

A STUDY ON FACTORS AFFECTING OVERALL JOB SATISFACTION AND TURNOVER INTENTION: SPECIAL REFERENCE IN INSURANCE SECTOR

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Abstract

The purpose of this study is to evaluate the degree of job satisfaction and how it relates to the intention of turnover in Uttar Pradesh Insurance companies. 400 questionnaires were circulated to Insurance employees among these 393 are valid. Results shows employees of Insurance companies are dissatisfied or leave the organization if these factors are like Organizational Policies and strategies, Working environment, Compensation level, career development and supervision are absent It was demonstrated that each indicator of work satisfaction and the intention to leave were significantly correlated. It was concluded that the intention to leave and job satisfaction were significantly correlated negatively.

Keywords- Job Satisfaction, Turnover Intention, Facets of Job Satisfaction, Insurance Companies

1. Introduction

The service sector is a prime leading sector of Indian Economy. The services sector accounts for 54 percent of India's Gross Value Added (GVA). The insurance sector generates a huge amount of revenue and job requirements every year. Since employees are the company's most important resource, keeping them happy with the organization is crucial to its success. Employees 'satisfaction are affected by several factors like organizational policies, culture, compensation, job security etc. India's insurance industry actively contributes to the country's economic health. Dissatisfaction of employees increases turnover intention. The Insurance sector in India, and around the world, faces gigantic attrition rate in the space of deals. Studies recommend that turnover in protection area sales force is almost 30% in year 1 and almost 18% in fourth year (Agrawal, 2015) . When there is an expansion in the aim to leave it brings about making a terrible effect on the Insurance sector. Assuming a worker leaves the organization so that would be costly and the new selected individual will require time to modify or it will be expensive process. Satisfied employees always give their best and search innovative ideas for the progress

of the organization. To provide better Quality of work life increase job satisfaction and decrease stress, absenteeism and Turnover Intention. To retain the employees in the organization are also a serious issue for employer. Job Satisfaction increase employee's efficiency and effectiveness. Satisfied employee helps organization to increase its productivity. Job Satisfaction has some connection with the psychological well-being of individuals. There are several factors of Job Satisfaction that affects employee's turnover Intention. It spreads the altruism of the association. The present study is investigated the impact of Job Satisfaction on employees turnover intention in insurance sector. Job Satisfaction is independent variable and Turnover Intention is dependent variable in this research paper.

2. Literature Review

Previous research on employees' intentions to leave their jobs has demonstrated that job satisfaction is a significant antecedent element that influences this intention. (Clegg, 1983; Karsh, Booske, and Sainfort, 2005). Employees with high Job Satisfaction level have high rate of efficiency and less turnover intention. Employees with low Job Satisfaction level have low rate of efficiency and high turnover intention. According to Sahadev and Keyoor (2008), job satisfaction is a multifaceted concept so it gets vital to see the perspectives on which fulfillment with work influences representative's turnover expectation in their ongoing association. As indicated by many research studies it is said that satisfaction with the work is the main variable that predicts the turnover intention.

2.1 Job Satisfaction

Graham (1982, p. 68) defined Job satisfaction as "the measurement of one's total feelings and attitudes towards one's job". Employee's job satisfaction indicates how they experience about their jobs. The definition of Job satisfaction was given by Locke (1976) who defined "job satisfaction as a pleasing or positive emotional state resulting from the evaluation of a person's job". According to Spector (1991) Job Satisfaction shows behavior of employees towards his /he work.

The idea of Job Satisfaction comes from the field of industrial psychology and management studies. Its underlying foundations return to the Human relation development of the 1930s in answer to the rising issues of execution and work agitation related with the spread of Taylorism work association rehearses. The human connection scholar said that laborer's sentiments and their output, motivation, and likes were significantly influenced by their emotions at work. The key element that might raise an organization's productivity and effectiveness is work fulfillment.

Hossain (2000) examined the degree of employee satisfaction were with their work at banks in the public and private sectors and its consequences on "job performance, job stress and propensity to quit". Employee performance and job satisfaction have a strong positive correlation whereas absenteeism and stress are significantly negatively correlated. The primary causes of discontent are low occupational status and pay, unfair opportunities for advancement, and lack of acknowledgement for one's contributions.

