

**JOB SATISFACTION AND EMPLOYEE TURNOVER INTENTION IN  
INSURANCE INDUSTRY: THE NEPALESE EVIDENCE**

**A THESIS**

Submitted in Partial fulfillment of the requirement of the degree of

**DOCTOR OF PHILOSOPHY in MANAGEMENT**

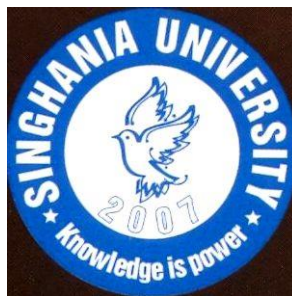
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**December 2013**

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## APPENDIX-VI

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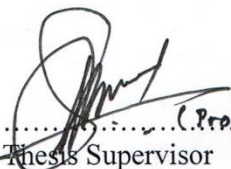



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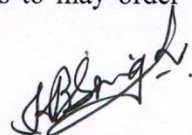
  
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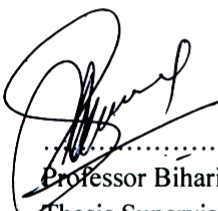
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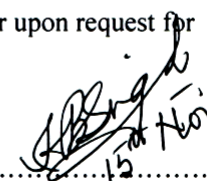
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## DECLARATION

I, Hridayaswor Bir Singh, the undersigned, a PhD scholar at the Singhania University, and the author of the thesis titled '*Job Satisfaction and Turnover Intention in Insurance Industry: Nepalese Evidence*' hereby solemnly declare that this thesis is an original work done and prepared by myself for a degree at this university. The work has not been previously formed as the basis for the award of any degree or similar title at this or any other university. The materials borrowed from other sources and included in my thesis have been properly acknowledged.



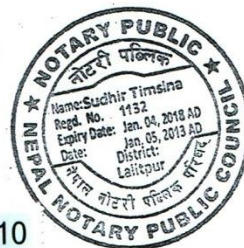
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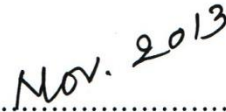
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## **ABSTRACT**

This is the study on job satisfaction and its impact on turnover intention in insurance industry in Nepal. It examines the multiple relationships of demographic variables as well as organizational variables with job satisfaction and employee turnover intention. The analysis was carried out with demographic variables namely, age, gender, marital status, academic qualification, job status, job experience and geographical regions. The study hypothesized that there are significant relationships between job satisfaction and turnover intention among the employees in insurance industry.

Three research instruments have been used to obtain data: questionnaire, interview and observation. A total of 331 respondents were randomly selected as the sample of study and data were analyzed by Statistical Package for Social Science Window program, (SPSS) 16.0 Version. The test conducted were Means, Standard Deviation, Analysis of Variance (ANOVA) , Person Correlation Coefficient, Multiple Regression and Chi-Square.

The findings of the study show that majority of the respondents were from age group of 25-34 years. Similarly, majority of the respondents had experience below 5 years and were from Kathmandu valley. All respondents were literate and most of them were married. Majority of respondents had higher academic qualification of bachelors' degree and above. The result of analysis shows that level of job satisfaction was heavily influenced by demographic as well as organizational factors. The academic qualification demonstrates the strongest relationship and geographic location demonstrate the weakest relationship among demographic variables.

In this study, 'remuneration and employee benefits', 'working environment', 'career development and rewards', 'responsibilities and autonomy' and 'leadership and supervision' are taken as the major organizational factors affecting job satisfaction in the insurance industry of Nepal. Among them, the

leadership and supervision demonstrates the strongest relationship and working environment demonstrate the weakest relationship. Furthermore, it was found that there was close and negative relationship between job satisfaction and employee turnover intention in insurance industry.

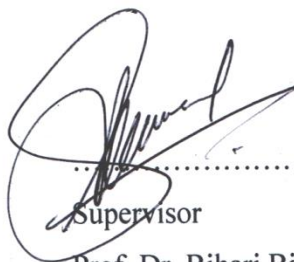
These findings indicate that the proper attention should be paid towards motivation and job satisfaction to retain employees properly in the organizations, especially for efficient and skilled ones. The concluding suggestions have been recommended for the insurance companies. Furthermore some recommendations have been provided for future research to be more complete and comprehensive.

Abstract Approved by



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## ABBREVIATIONS

HR	Human resource
HRM	Human Resource Management
RBS	Rastria Beema Sansthan
ET	Employee Turnover
ETI	Employee Turnover Intention
IBN	Insurance Board of Nepal
RBS	Rastriya Beema Sansthan (National Insurance Corporation of Nepal)
IB	Insurance Board
SPSS	Statistics Package for Social Science
ANOVA	Analysis Of Variance
S.L.C.	School Living Certificate
M.Phil.	Philosophy in Management
JE	Job experience/ Tenure
PCL	Proficiency Certificate Level
SD	Standard Deviation
N	Numbers
Approx.	Approximate
Sig.	Significance

## **CHAPTER 1**

### **INTRODUCTION**

Introduction part is the first step of this thesis, which provides the clear picture of overall thesis. It is the proceeding to a dissertation, that lays the ground, highlights the important idea, introduction and concepts of a thesis. This chapter includes overview, setting of the study, statement of problem, significance of the study, objectives of the study, research questions, conceptual framework of the study, limitations of the study, delimitations of the study, organization of the thesis, definitions of terms and concluding remarks.

Job satisfaction and employee turnover are two important components of maintenance function of human resource management. They are crucial and emerging subjects to be studied for enhancement of employee retention and upgrade the overall productivity of any organization. The study of human resource management will not be complete without the study of employee turnover.

Although several researches have been carried out the study on the employee turnover, most of the researchers have focused only on the causes of employee turnover. Very little has been done on the examining the sources of employee turnover, effects and advising various strategies (Ongori, 2007). These are the important aspects for the managers to ensure that there is employee continuity in their organizations to enhance organizational success. This chapter contains background of the study, statement of problem, significance of the study, purpose of the study, research questions, conceptual framework, limitations and delimitations of the study.

The management should pay adequate attention to employee turnover. Employees with high performance level demand serious management attention as they are scarce resource of the organization. They turn to be costly and tend to change jobs even within a year rather than choosing to grow in one. Newstrom (2009) has recognized that high turnover at any organizational levels constitutes a waste of human resource. Hence, it is very important to retain competent and senior employees effectively in an organization. Thus managers must be straight to consider something more for the employees. They need to give more attention to know whether their

subordinates are satisfied or not with the job, as they are involved in different job related activities. They can give the necessary feedback to the boss regarding their satisfaction and dissatisfaction.

The evidence from researches points to specific determinants and correlations of job satisfaction and turnover. Dissatisfaction with one's job may result in higher employee turnover, absenteeism, slowness and grievance. In contrast, improved job satisfaction results in increased productivity and decreased turnover.

It is better to have clear understanding with terminologies related to the subject such as employee, job satisfaction, turnover and insurance. Employees are the persons hired to provide services to an organization on a regular compensation basis. They contribute efforts and expertise to achieve the goal of an organization. Employees are usually hired and assigned to perform specific duties under a supervisor. Employees are the most important resources to achieve the target of the organization. Without employees, the organization will not be able to implement the plan and face the organizational challenges. In order to ensure the success of the organization, it must be continuously ensure the satisfaction of their employees (Berry, 1997).

### **Overview**

Job satisfaction is the level of employee positive feeling regarding job and organization. It is simply how people feel about different aspects of their jobs. It is the extent to which people like or dislike their jobs (Spector, 1997). Effective management of human resources tends to enhance the organizational performance and responsibility. Organization with more satisfied employees tends to be more effective (Robbins & Judge, 2007). So it is said that happy workers are productive workers. But managing human resource efficiently is not an easy task for a manager.

Effective management of human resource is considered as a great challenge in management. Many researchers on human resource management have stressed effective human resources strategies especially that are job satisfaction, team empowerment and participative management aspects. It is difficult for management to decide what makes their employees happy. It can be said that an employee feels

happy when his/her needs are fulfilled. But it is very difficult to understand and fulfill employee's needs in workplace.

Job satisfaction plays significant role in organizational effectiveness and productivity. In addition, it is also found that there is close relationship between job satisfaction and employee turnover.

Employee turnover is the rate at which employees join and leave an organization. It is the end of tenure of employee in an organization. It can be described as how long the employees tend to stay on at the organization. Employee turnover is measured for individual companies in comparison to their industry as a whole. If an organization has a high turnover relative to its competitors, it means that employees of that organization have a shorter average tenure than those of other companies in the same type of industry. In contrast, low turnover denotes that employees have a longer average tenure in the organization. Thus, it is the proportion of employees who leave an organization over a specific period, often expressed as percentage of total number of employees.

Turnover is the voluntarily and involuntarily permanent withdrawal from the organization (Robbins & Judge, 2007). Among them, voluntarily turnover has significant costs. It incurs both direct and indirect costs upon the organization. Voluntarily turnover incurs significant cost, both in terms of direct cost (replacement, recruitment and selection, temporary staff, management time, or in terms of indirect costs like morale, pressure on remaining staff, cost of learning, product/service, organizational memory (Dess & Show, 2001). That is why, the management should always be aware of employee turnover. The organization should try to reduce the turnover in order to maintain stability and quality of production.

It is the ratio of the number of workers that has to be replaced in a given time period to the average number of employee. It is the number of employees hired for a period to replace those who left or quitted an organization. The number of employees is often represented in the ratio of the total employees. This ratio shows the employee turnover rate of the organization. Why should we be concerned with the rate of employee turnover in our organization? There are many reasons behind our concern on employee turnover. The most prominent reasons are: (1) Cost of employee recruitment and selection (2) Cost of employee's career development and (3)



Employee morale. Hence, the rate of employee turnover affects a lot to the success of an organization.

### **Setting the Study**

Job satisfaction can be used as an effective tool to predict employee turnover. Masri, 2009 also agrees to the motion that job satisfaction can be used to understand turnover process. Many researchers have observed and found that job satisfaction is the main predictor of turnover intention. According to Milkovich & Boudreau (1977), job satisfaction is the main predictor of turnover intention.

According to Minor (2009), an organization spends considerable funds from limited budgets on employee recruitment, selection and training. High employee turnover means more investment and expenditure on these headings. It highlights the importance of addressing employee turnover in an organization. Acknowledging what employee turnover is and how it affects the organization is really important for all managers. Having an understanding of employee turnover and its issues is the first step for being able to address them.

The study is conducted in insurance sector in Nepal. Actually, insurance is a form of risk management. Risk can be divided, managed and reduced significantly. It is a form of risk management to hedge against the risk of a contingent and uncertain loss. Insurance is the means to get financial security against risk (Singh, 2010). We can say that insurance is an effective mean to reduce risks in society supporting the expansion and growth of the business activities.

Insurance sector is one of the booming sectors in Nepal. People in Nepal are not well aware about the need and importance of insurance. So, very limited number of people have purchased insurance policy. Only six percent of the total insurable population of Nepal is covered under various life insurance schemes according to the insurance board of Nepal (Beema Sameeti, 2012). It means that Nepal has adequate prospect of insurance market in future. This indicates that there is immense growth potential of the insurance sector in Nepal.

The private sector is opened free to do insurance business in Nepal from 1974 (Insurance Board, 2012) under privatization policy of government of Nepal. With privatization of this sector, fierce competition has forced companies to focus on their

business generation. This in-turn has increased work pressure on employees. It tends to reduce the level of employee satisfaction causing increased rate of employee turnover intention.

Human resource managers are trying to identify the cause of high rate of turnover in this sector. They are trying to identify the basic 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, efficient and committed workforce ensures successful operation of insurance business. Therefore, research in job satisfaction and employee turnover intention may help the insurance companies to identify the main factors relating job satisfaction. It will contribute to reduce the employee turnover intention among the employees. From this study, the management of insurance industry can make necessary adjustment on their current policies and practices as an effort to retain efficient employee from quitting the jobs.

### **Statement of Problem**

Retaining employees in an organization is a big challenge for the management. In this situation, if the organization fails to fulfill the employee's needs, especially efficient ones, tends to be unsatisfied leading them to turnover intention. So, it can be assumed that high job satisfaction is related to employee's attitudes such as high job performance and low turnover. However, they also suggested that organization should emphasize on the employee in order to expand their productive capacity and to survive in a competitive environment. Advanced research on job satisfaction and employee turnover intention is expected to find out the clue to glue efficient employee. Such research is intended to find out solution to control, especially, voluntary turnover.

Employees in insurance sector have a strong need for growth and personal development compared to other employees in other sectors. They possess a high need for learning. As a result of changes in insurance business, national economy and growing competitions, the management in this sector is increasingly facing problems in retaining efficient employees. This is paired with considerable tensions and efforts

in management styles to maintain motivation and productivity. Hence the researcher felt it is a very serious issue to determine effective way to increase job satisfaction among employees and reduce turnover intention in insurance industry.

During my study, the researcher found very few literature and research in job satisfaction and employee turnover in insurance industry. However the researcher found that there are some studies conducted on the employ turnover in insurance industry. In the Nepalese context, the researcher was unable to find even a single research in turnover intention in insurance industry. This is the knowledge gap for further research. This is the sincere attempt to fill the knowledge gap to link the employee turnover research in Nepalese insurance industry with the international research.

Many research studies have been carried out on the job satisfaction and employee turnover intention. Still, there is no concrete and unique outcome found from the study. Some research reports have produced their results with different outcomes. Knowledge in this area is still lacking. That is why, further exploration efforts have been made on which job satisfaction and employee turnover intentions are the key variables

### **Significance of the Study**

Most researches in the human resource management have addressed only problems related to recruitment, selection, growth, motivation, training, productivity and the HRM system and issues of job stress, individual performance etc. There are very few researches that have been conducted on job satisfaction and employee turnover sector. The research on job satisfaction and employee turnover, especially, in insurance sector of developing country like Nepal is very rare. In addition, no systematic and comprehensive work has been found that covers all the sectors like job satisfaction, employee retention and turnover focusing on insurance industry. This justifies the significance of the study.

The study of job satisfaction and employee turnover is very important to modern organizations in this globally competitive world. The success of any organization depends upon the effectiveness of the management. Management is the brain of the organization. The effectiveness of management largely depends upon the

employees' productivity. On the other hand, employee is the heart and life blood of the organization, without which the management is paralyzed. The employees' productivity is directly related to the job satisfaction and turnover of skilled and talented employees.

The skilled and committed employees are the core of the organization. It is the employees, who perform and lead the organization to the success. If there is excessive turnover of employees in an organization, the organization suffers from lack of efficient employees. Because it is the general trend that when an employee quits the organization, he/she may be the efficient one, who is hot cake, having lots of opportunities outside the organization. In this situation, only the weak and unskilled employees who have fewer opportunities outside retained in the organization. They are tagged with the organization because they are cold cake and there is no chance to be hired by other organizations. In this situation, every organization must know how to minimize the turnover of efficient employees and how to make them feel satisfied and encourage them to retain within the organization for a long time.

In an organization, the longer the employees work, the more they are experienced and become more skilled and efficient. So, the management should pay appropriate attention to enhance job satisfaction and minimize turnover of such employees. At the same time, the management should also make the strategy to get rid of retired and dull employees. This clarifies the significance of the study of employee turnover. Such study helps us to understand the reasons, techniques and measures of employee turnover to manage it.

The study will broaden our understanding of the impact of employee turnover on the organizational performance in the proposed model. Since the traditional view of employee turnover is very narrow, the current study will provide some new or fresh knowledge to the existing pond of knowledge by signifying:

- High turnover as a burning problem for most insurance companies in developing countries,
- Less job dissatisfaction as problem in most organizations,
- The important factors relating to job satisfaction,
- The importance of job satisfaction to manage employee turnover,

- The findings of the study help to mitigate the effect of turnover in insurance sector,
- The management techniques to maintain the turnover rate at the appropriate level reducing turnover cost and increasing employee productivity.
- The study will help to expand the overall knowledge regarding job satisfaction and employee turnover and their impacts on an organization, especially in the Nepalese context.

### **Objective of the Study**

Employee turnover is a significant challenge for human resource management (HRM) strategies and organizational performance (Davidson & Wang, 2010). With the help of extensive survey and study on labour turnover, the current study seeks to present conditions and problems regarding job satisfaction and employee turnover in the Nepalese context. The objectives of the study are divided into two main parts namely; (i) the specific objective and (ii) general objective. The basic objectives of the study are as follows:

#### **General Objective**

The general objective of the study is to investigate the relationship between job satisfaction and turnover intention among the employees working in insurance industry.

#### **Specific Objectives**

To achieve the above general objective, some specific objectives are determined as given below:

1. To explore the demographic variables of employees in insurance industry in Nepal.
2. To determine the relationship between demographic variables and job satisfaction in the insurance industry.
3. To evaluate the organizational variables effecting job satisfaction in the insurance industry.
4. To find out the relationship between organizational variables and job satisfaction in the insurance industry.

5. To evaluate the level of employee job satisfaction in the insurance industry.
6. To assess the level of employee turnover intention in the insurance industry.
7. To examine the relationship between job satisfaction in employee turnover intention.

### **Research Questions**

To obtain the predetermined purposes of the study, the following research questions have been developed and used for investigations:

1. Do demographic variables have relationship with job satisfaction of employee in the insurance industry in Nepal?
2. What is the relationship between organizational variables and job satisfaction level of employee?
3. What is the level of job satisfaction of employee in the insurance industry in Nepal?
4. What is the level of employee turnover intention in insurance industry in Nepal?
5. Is there any relationship between job satisfaction and turnover intention of employee in the insurance industry?

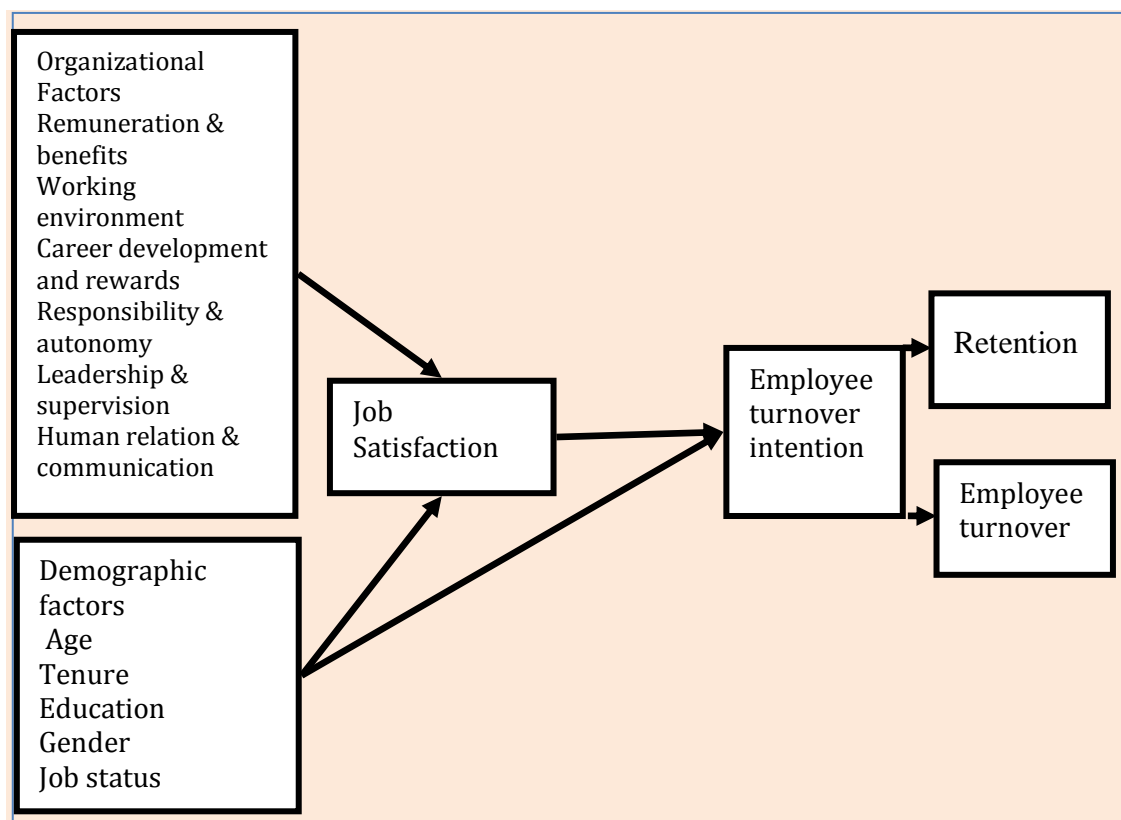
### **Conceptual Framework of the Study**

Job satisfaction and turnover intention have been studying more frequently these days. There is still much to learn about it, especially in terms of how it varies among different populations. Determining the core factors influencing job satisfaction allows managers to make right decisions to increase employee job satisfaction (Cranny, Smith, & Stone, 1992). Besides, job satisfaction and turnover intention of employee are among the most important issues for managers and organizations in present competitive environment. Increased productivity, commitment and loyalty to the organization are a reflection of positive outcomes of job satisfaction of employees while absenteeism and turnover intention are the negative outcomes. A crude measurement of turnover would be as follows (Morrell, Loan Clarke, & Wilkinson, 2001, p. 10):

$$= \frac{\text{Leavers in year}}{\text{Average number of employees during year}} \times 100$$

Job dissatisfaction tends to increase turnover intention. Ultimately, turnover intention leads to quitting the current job. The turnover intention is defined as the mediating factor between attitudes affecting intent to quit and actually quitting an organization (Glissmeyer, W., & Fass, 2008).

The proposed research is to evaluate the human resource practices related to job satisfaction and employee turnover in an organization. Employee turnover (ET) is represented in the quantitative term. Job satisfaction is represented in the qualitative term. The effect of job satisfaction on employee turnover is expressed in a quantitative form. So, the proposed study is a quantitative research as the turnover is often expressed in a quantitative form. Since, the intention of turnover is expressed in a qualitative form, some qualitative expression is included in the study wherever is necessary. In this way, the research is supported with qualitative techniques whenever needed. Taking in consideration of the above view, the following conceptual framework of the research has been developed:



**Figure 1.1 Diagram of conceptual framework of the research**

In the above conceptual framework, different independent variables are included under the heading of organizational factors and demographic factors. The study is concentrated on how the independent variables affect on job satisfaction level as well employee turnover intention in the insurance industry. The literature highlights the same variables as the main basis of employee job satisfaction and turnover intention. As the insurance industry is the fast growing industry in Nepal, the job satisfaction plays a major role in employee retention and success of the business. As there are alternative jobs frequently available in the market as the insurance companies and their branches are growing rapidly.

### **Limitations of the Study**

There are some limitations in conducting the research. They are:

The study covers only the insurance companies of Nepal, mainly the insurance companies located within Kathmandu valley as about 80 percent of the total insurance activities of Nepal are concentrated here. The respondents are chosen randomly from these insurance companies.

The study is based on the primary data collected through questionnaire and secondary data are obtained from insurance companies and other sources. The research is limited to quantitative design specially descriptive and exploratory methodology. Respondents mean the people who have knowledge regarding the practical and theoretical aspects of insurance business in Nepal. This study is restricted to check the impact of job satisfaction on employee turnover in the insurance companies of Nepal.

### **Organization of the Thesis**

The thesis consists of five chapters in which each chapter will be properly discussed in depth in the forthcoming pages. The introduction chapter is the first one, contains various important aspects of the thesis. This chapter contains of setting of overview, research background, background of insurance industry, human resource management, statement of problem, significance of the study, objective of the study and research questions. The chapter second consists of comprehensive review of related literatures and researches related to the problems being investigated. Chapter three discusses the data, models and methodology and research procedures in detail.



Chapter four provides an overview of job satisfaction and employee turnover in present circumstances. The main empirical findings are analyzed in chapter five. Chapter six contains the analysis of human resource policies –its trends and practices in Nepal with theoretical link. At last, the chapter seven provides the finding and conclusion of the study along with recommendations and future implications.

### **Definitions of Terms**

There are some conceptual and technical words related to the subject matter used in the research. Such words are defined below:

#### **Job Satisfaction**

Job satisfaction is the level of employee positive feeling regarding job and organization. It is simply how people feel about different aspects of their jobs. It is the extent to which people like or dislike their jobs (Spector, 1997). It is a pleasurable and positive emotional state resulting from the appraisal of one's job experience.

#### **Employee Turnover**

Employee turnover is the leaving an organization permanently by the employee. It is the in and out movement of employees of an organization. Employee turnover is the rate at which, employees join and leave an organization. It is the end of the employee tenure in an organization. It can be described as how long the employees tend to stay in the organization. Turnover is defined as the individual movement across the membership boundary of the organization (Price J. I., 2001). In turnover literature, authors also used other words for turnover such as quits, exits, attrition, mobility and migration.

#### **Employee Turnover Intention**

Employee turnover intention refers to the voluntary intention of an employee to leave an organization. It is one's behavioral intention to quit the job. Hence, employee turnover intention is the employee's inner view and willingness to leave the current organization permanently. According to Tett & Meyer (1993), the turnover intention refers to the 'conscious and deliberate willingness of the workers to leave the organization. Actually, it is personal inner intention to quit the current job for

betterment. Such intention tends to increase the probability of employee turnover in any organization.

### **Tenure**

Tenure is the length of service of employee in an organization. It is a period during which employee is held in a specific post of an organization. More specifically, it is the period of the time since the most recent date of hire. Therefore if an employee has a break in the period of service, only the period after break is captured as tenure of the employee.

