

EMPLOYEE ATTRITION VS JOB SATISFACTION IN INSURANCE INDUSTRY

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ABSTRACT:

Insurance is a human intensive business and therefore the role of human resource is very crucial in the growth of an insurance industry. In present days cut throat market competition, a consistent increase in the rate of employee attrition is identified as a growing critical issue among the Indian life insurance service providers. One of the leading challenges in management has been implementing effective human development strategies to enhance organizational performance and accountability. As a result of the emphasis on performance, researchers in human resource management have stressed effective human resources strategies such as job satisfaction, team empowerment, participative management, and strategic planning. The fact that employees of organizations are becoming key to strategic decisionmaking seems reasonably indisputable even in insurance sector. The major focus of this study was to understand the factors that affect the job satisfaction of employees in the Insurance sector, in order of their importance. It was also necessary to find out the major factors that cause dissatisfaction among the employees so that the Human Resource department can undertake measures to rectify.

INTRODUCTION

Many Indian companies are facing challenges in attracting and retaining talent with a high attrition rate of 14 per cent, which is more than the global average (The Hindu, 05-06-2013). Attrition in India is at 14 per cent, marginally higher than global and Asia Pacific Countries (11.30 per cent and 13.81 per cent respectively), global professional services firm Towers Watson said in his report. The report said that 92 per cent of firms in the country experience challenges in attracting talent with critical skills

while over 75 per cent organizations face challenges in retaining high performing talent. For Indian employers the top two priorities are career advancement opportunities and challenging work environment, while for employees, job security and career advancement opportunities are their main priorities. Seventy four per cent of the employers in India feel that their employees are actively engaged with colleagues who are in different countries as compared to 65 per cent employees globally. Employee Value Proposition can be an effective tool in creating right balance between employee performance and employer needs

Insurance sector in India is one of the booming sectors. About 20% of the total insurable population of India is covered under various life insurance schemes, the penetration rates of health and other non-life insurances in India is also well below the international level. This indicates that there is immense growth potential of the insurance sector. According to a recent study of McKinsey Global Institute (MGI)-'The Bird of Gold: The rise of India's Consumer Market,' aggregate real household disposable income is expected to rise at 5.3 percent annually which is significantly more than 3.6 percent annual growth over the past two decades. Research suggests that the Indian life insurance industry could witness a rise in the insurance sector premium to between 5.1 and 6.2 percent in 2012. With privatization of this sector, fierce competition has forced organizations to focus on their business generation. This in-turn has increased work pressure on employees and reduced their satisfaction level. Human Resource managers are trying to identify the grey areas which are resulting in job dissatisfaction so as to enhance the productivity and effectiveness of the employees. Measurement of Job satisfaction is

also being used as a tool for applying employee retention techniques. Enhanced Job satisfaction leads to higher level of employee retention. A stable and committed workforce ensures successful knowledge transfer, sharing, and creation - a key to continuous improvement, innovation, and knowledge-based total customer satisfaction.

The success of a corporation depends very much on customer satisfaction. A high level of customer service leads to customer retention, thus offering growth and profit opportunities to the organization. There is a strong relationship between customer satisfaction and job satisfaction. Satisfied employees are more likely to stay with company and become committed and have more likely to be motivated to provide high level of customer service, by doing so will also further enhance the employee's satisfaction through feeling of achievement. Enhanced job satisfaction leads to improved employee retention; and employee stability ensures the successful implementation of continuous improvement and customer satisfaction. Customer satisfaction will no doubt lead to corporate success and greater job security. These will further enhance job satisfaction.

Employee attrition is the rate at which organizations and/or company's hiring and fire employees to either represent their firm or leave their firms. It also referred to the employee turnover rate. There are many different ways for a company to lose employees, most of which are typically taken into account to ensure that the organization is able to operate efficiently. Attrition refers to the loss of employees due to reasons other than firing and other employer-initiated events. This means that an employer has no direct control over how many personnel are lost to employee attrition. Retirement is one major cause of employee attrition, and since people tend to retire around a specific age this is a factor that can be accounted and planned for. Other causes of employee attrition, such as personnel who quit due to prolonged illness, dissatisfaction with the company, or other reasons, can be more difficult to estimate.

The cause of attrition may be either voluntary or involuntary, though employer-initiated events such as layoffs are not typically included in the definition.

Each industry has its own standards for acceptable attrition rates, and these rates can also differ between skilled and unskilled positions. Due to the expenses associated with training new employees, any type of employee attrition is typically seen to have a monetary cost. It is also possible for a company to use employee attrition to its benefit in some circumstances, such as relying on it to control labor costs without issuing mass layoffs.

MAJOR CAUSES OF EMPLOYEE ATTRITION:

Job Satisfaction- The problem of attrition or job quitting is high among dissatisfied employee and dissatisfaction may be due to either intrinsic or extrinsic factors or both.

Work Environment- A good working environment has a more favorable impact and thus brings reduction in the number of employee turnover whereas poor working condition declines employee productivity and satisfaction level which in turn become the cause for attrition. Job security is an important factor in employee retention. The rate of attrition is high generally in less secured job.

Work Pressure- High work pressure and higher expectations of the employers compel many employees to look for other option. Hence high level of work stress may cause high rate of attrition.

Nature of Job- The extent to which the job provides an individual with the interesting task opportunities for learning and the chance of accept responsibility. Many studies reveals that less interesting- repetitive and monotonous job results serious job dissatisfaction and force employees to look for other opportunities.