Singh (2012) focused on different angles that influence work fulfillment level among individuals working in Insurance sector. The review announced that work culture, work lucidity, authority, development and acknowledgment, cooperation, pay for execution, administration and so on are The most significant factor in determining employees' levels of job satisfaction in the insurance sector is their workplace culture and various facets of job satisfaction.

Stress, labor turnover, and absenteeism are all decreased by job satisfaction. Job satisfaction boosts workers' morale, output, and efficiency, among other things. Job satisfaction creates innovative ideas. Workers could get more devoted to the company. If workers receive what they expected, they will be happier; job satisfaction is a reflection of employees' internal emotions. Naturally, the most productive and efficient worker is the one who is happy with his work.

According to **(Starmer UP, 2022)**, one of the most recognized definitions of job satisfaction was given by Loke. Accordingly, "The positive feeling that results from assessing one's own work as accomplishing or assisting in the attainment of one's employment value is known as job satisfaction". **(Muhamad Khalil Omar, 2020)**

The intention of this research paper is to find the impact of work load, work stress and work-life balance on the intention to leave among 99 employees of an insurance company in Malaysia's Klang Valley. According to the findings work load and intention to leave have positive relation.

(Adefulu A. D, 2019) the study focused on impact of Compensation (safety, salary, incentives, work dignity) on employee Job Satisfaction (recognition, performance, working conditions) in a group of insurance companies in Lagos State, Nigeria. The review concluded that an significant reason in employee job satisfaction is compensation management. Consequently, it is suggested that the public authority order regulations and guidelines that can intervene between bosses and workers in the insurance business at whatever point there is a break of policy.

(Dr.K.Ramesh, 2019) The objective of the research was to recognize the elements that impact worker job Satisfaction at ICICI Prudential Life coverage Organization. As indicated by the discoveries and results, respondents were happier with job satisfaction factors like compensation, training and development colleague connections etc.

According to **A.L. Surih** "Job satisfaction is an employee's feelings about their job. Job dissatisfaction influences the employees to leave the organization. Further, job dissatisfaction can cause employees to seek other alternatives."

2.2 Turnover Intention

Turnover is a gigantic challenge face by organization in present scenario. It is a permanent problem for organization. It's negatively affect performance and profitability of the organization. Alternatively, turnover increases probability of losing of experience employees.

Leigh Brahmin discovered several causes why employees leave the organization and these are- employees feel the workplace is not same as they expected also there is a difference between the employee and job. Moreover Employee performance is impacted by inadequate training and feedback, and less opportunity is present for personal development. Besides, employees feel devalued and unrecognized, employees experience stressed due to overburden and unable to make balance between work and life, and the last reason is a loss of trust in leaders.

“The peculiarity of employee turnover is the propensity of employees who have ability not to feel QWL or balance between work and life they don't feel from the organization where they work.” (Octaviani, 2015)

According to **Liu and Wang (2006)** “The reasons for employee turnover intention are gender, age, marriage, Qualification and experience in the organization”.

According to **Ma et al. (2003)**, “Employees with young, inexperienced and high education level tend to have low level of satisfaction about jobs and careers, and have lower commitment to the organization; these negative attitudes are associated with turnover intention”.

Zhang(2016) defined Relationships across the various departments have a big influence on whether or not employees plan to leave. When an organization has complex interpersonal relationship, Employees who find it difficult to interact with managers and other staff members or who find it difficult to build relationships within the company are more likely to quit.

Opportunities for training and development can have a big impact on length of employment retain with the company. If the organization does not offer up skill training program or learning opportunities employees feel dissatisfaction and quit the job for better opportunities.

Pearce and Mawson (2009) have discussed how a lack of training might affect an organization's ability to perform its employees' jobs well and increase employee turnover. Alternatively, few organization, which provide suitable training program for their employees’ learning and skill development, to achieve the high ratio of success and reducing the employee turnover chances. Consequently, workers may be more dedicated to their work and to the company. (Amos et al., 2008).

However, Hiring and training new employees involve significant expenses, including job advertisements, recruitment agency fees, on boarding programs, and initial lower productivity. Important knowledge and abilities are taken by departing employees, which may cause a brief decline in output. Therefore, remaining employees may have to cover additional responsibilities, leading to potential burnout and decreased efficiency. High turnover can lead to lesser confidence among remaining employees, who may feel overburdened or concerned about job security. Experienced employees give training to new employees its effect their work. Organization also suffers loss if employee’s performance is not good or not achieving their

organizational goals. In addition to compounding the drawbacks, high turnover can also reduce a company's value generation.