### **Remuneration**

Remuneration is the salaries and wages paid to employees for their service in an organization. It is the financial compensation that one receives in exchange for the work or service performed. This includes the basic salary and any bonuses or other economic benefits that an employee or executive receives during employment. Typically, it consists of monetary rewards and financial benefits provided to employees. Compensation refers to 'all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovich & Newman, 2005).

### **Working Environment**

Working environment is the physical surroundings required for employees' activities in an organization. Actually, it is the location where a task is completed. All physical facilities provided to employee are the elements of working environment. This consists of office facilities (office building, room, furniture, refreshment room, canteen, child care, unlimited coffee, adequate parking), surroundings (noise, air, light etc.)

### **Employee Benefits**

An employee benefits is indirect and non-cash compensation [paid to an employee. Some benefits are mandated by law such as social security, unemployment allowance. Others vary from organization to organization such as health insurance life

insurance, medical facilities, paid vacation, pension plan, gratuity etc. So far as Nepal is concern, unemployment allowance is not provided till now.

### **Employee Retention**

Employee retention refers to the continued employment of employees. It is the opposite of employee turnover. Organization should try to retain highly skilled, committed, honest and productive employees.

### **Concluding Remarks**

Concluding remarks give a summarized picture of the overall framework. The present study is classified into five chapters. The short introductions of them are prevented below:

**Chapter 1 Introduction:** The chapter gives overall background to the insurance industry in Nepal. This is followed by the introduction of human resource management, statement of problem, significance of the study, the objective of research, research questions, research methodology, scope and limitations of the study and the research lay-out.

**Chapter 2 Literature Review:** This chapter reviews the relevant research concerned with to job satisfaction and employee turnover, its impact on insurance industry in various countries, response of the companies of Nepal. The current literature review proves the clues to find out the research gap.

**Chapter 3 Research Methodology:** This chapter reviews the relevant research methods used in the study. Philosophy, research design, population and sample are described followed by the data collection, tools and techniques. Validity and reliability are measured. This chapter also includes analysis of various key elements of the insurance companies. The chapter starts with descriptive statistical analysis following dependent and non-dependent variables. As it is a quantitative research, different statistical tools are used to analyze the data available.

**Chapter 4 Findings and Discussion:** This chapter consists of core findings of the data analysis. Significant findings are further discussed to justify and come to the reliable conclusion.

**Chapter 5 Conclusions and Suggestions:** This is the concluding chapter of the thesis. It contains the conclusion and suggestions of the the study. The conclusions are systematically summed up to reflect the findings of the study. The chapter also offers creative suggestions for the betterment of working environment. It will definitely help to uplift the job satisfaction, ultimately reducing the employee turnover, especially in the insurance industry.

## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter mainly describes the job satisfaction and employee turnover literature. To begin with, the researcher reviewed documents related to job satisfaction and turnover intention in global prospective. Next, the researcher discussed the major theories related to motivation and job satisfaction. These theories provided the researcher a strong theoretical base while analyzing the interpretative findings on job satisfaction and turnover intention in insurance industry in Nepal. This chapter includes introduction, job satisfaction and turnover intention review, Insurance review, theoretical review and concluding remarks.

#### **Introduction**

The success of an organization depends more on employee productivity in the world of intense competition. Employee productivity is heavily influenced by job satisfaction and employee turnover. In this way, employee turnover has been of keen interest for both managers and researchers. This chapter discusses about job satisfaction and employee turnover intention from different perspectives. It reviews the overall scenario of impact of job satisfaction on employee turnover in any business organization especially focusing on insurance industry. It includes the definition of job satisfaction, turnover intention, the relationship between job satisfaction and turnover intention.

In addition, it also highlights the relationship between turnover intention and actual turnover, and the techniques used to control employee turnover. This chapter highlights an overview of the existing job satisfaction and employee turnover intention. It also highlights different theoretical frameworks relevant to the research.

As the job satisfaction plays a dominant role in employee turnover intention, several perspectives on job satisfaction also have been reviewed including theoretical review of motivation and job satisfaction. Different theses and research articles are collected with great efforts from libraries, journals, research centers, national as well as international organizations and internet web sites. The concerned

articles have been studied systematically to determine the research gap and develop a new approach. This chapter contains definitions of related terms, literature review, theoretical links and research gaps. This study will certainly be helpful in the proposed research in future.

### **Human Resource Management**

Employee turnover is mostly affected by motivation and job satisfaction. It is the main responsibility of human resource manager that is how to manage and retain human resource efficiently for the success of an organization. Human resource management is the managing the people at work. It is a challenging and complex task for a manager. HRM is a management function concerned with hiring, motivating and maintaining people in an organization (Aswathappa, 2006, p. 5).

The success of an organization depends upon the proper management and mobilization of the human resources (HR). Human resource management concentrated on management of human aspect under four major functions namely, acquisition, development, utilization and maintenance of human resource of an organization. Among them, the maintenance of human resource management is one of the most important functions of HR manager. Maintenance of HR is a continuous process of protecting and retaining the employees. The most important job to maintain the employees are to manage and control the employee turnover.

Human resource management is one of the most important activities in an organization. Managing the human resource is a challenging job for a manager. Employees are engaged in organizational tasks to achieve the goal of the organization. The effectiveness of employee's performance depends upon the effectiveness of the HRM.

Human resource management is the management of people at work. It includes all the functions related to acquisition, development, motivation, utilization and maintenance of employees. HRM is a management function concerned with hiring, motivating and maintaining people in an organization (Aswathappa, 2006). It is the set of programs, functions and activities designed and carried out in order to maximize both employees as well as organizational effectiveness (Aswathappa, 2006).

Flippo (1984) defines HRM as the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the goal that individual, organizational and social objectives are accomplished. Hence, HR manager has to pay appropriate attention to achieve the goal of the organization as well as the goal of the employees.

In short, human resource management is the managing of people to lead them towards the effective performance in the organization. It is concerned with the management of manpower in organizational settings. It is concerned with philosophies, principles, and practices related to human aspects of management. (Agrawal, 2004). It aims at achieving organizational objectives through improvement in the productive contribution of people. It creates harmony between the objectives of the organization and the objectives of the individuals (Ibid).

DeCenzo & Robbins (2006) state that those organizations which are able to acquire, develop, stimulate and keep outstanding workers will be both effective (able to achieve their goals) and efficient (expending the least amount of resources necessary). The scope of HRM is indeed vast (Aswathappa, 2006). All major activities in the working life of a worker- from the time of his or her entry into an organization until he or she leaves- come under the purview of human resource management.

In short, human resource management is an overall system including basic managerial functions related to the employees such as acquisition, development, utilization and maintenance of HR. Generally, the maintenance of HR function is directly related to motivation, job satisfaction and employee turnover.

### **Employee**

Employees are the persons who are hired to provide services to a company on a regular basis in exchange for compensation. They are the individuals who work part-time or full-time under a contract of employment. They are employed under oral or written, expressed or implied contract or appointment letter. They have recognized rights and duties.

Employees are the persons in the service of another under any contract of hire. Employer has the power and right to control and direct the employees in the material details of how the work is to be performed.

The managements of most business organizations are highly concerned with the employees because they are the most essential assets of the organizations. The concept of having satisfied staffs is considered as the basic notion of keeping the best employees to stay in the business enterprises. There have been many strategies provided to retain the best employees in the organization. These techniques are initiated to avoid staff turnover.

### **Job Satisfaction**

Job satisfaction is an employee's positive attitude towards job. High job satisfaction implies that the employee generally likes and values his/her job highly and feels positively towards it. Job satisfaction is an overall attitude of liking or disliking of the job (Agrawal, 2012). Job satisfaction has been defined in several ways.

A simple and general way to define job satisfaction is as follows: Job satisfaction simply means how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1997). Grahman has defined job satisfaction as the measurement of one's total feelings and attitudes towards one's job (Graham, 1982). Hence job satisfaction is the individual attitudes of employee of their jobs. When one says, 'I am satisfied with my job', it indicates that the person has positive attitudes towards the job.

According to 'Labour Economics in Huelva University', employees in European countries are the most satisfied with their job among the employees of other countries in world (Huelva University, 2013). So far as job satisfaction level of Asia is concerned, the survey conducted in 2011 revealed that, Singapore employees as the lease satisfied among Asian developed countries (Yap, 2011).

Job satisfaction is the frequently studied subject. Various disciplines such as psychology, sociology, economics and management science are closely related to job satisfaction. It is closely related to human satisfaction, for which all human activities



are directed. This is mainly because many experts believe that job satisfaction trends can affect work productivity, work effort, employee absenteeism and employee turnover (European Foundation for the Improvement of Living and Working Conditions, 2007).

Many scholars have examined the job satisfaction level in the process of various researches. For example, Steven & John, (2012) conducted a job satisfaction survey to measure the level of job satisfaction. They interpreted that the employees are slightly satisfied as supervision, benefits, coworkers, nature of work and a high mean value of 4.827 (SD 1.214), 4.323 (SD 1.123), 4.641 (SD 0.958), 4.769 (SD 0.993) respectively. These values show that software developers were moderately satisfied with supervision, benefits, coworkers and nature of work. The result shows that software developers were found slightly agree with pay scale (mean = 4.827, SD = 1.301), contingent rewards (mean = 3.850m SD = 1.259), working condition (mean = 3.718, SD = 1.128) While they were found slightly dissatisfied with promotion (mean = 2.951, SD 1.263).

Similarly, Sharaf, Madan, & Sharaf (2008) measured the level of job satisfaction among primary care physicians. They used JSS for collecting data. Overall physicians were found slightly satisfied (mean = 3.46, SD 0.67). They also found that physicians were moderately satisfied with supervision (Mean = 4.62, SD 1.20), coworkers (mean = 4.58, SD 0.86) and nature of work (Mean = 4.69, SD 1.06) while they were found slightly satisfied with communication (Mean = 3.80, SD 1.09). This result indicated that physicians were slightly dissatisfied with pay scale (mean = 2.76 SD 1.26) promotion (Mean = 2.56, SD 1.12), fringe benefits (Mean = 2.65, SD 1.09), Contingent rewards (Mean = 2.61 SD 1.15) and operating condition (Mean = 2.85, SD 0.71)

### **Employee Turnover**

Employee turnover is the number of permanent employees leaving the organization within a specific period. It is determined in percentage of the total number of actual permanent employees on the given period. The turnover includes resignations, termination and retirement of the employees.

Many surveys and researches on employee turnover have been conducted over the years. Employee turnover is the ratio of the number of workers that had to be replaced in a given time period to the average number of worker (Agnes, 1999). Actually, it is the actions taken by the employee to leave his/her job and the organizational effort to replace the vacant post. It is often utilized as an indicator of a company performance and can easily be observed negatively towards the organization's efficiency and effectiveness (Glebbeek & Bax, 2004).

Employee turnover is calculated by total employees who quit the organization divided by the average number of human resource for a given period, generally one year. It is defined (Price & Mueller, 1981) as the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Frequently, managers refer to turnover as the entire process associated with filling a vacancy: each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as turnover (Woods, 1995). However, the term, in this study, 'turnover' is used as only leaving the employee voluntarily from the organization.

Most researchers have concluded that money is the most common reason behind the employee turnover, but not the most important one. The most important things behind the turnover are lack of appreciation, positive contribution and opportunity for growth. When I think about the best jobs I have had in the past, I remember good pay, challenging work and interesting variety. I also remember a boss who kept me interested and focused. (Brown, 2011). Turnover research has traditionally focused on job satisfaction as a predictor of turnover. Further research has shown that the intention of the employees to leave an organization actually precedes an employee quitting the organization.

### **Types of Employee Turnover**

Employee turnover may be classified as given below:

#### **Voluntary vs. involuntary turnover**

There may be two types of employee turnover found in organizations. They are voluntarily turnover and involuntary turnover. When the choice of leaving the

organization initiated by the employee, it is known as voluntary turnover. In contract, when employee has no option in their termination, it is known as involuntary turnover. The involuntary turnover may result from the retirement, dismissal, long-term sickness, physical/mental disability, migration abroad and death (Mbah, 2012). This study is more related to the voluntary turnover of employee.

### **Skilled vs. unskilled turnover**

Unskilled employees are those, who are generally on contract or as temporary employees. They are usually experienced as high turnover. The reason behind them is they are not attached well with the organization. This category of employees does not have status of permanent contract. Thus they do not enjoy the same opportunities provided to the permanent counterpart. As a result, they leave the organization at the slightest opportunity of having a more favorable job (Mbah, 2012).

In contract, skilled employees are those who are appointed as permanent designation in an organization. They are the precious human assets of an organization. They are well-trained, experienced and committed employees. To retain them, organization provides all the facilities that it can provide to them as per rules.

Since these specialized employees have skills that are relatively scarce and can be reemployed within the same industry, their leaving can act as a competitive disadvantage to the organization in addition to the cost of replacement them. These costs can be enormous, especially, if the employees occupy strategic position and play key role in the organization. (Mbah, 2012)

### **Employee Turnover Intention**

Turnover intention is employees' behavioral thinking to quit the current job. Actually, intention to leave refers to individuals' perceived likelihood that they will be saying or leaving the employer's organization (Bigliardi, Petroni, & Ivo Dormio, 2005). If some employees have high withdrawal intentions, it is assumed that they will leave the organization very soon. Employees with high withdrawal intentions from the organization subjectively assess that they will be leaving the organization in the near future (Mowday, Steer, & Porter, 1982).

Mr. Geo & Dong (2012) have stated that the famous principle of 80/20 on Management Science indicated that the 80% profit of an enterprise is mostly created by 20% of its employees who are exactly the enterprise's key staff. This statement clarifies the importance of efficient employees for an organization. The turnover intention of skilled employee is the major concern for committed managers.

Employee turnover can be predicted using comprehensive measures of job satisfaction. Moreover, researches show that the relationship between job satisfaction and actual employee turnover is moderated by intentions. The positive and statistically significant relationships have been reported in dozens of studies exploring leaving intentions and actual leaving behaviour (Schwepker, 2012). Thus intention to leave a job is an immediate indicator of actually leaving. For this reason, turnover intention has been incorporated into most employees turnover studies.

Turnover intention is defined as an employee's intent to find a new job with another employer within the next year (Medina, 2012). Generally it is accepted by everyone that job satisfaction and employee turnover intention are inversely related. One of the main objective of the study is to measure actual employee turnover intention in insurance industry. It is reflected by job satisfaction level of present employees.

### **Employee Turnover Intention and Actual Turnover**

Actual turnover is quitting the job. Turnover intention is the indication of actual turnover. Turnover intention is the psychological process leading human behavior to quit the job. Studies in the area of turnover have been quite extensive, yet our understanding on the psychological process of employee turnover is far from complete (Mobley, Horner, & Hollingsworth, 1978). The earlier studies have shown that turnover intention reflects the future trends of actual turnover in an organization. However, the relationship between turnover intention and actual turnover has not been given the deserved attention.

Turnover intention is the degree of employee's desire or intention to leave the organization. Findings from several previous studies have clearly shown that employee's actual intention is largely related to their intention to leave the

organization. Actual turnover is expected to increase as the intention increases (Mobley, Horner, & Hollingsworth, 1978).

### **Job Satisfaction and Turnover Intention**

Job satisfaction is an attitude of employees towards their jobs. Attitude is one of the most important subjects of employee turnover intention. Turnover intention is the process of recognition resulting from one's experience in relation to job, employer and organization. It is also possible to define turnover intention as overall attitude, sense, belief and thoughts which the individual forms a direction with his/her perceptions about his/her job. Turnover intention is one of the important factors for both employee and employer. It is the determinant factor that stimulates employee behavior to quit the job.

Although several researches have been carried out the study on the employee turnover, most of the researchers have focused on the causes of employee turnover. Very little has been done in examining the sources of employee turnover, effects and advising various strategies (Ongori, 2007). These are important aspects for a manager to ensure that there is employee continuity in the organizations to lead towards organizational success. This chapter contains the background of the study, statement of problem, significance of the study, purpose of the study, research questions, conceptual framework, limitations and delimitations of the study.

The management should pay adequate attention to employee turnover. Employees with high performance level demand serious attention of management as they are scarce resources of the organization. They turn to be costly and tend to change jobs within a year rather than to choose to grow in one. Newstrom (2009) has recognized that high turnover at any organizational levels constitutes a waste of human resources. Hence, it is very important to retain competent and senior employees effectively in any organization. Thus manager must do something straight for the employees' interest when they think about job satisfaction. As they are involved in different job related activities, they can give the necessary feedback to the manager about their satisfaction and dissatisfaction.

The evidence from researches points out to specific determinants and correlations of job satisfaction and turnover. Dissatisfaction with one's job may

result in higher employee turnover, absenteeism, slowness and grievance, where as improved job satisfaction results in increased productivity and decreased turnover.

It is better to get understanding with terminologies related to the subject such as employee, job satisfaction, turnover and insurance. Employees are the persons hired to provide services to an organization on a regular compensation basis. They contribute efforts and expertise to achieve the goal of an organization. Employees are usually hired and assigned to perform specific duties under a supervisor.

Employees are the most important resources to achieve the goal of the organization. Without employees, the organization becomes unable to implement its plans and to face the organizational challenges. In order to ensure the success of the organization, it must be continuously ensure the satisfaction of their employees (Berry, 1997).

Many studies have been conducted on job satisfaction and employee turnover. The studies in different settings found that there is significant negative correlation between job satisfaction and turnover intention. Rahman, Naqvi, & Ramay (2008) found that job satisfaction had negative effect on turnover intentions of IT professional.

There is negative association between overall job satisfaction factors and turnover of intention at all levels of staffs in an organization. So Khatri & Fern (2001) concluded that there was a modest relationship between job satisfaction and turnover intentions. Whether employees have the intention to stay or intention to turnover more depends more upon the level of their job satisfaction. Job satisfaction is a strong predictor of turnover intention (Brough & Frame, 2004). The research conducted by Westlund & Hannon (2008) assesses job satisfaction aspects and turnover intention of software developers. The found found many clues of job satisfaction impacting on turnover intention.

The employee turnover is a global issue being faced by most of the organizations nowadays. It has become a serious management problem because of its financial and moral impact on the organizational scarce source. Organizations are realizing it as very difficult task to retain efficient employees due to increased tendency of early retirement. In this way, employee turnover demands more

attention of management to motivate and retain existing employees for higher job satisfaction and less turnover rate.

There are different types of physical and human resources in an organization. The attainment of organizational goals becomes possible only through effective mobilization of all available resources. Human or employees are the most valuable resources in any organization. Particularly efficient, committed and better performers are the precious assets of the organization. When they start leaving, it is an indication of trouble for an organization. Managers need to motivate and reward high performance employees in order to prevent them from quitting.

Seta, Paulus, & Baron, 2000 have stressed the factors contributing to the employee's satisfaction, the organization can play proper role and take appropriate step to increase positive behavior among employees. Proper training in their work settings, growth opportunities at work; job securities and good compensation benefits, for example, might improve employees' level of satisfaction in the organization.

According to (Khatrichhetri., 2013) the chair person of Insurance Committee (Nepal), the turnover rate among skilled employees in insurance industry in Nepal is significantly high. This is due to some reasons like low pay scales, other job alternatives, bad working condition, contract expiry etc. Therefore, paying the employees well may motivate them to stay longer in the organization. The intense competition in insurance industry resulted frequent rotation of efficient employees from one organization to another. He added- job-hopping is also common among skilled employees due to intense competition in the industry.

Maintaining the employee turnover at a desirable level is a challenging job for a human resource manager. Since insurance is a risky business, the employees should be qualified, skilled, committed and experienced to run the insurance company successfully.

The employee turnover should be maintained at the minimum level in the insurance companies. It is a greatly challenging job for the companies. The employee turnover has direct and indirect costs. So, the turnover should be controlled and monitored with specific attention. It is the responsibility of a human resource manager, who has to manage and control the employee turnover in an

organization. In this context, the basic problem is how to minimize the employee turnover and maintain employee retention efficiently.

The employee turnover is deeply related to the job satisfaction. Another problem is how a company can increase the employee satisfaction as well as employee productivity. In this context, how can an insurance company increase job satisfaction and productivity simultaneously. Have Nepalese insurance companies given appropriate attention to employee turnover aspect? Employee turnover should be managed from the beginning i.e. from recruitment and selection stages. Are Nepalese insurance companies aware of such unbelievable truth?

All major human resource management functions such as socialization, human resource development, motivation, career planning, compensation management may directly or indirectly affect job satisfaction and employee turnover. In this context, how much the insurance managers are concerned with this aspect? Are the Nepalese insurance companies practicing effective recruitment and selection processes to hire durable and retainable human resources? Are the employees motivated and trained to retain for a long time? What are their strategies to cope with the employee turnover? All these are general problems of insurance industry that must be solved for overall effectiveness and productivity. Thus additional research is needed to explore the job satisfaction and employee turnover in insurance industry of Nepal. For the purposes of this study, research will be focused on the current insurance companies, specially, located in Kathmandu valley.

### **Why do employees leave their jobs?**

According to some studies, one of the typical reasons why employees leave their job is because they are dissatisfied with their job. The dissatisfaction leads them to search for options. When they compare those options with their present job and if any of the alternative opportunities are judged to be better than their current job, they develop the intention to depart or leave the business enterprises. Other researchers also have described the conventional turnover process as characteristically beginning with employees' dissatisfaction. Some researchers have added the demographics causes and personal problems as the cause of employee turnover.



When employees are migrated far away from the organization and they even unwillingly have to quit the job because of physical distance. In addition to this, there are also specific causes to the individuals that can influence turnover rates. These include both person and trait-based factors. Personal factors include the things such as changes in family situation, a desire to learn a new skill or further study or unsolicited job offer. The trait-based factors are loafing, absenteeism, theft, substance abuse on the job and deliberate destruction of employer's equipment or production.

Employee turnover is a subject that has received extensive attention from various researchers. Many researchers have conducted studies with regard to the cost of turnover; the driving force behind turnover is to find out the solutions related to turnover problem.

Managers believe that about ninety percent of employees leave for more money (Branhamed, 2005). But, in fact, the survey found that eight percent of employees leave for reasons related to money. The 10 most frequently mentioned issues that employees say companies do poorly are: poor management, lack of career growth and advancement opportunities, poor communications, less pay scale, lack of recognition, poor senior leadership, lack of training, excessive workload, lack of resources and lack of teamwork.

Many researchers find out some reasons of leaving organization, which are basic lower financial benefits, poor communication, negative work environment, lack of recognition, unfair treatment, lack of challenging job, lack of job security and life conflicts. Another significant view related to employee turnover is given by Person. Person has stated in his book,

It is difficult to find out reasons for voluntary leaving because it is usually motivated by personal reasons. Organizations also face difficulties to categorize and have invalid answers although the 'exit interview' was conducted. There is a list of process leading to termination of employee that provided by Bowey (1978) as shown below.

#### Reasons for Leaving

- Moving for higher earnings,
- Moving to advance career prospects,

- Attraction to alternative job opportunities,
- Leaving to avoid personal conflict,
- Management run-down of staff,
- Introduction crisis,
- Loss of unstable recruits,
- Pressure from shortage staff. (Pearson, 1991, p. 188)

### **How does job satisfaction affect on employee turnover?**

Job satisfaction is the employees' positive feeling regarding job and employer. Various organizational factors may influence the job satisfaction level of employee. The most common organizational factors are remuneration, employee benefits, working environment, career development, rewards system, responsibilities assigned, autonomy, leadership, supervision, human relations, communication etc.

A job that entails high pay, high security, greater promotional opportunities, interesting work and fair and friendly supervision, all of which are judged as a way to achieve work and non-work goals, should lead to positive feelings of well-being (Mahdi, Zin, Nor, Sakat, & Naim, 2012). Such feeling leads employees to job satisfaction. All these factors also affect employee turnover intention inversely. If employees are not satisfied with the payment and facilities provided by the employer, they tend to develop job dissatisfaction and ultimately lead to turnover intention. When the level of turnover intention increases to the climax, employees quit the job.

### **Why do managers give so much attention on employee turnover?**

Organizations invest a lot on their employees in terms of induction and training, developing, maintaining and retaining them in their organizations. Therefore, the managers at all costs must minimize employee's turnover. Although, there is no standard frameworks for understanding the employee turnover process as a whole, a wide range of factors have been found useful in interpreting employee turnover (Ongori, 2007). Therefore, it needs to develop a full understanding of the employee turnover. The proposed research is intended to find out the most promising causes of employee turnover.

In modern and democratic world, human resource becomes one of the most important resources an organization needs to succeed in its business. This is the era of information technology and increasing instability. Many knowledge-based industries would likely to show a 30 percentage to 40 percentage rate of annual turnover (Ton & Huckman, 2008). Almost every organization in every industry faces the high turnover problem, which is persistent and expensive. Turnover has proved to be a drain on organizations' profit.

### **What determines employee turnover?**

What determines employee turnover, affects and strategies that managers can put in place to minimize turnover (Ongori, 2007). These employees are extremely crucial to the organization since their value to the organization is essentially intangible and not easily replicated (Stovel & Bontis, 2006). Therefore, managers must recognize the fact that employees are major contributors to the efficient achievement of the organization's success.

Managers should control employee turnover for the organizational success. The literature on employee turnover is divided into three parts: sources of employee turnover, effects of turnover and the strategies to minimize turnover. The proposed research is to investigate the determining factors of employee turnover. Basically, the job satisfaction and personal factors determine the employee turnover.