Career Growth Opportunity- Growth and development are the integral part of every individual's career. If an employee can not foresee his path of career development in his current organization, there are chances that he/she'll leave the organization as soon as he/she gets an opportunity.

NEED OF THE STUDY

The employee attrition is a negative sign for a firm and the firm should adopt some measures to overcome it the employee turnover was in an increasing phase for the last six months. The average attrition level per month was sixteen percent out of the total employees of the organization. Despite the retention measures the employee attrition is still in its increasing phase which prompted to have an insight into the reasons for job satisfaction and intention to attrition

REVIEW OF LITERATURE

Ongori (2007) focuses on stress as a cause of attrition; he says that the good workers in organization may tend to leave when they start experiencing signs of occupational stress. This turnover affects the organization adversely in increasing the recruitment and selection costs of the organization.

Siew-PhaikLoke (2008) explored the factors influencing the intention to turn-over among young, well-educated professionals within the Malaysian service industry. The results showed that there was a high tendency for this group of young employees to switch jobs. This was motivated by both push factors (interference with work-family-lifestyle balance, etc.) and pull factors (offers of better compensations, more interesting work, etc.).

GayathriNegi (2013) studied the causes of attrition from different dimensions. It undertakes the effect of the same on employer and employee both. Following this some strange reasons for attrition have been discussed in this regard. The positive side of attrition has also been discussed upon. Role of leadership styles in controlling attrition has been undertaken in the paper. Further, the remedial measures have been discussed herein

MuhammadRizwan,D Muhammad QadeerArshad et al.(2014)Intention to leave or quit is greatly affected by lack of commitment to the organization, stress and job-satisfaction. This demonstrates that the overall affairs and research goals can be achieved. Nevertheless, this study had limitations. Future researchers can take this survey as a benchmark and

see this with their own eyes and one up with a better research study. Workload monitoring and supervisory subordinate relationships from the management can not only reduce stress, and increase job satisfaction and commitment to the organization. Moreover, given their importance in quitting intentions, managers must monitor both the extrinsic and intrinsic sources of job satisfaction provided to workers

RESEARCH DESIGN

The study was designed as descriptive in nature. The overall firm's population was 700 out of which 120 respondents were selected for the study. Stratified random sampling technique has been adopted. Both primary and secondary has been used; primary data was collected through a structured questionnaire. The questionnaire was designed in such a way to fetch unbiased information from the respondents. Chi-Square test and Spearman's Correlation test have applied to test the hypothesis.

OBJECTIVES OF THE STUDY

- To identify the level of job satisfaction of employees
- To examine and analyze factors influencing intention to attrition.
- To ascertain the satisfaction towards leadership

RESULTS AND DISCUSSION

As the study found that, Fifty seven percent of the respondents are males and forty three percent of the respondents are females. Most of the respondents belong to the age group of 20-30 years. Another significant factor is that fifty five percent of the respondents having experience between 0-2 years. The study also found that seventy five percent of the respondents are able to maintain balance between personal as well professional lives. It was found that most of the respondents were highly dissatisfied and expressed reluctance regarding their career progression in the same Organization. In this study it was found that most of the respondents felt appraisal system was effective and transparent. Most of the respondents expressed that they are not contented with the conveyance facilities provided by

organization. Another positive feature in this study is that most of the employees are satisfied with flexible work environment and also they are able to avail leaves as and when it demands. Sixty six percent of the respondents feel that they have job satisfaction. More Significantly seventy eight percent of the respondents stated that their leader is friendly and cooperative, most of the respondents stated that their team leader guide and encourage in their routine and regular work. It was also found that seventy seven per centofthe respondents stated that they are able to communicate with their leader in case of any problem they face. This shows a positive relationship between the employees and the team leader which is a sign of effective leadership. It is interesting to note that , fifty seven present of the respondents categorically stated that they face high level of stress in their respective jobs despite the flexible work environment, friendly leader and having contended the with their job.

Hypothesis 1

Job Satisfaction and Balance between Work and Personal Life

H0: There is no significant difference between job satisfaction and balance of work and personal life.

Table 1 Chi-Square Tests- Job satisfaction and balance between work and personal life

	Value	df	p-value
Pearson Chi-Square	1.021 ^a	4	.028

The p value is less than 0.05, thus H0 is rejected. Hence there exists a significant difference between job satisfaction and personal life. Therefore we can notice positive correlation. This shows that the employees are able to maintain balance between work-life and personal life which is a sign of job-satisfaction.

Hypothesis 2

Flexibility in working system and availing leave

H0: There is no significant correlation between flexibility in working system and availing leave.

Table 2 Correlation -Flexibility in working system and availing leave

	Flexible working time
Availing Leave	r = 0.317
	p -value <0.05

CONCLUSION

As the finding syndicate that the employees are satisfied with their job, work time and flexible work environment including availing leave facilities. Study also revealed that the employees are able to manage balance between work life and personal life. Study proved that the employees felt that their team leader is friendly encouraging and guide them in their work. This shows that the employees are satisfied towards the leadership. Some of the reasons that make the employees to get dissatisfied are compensation, conveyance facilities and lack of career advancement. As the respondents clearly revealed that they may not hesitate to quit the job in the absence of flexible work environment, supportive colleagues, friendly leadership, and balanced work-life, which is a symptom of intention to attrition, these factors may pave a way for employees stress as a consequence it may lead to attrition if this problem is not timely addressed by the management. It can be concluded that the employees are more inclined towards intention to quit the job if they find better opportunities, higher compensation and in pursuit of higher education which is a common phenomenon among employee attrition.

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