According to Govindarajo numerous factors influence the intention to turnover in palm oil plant in Malaysia. The outcomes discovered seven factors are accountable to employee turnover intention, namely- salary and well-being, work environment, insecurity, lack of organizational support, strict rules and regulations and lack of employee motivation.

The factors that responsible to the turnover of construction industry employees in Malaysia are working environment, compensation, rewards, work and organizational commitment and the supervisor are significant causes of employee resignations.

Previous studies concluded pleasant working environment, good interpersonal relationship among employees, fair compensation, proper training and development are key variables that motivate employees to continue with their jobs.

According to Herzberg two factor theory some factors presence satisfied the employees and absence dissatisfied.

Voluntary and Involuntary Turnover

Employees who voluntarily quit the company are said to be leaving of their own volition. This can happen for a variety of reasons, such as:

- **Career Advancement:** Employees may seek new opportunities for growth, higher positions, or better salaries elsewhere.
- **Personal Reasons:** Life events such as relocation, family responsibilities, health issues, or pursuing further education.
- **Job Dissatisfaction:** Unhappiness with their current role, management, organizational culture, or work environment.
- **Better Opportunities:** Employees might find jobs that offer better benefits, more engaging work, or enhanced work-life harmony.

Involuntary Turnover

Involuntary turnover, when the organization decides to terminate an employee's employment. This can be due to several factors, including:

- **Performance Issues:** Employees who do not meet the required job performance standards may be let go.
- **Behavioral Issues:** Issues such as misconduct, violation of company policies, or conflicts with other employees.
- **Redundancy:** Positions that are eliminated due to restructuring, downsizing, or changes in business strategy.

- **Economic Reasons:** Financial difficulties or budget cuts that force the organization to reduce its workforce.

2.3 Insurance Company

India's insurance market is a quickly expanding industry that has a major effect on the Indian economy. It encompasses various types of insurance, including general insurance, health insurance, life insurance and more. An outline of the Indian insurance market may be found here:

Types of Insurance

➤ **Life Insurance:**

Purpose: Provides financial protection to beneficiaries in the event of the policyholder's death.

Major Companies: HDFC Life Insurance, ICICI Prudential Life Insurance, SBI Life Insurance, Life Insurance Corporation of India (LIC), and Bajaj Allianz Life Insurance.

➤ **General Insurance:**

Purpose: Covers non-life assets such as property, automobiles, health, and travel.

Major Companies: United India Insurance, ICICI Lombard, Bajaj Allianz General Insurance, New India Assurance and HDFC ERGO General Insurance.

➤ **Health Insurance:**

Purpose: Covers medical expenses and hospitalization costs.

Major Companies: Max Bupa Health Insurance, Apollo Munich Health Insurance (now HDFC ERGO Health Insurance), Star Health and Allied Insurance and Religare Health Insurance.

3. Objectives of the study

The principal goals of the research are to investigate the effect of Job Satisfaction on Turnover Intention of employees in Insurance sector.

Secondary Objectives are-

- To know the level of Job Satisfaction of employees.
- To know the factors of Job Satisfaction provided by insurance companies among employees.
- To know the level of Turnover Intention.