### **Employee Turnover: Negative as well as Positive Impact to the Organization**

Till now, we have discussed the negative impact of employee turnover. It should also be considered that employee turnover may also have positive impact to the organization. Employee turnover is often regarded harmful to the organizations. It is a view as having a negative impact on the organization. It is generally an accepted concept. But in reality, employee turnover has positive impact too.

If a poor performing employee quits, it can also be an opportunity for positive change for the organization. In this scenario, the organization can have the following advantages (Brown, 2011):

- Promote the talented employees
- Hire efficient employees by free competition from HR market
- Restructure the department for better productivity

- Readjust the budget.

If a poor employee is terminated, the impact on the organization may be positive. It also helps to increase morale as employees see that their managers are only keeping employees who have satisfactory job performance. At the same time, new employee can bring a fresh perspective to an organization.

If the employees with high performer resign, there may be a negative impact on the organization. But it also provides the organization an opportunity to reevaluate its career and employee development including compensation programs.

In this way, high turnover as well as low turnover can also be a concern to the organization. As low turnover means that low performers are also rewarded with continuing employment in the organization. Low turnover can also be a sign of stagnation within an organization, and begs the question, 'Why are our low performers not being hired by competitive organizations?'

### **Factors Related to Job Satisfaction**

Job satisfaction is pleasurable emotional feelings of employees from their jobs. It is a mental satisfaction derived from job performance. The satisfaction may be related to job responsibility, remuneration, working hours and numerous other aspects of their jobs. According to Davis & Newstrom (1989), job satisfaction is a set of favorable or unfavorable feelings with which employees view their work.' Job satisfaction and employee turnover are interrelated factors. Generally, job satisfaction has positive impact on turnover intention of employees in an organization.

### **Factor Contributing to Employee Turnover**

Employee turnover refers to the proportion of employees who leave an organization. It is often expressed as a percentage of total employee numbers over a set of period (often on yearly basis). Employee turnover is a broad term encompassing all the employees who leave an organization, both voluntarily and involuntarily. All those who quit their job by resignation, retirement and dismissal are included in the calculation of employee turnover.

Retention of the efficient employees is a crucial and challenging task for the human resource managers. Hence, employee retention becomes one of the most

important managerial functions. It is directly related to the employee turnover. The effectiveness of employee retention denotes the appropriate level of employee turnover. It means that the turnover rate of the organization should be below the average turnover rate of other organizations in the same type of industry.

Competent human resource or efficient employees are the precious assets of organizations. They should be managed and retained properly. Basically, competent and efficient employees are the life blood of the organizations. The excessive turnover of those employees is one of the significant issues faced by many organizations these days. The excessive turnover of such employees disturbs and creates hurdles on the way to the goal achievement of the organizations.

It takes a very long time and great efforts to make the employees competent and skilled in an organization. Such human resources should be maintained delicately so that they remain in the organization for long time. It ultimately helps to reduce employee turnover. Actually, it is the core of managerial success.

On the other, too low rate of employee turnover is also unfavorable to an organization in today's dynamic world. It means the employees are rigid in employment. Even old, inactive and conventional employees, who are not suitable in this modern world, also retain in the organization preventing the entrance of young, committed and dynamic employees from outside. Such condition with extraordinarily low employee turnover should also be avoided.

The management formulating the employee strategy for employee retention should give equal attention towards this aspect. In conclusion, we can say that the employee turnover rate should be maintained just below the average turnover rate of all the organizations involving in the same industry. The strategy should be made to maximize the tenure of efficient and talent employees minimizing the tenure of inefficient and tired employees.

Employee turnover has negative impacts on organizational performance. Still it is impossible to avoid employee turnover completely. Due to various natural consequences, employee turnover is an unavoidable tendency in the organizations. But the percentage of employee turnover may be reduced significantly if the management handles the human resource efficiently.

We should know the basic reasons of employee turnover to minimize the turnover rate. There are a number of factors that contribute to the employee turnover. The most common factors contributing to employee turnover are as given below:

- **The economy:** The economy is the most common factor causing employee turnover. The employees who feel that they are paid less in the job have tendency to leave the job seeking better opportunities. The turnover rate is affected by the availability of better paying jobs.
- **Job satisfaction:** The turnover intention and turnover rate are heavily influenced by the job satisfaction. The strength of leadership, organizational culture, the organizational ability to stimulate a sense of belonging and commitment on the part of employees and a sense of shared goals among other factors influence on the level of job satisfaction.
- **Excessive workload:** We live in a competitive world. Maximum utilization of all the resources including human resource is essential in this the competitive environment. This may pressurize the human resources for excessive and better performance. Excessive workload tends to increase the productivity of the employees. At the same time, it may increase the employee turnover drastically.
- **The organizational culture:** Much has been written about organizational culture. It is sufficient to note that the reward system, the strength of leadership, the ability of the organization to make a sense of commitment on the part of employee, and its development of a sense of shared goals, among other factors, also influences job satisfaction as well as turnover intentions.
- **Job attractiveness:** The attractiveness of a job is affected by many characteristics like status, respect, lovingness, cure, accomplishment of difficulty, risks, safety, challenge, danger and perceived importance etc. Employees tend to hop from the current job to the attractive ones.
- **Organizational performance:** If an organization is perceived to be in economic difficulty, it will raise the fear of impending layoffs among the employees. This will lead the employees to seek an alternative employment.
- **Expectations unfulfilled:** Employees have some expectations from the beginning. When employees realize that such expectations will not be fulfilled remaining in the organization, they become disillusioned and decide to quit.

- **Personal factors:** Personal factors such as changes in family situation, unsolicited job offer, desire to learn a new knowledge also influence employee turnover rates.

Primarily, turnover of efficient employees has negative effects on organizational performance and goal achievement. Employee turnover brings lot of costs upon an organization. According to Newstrom (2009), excessive employee turnover can have several negative effects on an organization. They include separation costs (exist interview time, separation pay, unemployment tax increase), training cost for few new employee (both orientation and skill development instruction; both formal and informal learning experience), vacancy costs (temporary help or overtime pay; productivity loss and service disruption), placement costs (attracting, screening, and relocating new hires), moral effects (loss of friendship, concerns about person, job loss during downsizing (p. 210).

### **The Cost of Turnover**

Employee turnover is an important aspect of human resource management. A manager should always take it into consideration, especially, in business organization. Turnover cost indicates the overall cost to replace new employee on the vacancy fallen due to quitting employees voluntarily. The cost of turnover includes the direct costs on recruiting new employees. It is the cost on recruitment, selection, training and orientation. It also includes the cost to be paid to the employees who have resigned from the organization. All these are the direct cost of employee turnover.

Turnover costs also take into account as indirect costs. Research indicates that indirect costs of turnover can be 2 to 5 times higher than direct costs (The People Solution Inc., 1998). The costs are not easy to evaluate in currency, but they are very real. According to the valued article published by the People Solution Inc, (1998), the employee turnover cost can be calculated under the following criteria:

**Table 2.1 Criteria for calculation of cost of employee turnover**

<b>Recruitment Cost</b>	
<b>Advertising Cost</b>	
<b>Interviewing Cost</b> Interviewing Reference checks Exit Interview (time spent x remuneration clearance)	
<b>Administrative Cost</b> Processing of application and document work for newly hired employee Processing of paper work of exiting employee Uniform costs	
<b>Supervision Cost</b> (Time spent x the remuneration of manager)	
<b>Training Costs</b> Time spent on training(xx hrs.) x Wage of employee Time spent on training(xx hrs.) x Wage of trainer Materials, equipment, job aids Damage and mishaps	
<b>Separation Costs</b> Average cost of unemployment, separation pay, legal claims Overtime costs to do work by exiting employee	
<b>Total Direct Costs of Employee Turnover</b>	

### Insurance

Insurance business is the area of the subject studied. Insurance is a form of risk management. Risk can be divided, managed and reduced significantly. It is a form of risk management to hedge against the risk of a contingent and uncertain loss. Insurance is the means to get financial security against risk (Singh, 2010).

Insurance is an investment, from which we get return only when certain loss occurred from predetermined incident (Ibid). Insurance can be defined as the transfer of risk of a loss, from one person to another, in exchange for payment. An **insurer** is a company selling the insurance. The **insured** is the policy holder who buys the insurance policy and the transfer of the specific risk to the insurer.

Holyoake states that the primary function of insurance is to act as a risk transfer mechanism. Pooling or the sharing of losses is the heart of insurance. Pooling is the spreading of losses incurred by the few over the entire group so that, in the process, average loss is substituted for actual loss (Rejda, 2004). Hence, insurance is a way of reducing uncertainty caused by occurrence of an event. It is designed to protect the financial well-being of an individual or organization.



Insurance is a newly emerged industry in Nepal. Although there were some social and cooperative businesses providing security to customers from ancient time, modern insurance industry started only since 1959 A.D. The insurance business that has the history of more than six- decade old in Nepal, has witnessed a significant growth in recent years.

### **Insurance Industry**

Human life is full of risks and uncertainty. Each and every step of life is full of risks. We cannot eliminate risk. However, we can make provision for financial security against risk. Insurance is the means to get financial security against risk. Insurance is a way of reducing uncertainty of occurrence of an event. Insurance is an investment from which we get return only when certain loss occurs from predetermined incident.

This research will study, examine and analyze the employee turnover in insurance business in Nepalese evidence. Now there are now 25 insurance companies covering different types of insurance business within Nepal. Out of which, there are 8 life insurance companies ,16 non-life insurance companies and one is providing both life and non-life insurance policies. All the Nepalese insurance companies are regulated and monitored by the Insurance Board, the regulatory authority of Nepal.

### **Insurance Industry in Nepal**

Before exploring the job satisfaction and turnover condition of insurance industry in Nepal, it is essential to understand the actual economic and overall conditions of the country. It helps to better understand the condition of job satisfaction in a specific condition as job satisfaction is affected differently in different economic situation and environment.

Nepal is a land of Mt. Everest, the highest peak in the world. This country is situated in the lap of the Himalayas. It lies between the latitudes of 26' 12' to 30'27' North and longitude of 80° 4' East to 88°12' East. It is a developing country lied on a mountain bed stretched out between two great early civilizations of Asia, India and China. The economy is growing and diverting from agriculture sector to industrial sectors.

Moreover, the service oriented industries such as banking and insurance are fast growing industries of the country. A well-developed insurance sector helps enhance the overall efficiency of the financial system by reducing transportation costs, creating liquidity and facilitating economics of scale in investment (Centre for International Trade, Economics & Environment, 2008). Insurance companies shift the risks of insurees to insurers. On the other, they collect small, scattered capital and invest the same in business activities.



**Figure 2.1 Map of Nepal**

The insurance industry in Nepal has passed through a period of structural changes under the combined impact of financial sector reforms in general and insurance sector in particular. Previously the market for insurance business was almost monopolistic as Rastriya Beema Sansthan, the government owned insurance company had covered most of insurance business of the country. This company has the dominant role in Nepal for many decades.

Until recently, the government brought a change in the insurance business of Nepal. After the enactments of the Insurance Rules 1968, only two new insurance companies came into existence during the period of two decades.

With the liberalization of insurance sector, the paradigm for Nepalese insurance industry has witnessed a sweeping change during the last decade. The emerging scenario has infused greater competitive environment in insurance sector. The insurance sector has now entered into a competitive phase due to entry of more

companies in the insurance industry. As a result there has been expansion and growth of insurance, both in the life and non-life business. Hence the cake of insurance business is now being shared by the existing and new insurance company. It is sure that the volume of insurance business is not increased at the level of growth in the number of insurance industry.

The insurance industry grew at a very slow pace before the initiation of the reform programs. Private as well as joint-venture insurance companies have entered in insurance market in Nepal with deregulation in the form of the Insurance Act 1992 which encouraged the private sector and foreign capital. Today, private sector dominates the insurance market.

There are, at present, 25 insurance companies operating in Nepal. Among them, 16 companies are engaged in non-life insurance business; whereas 8 companies are engaged in life insurance business. Only one governmental insurance company has involved in both life as well as non-life insurance business.

Now, Nepal is evolving from agricultural based economy towards the production based economy. Lately, the country is on the way from production driven economy towards knowledge-based economy. Insurance is one of the most important knowledge-based businesses growing rapidly in Nepal.

The success of the business is solely dependent upon the human resource or employees working in the insurance company. They should be managed efficiently to make them satisfied and happy. Successful mobilization of the available manpower is the core of success of the management. Basically, the human resource manager bears the responsibility to manage the available manpower in an organization.

There are altogether 25 insurance companies established in Nepal so far. Among them 18 insurance companies are doing general (non-life) business and one is doing life insurance business. The oldest one namely the Rastriya Beema Sansthan, the only one government owned company is involved in both life as well as non life (general) insurance business.

**Table 2.2 Insurance companies in Nepal at a glance**

Ownership	Nature of the Company			Total
	General	Life	Composite	
Government Owned Insurance Companies	-	-	1	1
Private Insurance Companies	13	5	-	18
Foreign Insurance Companies	2	1	-	3
Joint Venture	1	2	-	3
<b>Total Insurance Companies</b>	<b>16</b>	<b>8</b>	<b>1</b>	<b>25</b>

### Employees in Insurance Sector in Nepal

The insurance industry is suffering from the lack of sufficient professional human resources. That may be the one reason why Nepalese insurance sector is not developed at the level as expected. This problem also equally exists in insurance supervisory body.

The financial year 2011/12 shows that the insurance sector has given direct employment to 2069 people as officer and non-officer posts according to data provided by the Insurance Board of Nepal. The existing situation shows that Nepalese insurers have not given much emphasis to develop their staffs capacity as reflected by their training expenditure compared to other headings of expenses (Insurance Board of Nepal, 1955).

The history of insurance business is very short in Nepal. That is why insurance business is lagging behind the other business sectors like commercial banks. In Nepal, the first insurance company was established is Nepal Insurance and Transport Company Pvt. Ltd in 1959. It is named as Nepal Insurance Company later in 1991.

After reestablishment of democracy, Nepal implemented the policy of privatization and economic liberalization. In 1986, a new experiment was made in Nepalese insurance scenario by licensing a joint venture insurance company to operate both life and non life business. But the real expansion of the insurance industry in Nepal took place during the 1990s following the financial sector reform and liberalization of the economy by the government.

The new policy gave emphasis to the involvement and growth of insurance business in the private sector. Even Branches of Indian and US companies are working in the field (Insurance Board of Nepal, 1955). As a result, many insurance companies have been established within short duration. The list of insurance companies and the number of human resources associated with the companies are given below:

**Table 2.3 Branches and staffs employed by insurance companies in Nepal**

S.N.	Name of insurance companies	Nature of insurance business	Number of branches	Number of staffs employed
1.	Rastriya Beema Sansthan	Life and Non-life	24	121
2.	National Life Insurance Company Ltd.	Life	99	277
3.	Nepal Life Insurance Company Ltd.	Life	23	233
4.	Life Insurance Company (Nepal) Ltd.	Life	25	105
5.	American Life Insurance Company Ltd.	Life	15	89
6.	Asian Life Insurance Company Ltd.	Life	114	267
7.	Surya Life Insurance Company Ltd.	Life	35	107
8.	Gurash Life Insurance Company Ltd.	Life	23	135
9.	Prime Life Insurance Company Ltd.	Life	97	270
10.	Nepal Insurance Company Ltd.	Non-life	15	136
11.	The Oriental Insurance Company Ltd.	Non-life	10	69
12.	National Insurance Company Ltd	Non-life	9	70
13.	Himalayan General Insurance Company Ltd.	Non-life	7	91
14.	United Insurance Company (Nepal) Ltd.	Non-life	7	85
15.	Premier Insurance Company (Nepal) Ltd.	Non-life	8	68
16.	Everest Insurance Company Ltd.	Non-life	12	74
17.	Neco Insurance Ltd.	Non-life	15	101
18.	Sagarmatha Insurance Company Ltd.	Non-life	18	116
19.	Alliance Insurance Company Ltd.	Non-life	11	113
20.	N. B. Insurance Company Ltd.	Non-life	13	107
21.	Prudential Insurance Company Ltd.	Non-life	7	65
22.	Shikhar Insurance Company Ltd.	Non-life	11	130
23.	Lumbini General Insurance Company Ltd.	Non-life	10	85
24.	N.L.G. Insurance Company Ltd.	Non-life	24	139
25.	Siddhartha Insurance Company Ltd.	Non-life	13	112
Total				2069

Source: Insurance Board of Nepal (2011/12)

### Theoretical Review

Theory is a systematic grouping of interdependent concept and principles resulting into a framework that ties together a significant area of knowledge

(Wehrich & Koontz, 1999). It clarifies the importance of theory in research in any field. More precisely, a theory identifies important variables and links them to form 'tentative propositions' (or hypotheses) that can be tested through research (Newstrom, 2009).

Generally, people bring certain drives and needs with them that affect their performance therefore, understanding how needs stimulate performance and how rewards on such performance lead to the job satisfaction is indispensable for the managers (Newstrom, 2009). So managers should pay appropriate attention to job satisfaction. Job satisfaction and employee turnover has theoretical link with motivation (satisfaction) theories.

Whenever theoretical approach is used to study job satisfaction and turnover, most of the researchers have identified two types of factors. They are environmental factors and individual factors. Job satisfaction is a popular research topic for the researchers in organization and management studies particularly, organizational behavior (Luthans, 2005).

The theories of motivation can also be applied to the employee turnover. There are many theories of job satisfaction and motivation. Among them, the most important theories are Abraham Maslow's Hierarchy of Needs theory, Federic Herzberg's Motivation-hygiene theory, Douglas McGregor's X and Y theory, David McClelland's Need theory, Stacey Adams's Equity theory, Clayton Alderfer's ERG theory and Victor Vroom's Expectancy theory. These are the most used and well known theories applied widely by management to motivate and satisfy employees in general. The most common theories of motivation/ satisfaction are explained below:

### **Maslow's Theory of Motivation/Satisfaction (1943)**

The best-known theory of motivation (satisfaction) was proposed by Abraham Maslow. He hypothesized that what in every human being there exists a hierarchy of five needs (DeCenzo and Robbins, 1998 p.313). These needs are physiological (*hunger, thirst and shelter*), safety (*physical and emotional security*), love (*affection belongingness*), esteem (*status, recognition*) and self-actualization (*self-fulfillment and achievement*). All these needs are directly related to the

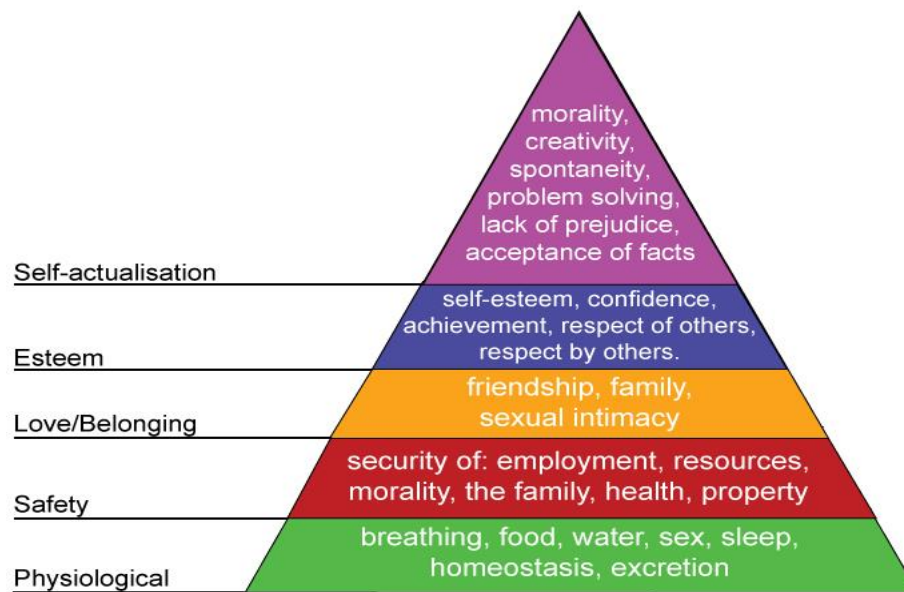
employee turnover. If employees' needs are fulfilled, they become satisfied and they tend to stay in the organization and vice versa.

One of the most important theories of need is Maslow's need theory of motivation. According to Herzberg, the opposite of satisfaction is not dissatisfaction, as was traditionally believed. In other words, removing dissatisfying characteristics from a job does not necessarily make job satisfying or vice versa (DeCenzo & Robbins, 1998, p. 316). The factors leading to job satisfaction are separated and distinct from those that lead to job dissatisfaction.

DeCenzo & Robbins states that the best known theory of motivation was proposed by Abraham Maslow. He hypothesized that within every human being there exists a hierarchy of five needs. These needs are:

- **Physiological:** It includes hunger, thirst, shelter, sex and other bodily needs.
- **Safety:** It includes security and protection from physical and emotional harm.
- **Love:** It includes affection, belongingness, acceptance and friendship.
- **Esteem:** It includes internal esteem factors such as self-respect, autonomy, and achievement; and external esteem factors such as status, recognition, and attention.
- **Self-actualization:** It is the drive to become what one is capable of becoming. It includes growth, achieving one's potential, and self-fulfillment.

As each of these needs becomes substantially satisfied, the next need becomes dominant. In terms of Figure given below, the individual moves up the hierarchy. From the standpoint of motivation, the theory would depict that although no need is ever fully gratified, a substantially satisfied need does no longer motivates.



**Figure 2.2 Hierarchies of Maslow's theory of motivation/satisfaction**

Maslow categorized the five needs into higher and lower levels. Physiological and safety needs are described as lower-order needs whereas love, esteem and self-actualization as higher-order needs. The differentiation between the two orders was made on the premise that higher-order needs are satisfied internally, whereas lower-order needs are predominantly satisfied externally. (DeCenzo & Robbins, 1998, pp. 313-314)

Researchers have claimed that Maslow's theory of hierarchy of needs was the first motivation theory that laid the foundation for 'the theories of job satisfaction.' This theory serves as a good start from which researchers explore the problems of job satisfaction in different work situations (Wikipedia, 2009). There are so many theories of motivation developed till now. Most of them begin with the ideas of Maslow's theory of motivation.

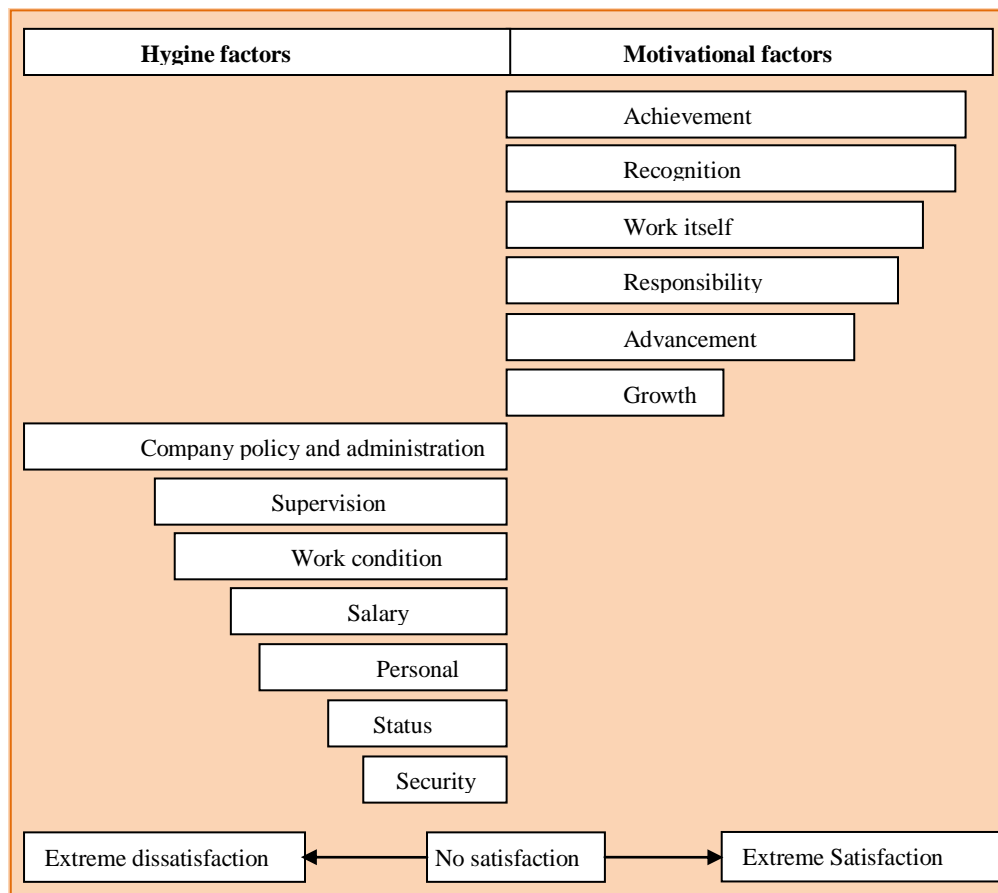
### **Herzberg's Motivation Hygiene Theory (1959)**

The other important theory directly related to job satisfaction and motivation is Herzberg's Motivation Hygiene theory. It is also known as two-factor theory of motivation.

