1: Proportional allocation of the sample size

Insurance company	Target population	Sample population
British America	300	$\frac{300}{1000} * 129 = 39$
CFC life	400	$\frac{400}{1000} * 129 = 51$
Pan Africa life	300	$\frac{300}{1000} * 129 = 39$

Source: Authors 2011

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