4. Research Methodology

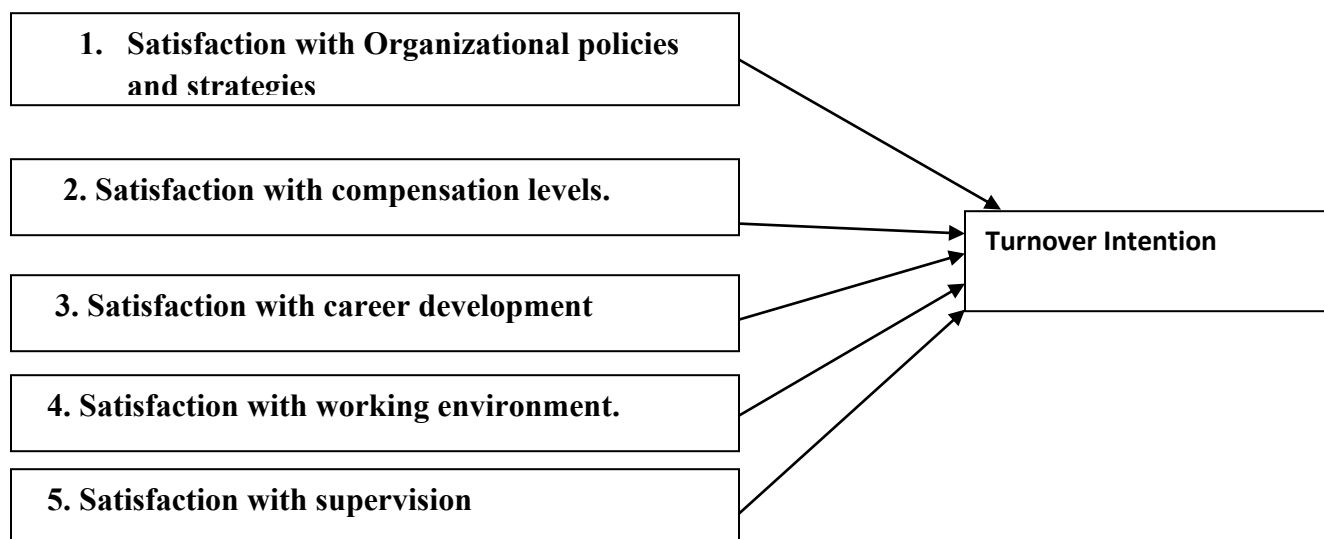


Figure-4.1

5. Hypothesis

H₁: There is a significant positive relationship between overall job satisfaction and facets of Job Satisfaction

H₂: There is a significant negative relationship between facets of job satisfaction and Turnover Intention.

H₃: There is a significant negative relationship between overall job satisfaction and Turnover intention.

6. Type and Characteristic of the study

This kind of research is quantitative and characteristic of the study is correlation and regression study to find the relation between variables of the study that job satisfaction and Turnover Intention.

Sampling Design

The study's population is the employees of private Insurance companies in Uttar Pradesh. The sample consisted of employees on different positions in private insurance companies including Business development manager, Branch Manager, Sales Manager, Area manager, Regional Manager, Agency Development Manager in private Insurance companies. Questionnaires were sent by through Google form. Stratified random sampling technique used. Five strata will be

created on the basis of geographic regions of Uttar Pradesh i.e North, South, Central, East and West. Convenience Sampling applied to collect the primary data in this research. The Sample size was 393.

A survey focused on job satisfaction and turnover intention in Uttar Pradesh insurance companies will be conducted.

Instrumentation

Questionnaire adapted from the Michigan Organizational. The five options on the 5-point Likert scale go from 1 (strongly disagree) to 5 (strongly agree). It contains five factors organizational policies and strategies, supervision, working environment, career growth and compensation level describing 30 statements on five point Likert Scale with reliability value of 0.912. A scale or questionnaire's internal consistency reliability is measured by Cronbach's Alpha, which shows how strongly the items are connected with one another. It assesses the extent to which all the items in the scale measure the same underlying construct or idea. Cronbach's Alpha values range from 0 to 1, with higher values indicating greater internal consistency. In your case, the With a Cronbach's Alpha of.912, Strong internal consistency among the items on your scale suggests that they are all appropriately measuring the same underlying construct.

Questionnaire bifurcates into two parts –

Part I: It contain demographic details of respondents that are employees of Insurance companies and

Part II: It contain questionnaire through which variables are measured.

Table-6.1

Variables	Items	Source
Turnover Intention (Dependent variable)	5	O'Reilly, Chatman and Caldwell(1991)
Satisfaction with organizational policies and strategies (Independent Variable)	4	Jamal and Baba(1992)
Satisfaction with Working environment (Independent Variable)	6	Jamal and Baba(1992)

Satisfaction with Compensation level (Independent Variable)	5	Jamal and Baba(1992)
Satisfaction with supervision (Independent Variable)	5	
Satisfaction with Career development (Independent Variable)	5	

Table-6.2: Demographics

Demographics		Frequency	Percentage
Gender	Male	317	80.7
	Female	76	19.3
Age	25-30	93	23.4
	31-35	158	40.2
	36-40	90	22.9
	40 Above	52	13.5
Marital Status	Married	263	66.9
	Unmarried	130	33.1
Income	2 Lac	8	2
	More than 2 Lac less than 5 Lac	182	46.3
	More than 5 Lac less than 8 Lac	137	34.9
	More than 8 Lac	66	16.8
Experience	0- 5 years	216	54.7
	6-10 years	142	36.0
	11-15 years	25	6.4
	16-20 years	10	2.9
Organization	Aditya Birla Health Insurance	36	9.2
	Care health Insurance	21	5.7
	HDFC Life Insurance	35	8.8
	Chola MS general Insurance	34	8.6