DeCenzo & Robbins again stated that in the belief that the relationship of people to their work is a basic one and that their attitude towards their work



can very well determine their success or failure, Frederic Herzberg investigated the question, ‘What do people want from their jobs?’ Herzberg asked people to describe in detail the situations in which they felt exceptionally good or bad about their jobs. These responses were tabulated and categorized. Factors affecting job attitudes as reported in twelve investigations conducted by Herzberg are illustrated in the following figure. (DeCenzo & Robbins, 1998)



**Figure 2.3 Herzberg’s motivation hygiene theory**

The two factor theory of motivation has proved that employees should be satisfied to be motivated for better performance. For this purpose, first of all employees should be provided hygiene factor to bring them to the stage of no satisfaction from extreme dissatisfaction. Even then they do not perform well. They should be provided motivational factors to uplift them to the satisfaction stage from no satisfaction one. They only tend to perform as best as they can. Regardless of criticism, Herzberg’s theory of motivation has been widely read and a few managers

seem unfamiliar with his recommendations (Khanka, 2003, p. 190). The researcher should take in mind these aspects while analyzing the job satisfaction in this study.

Herzberg suggests the company policies, supervision, relationship, work condition, salary, personal life, status and security as hygiene factors. Likewise, he suggests achievement, recognition, work, responsibility, advance, growth etc. as the motivational factors.

When they are satisfactorily maintained, people will not be dissatisfied, neither will they be satisfied. If we want to motivate employees, motivational factors should be satisfactorily maintained (DeCenzo & Robbins, 1998, p. 319). But employee turnover can be minimized maintaining by any one or both of hygiene and motivational factors. It means that employee can be retained by only maintaining hygiene factors. If hygiene factors are maintained properly, the employees can be maintained even they are not motivated for better performance

Khanka stated the opposite of satisfaction is not dissatisfaction according to Herzberg's motivation theory. The underlying reason, he says, is that removal of dissatisfying characteristics from a job does not necessarily make the job satisfaction. He believes in the existence of a dual continuum. The opposite of satisfaction is no satisfaction and the opposite of dissatisfaction is no dissatisfaction (2003, p. 189).

### **Victor Vroom's Expectancy Theory**

Expectancy theory argues that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act is followed by a given outcome and on the attractiveness of the outcome to the individual (DeCenzo & Robbins, 1998, p. 321). It includes, therefore, three variables: Attractiveness, Performance-reward linkage and Effort-performance linkage. This theory highlights the attractiveness of rewards for performance degree of belief on the performance leading to the attainment of rewards. The attractiveness of reward and belief to attain the rewards affects the motivation as well as the job satisfaction.

DeCenzo & Robbins states that Although the early motivation theories offer insights into motivation, no single one offers a valid explanation for why some people exert a high level of effort on their job while others do not.

What is needed is an integrative theory-one that recognizes the importance of needs and their satisfaction but they also consider the contingency aspects relevant to particular people in particular situations. Such a theory has been formulated and, though it has not been immune from attack, it is currently the clearest and most valid explanation we have of individual motivation. We are referring to expectancy theory.

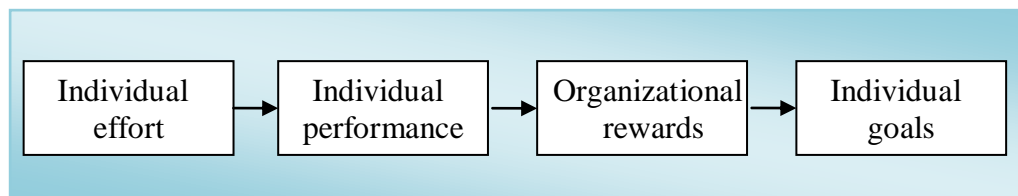
Expectancy theory argues that the strength of a tendency to act a certain way depends on the strength of an expectation that the act is followed by a given outcome and on the attractiveness of the outcome to the individual. It includes, therefore, three variables:

**Attractiveness:** The importance that the individual places on the potential outcome or reward that can be achieved on the job. This considers the unsatisfied needs of the individual.

**Performance-reward linkage:** The degree to which the individual believes that performing at a particular level leads to the attainment of each job outcome.

**Effort-performance linkage:** The perceived probability by the individual that exerting a given amount of effort leads to performance.

While this may sound pretty complex, it really is not difficult to visualize. Whether individuals have the desire to produce at any given time depends on their particular goals and their perception of the relative worth of performance as a path to the attainment of these goals.



**Figure 2.4 Simplified expectancy model**

It is a considerable simplification of expectancy theory but expresses its major position. The strength of people's motivation to perform (effort) depends on how strongly they believe that they can achieve what they

attempt. If they achieve this goal (performance), will they be adequately rewarded and, if they are rewarded by the organization, will the reward satisfy their individual goals? Let us consider the four steps inherent in the theory and then attempt to apply it.

**First**, what outcomes do the job offer to the employee? Outcomes may be positive: pay, security, companionship, trust, fringe benefits, a chance to use talent and skill, friendly relationships. On the other, employees may view outcomes as negative: tiredness, boredom, frustration, nervousness, harsh supervision, threat of dismissal. Note that reality is not important here; the critical issue is what the individual employee perceives the outcome to be, regardless of whether or not these perceptions are accurate.

**Second**, how attractive do employees view these outcomes as being? Are they valued positively, negatively, or neutrally? Obviously, this is an internal issue to the individual and depends on his or her personal values, personality, and needs. The individual who finds a particular outcome attractive- that is, positively valued- would prefer attaining it to not attaining it. If it is negative; the individual would prefer not attaining to attaining it. Additionally, he or she may be neutral.

**Third**, what kind of behaviour must the employee produce in order to achieve these outcomes? The outcomes are not likely to have any effect on the individual employee's performance unless the employee knows clearly and unambiguously, what he or she must do in order to achieve them.

**Fourth** and last, how do employees view their chances of doing what is asked of them? After the employees have considered their own competencies and their ability to control those variables that will determine their success, what probability do they place on successful attainment? (DeCenzo & Robbins, 1998)

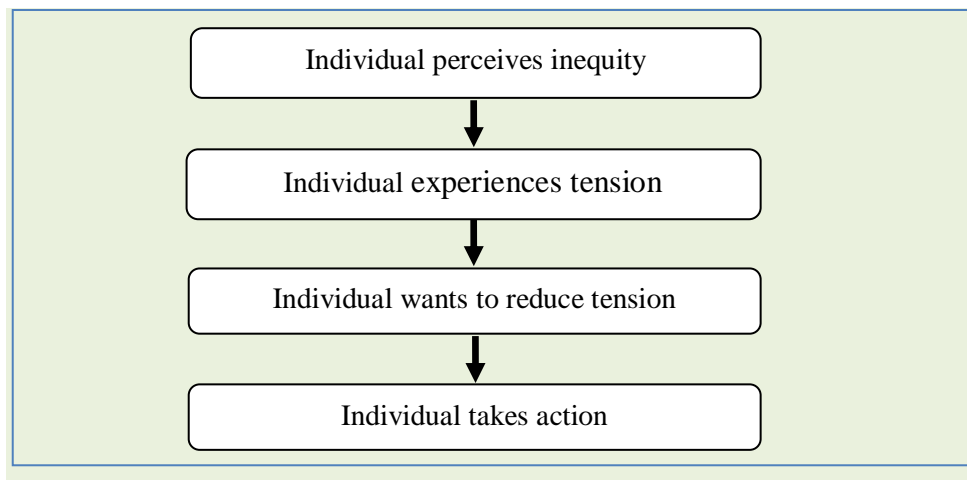
The expectancy theory is a contingency model. It recognizes that there is no universal method for motivating people. Because we understand what needs an employee seeks to satisfy does not ensure that the employee him/herself perceives high job performance as necessarily leading to the satisfaction of these needs. More money cannot necessarily satisfy his/her social needs, and if the group norm

reinforces low or moderate productivity, high productivity can not be set as norms to attain greater job performance.

The overall theory of expectancy may be summarized as the rewards of organization that should offer the rewards as per the needs of employees. At the same time the achievement of rewards should be possible for them with exertion of their efforts to attain the desired goal.

Equity theory is another important motivation theory related to employee turnover. This theory is based on the assumption that individuals are motivated by their desire to be equitably treated in their work relationships (Aswathappa, 2006, p. 370). The theory proposes that the motivation to act develops after the person compares inputs/outcomes with the identical ratio of the comparison of others.

The basic equity theory assumes that upon feeling of inequity, the person is motivated to reduce it. Further, the greater they feel inequity, the greater the motivation reduces it. Thus inequity as a motivation force acts as follows (Aswathappa, 2006, p. 371) :



**Figure 2.5 Equity theory of motivation**

When employees feel inequity, they try to reduce tension by taking action from available alternatives. Among them, the ultimate alternative is quitting the organization. It tends to increase the employee turnover.

Job satisfaction is one of the most widely studied work-related attitudes in the fields of industrial and organizational psychology and organizational behavior (Spector, 1997). Many researchers identify in several ways in definition of job satisfaction. Job satisfaction is an individual's cognitive, effective, and evaluative

reactions towards his or her job (Agrawal , 2004). Actually we can say that job satisfaction is the state where one's needs and outcomes match well. It is a combination of cognitive and effective reactions to the different perceptions of what an employee wants to receive compared to what he or she actually receives.

Job satisfaction is a factor that would induce the employee to work in a long term position. Regardless of job satisfaction the organization or firm would confront with the cost of recruitment caused by turnover. For this reason, the organization should pay attention to the employees' job satisfaction as well.

Allen (2008) states that one of the most critical issues facing by the organizations today is how to retain the employees they want to keep. There are more than 1000 research articles published on turnover and retention. According to Bureau of Labor Statistics (2006) about twenty four percentage of American workers voluntarily quit their jobs. This clarifies the importance of the issues that the modern organizations are facing nowadays. As a busy HR manager, s/he may not be able to pay appropriate attention to this aspect. This may lead to higher turnover in most of the organizations. Now the time has come to practice to improve retention and reduce the employee turnover.

Voluntary turnover is a major problem for an organization in many of the Asian countries. It tends to increase the employee turnover. High turnover may be harmful to the company's productivity if skilled employees are often leaving and the employee population contains a high percentage of beginners or new workers, who have no adequate job experience to perform wells.

### **Research Gap**

Employee turnover is a global issue as excessive turnover has negative impact on the employee productivity. There have been a number of researches and studies conducted on employee retention on various fields. The researcher studied the research reports of Masri (2009), Randhawa (2007) Ali (2011), Justus, Kombo, Murumba, & Edwin (2011), Khatri & Fern ( 2001), Khatri N. (2004), Chaisawant (2012), Masri (2009), Ramasodi (2010), Mbah (2012), Berry (1997), Dupnock (2010), Oracle (2012), Riley ( 2006), Bliss (2012) etc. They have carried out researches and studies on job satisfaction and employee turnover on their respective fields.

During my study, the researcher found very few literature and research in job satisfaction and employee turnover in insurance industry. However the researcher found that there are some studies conducted on the employ turnover in insurance industry. In the Nepalese context, the researcher was unable to find even a single research in turnover intention in insurance industry. This is the knowledge gap for further research. This is the sincere attempt to fill the knowledge gap to link the employee turnover research in Nepalese insurance industry with the international research.

In fact, the job satisfaction and turnover intention seems qualitative measurement, but in practice, it is more quantitative as the job satisfaction can be measured in quantitative way. Similarly, employee turnover is also measured quantitatively. Hence, the researcher decided to conduct the study using quantitative methods. But qualitative methods are also included in some places to support the study.

### **Concluding Remarks**

The literature on job satisfaction and turnover intention is full of different theories emphasizing different elements. However it does not appear that one theory or method of analyzing job satisfaction is accepted as the best method of understanding satisfaction and turnover intention. Many of the studies were found to be focused on industrial sides. As this study is related to the employee related to insurance industry, it is difficult to find a way to specifically analyze the rates of job satisfaction of the employees because they are providing service which cannot be measured digitally.

Job satisfaction and employee turnover intention have significant impact on employee productivity and organizational success. Considering the importance of job satisfaction and turnover intention, the study on concerned subject is gaining popularity throughout the world. This chapter consists of the summary of literature review that is focused on the job satisfaction and employee turnover intention. It is more focused on the impact of different demographic elements (age, tenure academic qualification, gender, job status) and organizational elements; namely ‘remuneration & benefits’, ‘working environment’, ‘career development and

rewards', 'responsibility & autonomy', 'leadership and supervision', 'human relation and communication' and their impact on job satisfaction and ultimately employee turnover intention. It is intended to discover whether demographic factors have significant impact on employee turnover intention or not.

The review of literature also tries to examine each of the organizational factors which have significant influence on job satisfaction. At the same time, it tries to study the linkage and relationship between job satisfaction and employee turnover intention. A theoretical framework was developed based on the literature review. The following chapter will describe the procedures and methodology used for data collection and analysis of the study.

Both primary and secondary data has been used in the study. Sets of primary information were collected through personal investigation and questionnaire method. Primary data constitute the main source of information to support the purpose of this research work. The sources of secondary data were annual reports of the companies, auditor's report, journals government reports and web sites.



## **CHAPTER 3**

### **RESEAECH METHODOLOGY**

Research is carried out to find out logical answers of certain problems. It should be conducted with systematic processes. The entire processes should be based on the philosophies, principles and mechanisms of the research, through which we can solve the problems or search the answers to questions. All these processes are collectively known as the research methodology. This chapter includes introduction, research philosophy, research design, identification of variables, location of study, determination of research population and sample, questionnaire design, observation and interview, data collection, data analysis and interpretation, ethical principles and concluding remarks.

#### **Introduction**

The current chapter is concerned with the research methodology used in the search. The primary purpose of the research is to explore the employee turnover condition in insurance industry and examine its effects on HRM practices. The following research methodology is intended to follow to achieve the predetermined objectives.

Management research is the systematic and objective process of gathering, recording and analyzing data for aid in making business decisions (Zikmund, 2011). It is also known as business research. The purpose of conducting research in management is to identify business problems or issues and to find out solutions to such problems or issues (Pant, 2009).

This chapter contains the research methodology to be is used in the study. Mainly, it contains research philosophy, research design, research process, sampling design, data collection, data analysis, reliability, validity and ethical principles. This research will find out the reality of job satisfaction level, employee turnover intention and the impact of job satisfaction on turnover intention. The findings of the research are supposed to be helpful to develop effective management techniques to control employee turnover in insurance industry of Nepal.

This chapter examines the research methodology adopted in this study. At first it outlines the philosophy that underpins the approach taken with the study, discussing the researcher's interpretation. The next part of the chapter discusses the rationale for the research design and gives details of the unit of analysis. It also provides an overview of the sampling and data collection procedures used for the study. It also explains the tools and techniques that have been used to analyze the data as collected.

Here the researcher requires gathering relevant data from the specified sources to analyze the facts and arrive at a more complete conclusion. For this purpose, the instruments used to collect the data including methods to maintain their trustworthiness are also described here. It includes the methods used to determine the validity and reliability of data collection and analysis. Basically, this chapter highlights the implementation process of research methodology, which generates primary as well as secondary data. In addition, it also highlights process of analysis to determine the conclusion and findings of the study. The chapter concludes with the limitations of the study and ethical considerations.

### **Research Philosophy**

The entire processes of research are based on the research philosophies, principles and mechanisms of research. Researcher attempts to solve problems or searches answers of the questions based on research philosophies. The overall processes are collectively known as the research methodology.

Research, in common parlance, refers to search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. In fact, research is an art of scientific investigation. (Kothari, 2004, p. 1)

Research is an organized investigation, exploration and study of a particular problem to find out its truth and reality. It is a systematic, controlled, empirical and critical investigation of hypothetical propositions about the presumed relations among natural phenomena (Kerlinger, 2009, p. 11). Actually, research means to search again. It means searching new knowledge and contributing it to the existing mass of wisdom. Research is an organized, systematic, data-based, critical scientific enquiry or investigation into a specific problem, undertaken with the objective of finding

answers or solutions to it (Sekaran, 1992). It is a systematic and critical enquiry which aims to contribute to the advancement of knowledge and wisdom (Bassey, 1999). Research is a procedure by which we attempt to find systematically, and with the support of demonstrable facts, the answer to a question or the resolution of a problem (Leedy).

The word 'research' can thus be legitimately applied to very many contexts, and can be used to refer to both a specialized pursuit of knowledge and to a much more general, everyday problem- solving situation (Pant, 2009, p. 5).

Doing research is a challenging and painstaking job. It needs great efforts to carry out systematic and planned activities relating to investigation, evaluation and reaffirm the results of previous works. A research needs to be well planned and well designed before doing it.

It has been noted that some writers use the term methodology and method interchangeably (Hussey & Hussey, 1997). They suggest that methodology refers to the overall approach taken, as well as to the theoretical basis from which the researcher comes, and that method is the various means by which data is collected and analyzed (Hussey & Hussey, 1997). In business research, research philosophy can be defined as the development of the research background, research knowledge and its nature (Saunders, 2007). Actually, Research philosophy is broad framework, which comprises perception, belief and understanding of several theories and practices that are used to carry out a research. It can be characterized by a precise procedure. It involves various steps through which a research creates a relationship between the research objectives and questions.

The primary concern of this research is to investigate and evaluate the job satisfaction and employee turnover intention in insurance industry of Nepal. This is post-positivism research. In this research, the researcher has used using quantitative method of research design. The survey questionnaires, interviews, observations and secondary sources are used to collect the data and information. The secondary data are corrected directly from the organizations, books, journals and websites. However, we must keep in mind that any exact method is not the end (Creswell, 2009).

Research philosophy can be explained under research paradigm. There are three components in research paradigm. They are namely, epistemology, ontology and

methodology. Epistemology in general is the kind of knowledge which is usually discussed. The researcher believes that we interpret and discuss the realities by filtering them on the basis of experience of past event. But a researcher should examine at the event himself/herself looking through the eyes of third person while applying a set of tools. The research should be totally unbiased. Only then can true analysis will be exposed. As a researcher, in this research, it was needed 'to recognize that we are part of the social worlds and we are studying as researchers with our own interpretative processes and authoritative position that need to be taken into account of' (Dangal, 2010, p. 10). For this purpose, the researcher has developed a model as the study of the nature and extent of knowledge and truth on the effective management of the study as it is the researcher's epistemological concern. The researcher has intended to follow questionnaire approach. The analysis is based on quantitative techniques. The entire process is guided by a set of beliefs and feeling of research participants about the job satisfaction and employee turnover intention.

Philosophy of research plays significant role in research procedure as it reflects the assumptions of the researcher. It also influences the selection of research approaches. Research philosophy consists of the following terms:

### **Ontology**

It is the theoretical assumption which deals with the nature of existence which can be known. Ontology of the research is directly related to the matter to find the reality in the world. Ontology may be of single reality or multiple realities. It is the philosophical study of the nature of reality, it is a science of being, it deals with the nature of reality (Sarantakos, 2005). A researcher needs to develop the ontology before starting research process.

Ontology should be developed because of the following reasons: to share common understanding of the structure of information among people or software agents, to enable the reuse of domain (scope) knowledge, to make domain assumptions explicit, to separate domain knowledge from the operational knowledge and to analyze domain knowledge (Noy & McGuinness, 2001). The ontological assumption of this research is single reality but not the multiple realities. The social

phenomena are considered as the external realities that are independent and observable while studying.

### **Epistemology**

Epistemology is the study of the grounds, nature and origin of knowledge and the limits of human understanding. It is the theoretical assumption about how knowledge is derived. It deals with issues such as how knowledge is derived and how it should be tested and validated in reality.

Epistemology is the investigation into the ground and nature of knowledge itself. The study of epistemology focuses on our means for acquiring knowledge and how we can differentiate between truth and falsehood. (Cline, 2011) The epistemological assumption of this research is objective but not subjective. As this is quantitative research, data are collected and analyzed using statistical tools. It is a scientific method based on objective and predetermined research design.

Different statistical methods such as mean, standard deviation, multiple regressions, ANOVA tests are used to analysis the data. The descriptions and exploration approaches are used to assess the findings. Although it is a post-positivism study, it investigates the people and things by direct observation whenever it is needed. The research highlights implementation of research findings in human resource management, which generates new ideas for future research.

### **Selection of Quantitative Research Paradigm**

Selection of research subject for PhD thesis and paradigms is a challenging job for the researcher. At the beginning of proposal development, the researcher chose qualitative methodology as it seems that ‘job satisfaction and turnover intention’ is a qualitative topic. After consulting the supervisors and conducting pre-study assessment, the researcher found that the level of job satisfaction should be measured in a quantitative way. At the same time, employee turnover intention should also be measured in a degree of level. Quantitative research is based on the measurement of quantity or amount. It is applicable to the phenomena that can be expressed in terms of quantity (Kothari, 2004). Hence, the researcher realized that quantitative method is more applicable than qualitative method. Although it is also possible to conduct qualitative research in this topic, the researcher found that the literature review also

suggested for quantitative method, as most study on the selected topic were carried out using quantitative method.

The researcher used quantitative approach in questionnaire, which is easy to answer for respondents. Quantitative approach was more relevant because the researcher tried to clarify the level of relationship of different demographic and organizational variables with job satisfaction and employee turnover intention. This research process involves a series of well-known process of gathering, recording, analyzing and interpreting the data. The purpose of research is finding out solutions to the problem.

Sukamolson suggests that quantitative research has the following advantages:

- It provides estimate of population at large.
- It indicates the extensiveness of attitudes held by people.
- It provides results which can be condensed to statistics.
- It allows for statistical comparison between various groups.
- It is precision, definitive and standardized.
- It measures level of occurrence, actions trends etc.
- It can answer such questions as "How many? And how often? "

(Sukamolson, 1996)

### **Research Design**

A research design is an overall plan for the activities to be undertaken during the course of a research study. It is a blueprint specifying the method to be adopted for gathering and analyzing data. Research design serves as a framework for the study, guiding the collection and analysis of the data, the research instruments to be utilized, and the sampling plan to be followed. (Pant, 2009)

Research designs are plans and the procedures for researches that span the designs from broad assumptions to detailed methods of data collection and analysis (Creswell, 2009, p. 11). It gives the answer of what, when, where, and how much. It is the conceptual structure within which research is done; it constitutes the blueprint for the collection, measurement and analysis of data (Kothari, 2004, p. 31). There are various types of research designs with specific advantages and disadvantages. The question which one is the best to apply depends on the objective of the research and

nature of the phenomenon. Basically, there are three approaches to research design: (i) Quantitative Research, (ii) Qualitative Research (iii) Mixed Research.

The researcher has chosen the quantitative method for the research as demanded by the research topic and research questions. Jacobs states the researcher initially chooses methods based on the questions to be addressed, however, the questions, issues and topics of the study may change as the researcher's conception on the reality of the world being studied (Jacob, 1998). Qualitative and quantitative approaches should not be viewed as polar opposites or dichotomies; instead, they represent different ends on a continuum (Newman & Benz, 1998).

Quantitative research is a means for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on tools, so that numbered data can be analyzed using statistical procedures. The final written report has a set structure consisting of introduction, literature and theory, methods, results, and discussion. Like qualitative researchers, those who engage in this form of inquiry have assumptions about testing theories deductively, building in protections against bias, controlling for alternative explanations, and being able to generalize and replicate the findings. (Creswell, 2009, p. 4)

Quantitative research is designed to reflect the arrangement of independent and dependent variables associated with data collection. The demographic factors and organizational factors are the independent factors in this study. Furthermore, job satisfaction and employee turnover intention are the dependent variables. The data is analyzed and described to examine the relationship between dependent and independent variables.

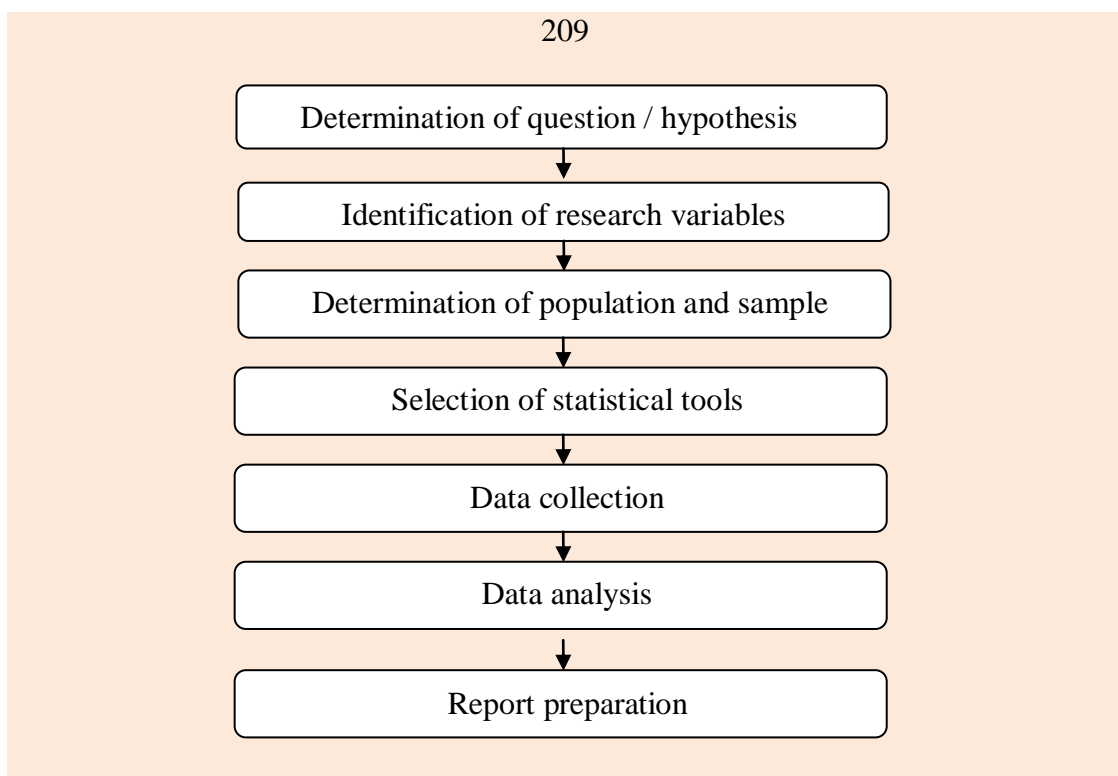
Basically, quantitative research depends on questionnaire techniques that disclose respondent's actual feelings and understandings. The knowledge gained from quantitative research can equip the managers as they struggled to fulfill the employees' needs and maintain the employee retention effectively. Quantitative research techniques are especially useful for testing and analyzing statistical data. The researcher is going to use quantitative approach focusing on narrow angled lens for testing specific hypothesis. The research tries to describe the problem, explain the present findings and predict future course of action. This is the study of employee

behavior under artificial and controlled conditions. The forms of data collected are numeric variables using structured and validated tools i.e. survey questionnaires. It is the close-ended survey to measure employees' behavioral responses in rating scales. The data collected is organized and analyzed to identify statistical relationships

Research design simply means measure of collecting, organizing, analyzing, interpreting and reporting data in research (Creswell, 2009). It represents specific model of research process. Research design provides clear-cut picture and descriptions of the following elements (Edmondson & Mcmanus, 2010):

- Type of data to be collected
- Data collection tools and procedures
- Type of analysis planned
- Finding/selection of sites for collecting data

Quantitative approach is linked with determination of question, hypothesis, identification of variables, population, sample, selection of statistical tools, collection of data, analysis of data, interpretation of data and preparation or research report. These are the basic steps of quantitative research design. To make it clearer it is presented in following diagram:





### **Figure 3 Steps in quantitative research design**

The research process is carried out following the steps mentioned above, which is the guideline for the researcher.

#### **Identification of Research Variables**

The process of research often begins with an attempt to arrive at a clear statement of the research questions. The research question is already determined on the basis of literature review portion in second chapter. The research variables for survey question are presented here.

A variable is something that can be changed, such as a characteristic or value. Variables are generally used in research to determine if changes to one thing result in changes to another. Generally, there are two types of variables used in a research, namely dependent variables and independent variables. In a research, the independent variable is the one that is varied or manipulated by the researcher and dependent variable is the response that is measured (Pant, 2009).

The variables need to be specified in an experiment so that it is clear to the readers, that is what groups are receiving the experimental treatment and what outcomes are being measured (Creswell, 2009). In this research, job satisfaction and employee turnover intention were the dependent variables. They were measured for relationship with independent variables. Remuneration, employee benefits, working environment, career development, rewards, responsibility, autonomy, leadership, supervision, human relation and communication were the independent organizational variables. Furthermore, demographic elements are also taken as independent variables to study their impacts on job satisfaction and turnover intention. Age, gender, marital status, academic qualification, job status and tenure were the demographic factors under study in the study.

**Table 3.1 Dependent variables of the study**

S.N.	Dependent variables	Reflected by the following statements
1.	Job Satisfaction	<ul style="list-style-type: none"> <li>• I am satisfied with the functions and responsibilities</li> <li>• I am satisfied with my office layout and furniture setting</li> <li>• I am happy with the holiday and leave facilities</li> <li>• I am satisfied with the overtime facility</li> <li>• There is no nepotism and favoritism in my office</li> <li>• I feel proud to be associated with this company</li> </ul>
2.	Turnover Intention	<ul style="list-style-type: none"> <li>• I am motivated to work hard in my office</li> <li>• I have no intention to quit the job</li> <li>• I am proud to be associated with this company</li> <li>• I feel my future is secured in this company</li> <li>• I like to refer to my friends and relatives to join my company</li> <li>• My expectations are fulfilled after joining this company</li> </ul>
	<b>Total questions</b>	<b>12</b>

**Table 3.2 Independent variables of the study**

S.N.	Independent Variables	No. of Questions/ statements
1	Remuneration and employee benefits	6
2	Working environment	6
3	Career development and rewards	6
4	Responsibilities and autonomy	6
5	Leadership and supervision	6
6	Human relations and communication	6
	<b>Total questions</b>	<b>36</b>

**Table 3.3 Demographic variables of the study**

S.N.	Characteristics	Descriptions
1	Age	Below 26, 26-35, 36-45, 46-55, Above 55
2	Gender	Male [1] and Female [2]
3	Marital status	Married [1] and unmarried [2]
4	Academic qualification	Below SLC [1], SLC [2], Higher Secondary/PCL [3], Bachelor's degree [4], Master's degree [5], M. Phil. Degree [6], PhD degree [7].
5	No. of dependents	Children [...], Parent [...], Spouse [...], brother/sisters [...], Others [...]
6	Job experience	Below 5, 6-10, 11-15, 16-20, 21-25, Above 25
7	Job status	Permanent, Temporary, Contract.

### **Location of the Study**

This study is carried out in Kathmandu, the capital of Nepal. All insurance companies operating within Nepal are taken as population. As most of the insurance companies are concentrated in Kathmandu valley, the study is also concentrated in Kathmandu valley. Although some branches of insurance companies operating in Hetauda and Pokhara are also included in the study. It will provide the researcher the opportunity to compare the level of job satisfaction and turnover intention on the basis of geographic variation.

### **Determination of Research Population and Sample**

Before conducting survey, the researcher should determine the population frame clearly. Then sample participants were selected from the population frame. Sampling technique should be reliable according to the nature of research. Sampling design and sampling size are very important. A proper sampling design and size help the researcher to draw conclusions that would be generalized to the population of interest (Sekaran, 1992).

### **Population**

Population refers to the entire group of people or things of interest that the research wishes to investigate. A population is generally a large collection of individuals that is the main focus of the research. It is better to take all population in the research. However, due to the large size of populations, researchers often cannot test every individual in the population because it is too expensive and time-consuming. This is the reason why researchers rely on sampling techniques. As it is

impractical to take interview with the entire population, sampling techniques are used to choose representatives of the entire population.

The population of this study is all the employees of insurance industry of Nepal. The entire insurance business is divided into two categories as life insurance business and non-life insurance business. They are almost the same in nature if they are seen by employees' point of view. There are all together 25 insurance companies operating in Nepal. The insurance companies have total 645 branches employing 2069 staffs (Insurance Board, 2012). This total number of employees is the population frame of the study.

### **Sampling**

A sample is a collection of statements or elements from a population or universe (Pant, 2009). Sampling design is the way in which the researcher designs the samples and selects them from the population. It is a small representative part of the whole population. Sampling is a process of selecting elements of individuals from within a population to estimate characteristics of the whole population. It comprises some observations selected from the population. (Pant, 2009). Each individual in the population has an equal probability of being selected in random sampling (Creswell, 2009).

There are four sampling techniques. They are namely, simple random, sampling, stratified sampling, cluster sampling and systematic sampling.

#### **Simple random sampling**

It is very common and simple random technique. In this method, every member of the population has an equal chance of being selected as respondent. Random sampling is the process of selecting a sample in such a way that all individuals in the defined population have an equal and independent chance of being selected for the sample (Ouyang).

#### **Stratified sampling**

It is a method of sampling that involves the part of a population into smaller mutual groups known as social class. There can be any number in each group. Then respondents are chosen randomly from the group. The sample is then combined into the entire sample.

### **Cluster sampling**

Cluster sampling is a kind of sampling technique where the entire population is divided into different groups (clusters) and random sample of these clusters are selected. All observations in the selected clusters are included in the sample.

### **Systematic sampling**

It is a type of probability sampling in which respondents members are selected from a large population in a fixed periodic interval. This interval is called sampling interval. It is calculated by dividing the population size by the desired sample size.

Among them, the researcher chose simple random sampling for data collection in this study. Hence, every member of the population has an equal chance of being selected as respondent in this study. The study has covered all the employees working in insurance industry within Nepal. All life as well as non life insurance businesses established in Nepal are incorporated to find out the result. There are all together twenty-five insurance companies registered in Nepal.

### **Sample Size**

Sample size is the number of people or things selected from total population. Sample size determination is the act of choosing the number of people or thing to include in a statistical sample. The sample size is an important feature of any quantitative research in which the goal is to make proper reflection of the overall population. Sample size should not be very small that may be unable to represent the whole population. It should be just right size enough to represent the population. The ever increasing demand for research has created a need for an efficient method of determining the sample size as needed to be representative of a given population (Krejcie, 1970).

The number of employees associated with insurance business was 2069 as per the data provided by the Beema Sansthan, the regulatory board of insurance sector of Nepal. Hence, it was the sample frame. Among them 324 staffs were selected under simple random sampling method from official and non official level staffs as per the requirement shown by the sample calculator developed for research activities.

When selecting the sample size, we must consider the following issues (NIST sematech, 2012):

- What population parameter we want to estimate
- Cost of sampling (importance of information)
- How much is already known
- Spread (variability) of the population
- Practicality: how hard is it to collect data
- How precise we want the final estimates to be.

### **Inclusion and Exclusion Criteria**

The inclusion criteria were all levels (officer and non-officer levels) of employees associated with insurance industry, who were available at the time of the study and willing to participate in the study. The exclusion criteria were those who were unavailable such as those who were on leave and those who decided to exercise their right not to participate in the present study.

### **Questionnaire Design**

A questionnaire is a formalized set of questions for obtaining information from respondents. The overriding objective is to translate the researcher's information needs into a set of specific questions that respondents are willing and able to answer (Malhotra, 2006). A questionnaire is the main tool of collecting data in quantitative research.

No scientific techniques or principles guarantee an optimal or ideal questionnaire. Questionnaire design is as much an art as it is a science (Malhotra, 2006). The ability and experience of questionnaire developer play major role in developing a perfect set of questionnaire. The research questionnaire was developed taking into consideration the research problem, research purpose, research design, population and variables.

The study used the Minnesota Satisfaction Questionnaire (MSQ) as the basis for the collection of data. This survey was a time-tested instrument that added considerable validity to the previous research instruments. A set of five-point type Likert scale questionnaire was developed with 48 statements based on the conceptual framework. Developing a proper questionnaire is a challenging and tedious job for the researcher. The researcher made the first draft of questionnaire and discussed them

with friends, supervisor, co-scholars, experts and professionals. Then, the questionnaire was edited and revised for several times according to the given suggestions.

The content validity was assessed by two experts, while the reliability was assessed by 21 employees (one percent of the total population frame) of two insurance companies located in Kathmandu. Only hard copy questionnaire survey is applied since online survey is not reliable in Nepalese context.

The following steps have been applied to develop the set of questionnaire:

- a) Review of the questionnaire used previously by researcher in similar topics.
- b) Formation of research questionnaire,
- c) Pilot tests of questionnaire and reliability test,
- d) Modification and development of final questionnaire
- e) Reliability test of the questionnaire.

### **Contents of Research Questionnaire**

The present study measured the job satisfaction and turnover among employees in insurance industry. The research instrumentation was a 48 statements of questionnaire which was delivered personally to respondents. The survey research was classified into two parts as the general information part and quantitative question part. The general information part was again divided into two parts namely, information related to insurance company and demographic information of respondents. It was filling in the blanks of the questionnaire, which contain:

- The name of insurance company,
- Branch /head office,
- Address,
- email address of company,
- Phone number of company.

The demographic information was obtained through filling in the blanks. This part of question was designed to obtain the following information:

- Age,
- Gender,
- Marital status,

- Academic qualification,
- Number of dependents,
- Job experience, and
- Job status of participants.

The second part of the questionnaire was the main part designed to obtain dependent as well as independent variables. There were all together 48 quantitative questions in the set of questionnaire developed with 5 value type Likert scale format. This part of questionnaire consisted of six independent and two dependent variables as presented below:

#### **Questions Covering Independent Variables**

- i. Remuneration and employee benefits
- ii. Working environment
- iii. Career development and rewards
- iv. Responsibilities and autonomy
- v. Leadership and supervision
- vi. Human relations and communication

#### **Questions Covering Dependent Variables**

- vii. Job satisfaction
- viii. Turnover intention

(For detail refer to the sample questionnaire in appendix)

Descriptive and co-relational techniques were used to describe the current status of an identified variable or phenomenon and to determine the relationship between different variables using statistical data. Systematic collection of data and information requires careful selection of the units studied and measurement of each variable in order to prove validity.

#### **Pre-Test of Research Questionnaire**

The questionnaire translates the research objective into specific questions. It provides necessary data for analysis. Questions must also provide safe and convenience to the respondents so that they can provide enough information. Pre-test of the questionnaire is very essential to determine its effectiveness and problems (Baker, 1999). That is why pre-test of research questionnaire is essential. For this



purpose, the researcher carried out a pilot survey with twenty-one participants. The purpose of the pilot survey is to test the reliability of the questionnaire. The researcher will know whether the questionnaire is fully understood by the respondents. The following is a good checklist of concerns that a researcher as the survey designer, should consider during the pre-test of questionnaire (Iraossi, 2006):

- Do the respondents understand the objective of the survey?
- Do the respondents feel comfortable answering the questions?
- Is the time reference clear to the respondents?
- Which statements produce irritation, embarrassment, or confusion?
- Do the answers collected reflect what you want in regards to the purpose of the survey?
- Is there enough diversity in the answers received?
- Are the survey questions too long?

After revisions of the questionnaire draft several times, the sets of model questionnaires were developed. They were provided to thirty participants of insurance industry for pilot survey. Only twenty one participants out of thirty returned back the questionnaires filled completely. A Cronbach's alphas test was conducted to measure the reliability of questionnaire.

### **Reliability Test of Model Questionnaire**

The reliability of the model questionnaire was tested by using Cronbach's alpha, which is also known as Alpha Coefficient. This test shows the internal consistency of the questionnaire. Cronbach's alpha was one of the five important tools used in testing the reliability of the instruments in a research. Here, Cronbach's alpha values of eight variables were computed and displayed in the table 3.4.

**Table 3.4 Reliability test of pilot survey**

<b>Eight variables of questionnaire</b>	<b>Number of statements</b>	<b>Statements dropped</b>	<b>Cronbach's alpha</b>
Remuneration and Employee Benefits	6	0	.707
Working Environment	6	0	.720
Career Development and Rewards	6	0	.643
Responsibilities and autonomy	6	0	.711
Leadership and Supervision	6	0	.766
Human relations and communication	6	0	.751
Job satisfaction	6	0	.615
Turnover intention	6	0	.697

According to Sekaran, the closer the reliability coefficient to 1.00 is the better. In general, the reliability Cronbach's alpha less than .60 is considered poor while that in the range of .70 is acceptable and above .80 is considered good. (Sekaran, 1992)

On the basis of these criteria, the first two, then fourth to sixth variables are considered as very good. All the other variables have alphas less than .70. So, these variables are relatively poor. Moreover, the six statements measuring remuneration and Employee Benefits, Working Environment, Responsibilities and autonomy, leadership and supervision, and human relations and communication are showing more consistency in the responses measured by five point scale.

### **Observation and Interview**

The researcher frequent visited to insurance companies and IBN to observe the employee behavior, reaction and interaction with their bosses. Informal and unstructured interviews were taken on a face-to-face format to share the stories of participants. From the observation and interview, the researcher found that the turnover intention in insurance industry is extremely high especially among the junior staffs, particularly those employed under daily wage basis and contract basis. Most of them are heavily loaded with responsibility, but paid very low. Nepotism and favoritism is also incredibly high in some insurance companies. Although the number of insurance companies and their branches were increasing rapidly, the overall volume of insurance business was not growing as expected. In this way, the insurance

companies were competing among themselves to hold more and more insurance business. This tendency pressurized the management of insurance companies to force employees to work hard with low pay-scale. The researcher realized from direct interview that almost 60 percent of the employees had turnover intention, but they were continuing the present job for many years just because they had no alternative employment.

Almost all the insurance companies were always looking more and more profitability. The management was paying less attention towards motivation and job satisfaction aspects. Even training and orientation were neglected in most of companies. Instead, they preferred to hire trained and skilled employees from the competing insurance companies. Such trend tends to increase the turnover of even skilled and talented employees for better opportunities. These were the major reasons for increasing turnover intention among employees in insurance business in Nepal.

### **Data Collection**

Data collection is a process of preparing and reviewing data to obtain information for specific purpose. The data collection steps include setting the boundaries for the study, collecting information through questionnaires, observations and interviews, documents, and visual materials as well as establishing the protocol for recording information (Creswell, 2009).

Quantitative data are collected from primary and secondary sources. The primary data are those which are collected as fresh records and for the first time, thus they are original in character. While the secondary data, on the other hand are those which have already been collected by someone else and which have already been passed through the statistical process. (Kothari, 2004, p. 95)

The primary as well as secondary data were collected for the research. The primary data were collected through distributing and collecting structured survey questionnaires, direct interview and observations. The participants were the main sources of data. The data and information were checked and verified to determine their validity and reliability.

The secondary data were collected from official documents, books, journals, periodicals, web sites, research reports and other audio visual sources. The researcher

collected data and information from multiple sources as per need of the research questions. The researcher visited insurance companies, Beema Samiti, National Planning Commission, Central Bureau of Statistics and libraries to find relevant secondary data. Websites became one of the important sources of data and information.

A questionnaire is the main tool of collecting primary data in quantitative research. A questionnaire enables quantitative data to be collected in a standardized way so that the data are internally consistent and coherent for analysis (Malhotra, 2006). In this research, the questionnaire is used as the main tool to collect primary data from participants. The advantage of using questionnaire includes the relatively low cost and the facts of anonymity among respondents that will leads to more open and truthful response (Schermerhorn, Hunt, & Osborn, 2000). Besides, the researcher collected some information through direct observation and interviews with human resource managers and other officers at insurance companies.

**Table 3.5 Response options on the final questionnaire**

S.N.	Variables	Statements	Scoring responses
1	Age	1	Number in years
2	Gender	2	1 = male, 2 = female
3	Marital Status	2	1 = married , 2 = unmarried
4	Academic qualification	7	1 = Below SLC , 2 = SLC 3 = Higher secondary/PCL 4 = Bachelor degree 5 = Master degree , 6 = M.Phil 7 = PhD
5	Job status	2	1 = officer, 2 = non-officer
6	Job experience	1	Number in years
7	Remuneration and employee benefits (six questions)	5	1 =Strongly agree , 2 = agree 3 = Neutral 4 = disagree 5 = Strongly disagree
8	Working environment(six questions)	5	1 =Strongly agree , 2 = agree 3 = Neutral 4 = disagree 5 = Strongly disagree
9	Career development and rewards (six questions)	5	1 =Strongly agree , 2 = agree 3 = Neutral 4 = disagree 5 = Strongly disagree
10	Responsibilities and autonomy (six questions)	5	1 =Strongly agree , 2 = agree 3 = Neutral 4 = disagree 5 = Strongly disagree
11	Leadership and supervision (six questions)	5	1 =Strongly agree , 2 = agree 3 = Neutral 4 = disagree 5 = Strongly disagree
12	Human relations and communication (six questions)	5	1 =Strongly agree , 2 = agree 3 = Neutral 4 = disagree 5 = Strongly disagree
13	Job satisfaction (six questions)	5	1 =Strongly agree , 2 = agree 3 = Neutral 4 = disagree 5 = Strongly disagree
14	Turnover intention (six questions)	5	1 =Strongly agree , 2 = agree 3 = Neutral 4 = disagree 5 = Strongly disagree

After the pilot survey, the format of questionnaire was further edited and modified to improve its quality and reliability. Then it was printed and distributed to four hundred participants. Among them, three hundred sixty-six participants returned the questionnaire sheets back to the researcher. The researcher found that only three hundred thirty one questionnaire sheets were filled completely, which were included in the study. The response rate is 91.5 percentages, which was of course, encouraging for the researcher. The details of the questionnaire responses are presented below:

**Table 3.6 Data collection questionnaire response rate**

S. No.	Description	Frequency	In Percentage
1	Questionnaires distributed	400	100.00 %
2	Questionnaires returned back	366	91.50 %
3	Completely filled questionnaires	331	82.75 %
4	Partially filled questionnaires	35	8.75 %

Although, 324 respondents were required as per requirement shown by the “sample calculator”, the researcher got 331 respondents for data analysis. Hence, further analysis was conducted with 331 respondents.

#### **Reliability Test of Modified Questionnaire**

After collection of research questionnaire, all data were entered in Statistical Package for Social Science program (SPSS) 16.0 Version, the statistical tool for quantitative data analysis. Then reliability of questionnaires is measured to ensure the reliability of data. Reliability refers to consistency, concerning whether the measurement of a concept is stable (Bryman, 2003). The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, the research instrument is considered to be reliable (Joppe, 2000).

There are three types of reliability referred to in quantitative research which relate to: (1) the degree to which a measurement, given repeatedly, remains the same (2) the stability of a measurement over time; and (3) the similarity of measurements within a given time period. (Kirk & Miller, 1986)

Cronbach's alpha is the most commonly used measure of reliability. It measures internal consistency to determine the reliability of available data collected by questionnaire. It is one of the five important tools used in testing the reliability of the instruments in a research. The researcher used Cronbach's Alpha test to measure the reliability of the data collected by questionnaire survey. Here, Cronbach's alpha values of eight variables are computed and displayed in the table 1.

**Table 3.7 Reliability test of questionnaire used in the survey**

<b>Eight variables of questionnaire</b>	<b>Number of statements</b>	<b>Statements dropped</b>	<b>Cronbach's alpha</b>
Remuneration and employee benefits	6	0	.991
Working environment	6	0	.702
Career development and rewards	6	0	.850
Responsibilities and autonomy	6	0	.707
Leadership and supervision	6	0	.823
Human relations and communication	6	0	.840
Job satisfaction	6	0	.858
Turnover intention	6	0	.959

There are certain criteria to test the reliability of the instruments, which are supposed to categories them from poor to good. The reliability by Cronbach's alpha is less than .60 which is deemed poor while in the range of .70 is acceptable and above .80 is considered to be good (Sekaran, 1992). On the basis of these criteria, all the eight instruments have at least .70 value of alpha. 'Remuneration and employee benefits' and 'turnover intention' have alpha more than 0.90. Their reliabilities are the best among all. It means that the respondents were found to understand better these instruments. 'Career development and rewards', 'leadership and supervision', 'human relations and communication' and 'job satisfaction' have alpha more than 0.80. They are found to be better as reliability responded by the respondents. 'Working environment' and 'responsibilities and autonomy', these two instruments, have reliability just above acceptable alpha of 0.70. So, they represent good reliability reacted by the respondents. Moreover, all the eight variables shows more consistency in the responses measured by five point scale.

Validity is concerned with the success of the study at measuring what the researchers set out to measure. There are four types of validity. They are given below (Creswell, 2009):

- **Statistical conclusion validity**, which refers to the appropriate use of statistics (e.g., violating statistical assumptions, restricted range on a variable, low power) to infer whether the presumed independent and dependent variables coverage (discoverable) in the experiment.

- **Construct validity**, which means the validity of inferences about the constructs (or variables) in the study.
- **Internal validity**, which relates to the validity of inferences drawn about the cause and effect relationship between the independent and dependent variables.
- **External validity**, which refers to the validity of the cause-and-effect relationship being generalized to other persons, settings, treatment variables, and measures.

Proper attention is given to the reliability and validity for credibility, dependability of the study. The precise care and attention is given to select the tools, techniques, model respondents for instance.

### **Data Analysis and Interpretation**

Data analysis means the categorizing, ordering, manipulating, and summarizing of data to obtain answers to the research questions. The purpose of data analysis is to reduce data to intelligible and interpretable form so that the relations of research problems can be studied and tested. (Kerlinger, 2009)

Interpretation refers to the task of drawing inferences from the collected facts after an analytical and/or experimental study (Kothari, 2004). Interpretation takes the results of analysis, makes inference pertinent to the research relations studied, and draws conclusions about these relations (Kerlinger, 2009). After collecting and analyzing the data, the researcher should draw conclusion. This has to be done very carefully, otherwise misleading conclusions may be drawn and the whole purpose of doing research may get vitiated (Kothari, 2004).

The collected data is analyzed using the SPSS program. SPSS is a windows based program that can be used to perform data entry and analysis and to create tables and graphs. SPSS is capable of handling large amount of data and can perform all of the analysis covered in the text and much more (Statistics Package for Social Science). So the researcher decided to use the SPSS software version 16.0 for statistical analysis. As per requirement of the research, the researcher tends to calculate average (mean), standard deviations, correlations, multiple regressions. In addition to this, the researcher used ANOVA (one-way between groups) test and t-test



to conduct a realistic analysis. Short descriptions of statistical tools are presented below before their application in the research:

### **Mean**

The mean is just the average. It is the sum of all variables divided by the number of variables. This is the most common measure used to describe statistics. Mean works best if the data is distributed evenly across the range, or is distributed in the form of a normal or bell-shaped curve (Boeree). The researcher used mean to measure the average views of the participants. It helped to know the aggregate views of employees involving in insurance industry in Nepal.

### **Standard Deviation**

The standard deviation of data is the square root of the variance. It reflects both the deviation from the mean and the frequency of this deviation. It measures the spread of the data from the mean value. Mean is the appropriate measure of central tendency, while standard deviation is the most widely used measure of dispersion (Kothari, 2004). The researcher has used standard deviation to measure the deviation and frequent of deviation in mean of data collected from questionnaire from the respondents. It helped to know the aggregate frequency of deviation of the employees relating job satisfaction and turnover intention among the employee working in insurance industry in Nepal. There are number of formula to calculate the standard deviation. The formula of standard deviation may vary according to the nature of data.