	Niva Bupa Health Insurance	24	6.1
	SBI Life Insurance	20	5.1
	ICICI Prudential Life Insurance	41	10.4
	Kotak Life Insurance	44	11.2
	TATA AIG General Insurance	41	10.4
	Reliance General Insurance	49	12.4
	Star Heath Insurance	41	10.4
Designation	Sales Manager	219	55.7
	Business Development Manager	143	36.0
	Branch Manager	20	5.2
	State Head	1	0.3
	Regional Manager	10	2.8
City	Lucknow	58	14.7
	Kanpur	40	10.3
	Ayodhya	33	8.4
	Gorakhpur	28	7.1
	Allahabad	34	8.5
	Varansi	29	7.4
	Meerut	19	4.8
	Ghaziabad	5	1.5
	Agra	24	6.2
	Jhansi	22	5.6
	Moradabaad	33	8.4
	Bareilly	43	10.9
	Chitrakut	25	6.5

Descriptive Statistics of Variables (n=393)

Table- 6.3

Variables	Mean	Standard Deviation
Turnover Intention (Dependent variable)	19.33	1.92
Satisfaction with	4.29	0.787

organizational policies and strategies (Independent Variable)		0.770
Satisfaction with Working environment (Independent Variable)	4.32 4.46	0.678
Satisfaction with Compensation level (Independent Variable)	4.29	0.580
Satisfaction with supervision (Independent Variable)	3.84	1.15
Satisfaction with Career development (Independent Variable)		

When the mean value falls between 1 and 5, it is seen as to be at a moderate level. The table above shows that the policies and tactics as documented has resulted in employee satisfaction. Mean=4.29, Standard Deviation=0.787. Additionally, the degree of satisfaction with career progression is moderate. (Mean=3.84, SD=1.15,). Satisfaction with supervisor (Mean=4.29, SD=0.580), satisfaction with compensation (Mean=4.46, SD=0.678). Satisfaction with working environment (Mean=4.32, SD=0.770). Finally turnover intention are (Mean=19.33, SD=1.92). Therefore, based on our analysis of the above table, we can say that all of the study's variables, as they are displayed above, have a moderate level of satisfaction.

Association of five facets of job satisfaction with overall satisfaction

(Correlation):

All aspects of job satisfaction are positively correlated with overall job satisfaction: Strategies and Policies within the Organization ($r = .73$, $P < 0.001$), Working Environment ($r = .58$, $P < 0.001$), Supervision ($r = 0.52$, $P < 0.001$), Compensation level ($r = .62$, $P < 0.001$), Career Development ($r = .55$, $P < 0.001$).

So hypothesis (H1) that there is a significant positive association between overall job satisfaction and five facets of job satisfaction is accepted.

Association of five facets of Job Satisfaction with Turnover Intention (Correlation):

The correlation between turnover intention and five facets of job satisfaction: A significant negative relationship was found between Organizational Policies and strategies and Turnover Intention ($r = -.45$, $P < 0.001$) Compensation level ($r = -.37$, $P < 0.01$) Working environment ($r = -.42$, $P < 0.001$) Supervision ($r = -.41$, $P < 0.001$) and career development ($r = -.39$, $P < 0.001$).

As a result the hypothesis (H2) that there is a significant negative association between five facets of job satisfaction and turnover intention is accepted.

Association of Overall JS (Job Satisfaction) with TI (Turnover Intention):

Correlation Coefficient: -0.073

Significance (2-tailed): $p = 0.144$ (not significant)

Interpretation: A weak negative correlation present between Job Satisfaction and Turnover Intention, although this correlation is not statistically significant at the 0.01 level. This implies that there might be a slight propensity for Job Satisfaction to decrease as Turnover Intention increases.

7. Conclusion:

The study's conclusion demonstrates that the employer of Insurance Companies should increase five facets of Job Satisfaction to increase overall Job Satisfaction among employees-organizational policies and strategies, supervision, compensation level, working environment and career development through these facets company can decrease Turnover Intention. Therefore, it is possible to conclude from the results that there is a negative correlation between overall Job Satisfaction and Turnover Intention.

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