### **Pearson's Correlation Coefficient**

Person's correlation coefficient is one of the most common statistical tools used in quantitative data analysis in management research. This tool is specially used for numeric variable on an interval scale such as age group, qualification level, income, number of children etc. The distribution of values must be normal or close to normal to use the person's correlation coefficient.

Person coefficient is used to show the degree of linear relationship between independent and dependent variable. The symbol of a correlation is  $r$ , and its range is from -1.00 to + 1.00. A correlation coefficient tells two things about the relationship between two variables; the direction of the relationship and its

magnitude. The closer of measures is to 1.00; the more likely the relationship is statically significance. (Muchinsky, 1993)

After calculating the correlation coefficient, the result is interpreted according to ‘Guilford Rules of Thumb.’ The percentage of the scores was calculated and the results were interpreted based on Guilford’s rule of thumb, which regards a value as given below (Parvizifard, Ahmad, Baba, & Sulaiman, 2012):

**Table 3.8 Interpretation of strength of Correlation Coefficient**

Value of Coefficient	Relation between Variables
Below 20 %	Negligible relationship
20% – 40 %	Low relationship
40% – 70 %	Moderate relationship
70% – 90 %	High relationship
Above 90 %	Very high relationship

After calculation of mean and standard deviation, the correlation coefficient is measured between different dependent and independent variables to determine the strength of relationship between them.

### **Multiple Regression**

Multiple regression is simply an extension of this principle, where we predict one variable on the basis of several other variables (SPSS for Psychologists). Multiple regression is a statistical tool that allows us to predict someone's score on one variable on the basis of their scores on several other variables. Multiple regression is widely used to estimate the size and significance of the effects of a number of independent variables on a dependent variable (Neale, Eaves, Kendher, Heath, & Kessler, 1994). For example, the evaluation of job satisfaction with multiple variables such as salary, qualification age sex etc can be taken as effecting variables. In this case, multiple regression is applicable.

With multiple regressions we can use multiple independent variables to explain variation in a dependent variable (Keith, 2006). Many researchers use multiple regressions identifying the predictor variables as independent variables and dependent variables in management research. The predictor variables allow the

researcher to estimate the standard variable- job satisfaction. In this study, the researcher used the multiple regression to identify the dominant factor among independent factors in job satisfaction and turnover intention.

### **Analysis of Variance (ANOVA)**

ANOVA is a collection of statistical models used to analyze the differences between group means. It is also used to analyze the variation among and between groups. One-way ANOVA is a technique used to compare means of three or more sample using the F distribution. This can be use only for numerical data. The researcher used the one-way ANOVA to measure the relationship between job satisfaction/employee turnover intentions and different demographic/organizational variables.

### **Chi-Squire Test**

The chi-square test is an important test amongst the several tests of significance developed by statisticians (Kothari, 2004). It is a technique used in the sampling analysis for comparing a variance to a theoretical variance. The test is in fact, a technique through the use of which it is possible for all researcher to (i) test the goodness of fit; (ii) test the significance of association between two attributes, and (iii) test the homogeneity and significance of population variance (Kothari, 2004). It is a statistical measures used in the context of sampling analysis for comparing a variance to a theoretical variance.

### **Ethical Principles**

Ethical principles are the set of principles for moral standards. It is the norms for conduct. We can define ethics as a method, procedure and perspective for deciding how to act for analyzing complex problems and issues (Pant, 2009, p. 46). It is the norms guidelines for researcher in their dealing with his/her respondents. Ethics are very important to conduct a research.

The following is a general summary of some ethical principles that various codes address (Shamoo & Resnik, 2009):

**Honesty:** Honest reporting of data, results, methods and procedures, and publication status.

**Objectivity:** Unbiased and impartial explanation of research design, data interpretation, peer review, and so on.

**Integrity:** Act with sincerity and strive for consistency of thought and action.

**Carefulness:** Keep good records of research activities and avoid careless errors and negligence.

**Legality:** Know and obey relevant laws and institutional and governmental policies.

**Non-Discrimination:** Avoid discrimination against anybody on the basis of sex, race, ethnicity, language, or other factors.

**Confidentiality:** Protect confidential communications, such as personnel records, correspondence, trade secrets and patient records.

**Respect for intellectual property:** Honour patents, copyrights, and other forms of intellectual property. Do not use data and other documents without permission. Give credit where credit is due.

The researcher will take due consideration and respect the ethical principles while conducting all activities of research. In addition, the researcher is committed to give appropriate attention on other sides of ethical disciplines such as *openness* to share the data with other researchers, *mentor* and advice to students, *social responsibility* to promote social good and prevent social harms through research, improve and maintain professional *competence* and expertise through lifelong education, obey relevant *laws*, respect *human rights* such as dignity, privacy and autonomy.

### Concluding Remarks

As it is a quantitative research, the tools, techniques and methodology used in collection and analysis of data have significant role in the research process. So the researcher has discussed research philosophy, research design, research variables, sampling and population and different techniques of data analysis such as mean, standard deviation, correlation, multiple regression, ANOVA test, Chi-square Test etc. Hence, this chapter has clarify the frame-work and road-map of data analysis and fact finding procedure. Ethical principle or issue is also an important aspect for fair and

sincere research. Such ethical principles are considered while conducting every activity of the research.

## **CHAPTER 4**

### **FINDINGS AND DISCUSSIONS**

This chapter presents the overall analysis, discussion and findings of the study. It is the core part of thesis. This chapter includes eight parts Introduction is the first part of the chapter. The second part describes demographic variables; the third part explains organizational variables; the fourth part depicts the relationship between demographic variables and job satisfaction; the fifth part portrays the relationship between organizational variables and employee turnover intention; the sixth part depicts the job satisfaction condition in insurance industry and the seventh part presents the employee turnover intention in insurance industry. Furthermore, eighth part shows the relationship between job satisfaction and employee turnover intention. At last, concluding remark is included as eighth part.

#### **Introduction**

Job satisfaction and employee turnover intention in insurance industry is the focal point of the study. The respondents of the study were the employees from insurance industry in Nepal. There were all together 2069 employees working in different insurance companies in the country. It was the population frame of the study. Among them, 331 respondents were selected randomly from the population. They were provided questionnaires. They provided important primary data through questionnaire and interview. This chapter includes the findings and discussions of analysis of data and information provided by the respondents.

#### **Demographic variables**

The demographic variables included in the study are gender, age, marital status, academic qualification, job status, job experience and geographic regions. The frequency distributions of respondents are as given below:

### Job Experience (tenure) of Respondents

Job experience is also an important demographic characteristic of employee that impacts on the job satisfaction and employee turnover intention. The frequency distribution of respondents on the basis of job experience have been presented below:

**Table 4.1.1 Frequency distribution of respondents by job experience**

Job experience in years(tenure)	Code No.	Frequency (n)	Percentage
Below 5	1	143	43.20 %
6-10	2	116	35.05 %
11-15	3	49	14.80 %
16-20	4	4	1.21 %
21-25	5	13	3.93 %
Above 25	6	6	1.81 %
Total	-	331	100.00 %

The result of job experience distribution in the table 4.1.1 above indicates that 143 or 43.20 %, the greatest number of respondents has the lowest job experience below 5 years. It means that almost fifty percent of total employees in insurance industry has the job experience less than five years. Next 116 or 35.05 % of the respondents has job experience of 6-10 years. Similarly, 47 or 14.80 % of the respondents had 11-15 years of experience. It is incredible that only 4 or 1.21 % out of 331 respondents has job experience of 16-20 year. It indicates the high employee turnover trends in insurance industry. Next 13 or 3.93 and 6 or 1.81 of the respondents has the experience of 21-25 years and above 25 years respectively. It shows that the number of respondents was increased slightly. In the interview with HR managers of concerned companies, they suggested that it was so because the aged employee has less chance of alternative employment and most of them are retained till formal retirement.

### Job Status of Respondents

Job status is one of the demographic variables influencing the job satisfaction and turnover intention of employee. All the respondents in insurance companies were

divided into two categories, namely official level and non official level. The official status of respondents has been given below:

**Table 4.1.2 Frequency distribution of respondents by job status**

<b>Job status</b>	<b>Code No.</b>	<b>Frequency (n)</b>	<b>Percentage</b>
Officer	1	163	49.24 %
Non-officer	2	168	50.76 %
<b>Total</b>	<b>-</b>	<b>331</b>	<b>100.00 %</b>

It was the researcher's effort to cover fifty-fifty percent respondents from officer and non-officer employees. As shown in the Table 4.1.2, all together 163 employees or 49.24 % of the total respondents were from officer level posts such as officer, manager, branch manager, assistant manager, marketing manager etc. At the same time, 168 or 50.76% respondents were from non-officer level posts such as assistant, head assistant, cashier marketing assistant, peon, store keeper etc. The balance in percentage between two levels of post designation helped the researcher to rationally evaluate the job satisfaction level and turnover intention in this study.

**Table 4.1.3 Job status and gender cross-tabulation**

<b>Status</b>	<b>Gender</b>		<b>Total</b>
	Male	Female	
Officer	28.4%	20.8%	49.2%
Non-officer	23.6%	27.2%	50.8%
<b>Total</b>	<b>52.0%</b>	<b>48.0%</b>	<b>100.0%</b>

Note: Sample size = 331

Table 4.1.3 represents the cross frequency of job status and gender of respondents in this study. It shows that there were 28.4% male and 20% females officers out of total of 49.2 % of the officer. It indicates that there were more male officers than female officers in the insurance industry. In contrast, there were 23.6 % male and 27.2% female non-officers (assistants) out of total of 50.8 % of non-officers.



It indicates that there were less male non-officers than female non-officers (assistants) in insurance industry

**Table 4.1.4 Job experience and job status cross-tabulation**

Job experience in years	Job status		Total
	Officer	Non-officer	
1-5	12.1%	30.8%	42.9%
6-10	19.9%	15.1%	35.0%
11-15	11.5%	3.3%	14.8%
16-20	1.2%	-	1.2%
21-25	2.7%	1.2%	3.9%
above 25	1.8%	.3%	2.1%
<b>Total</b>	<b>49.2%</b>	<b>50.8%</b>	<b>100 %</b>

Note: Sample size = 331

As shown in the above table, the proportion of officers was very low in comparison to non-officers (12.1% officers 30.8% non-officers) in tenure of 1-5 years. It indicated that there were more junior employees with less experience. But in tenure of 11-15 years, the proportion of officers was high in comparison to non-officers (11.5% officers 3.3% non-officers). This indicates that officers in insurance industry had more job experience than non-officers. It also means that insurance industry had higher turnover rate among junior staff.

### **Marital Status of Respondents**

Marital status is one of the demographic factors that influences the job satisfaction and turnover intention of employee. The respondents had the marital status as given below:

**Table 4.1.5 Frequency distribution of respondents by marital status**

<b>Marital status</b>	<b>Frequency (n)</b>	<b>Percentage</b>
Married	227	68.58 %
Single	104	31.42 %
<b>Total</b>	<b>331</b>	<b>100.00 %</b>

The above table shows that the majority of employees were found married. Among 331 respondents, 227 or 68.58 % were married. The remaining 104 or 31.42 % respondents were unmarried. This clarifies that almost two third of the employee were found married in insurance industry in Nepal.

**Table 4.1.6 Job experience and marital status cross-tabulation**

<b>Job experience in years</b>	<b>Marital status</b>		<b>Total</b>
	<b>Married</b>	<b>Unmarried</b>	
1-5	19.9%	23.0%	42.9%
6-10	28.1%	6.9%	35.0%
11-15	13.3%	1.5%	14.8%
16-20	1.2%	-	1.2%
21-25	3.9%	-	3.9%
above 25	2.1%	-	2.1%
<b>Total</b>	<b>68.6%</b>	<b>31.4%</b>	<b>100.0%</b>

Note: Sample size = 331

The cross-table Job experience and marital status shown above indicates that unmarried employees were found in all tenure groups. But unmarried employees were found only in lower tenure groups up to 15 years of experience. No single respondent was found with experience more than 15 years.

### Gender of Respondents

Gender is one of the important demographic variables of respondents of the present study. The frequency distribution of respondents on the basis of gender has been given in the table below:

**Table 4.1.7 Frequency distribution of respondents by gender**

Gender	Frequency (n)	Percentage
Male	172	52.96 %
Female	159	48.04 %
<b>Total</b>	<b>331</b>	<b>100.00 %</b>

As shown in the above table, there were total 172 or 52.96 % male respondents providing in important data for the research. Only 159 or 48.04 % were female respondents. Although the female respondents are less in number (655 female employees out of total 2069 employees (Beema Sameeti, 2012). It can be noted that the number of female respondents was very high as only 32 % of the total employees were female. The remaining 68 percentage was covered by male employees. It was definitely encouraging for the researcher that female employees were more willing to participate in the study. So the percentage of female participants was almost 50 percent in sample frame although they are only 30 percent in total population frame.

**Table 4.1.8 Job experience and gender cross-tabulation**

<b>Job experience</b>  <b>In Years</b>	<b>Gender</b>		<b>Total</b>
	Male	Female	
1-5	20.5%	22.4%	42.9%
6-10	18.1%	16.9%	35.0%
11-15	7.9%	6.9%	14.8%
16-20	.9%	.3%	1.2%
21-25	2.4%	1.5%	3.9%
above 25	2.1%	-	2.1%
<b>Total</b>	<b>52.0%</b>	<b>48.0%</b>	<b>100.0%</b>

Note: Sample size = 331

As shown in the job experience and gender cross-tabulation table above, female employees were found more (22.4% in 1-5 years group) in low job experience group. At the same time the proportion of female employee were decreased significantly in high job experience group 0.3% in 16-20 years group. No single respondent was found with a job experience of more than 25 years.

**Table 4.1.9 Gender and marital status cross-tabulation**

<b>Marital status</b>	<b>Gender</b>		<b>Total</b>
	Male	Female	
Married	38.7%	29.9%	68.6%
Unmarried	13.3%	18.1%	31.4%
<b>Total</b>	<b>52.0%</b>	<b>48.0%</b>	<b>100.0%</b>

Note: Sample size = 331

### Age of Respondents

Age is also an important demographic characteristic of employee that may affect the job satisfaction and employee turnover intention. The frequency distribution on the basis of age of respondent is as given below:

**Table 4.1.10 Frequency distribution of respondents by age**

Age Group	Frequency (n)	Percentage
Below 25	27	8.16 %
25-34	141	42.60 %
35-44	122	36.86 %
45-54	32	9.67 %
Above54	9	2.72 %
<b>Total</b>	<b>331</b>	<b>100.00 %</b>

As shown in the table, 41.10. 27 or 8.16 % of the respondents were aged below 25 years old. Next 141 or 42.60 % respondents belonged to the age-group of 25-34 year. Similarly, 122 or 36.86 % from age group 35-44, 32 or 9.67 % from age group 45-54 and remaining 9 or 2.72 % came from age above 54 years. The table indicates that the highest number of respondents came from age group 25-34 covering the highest percentage (42.60 %). In contrast, there were only 9 respondents or 2.72 % of the total respondents from age group above 54 years. As we know that sample figure represented the population, the overall employees working in insurance industry belonged to age group of 25 to 44 years of age.

The result of age distributions in Table 4.1.10 above suggests that the majority of employees in insurance industry are young. It is human nature and culture that the grown up people should earn for living after completing school or college level education. It is the beginning of their career path. That is why, the number of youngsters was high among the respondents. The young employees were found more healthy and energetic to work hard and do creative job. In contrast, old people were weak, tired. It was the main reason that there were only 9 respondents aged above 54 years. This was the age of retirement as 58 years of age is the compulsory retirement for civil employees in Nepal. But even old employees of 61 years of age were found

working in public insurance company. It shows that there was not age bar to work in insurance industry.

**Table 4.1.11 Gender and age group cross-tabulation**

<b>Gender</b>	<b>Age-group</b>					<b>Total</b>
	<b>Below 25</b>	<b>25-35</b>	<b>35-44</b>	<b>45-545</b>	<b>Above 55</b>	
Male	1.8%	22.1%	19.6%	6.0%	2.4%	<b>52.0%</b>
Female	6.3%	20.5%	17.2%	3.6%	.3%	<b>48.0%</b>
<b>Total</b>	<b>8.2%</b>	<b>42.6%</b>	<b>36.9%</b>	<b>9.7%</b>	<b>2.7%</b>	<b>100.0%</b>

Note: Sample size = 331

The gender and age cross-tabulation table 4.1.11 shows that the proportion of female employees were high in the early ages as there were only 1.8 % male respondents out of total 8.2% below 25 years of age. But there were more male respondents in all rest age groups. It indicates that the proportion of female employees was found decreased significantly in older age group. There were only 0.3 % female respondents out of total 2.7 % in the age group above 55 years.

**Table 4.1.12 Tenure and age group cross-tabulation**

<b>Tenure</b>	<b>Age-group</b>					<b>Total</b>
	<b>Below 25</b>	<b>25-35</b>	<b>35-45</b>	<b>45-55</b>	<b>Above 55</b>	
<b>Below 5</b>	8.2%	27.5%	5.4%	1.5%	.3%	<b>42.9%</b>
<b>6-10</b>	-	13.3%	19.0%	2.4%	.3%	<b>35.0%</b>
<b>11-15</b>	-	1.8%	10.9%	1.2%	.9%	<b>14.8%</b>
<b>16-20</b>	-	-	-	1.2%	-	<b>1.2%</b>
<b>21-25</b>	-	-	1.5%	1.8%	.6%	<b>3.9%</b>
<b>above 25</b>	-	-		1.5%	.6%	<b>2.1%</b>
<b>Total</b>	<b>8.2%</b>	<b>42.6%</b>	<b>36.9%</b>	<b>9.7%</b>	<b>2.7%</b>	<b>100%</b>

Note: Sample size = 331

The tenure and age group cross-tabulation table 4.1.12 suggests more young respondents below 25 years of age were found with less experience than of below 5 years. In contrast, old respondents with the age above 45 years had more experience with more than 15 years. It highlighted the positive relation with job experience (tenure) and age of employee in insurance industry.

### **Academic Qualifications of Respondents**

Academic qualification of employee plays significant role in job satisfaction and employee turnover intention. On the basis of academic qualification, the respondents may be classified in the table given below:

**Table 4.1.13 Frequency distribution of respondents by academic qualification**

<b>Academic Qualification</b>	<b>Code No.</b>	<b>Frequency (n)</b>	<b>Percentage</b>
Below S.L.C	1	9	2.72 %
S.L.C Passed	2	20	6.04 %
Higher Secondary/PCL	3	64	19.34 %
Bachelor's Degree	4	119	35.95 %
Master's Degree	5	108	32.63 %
M. Phil. Degree	6	8	2.42 %
PhD Degree	7	3	0.91 %
Total	-	331	100 %

The level of academic qualification was as figured in table 4.1.13, the frequency of education table shows that 119 or 35.95% and 108 or 32.63 % of the respondents were found completed their bachelor's degree and Master's degree respectively. This figure suggests that maximum employees (35.95% + 32.63 % = 68.58) were well-educated in insurance industry. Meanwhile only 9 or 2.72% employees were below S.L.C. level and 20 or 6.04 % and 64 or 19.34 % of the respondents had received their SLC and Higher Secondary level education respectively. Only 8 or 0.91% respondents were of top academic qualification that is the M. Phil, whereas 3 or 0.91 % of respondents had PhD. Degree. It means that very limited number of employees had highest degree of education.

**Table 4.1.14 Status and academic qualification cross tabulation**

Status	Academic qualification							Total
	Below SLC	SLC	Higher secondary /PCL	Bachelor level	Mater level	M. Phil. level	Ph D level	
Officer	-	.3%	1.2%	15.7%	28.7%	2.4%	.9%	49.2%
Non-officer	1.5%	5.7%	15.1%	23.3%	5.1%	-	-	50.8%
<b>Total</b>	<b>1.5%</b>	<b>6.0%</b>	<b>16.3%</b>	<b>39.0%</b>	<b>33.8%</b>	<b>2.4%</b>	<b>.9%</b>	<b>100.0%</b>

Note: Sample size =331

The above table shows that more officers about 15.7% out of 49.2% had the academic qualification of Master level degree where as maximum or about 23.3 % of the total 50.8% of the non-officers had the academic qualification of Bachelor's degrees. It clarifies that the proportion of respondents holding bachelors degree was highest in non- graduate group and the proportion of respondents holding master's degree was highest among the officer level respondents.



**Table 4.1.15 Job experience (tenure) and academic qualification cross tabulation**

<b>Tenure</b>	<b>Academic qualification</b>							<b>Total</b>
	Below SLC	SLC	Higher secondary /PCL	Bachelor level	Mater level	M. Phil. level	Ph D level	
5-Jan	0.30%	2.70%	10.60%	21.50%	7.30%	0.30%	0.30%	42.90%
10-Jun	0.90%	1.80%	3.90%	12.10%	16.00 %	0.30%	-	35.00%
15-Nov	-	1.50%	1.20%	3.60%	7.90%	0.60%	-	14.80%
16-20	-	-	-	0.60%	0.60%	-	-	1.20%
21-25	0.30%	-	0.30%	1.20%	1.50%	0.30%	0.30%	3.90%
above 25	-	-	0.30%	-	0.60%	0.90%	0.30%	2.10%
<b>Total</b>	<b>1.50%</b>	<b>6.00%</b>	<b>16.30%</b>	<b>39.00%</b>	<b>33.80%</b>	<b>2.40%</b>	<b>0.90%</b>	<b>100.%</b>

Note: Sample size =331

The cross tabulation between job experience and academic qualification as shown in the table 4.1.15 shows that 72.80% (39.00%+33.80%) of the respondents had academic qualification of bachelor's and master's degree. There were only 1.50% respondents with lowest educational qualification below school leaving certificate out of total respondents. It indicates that insurance business had well educated employees. There were even respondents with highest academic qualification such as M. Phil. and PhD.

### **Geographical Region of Respondents**

Residential area is one of the demographic variables influencing the job satisfaction and turnover intention of employee. Respondents were randomly selected both from Kathmandu valley and outside. Hence, respondents were classified into two groups by geographic region. The frequency distributions of respondents by geographical region are given below:

**Table 4.1.16 Frequency distribution of respondents by geographical region**

Geographical regions	Code No.	Frequency (n)	Percentage
Kathmandu valley	1	293	88.52 %
Outside Kathmandu Valley	2	38	11.48 %
Total	-	331	100.00 %

Near about fifteen percent of insurance business was found concentrated in Kathmandu valley and head offices of all insurance companies are located within Kathmandu valley. Only limited branches were found scattered outside Kathmandu valley in Nepal. To match the population, the researcher planned to select 15 percent respondents from outside Kathmandu valley. But the researcher was able to get only 38 or 11.48 % respondents from outside Kathmandu valley and 293 or 88.52% respondents from inside Kathmandu. Hence, the ratio of sample respondents by geographical area was assumed to be appropriate to represent the whole population.

**Table 4.1.17 Job experience (tenure) by residential location cross tabulation**

Tenure	Location		total
	Kathmandu	Outside Kathmandu	
1-5	35.5%	7.25%	42.90%
6-10	30.82%	4.12%	34.94%
11-15	14.31%	0.60%	14.81%
16-20	1.21%	-	1.21%
21-25	2.63%	0.30%	3.93%
above 25	2.11%	-	2.11%
Total	88.61%	11.39%	100.00%

Note: Sample size = 331

The tenure and residential location cross-tabulation table 4.1.17 shows that the proportion of employees were found 35.5% in Kathmandu and 7.25% in tenure below 5 years of age outside Kathmandu. In contrast, the proportion of percentage reduced serially when the tenure was increased. It indicates that there was negative relationship in tenure and location in both inside and outside of Kathmandu.

### **Organizational Variables**

Job satisfaction was mainly focus of the analysis. The analysis contained eight organizational variables contributing to job satisfaction of employees in insurance industry in Nepal. Among the organizational variables, job satisfaction and turnover intention are dependent variable. Whereas remuneration, working environment, career development and rewards, responsibilities, leadership and human relation were the independent variables.

At the same time, it is tried to understand the influences of demographic variables on employee job satisfaction. Among demographic variables of employees, the study has covered seven demographic variables: job experience, job status, marital status, gender, age, academic qualification, geographical region. For the purpose data analysis, the 5-point Likert scale was used to interpret the variables ranging from 1.0-1.79 for strongly agree, 1.80- 2.59 for agree, 2.60-3.39 for neutral, 3.40-4.19 for disagree and finally 4.20-5.00 for strongly disagree.

Remuneration and employee benefit, working environment, career development and rewards, responsibilities and autonomy, leadership and supervision, human relations and communication, job satisfaction and turnover intention were eight factors under this study to determine the their impacts on the level of job satisfaction and ultimate impacts on turnover intention of the employees.

The nature of organizational factors may vary in respect of different attributes associated with demographic features of the respondents or employees in the sample data. Here, the demographic features or characters were considered for job experience, job status, marital status, gender, age, academic qualification and geographical region as main concerns of the study.

In general, job satisfaction is assumed to be the main concern of both employee and employer of organization as it plays prominent role in determining turnover intention of employee. In practice, employees are found to be volatile in nature as they do not prefer to stay in the same position or post of same organization for a long time. This may also be the reason of turnover intention of the employee. There may be many reasons behind job satisfaction and turnover intention. However, this study only deals with above 8 organizational variables that may influence the job

satisfaction level of the employees. All these eight indicator variables were measured on a 5-point Likert scale as mentioned above.

**Table 4.2 Descriptive statistics of eight organizational variables**

Organizational variables	Total N	Mean	SD
Remuneration and employee benefits	331	2.95	1.10
Working environment	331	2.81	0.85
Career development and rewards	331	3.20	0.75
Responsibilities and autonomy	331	3.17	0.77
Leadership and supervision	331	3.27	0.65
Human relations and communication	331	3.21	0.69
Job satisfaction	331	3.21	0.71
Turnover intention	331	3.32	0.76

### **Remuneration and Employee Benefits**

Remuneration benefits are the financial payment to employees provided by the organization for their services. It includes the pay-scale, allowance, transportation, medical and other facilities. It is the basic variable determining job satisfaction of the employees. The level of remuneration benefits was measured by six indicators: 'I am satisfied with my pay-scale', 'I am satisfied with the allowance', 'I am happy with the transportation facility', 'I am happy with the medical facility', 'Company has provided the personal insurance facility' and 'I am happy with other employee benefits.' The survey data was organized and calculated for mean and standard deviation. The mean value for remuneration and employee benefits was 2.95 with standard deviation of 1.10. The standard deviation is slightly higher than normal. It means that there is more variance in response of the employees. The result reveals that the employees were found to be neutral at level of agreement with remuneration benefits. This indicated that employees were neither satisfied nor dissatisfied with

their salary, wages and other financial benefits they get for their job on the average with normal variation.

### **Working Environment**

Working environment is the aggregate of overall variables of work place such as physical facilities, working hour, cooperation among employees etc. It is the major variable determining job satisfaction of employee. The level of working environment was measured by six indicators: 'the working hour is quit good', 'physical facilities of the office is satisfactory', 'I am not stressed at work', 'human relation is quit good in my office', 'there is a good cooperation among colleagues' and 'the working environment is quit good.' The data collected through questionnaires were organized and collected mean and standard deviation. The mean value for working environment was 2.81 with standard deviation of 0.85. The result revealed that the employees were found to be neutral at level of agreement with working environment. This indicates that employees were still in neither satisfied nor dissatisfied with physical facilities and situation existed in the present job on average with smaller variation. However, they were slightly more satisfied with it than remuneration and benefits as the mean and standard deviation is also decreased slightly.

### **Career Development and Rewards**

Career development is the opportunity to upgrade the status and individual ability in a company. It is represented by the variables such as recognition, reward, promotion, job rotation and training and development opportunities available in the company. They play important role in determining job satisfaction of an employee. The level of career development was measured by six indicators: 'I received adequate recognition and rewards for the job performed well', 'I am satisfied with the promotion provision', 'my works are evaluated fairly', 'I am fully satisfied with the job rotation provisions', 'so far as I know, there is less chance of nepotism and favoritism' and 'there is regular training and development program in my office.' The data collected through questionnaires were organized and calculated for mean and standard deviation. The mean value for working environment was 3.20 with standard deviation of 0.75. The result revealed that the employees were seemed to be neutral with career development. This indicates that employees were still neither satisfied nor

dissatisfied with promotion, recognition, job rotation and training provisions implied in the present job on the average with smaller variation. However they were more dissatisfied as the mean 3.20 is near to dissatisfaction with the margin 3.40.

### **Responsibility and Autonomy**

Career development is the opportunity of upgrading the status and ability in a company. It is indicated by the variables such as duty, autonomy power etc. They play significant role in determining the level of job satisfaction. The respondents' views regarding responsibilities were measured by six indicators: 'I am clear and agree with my duty', 'I have adequate autonomy in my job', 'I have power to make decision in my job', 'my job is very challenging', 'I do not feel that I have been overloaded with assigned tasks' and 'I love my job.' The data collected through questionnaires were organized and computed mean and standard deviation. The mean value for working environment was 3.17 with standard deviation of 0.77. The result revealed that the employees were found to be neutral with career development opportunities. This indicates that employees were neither satisfied nor dissatisfied with promotion, recognition, job rotation and training provisions implied in the present job on the average with smaller variation of 0.77. However they were more dissatisfied as the mean 3.17 is near to dissatisfaction with the margin 3.40.

### **Leadership and Supervision**

Leadership plays significant role in determining the job satisfaction level of subordinates. The respondents' views regarding leadership were measured by six indicators: 'my boss behaves well and equitably to all subordinates', 'my boss does not manipulate me', 'the company has empowered me enough to do my job', 'supervision and monitoring is satisfactory', 'my boss has no intention to get undue advantages from female subordinates' and 'there is a good leader-subordinates relation in my office.' The data collected through questionnaires were organized and calculated for mean and standard deviation. The mean value for leadership was 3.27 with the standard deviation of 0.65. The result revealed that the employees were found to be neutral with the leadership. This indicates that employees were neither satisfied nor dissatisfied with relation to their boss and provisions of supervision that

existed in the job on the average with smaller variation of 0.65. However they were more dissatisfied as the mean 3.27 is near to dissatisfaction with the margin 3.40.

### **Human Relation and Communication**

Human relation is the inter-relation, cooperation and communication among the employees within an organization. It plays significant role in determining employee job satisfaction. The respondents' views regarding human relation were measured by six indicators: 'there is a good relation among subordinates', 'there is effective two-way communication in my office', 'there are enough facilities of electronic communication (land line telephone, mobile phone, internet, fax, intercom, computer etc.)', 'there is good cooperation among departments', 'there is good team work in my office' and 'there is no gender issue or problem in my company.'

The data collected through questionnaires were organized and calculated for mean and standard deviation. The mean value for human relation was 3.21 with the standard deviation of 0.69. The result revealed that the employees were neutral about leadership. This indicates that employees were neither satisfied nor dissatisfied with human relation in the company on an average of smaller variation of 0.65. However they were more dissatisfied as the mean 3.21 is near to dissatisfaction with the margin 3.40-4.19.

### **Job Satisfaction**

Job satisfaction is the positive attitude and feeling of employees regarding their work, boss and organization. It is the center of conduit of the present study. The respondents' views regarding job satisfaction were measured by six indicators: 'I am satisfied with the functions and responsibilities', 'I am satisfied with my office layout and furniture setting', 'I am happy with the holiday and leave facility', 'I am satisfied with the overtime facility', 'there is no nepotism and favoritism in selection and promotion process' and 'I feel proud to be associated with this company.' The data collected through questionnaires were organized and calculated for mean and standard deviation. The mean value for human relation was 3.21 with standard deviation of 0.71. The result revealed that the employees were again neutral to say about satisfaction. This indicates that employees were neither satisfied nor dissatisfied with factors related to job satisfaction with smaller variation of 0.71. However they were

near to dissatisfied scale as the mean 3.21 is near to dissatisfaction margin scale at 3.40-4.19.

### **Turnover Intention**

Turnover intention is the employee's feeling to quit the job. The respondents' views regarding turnover intention were measured by six indicators: 'I am motivated to work hard in my office', 'I have no intention to quit the job', 'I am proud to be associated with this company', 'I feel my future secured in this company', 'I like to refer my friends and relatives to join my company' and 'my expectations are fulfilled after joining this company'. The data collected through questionnaires were organized and calculated for mean and standard deviation. The mean value for human relation was 3.31 with standard deviation of 0.76. The result revealed that the employees were again neutral to say about turnover intention. This indicates that employees were in between retention intention and turnover intention. However they were almost at the dissatisfied scale as the mean 3.31 is near to dissatisfaction margin scale at 3.40-4.19.

### **Relationship between Demographic Variables and Job Satisfaction**

The purpose of the study was to evaluate the level of job satisfaction and its impact on turnover intention of employee in insurance industry. For this purpose, the researcher should determine factors influencing job satisfaction. Mainly, there are two major factors influencing the job satisfaction level of the employees; namely demographic factors and organizational factors. This part of the thesis is concerned with the demographic factors that influence the level of job satisfaction. For the purpose of the study, the researcher had taken five crucial demographic factors of employees, namely: Academic qualifications, age, official status or post and job experience. The relationship between different demographic factors and job satisfaction is presented below:

### **Relationship between Academic Qualification and Job Satisfaction**

Insurance industry is one of the challenging business sector that requires qualified and professional manpower. Such employees possess the quality in knowledge and skill in performing the works assigned by the company. However, insurance business needs different levels of employee with different qualifications.



According to functions and responsibilities, different posts are created in hierarchy, which need various academic qualifications.

Generally, the employees holding higher posts have higher academic qualification and the employees holding lower posts have lower academic qualification. But there is no concrete rule regarding it. Even the employee holding lower post may have higher level of academic qualification. It may occur due to unemployment and other factors. Although it is cleared that each post needs basic or minimum academic qualification to be posted on the job.

Generally, it is assumed that the employees are satisfied if they have job according to their academic qualification. In this context, the researcher has intended to examine the same assumption on employees working in different insurance industries. Now it is hypothesized that job satisfaction and academic qualification are significantly associated in the insurance industry. The statistical analysis is performed using 'SPSS 16.0 for Windows software program' for these two attributes with help of Chi-square test. The results are as follows:

**Table 4.3.1 Statistical test for relationship between job satisfaction and academic qualification**

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	170.158 <sup>a</sup>	24	.000
N of Valid Cases	331		
a. 25 cells (71.4%) have expected count less than 5. The minimum expected count is .01.			

Table 4.3.1 shows that there was a strong relationship between two attributes: academic qualification and job satisfaction, since it is seen that p-value of Chi-square of value of 170.158 with 24 degrees of freedom is .000 and it is obviously less than 5 percent at the level of significance. The direction and strength of the relationship is shown by the following results:

**Table 4.3.2 Symmetric measures for relationship between job satisfaction and academic qualification**

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.717	.000
	Cramer's V	.358	.000
N of Valid Cases		331	

Table 4.3.2 displays the results for symmetric measures for the relationship between two attributes: academic qualification and job satisfaction. There are two such measures namely Phi and Cramer's V. Both measures are used to see the strength and direction of relationship between two attributes. Phi has the value of 0.717 with the significant p-value of .000. Cramer's V has value 0.358 with significant p-value of .000. Here both values are positive and higher in magnitude. It means that there is a significant positive and significant relationship between academic qualification and job satisfaction. The nature of such relationship is clear from the following table:

**Table 4.3.3 Academic qualification and level of job satisfaction cross tabulation**

% of Total (331)

<b>Job satisfaction level</b>	<b>Academic qualifications</b>							<b>Total</b>
	<b>Below SLC</b>	<b>SLC</b>	<b>Higher secondary/ PCL</b>	<b>Bachelor level</b>	<b>Mater level</b>	<b>M. Phil. level</b>	<b>Ph D level</b>	
Strongly-agree	-	-	.3%	-	.9%	1.5%	.6%	3.3%
Agree	-	.3%	.6%	2.4%	4.2%	.9%	.3%	8.8%
Neutral	.9%	2.4%	7.6%	17.8%	16.9%	-	-	45.6%
Disagree	.6%	3.0%	7.9%	18.7%	11.8%	-	-	42.0%
Strongly-disagree	-	.3%	-	-	-	-	-	.3%
Total	1.5%	6.0%	16.3%	39.0%	33.8%	2.4%	.9%	100.0%

Table 4.3.3 displays the percentage distribution of seven academic levels across five job satisfaction levels among 331 employees of the insurance industries. Here, job satisfaction level with agreement belongs to employee with higher academic qualification. Conversely, job satisfaction level with disagreement belongs to employees with lower level of academic qualification. In other words, the satisfaction level is increased with increment in academic qualification. This result indicates that the employees with lower academic qualification seem more dissatisfied with their present job than the employees with higher academic qualification. In order to support this relationship, the descriptive statistics of job satisfaction by academic qualification are given as follows:

**Table 4.3.4 Descriptive statistics of job satisfaction by academic qualification**

Academic Qualifications	N	Mean	SD
Below SLC	5	3.6000	.80450
SLC	20	3.5333	.67884
Higher secondary/PCL	54	3.4259	.65610
Bachelor level	129	3.3256	.53272
Mater level	112	3.0952	.68104
M. Phil. level	8	1.4792	.38253
Ph D level	3	1.2778	.25459
<b>Total</b>	<b>331</b>	<b>3.2175</b>	<b>.71104</b>

The above table is presented in bar diagram as given below:

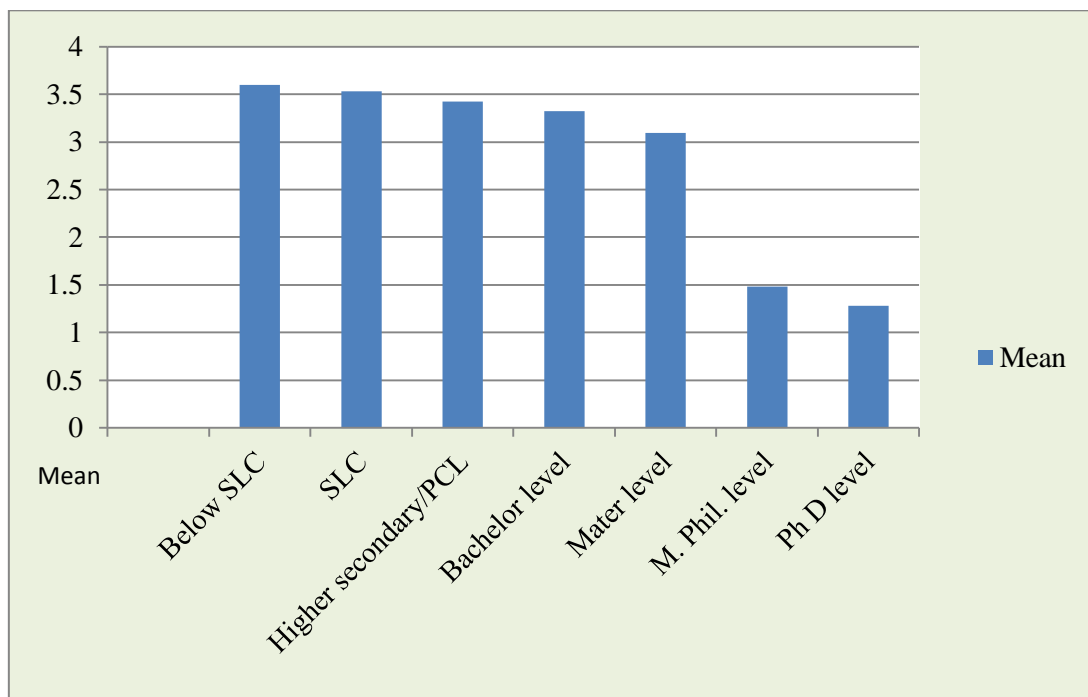
**Figure 4. Descriptive statistics of job satisfaction level by academic qualification**

Table 4.3.4 and figure 4. reveals that the average scores of the job satisfaction seem increasing with increasing variation when the level of qualification increases from below SLC to Ph D. It indicates the feelings from satisfaction to dissatisfaction an average value increasing from 1 to 5. Hence, it can be concluded that education level has a significant effect on the job satisfaction of the employees in the insurance industries. Now this finding suggests that the concerned authorities of the industry should pay more attention to the employees with lower education level so that they are not discouraged in working in their company.

### **Relationship between Age-group and Job Satisfaction**

In an organization, mostly employees with lower age-group are preferred as they possess new knowledge and skill in performing the works. But higher age-group has mature knowledge as they have more job performance. The variation in the age-group also tends to affect the level of job satisfaction among the employees. In this context, it is assumed that there is a close relationship between age group of employees and level of job satisfaction. In this study, it is intended to examine the same assumption on the basis of sample observation of 331 participants working in different insurance companies. Now it is hypothesized that job satisfaction and age-groups are significantly associated in the insurance industry. The statistical analysis is conducted using 'SPSS 16.0 for Windows software program' for these two attributes with Chi-square test. The results are as follows:

**Table 4.3.5 Comparison between age group with job satisfaction**

<b>Chi-Square Tests</b>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	162.920 <sup>a</sup>	16	.000
N of Valid Cases	331		
a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .03.			

The result from table 4. 3.5 Chi-Square test shows that there is a significant relationship between two attributes namely age-group and job satisfaction since it is seen that p-value of Chi-square of value of 162.92 with 16 degrees of freedom is .000 and it is obviously less than 5 percent level of significance. The direction and strength of the relationship is shown by the following results:

**Table 4.3.6 Comparison between age group with job satisfaction**

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.702	.000
	Cramer's V	.351	.000
N of Valid Cases		331	

Table 4.3.6 displays the results for symmetric measures for relationship between two attributes: age-group and job satisfaction. There are two measures namely Phi and Cramer's V. Both measures are used to see the strength and direction of relationship between two attributes. Phi has value 0.702 with the significant p-value of .000. Cramer's V has value 0.351 with significant p-value of .000. Here both values are positive and higher in magnitude. It means that there is significant positive and greater relationship between age-group and job satisfaction. The nature of such relationship is made clear from the following table:

**Table 4.3.7 Job satisfaction level and age-group cross-tabulation**

<b>Job satisfaction level</b>	<b>Age-group</b>					<b>% of Total (331)</b>
	<b>15-25</b>	<b>25-35</b>	<b>35-45</b>	<b>45-55</b>	<b>55-65</b>	<b>Total</b>
Strongly agree	-	-	0.90%	0.90%	1.50%	3.30%
Agree	-	0.90%	3.90%	3.30%	0.60%	8.80%
Neutral	1.20%	20.50%	19.00%	4.50%	0.30%	45.60%
Disagree	6.60%	21.10%	13.00%	0.90%	0.30%	42.00%
Strongly disagree	0.30%	-	-	-	-	0.30%
<b>Total</b>	<b>8.20%</b>	<b>42.60%</b>	<b>36.90%</b>	<b>9.70%</b>	<b>2.70%</b>	<b>100.00%</b>

Table 4.3.7 displays the percentage distribution of five age-group across five job satisfaction levels among 331 employees of the various insurance industries. Here, job satisfaction level with agreement belongs to higher age-group. Conversely, job satisfaction level with disagreement belongs to lower age-group. In other words, the satisfaction level is increasing with the increase in age-group. Therefore the finding concludes that the employees with lower age-groups were less satisfied with their present job than the employees of higher age-groups. In order to support this relationship, the descriptive statistics of job satisfaction by age-group are given as follows:

**Table 4.3.8 Descriptive statistics of job satisfaction level by age-group**

<b>Job Satisfaction</b>			
<b>Age-group</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>
15-25	3.9506	.47997	27
25-35	3.4031	.49327	141
35-45	3.1243	.61790	122
45-55	2.5052	.79253	32
55-65	1.9074	1.06102	9
<b>Total</b>	<b>3.2175</b>	<b>.71104</b>	<b>331</b>

The above table is presented in bar diagram as given below:

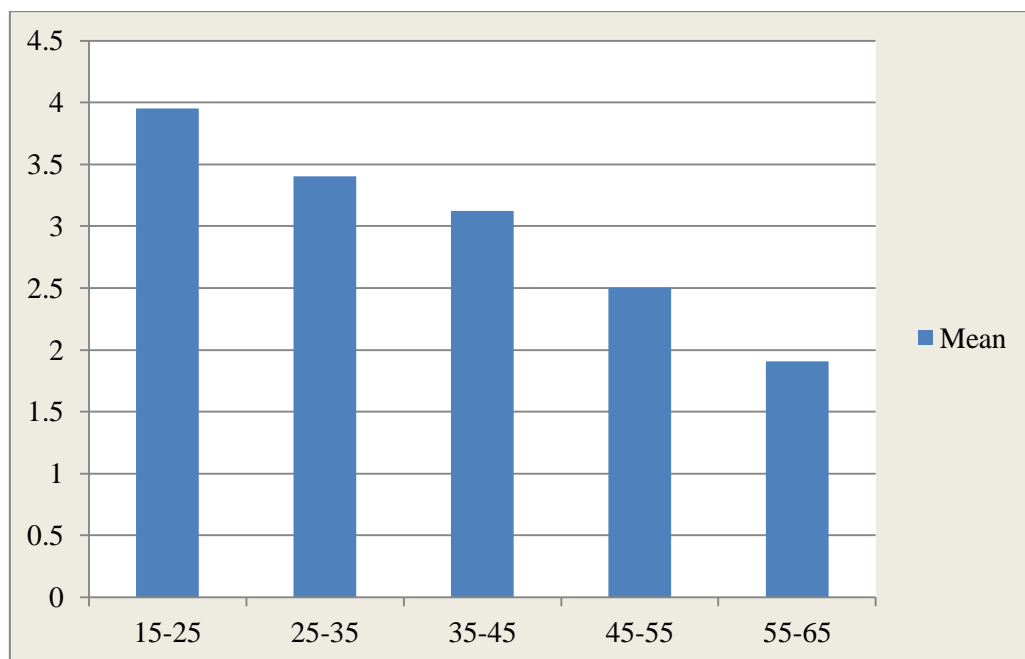
**Figure 4.3.1 Descriptive statistics of Job satisfaction level by age-group**

Figure 4.3.8 and figure 4.3.1 reveals that the average scores of the job satisfaction seem decreasing with increasing variation when age-group increases from 15-25 to 55-65. It has been already indicated that job satisfaction level and job satisfaction are two different measures. The first one is categorical in nature and the



second is of quantitative nature or it is developed as the summated scale from their corresponding statements. The later indicates the feelings from satisfaction to dissatisfaction average values increasing from 1 to 5. Hence, it can be concluded that age-group has a significant effect on the job satisfaction of the employees in the insurance industries. Now this finding suggests that the concerned management of the industry should pay more attention to the employees with lower age-group so that they are not discouraged in performance.

### **Relationship between Geographic Location and Job Satisfaction**

In Nepal, it is assumed that employees prefer to be posted inside Kathmandu valley rather than outside and feel happy to enjoy several facilities of the metropolitan city. Although, some people seemed to be happy to have job location outside Kathmandu, if they are appointed to their locality. Some employees even decided to have job outside Kathmandu to get extra facilities for staying far away from Kathmandu. However, it is assumed that normally employees of insurance industry are working in Kathmandu feel happier than those working outside Kathmandu.

In this study, it is intended to examine this assumption on the basis of the sample observation of 331 participants working in different geographic locations. Now it is hypothesized that job satisfaction and location are significantly associated in the insurance industry. The statistical analysis is conducted using 'SPSS 16.0 for Windows software program' for these two attributes with help of Chi-square test. The results are as follows:

**Table 4.3.9 Relationship between job satisfaction and geographic location**

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.282 <sup>a</sup>	4	.015
N of Valid Cases	331		
a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .12.			

Table 4.3.9 the Chi-Square test result shows that there is no significant relationship between two attributes; location and job satisfaction since it is seen that p-value of Chi-square value at 12.282 with 4 degrees of freedom is at .015 and it is obviously more than 5 percent of the level of significance. The direction and strength of the relationship is shown by the following results:

**Table 4.3.10 Relationship between job satisfaction and geographic location**

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.193	.015
	Cramer's V	.193	.015
N of Valid Cases		331	

Table 4.3.10 displays the results for symmetric measures of the relationship between two attributes: geographic location and job satisfaction. There are two measures namely Phi and Cramer's V. Both measures are used to see the strength and direction of relationship between two attributes. Phi has value at 0.192 with the insignificant p-value of .015. Cramer's V has the value at 0.192 with insignificant p-value at .015. Here both values are positive but less in magnitude. It means that although there is a positive relationship between Location and job satisfaction, the relationship is not significant. Furthermore, they are not related. So, the location cannot differentiate their job satisfaction at all. The nature of such relationship is also clear from the following table:

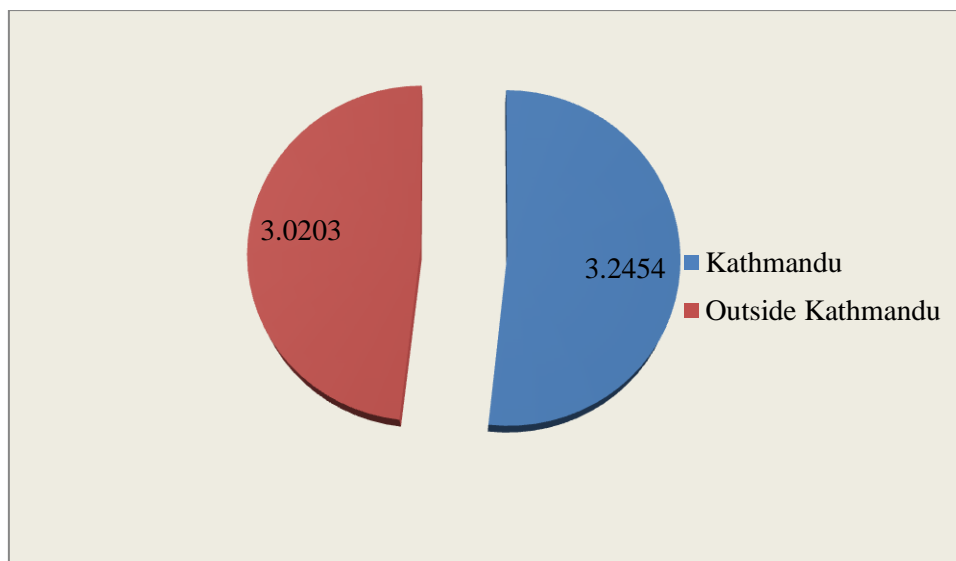
**Table 4.3.11 Job satisfaction level and geographic location cross-tabulation**

Location	Job satisfaction level % of Total (331)					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
In Kathmandu	3.3%	6.6%	38.1%	39.3%	0.3%	87.6%
Outside Kathmandu	-	2.1%	7.6%	2.7%	-	12.4%
<b>Total</b>	<b>3.3%</b>	<b>8.8%</b>	<b>45.6%</b>	<b>42.0%</b>	<b>0.3%</b>	<b>100.0%</b>

Table 4.3.11 displays the percentage distribution of two geographic locations across five job satisfaction levels among 331 employees of the various insurance industries. Here job satisfaction level belongs to more disagreement than agreement in Kathmandu. However, job satisfaction is evenly distributed across agreement and disagreement outside Kathmandu. So this situation, again, verifies that location has not strong relation with job satisfaction. In order to support this relationship, the descriptive statistics of job satisfaction by geographic location are given as follows:

**Table 4.3.12 Descriptive statistics of job satisfaction level by geographic location**

Location	Mean	Std. Deviation	N
Kathmandu	3.2454	.72299	290
Outside Kathmandu	3.0203	.59066	41
<b>Total</b>	<b>3.2175</b>	<b>.71104</b>	<b>331</b>



**Figure 4.3.2 Job satisfaction level by geographic location**

Table 4.3.12 and figure 4.3.2 reveal that the average scores of the job satisfaction for both locations seem equal with little variation. This average score is also around the neutral level of job satisfaction. Therefore, it is concluded that job satisfaction of the employees does not change due to location of job.

#### **Relationship between Job Status and Job Satisfaction**

In an organization, officer post of higher ranks are preferred by junior staffs as such posts have more prestige, remuneration and authority. It also enhances the employees' confidence for better performance. Ultimately, it increases the level of job satisfaction of the employees in any organization. So it is assumed that the employees are satisfied with their jobs on the basis of their ranks or status in an organization. In this part of the study, it is intended to examine the same assumption on the basis of sample observation of 331 employees working in different insurance companies. Now it is hypothesized that job satisfaction and job status are significantly associated in the insurance industry. The statistical analysis is performed using 'SPSS 16.0 for Windows software program'. The hypothesis was tested with these two attributes using Chi-square test. The analysis produces the following results:

**Table 4.3.13 Chi-Square tests on job satisfaction level and job status**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.320 <sup>a</sup>	4	.000
N of Valid Cases	331		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .49.			

The result of Chi-Square test in Table 4.3.13 shows that there is significant relationship between two attributes, job status and job satisfaction since it is seen in the result that p-value of Chi-square of value of 34.32 with 4 degrees of freedom is at .000 and it is obviously less than 5 percent level of significance. The direction and strength of the relationship is shown by the following results:

**Table 4.3.14 Symmetric measures on job satisfaction level and job status**

Symmetric measures	Value	Approx. Sig.
Nominal by Nominal	Phi	.322
	Cramer's V	.322
N of Valid Cases	331	

Table 4.3.14 displays the results of symmetric measures to show the relationship between two attributes: Status and job satisfaction. There are two such measures namely Phi and Cramer's V. Both measures are used to see the strength and direction of the relationship between two attributes. Phi has value 0.322 with the significant p-value of .000. Cramer's V has value 0.322 with significant p-value of .000. Here both values are positive and moderately higher in magnitude. It means that there is a significant positive and greater relationship between job status and job satisfaction. The nature of such relationship is supported by the table given below:

**Table 4.3.15 Job satisfaction level and job status cross-tabulation**

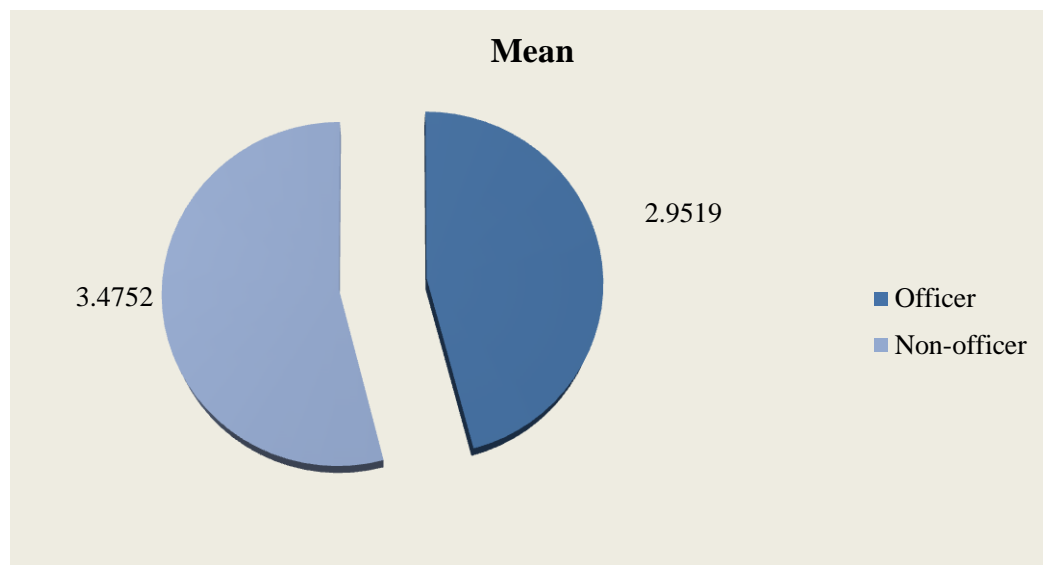
% of Total (331)

Job satisfaction level	Job status		Total
	Officer	Non-officer	
Strongly agree	3.0%	.3%	3.3%
Agree	6.9%	1.8%	8.8%
Neutral	25.1%	20.5%	45.6%
Disagree	14.2%	27.8%	42.0%
Strongly disagree	-	.3%	.3%
Total	49.2%	50.8%	100.0%

Table 4.3.15 displays the percentage distribution of two job status across five job satisfaction levels among 331 employees of the various insurance industries. Here, job satisfaction level with agreement belongs to higher status. Conversely, job satisfaction level with disagreement belongs to lower Status. In other words, the satisfaction level is increasing with increment of job status. Therefore, the analysis concludes that the employees holding lower job status seem more dissatisfied with their present job than the employees holding higher job status. In order to support this relationship, the descriptive statistics of job satisfaction by job status are given below:

**Table 4.3.16 Descriptive statistics of job satisfaction level by job status**

Status	Mean	Std. Deviation	N
Officer	2.9519	.73323	163
Non-officer	3.4752	.58469	168
Total	3.2175	.71104	331



**Figure 4.3.3 Die diagram of job satisfaction level by job status**

Table 4.3.16 and figure 4.3.3 shows that the average scores of the job dissatisfaction seem decreasing with increasing variation when job status increases from non-officer to officer. Hence, it can be concluded that job status has a significant effect on the job satisfaction of the employees in the insurance industries. Now this finding suggests that the concerned authorities of the industry should pay more attention to the employees of lower status so that they are encouraged in insurance companies.

#### **Relationship between Job Experience/Tenure and Job Satisfaction**

It is found that the level of employees' job satisfaction may change when they are getting more experience in the same organization. This might be due to the expectation of better opportunities or eagerness of joining any over organizations with attractive offers. The employees with smaller tenure have tendency of not staying in the same organization for a long time. They prefer to jump to new company for betterment. This is also a case of the study. The situation may or may not agree with these scenarios. Here it is here assumed that there is significant association between tenure and job satisfaction. In this study it is intended to examine this assumption on the basis of sample observation of 331 employees working in different insurance industries. Now it is hypothesized that job satisfaction and tenure are significantly associated in the insurance industry. The statistical analysis is performed again using

‘SPSS 16.0 for Windows software program’ to test the hypothesis. These two attributes are used for Chi-square test. The results are as given below:

**Table 4.3.17 Relationship between job satisfaction level and tenure**

<b>Chi-Square Tests</b>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	147.556 <sup>a</sup>	20	.000
N of Valid Cases	331		
a. 20 cells (66.7%) have expected count less than 5. The minimum expected count is .01.			

Table 4.3.17 regarding Chi-Square test result shows that there is a strong relationship between two attributes, tenure and job satisfaction since it is seen that p-value of Chi-square of value of 147.556 with 20 degrees of freedom is .000 and it is obviously less than 5 percent level of significance. The direction and strength of the relationship is shown by the following results:

**Table 4.3.18 Relationship between job satisfaction and tenure**

<b>Symmetric Measures</b>			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.668	.000
	Cramer's V	.334	.000
<b>N of Valid Cases</b>		<b>331</b>	

Table 4.3.18 displays the results of symmetric measures to show relationship between the two attributes, tenure and job satisfaction. There are two such measures namely Phi and Cramer's V. Both measures are used to see the strength and direction of relationship between the two attributes. Phi has value of 0.668 with the insignificant p-value of .000. Cramer's V has value 0.334 with insignificant p-value of



.000. Here both values are positive and higher in magnitude. It means that there is a positive relationship between tenure and job satisfaction. Furthermore the relationship is very significant. The nature of such relationship is also cleared by the following table:

**Table 4.3.19 Job satisfaction and tenure level cross-tabulation**

% of Total (331)

Tenure	Job satisfaction level					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
1-5		1.80%	16.90%	23.90%	0.30%	42.90%
6-10	0.30%	1.80%	19.30%	13.60%		35.00%
11-15	0.90%	2.10%	7.90%	3.90%		14.80%
16-20		0.60%	0.60%			1.20%
21-25	0.90%	1.50%	0.90%	0.60%		3.90%
above 25	1.20%	0.90%				2.10%
<b>Total</b>	<b>3.30%</b>	<b>8.80%</b>	<b>45.60%</b>	<b>42.00%</b>	<b>0.30%</b>	<b>100.00%</b>

Table 4.3.19 displays the percentage distribution of tenures across five job satisfaction levels among 331 employees of the various insurance companies. Here, job satisfaction level is very low with tenure of 1-5 and 6-10. It is growing up gradually from tenure 16-20 to above 25. So, this situation again verifies that tenure has strong relation with job satisfaction. In order to support this relationship, the descriptive statistics of job satisfaction by tenure are given as follows:

**Table 4.3.20 Descriptive statistics of job satisfaction by tenure**

<b>Tenure</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>
1 - 5	3.4718	.56944	142
6 -10	3.2672	.52285	116
11-15	2.9082	.76532	49
16-20	2.5417	.64370	4
21-25	2.3333	.97895	13
above 25	1.4286	.21207	7
<b>Total</b>	<b>3.2175</b>	<b>.71104</b>	<b>331</b>

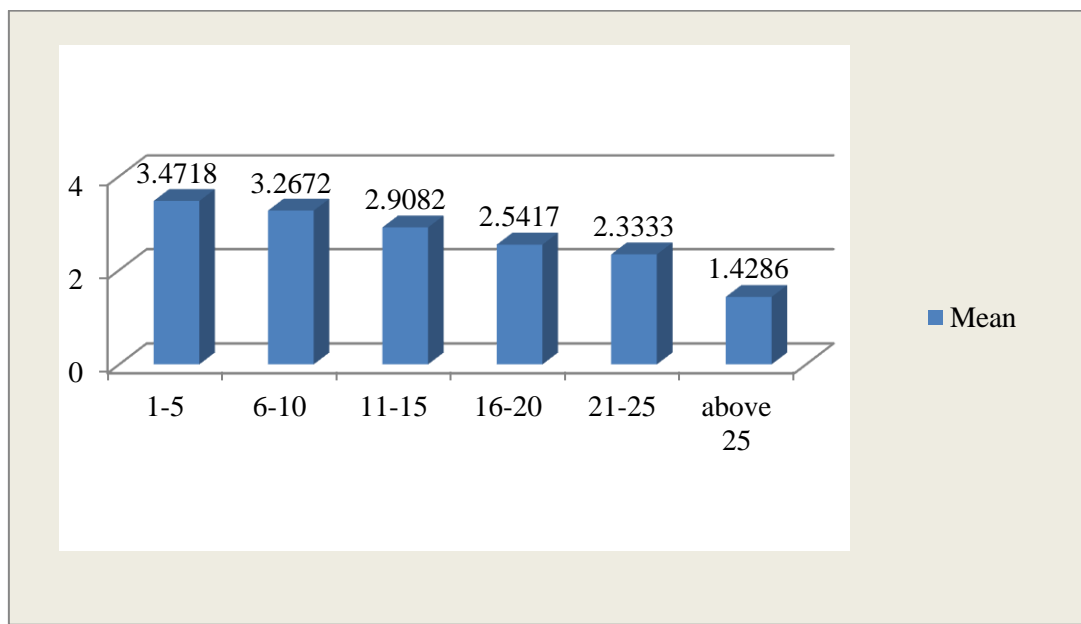
**Figure 4.3.4 Descriptive statistics of job satisfaction by tenure**

Table 4.20 and figure 4.3.4 reveal that the average scores of the job satisfaction for tenures seem decreasing from tenure 1-5 to above 35 years with fluctuating variations. These average scores show that the job satisfaction is very much affected by tenure. Therefore, it is concluded that the longer tenure is, the more the job satisfaction is.

### Relationship between Organizational Variables and Job Satisfaction

Generally there are many organizational factors influencing the job satisfaction of employees in insurance industry. These factors may have positive or negative impact on the job satisfaction. So, it is required to understand these factors for better and smooth running of insurance company. In this study, ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibilities and autonomy’ and ‘leadership and supervision’ are considered as the major organization factors assumed to influence the job satisfaction in the insurance industry.

### Correlations between Organizational Factors and Job Satisfaction

Now, correlation between job satisfaction and each of these organizational factors are computed using ‘SPSS 16.0 for Windows software program’ and tested at 1 percent level of significance. The results are as follows:

**Table 4. 4.1 Correlations between job satisfaction and organizational factors**

Organizational factors	Job satisfaction	
	Pearson Correlation	Sig. (2-tailed)
Remuneration and employee benefits	.410**	.000
Working environment	.330**	.000
Career development and rewards	.628**	.000
Responsibility and autonomy	.656**	.000
Leadership and supervision	.681**	.000
**. Correlation is significant at the 0.01 level (2-tailed).		

Table 4.4.1 shows that there are significant positive linear correlation between job satisfaction and each of the organizational factors namely, ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’,

‘responsibilities and autonomy’ and ‘leadership and supervision’ since p-value of t-statistic is less than 1 percent in each case.

Moreover, the degree of Pearson correlation is different. It means that the strength of the relation is different from each of above factors with job satisfaction. The leadership and supervision has Pearson correlation of coefficient of 0.681, which is the highest among all. So it has a most dominant effect on the job satisfaction. Then, it is followed by responsibility and autonomy, career development and rewards, remuneration and employee benefits and working environment. As it has been already mentioned above, leadership and supervision has the greatest influence on the job satisfaction. In addition, the employees are very happy with the behavior of their boss as the boss behaves well to all subordinates without any discrimination and does not manipulate them. The company has empowered them enough to do their job, supervision and monitoring is found to be satisfactory

In addition, ‘responsibility and autonomy’, and ‘career development and rewards’ have also more roles in satisfying the employees in their job in order. Working environment has comparatively small influence on the job satisfaction across all other factors. The statements in this factor are: ‘The working hour is quite good’, ‘Physical facility of the office’, ‘I am not stressed at job’, ‘Human relation is quite good in my office’, ‘There is a good cooperation among colleagues’ and ‘The working environment is quite good’. These six statements are found to have less effect on the job satisfaction of the employees compared to the statements of other factors.

Therefore, it is concluded that there are significant positive linear correlation between job satisfaction and each of organizational factors ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibilities and autonomy’ and ‘leadership and supervision’ with varying degree of relationship. In other words, all factors have no equal effect in providing more satisfying situation in the insurance company or industry of Nepal.

### **Relationship between Organizational Variables and Job Satisfaction by Tenure**

The relationship may vary with each of organizational variables on the basis of main demographic features of the employees like tenure. The results are as follows:

**Table 4.4.2 Correlations of organizational factors and job satisfaction by age group below 5 years**

<b>Correlations by Tenure = below 6 years group</b>		
<b>Job satisfaction variables</b>	<b>Pearson Correlation</b>	<b>Sig. (2-tailed)</b>
Remuneration and employee benefits	.256**	.002
Working environment	.318**	.000
Career development and rewards	.570**	.000
Responsibility and autonomy	.541**	.000
Leadership and supervision	.533**	.000
**. Correlation is significant at the 0.01 level (2-tailed).		

Table 4.4.2 reveals that correlation between job satisfactions may vary with each of the organizational factors: ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibilities and autonomy’, and ‘leadership and supervision’ under tenure 1-5 group. All the five Pearson correlation coefficients are significant at 1 percent level of significant. Among them, ‘career development and rewards’ are the most dominants factor influencing the job satisfaction, and is followed by ‘responsibility and autonomy’, ‘leadership and supervision’ and ‘working environment’, whereas ‘remuneration and employee benefit’ is the least dominant factor influencing the job satisfaction.

**Table 4.4.3 Correlations of organizational factors and job satisfaction by tenure 6-10**

<b>Correlations by Tenure = 6-10</b>		
<b>Job satisfaction variables</b>	<b>Pearson correlation</b>	<b>Sig. (2-tailed)</b>
Remuneration and employee benefits	0.073	0.434
Working environment	0.111	0.236
Career development and rewards	.563**	0.000
Responsibility and autonomy	.669**	0.000
Leadership and supervision	.647**	0.000
**. Correlation is significant at the 0.01 level (2-tailed).		
*. Correlation is significant at the 0.05 level (2-tailed).		

Table 4.4.3 reveals that correlation between job satisfactions may vary with each of organizational factors: ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibilities and autonomy’ and ‘leadership and supervision’ under tenure 6-10. Only three Pearson correlation coefficients belonging to ‘career development and rewards’, ‘responsibility and autonomy’, ‘leadership and supervision’ are significant at 1 percent level. Among them, ‘responsibility and autonomy’ is the most dominant factor influencing the job satisfaction, and is followed by ‘leadership and supervision’, and ‘career development and rewards’, whereas ‘career development and rewards’ is the least dominant factor influencing the job satisfaction. ‘Remuneration and employee benefits’, ‘working environment’ have no significant correlation with job satisfaction. It means that they have no effect on the job satisfaction of the employees of tenure 6-10 years group.

**Table 4.4.4 Correlations of organizational factors and job satisfaction by tenure 11-15 years**

<b>Correlations by tenure = 11-15</b>		
<b>Job satisfaction variables</b>	<b>Pearson correlation</b>	<b>Sig. (2-tailed)</b>
Remuneration and employee benefits	.382**	.007
Working environment	.226	.119
Career development and rewards	.292*	.042
Responsibility and autonomy	.421**	.003
Leadership and supervision	.612**	.000
**. Correlation is significant at the 0.01 level (2-tailed).		
*. Correlation is significant at the 0.05 level (2-tailed).		

Table 4.4.4 reveals that correlation between job satisfactions may vary with each of the factors ‘remuneration and employee benefits’, ‘working environment’, ‘career development’ and ‘rewards, responsibilities and autonomy’, and ‘leadership and supervision’ under tenure 11-15 years group . Only four Pearson correlation coefficients belonging to ‘remuneration and employee benefits’, ‘career development and rewards’, ‘responsibility and autonomy’ and ‘leadership and supervision’ are significant at 1 or 5 percent level of significant as indicated by sign \* or \*\*. Among them, ‘leadership and supervision’ is the most dominant factor influencing the job satisfaction and is followed by ‘responsibility and autonomy’, ‘remuneration and employee benefits’ and ‘career development and rewards’, whereas ‘career development and rewards’ is the least dominant factor influencing the job satisfaction. Working environment has no significant correlation with job satisfaction. It means that they have no effect on working environment for the job satisfaction of the employees with tenure 11-15 years.

**Table 4.4.5 Correlations of organizational factors and job satisfaction by tenure 16-20 years**

<b>Correlations by tenure = 16-20</b>		
<b>Job satisfaction variables</b>	<b>Pearson correlation</b>	<b>Sig. (2-tailed)</b>
Remuneration and employee benefits	.562	.438
Working environment	.898	.102
Career development and rewards	.898	.102
Responsibility and autonomy	.775	.225
Leadership and supervision	-.809	.191
**. Correlation is significant at the 0.01 level (2-tailed).		
*. Correlation is significant at the 0.05 level (2-tailed).		

Table 4.4.5 reveals that correlation between job satisfactions may vary with each of the organizational factors ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibilities and autonomy’, and ‘leadership and supervision’ under tenure 16-20. All the five Pearson correlation coefficients are not significant at 5 percent level of significance although the correlation coefficients are higher than .50. It means that the employees of 16-20 tenure-categories have job satisfaction not very much influenced by ‘Remuneration and employee benefits’, ‘Working environment’, ‘Career development and rewards’, ‘Responsibility and autonomy’ and ‘Leadership and supervision’. Why this is so happened is clear from the table 9 of tenure-wise descriptive statistics of turnover intention. For tenure of 16-20 has mean score of 2.6667 with standard deviation of .66667. This average score is very close to 2, which indicates that they agree not to quit the present job. This concludes that they are satisfied with the job influenced by some other factors not mentioned here.



**Table 4.4.6 Correlations of organizational factors and job satisfaction by tenure 21-25 years**

<b>Correlations by tenure = 21-25</b>		
<b>Job satisfaction</b>	<b>Pearson correlation</b>	<b>Sig. (2-tailed)</b>
Remuneration and employee benefits	.421	.152
Working environment	.021	.946
Career development and rewards	.342	.253
Responsibility and autonomy	.429	.143
Leadership and supervision	.135	.660
**. Correlation is significant at the 0.01 level (2-tailed).		
*. Correlation is significant at the 0.05 level (2-tailed).		

Table 4.4.6 reveals that correlation between job satisfactions may vary with each of the organizational factors ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibilities and autonomy’, and ‘leadership and supervision’ under tenure 21-25. With the same story as mentioned above, all the five Pearson correlation coefficients are not significant at 5 percent level of significance although the correlation coefficients are less than .50. It means that the employees of 21-25 tenure-categories have job satisfaction not much influenced by ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibility and autonomy’ and ‘leadership and supervision’. Why this so happened is clear from the table 9 of tenure-wise descriptive statistics of turnover intention. For tenure of 21-25 years group has mean score of 2.0128 with the standard deviation of .60653. This average score is very much close 2, which indicates that they agree not to turnover the present job. This concludes that they are also satisfied with the job influenced by some other factors not mentioned here.

**Table 4.4.7 Correlations of organizational factors and job satisfaction by tenure above 25 years**

<b>Correlations by tenure = Above 25</b>		
<b>Job satisfaction elements</b>	<b>Pearson correlation</b>	<b>Sig. (2-tailed)</b>
Remuneration and employee benefits	.482	.274
Working environment	.312	.496
Career development and rewards	.454	.306
Responsibility and autonomy	.626	.133
Leadership and supervision	.406	.366
**. Correlation is significant at the 0.01 level (2-tailed).		
*. Correlation is significant at the 0.05 level (2-tailed).		

Table 4.4.7 reveals that correlation between job satisfactions may vary with each of factors ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibilities and autonomy’, and ‘leadership and supervision’ under tenure above 25. With the same story as above, all the five Pearson correlation coefficients are not significant at 5 percent level of significance although the correlation coefficients are less than .50. It means that job satisfaction of the employees above 25 tenure-categories were not much influenced by ‘Remuneration and employee benefits’, ‘Working environment’, ‘Career development and rewards’, ‘Responsibility and autonomy’ and ‘Leadership and supervision’. The cause to happen so is clear from the table 4.3.20 of tenure-wise descriptive statistics of turnover intention. For tenure of 21-25 has mean score of 2.3333 with standard deviation of .97895. This average score is very much close to 2, which indicates that they agree not quit the present job. This concludes that they are also satisfied with the job influenced by some other factors not mentioned here.

### **Relation among Organizational Variables Related to Job Satisfaction**

It has been already cleared from the previous study that there are many organizational factors affecting the level of job satisfaction of employees in insurance industry. The current study has taken basic five organizational variables to measure their impacts on job satisfaction. These factors have positive or negative impacts on the job satisfaction level of the employees. In addition, there may also be relationship among these variables. Now the researcher has the intention to measure the relationship among such organizational variables.

In this study, basic organizational variables; namely, 'remuneration and employee benefits', 'working environment', 'career development and rewards', 'responsibilities and autonomy' and 'leadership and supervision' were considered as the organization factors and were assumed to affect each other in the insurance industry in Nepal. Now, correlation between each of these organizational factors are computed and tested at 1 percent level of significance. The results are as follows:

**Table 4.4.8 Correlations among organizational variables related to job satisfaction**

Correlations		Remuneration and employee benefits	Working environment	Career development and rewards	Responsibility and autonomy	Leadership and supervision
Remuneration and employee benefits	Pearson Correlation	1	.454**	.557**	.426**	.408**
	Sig. (2-tailed)	-	.000	.000	.000	.000
Working environment	Pearson Correlation	-	1	.431**	.322**	.276**
	Sig. (2-tailed)	-	-	.000	.000	.000
Career development and rewards	Pearson Correlation	-	-	1	.572**	.594**
	Sig. (2-tailed)	-	-	-	.000	.000
Responsibility and autonomy	Pearson Correlation	-	-	-	1	.615**
	Sig. (2-tailed)	-	-	-	-	.000
Leadership and supervision	Pearson Correlation	-	-	-	-	1
	Sig. (2-tailed)	-	-	-	-	-
**. Correlation is significant at the 0.01 level (2-tailed).						

Table 4.4.8 depicts that there are significant positive and linear correlation between any two levels of job satisfaction factors as all the p-values are less than one percent level of significance. Among them, the highest degree of correlation is .615 and between ‘responsibility and autonomy’ and ‘leadership and supervision’. So, if the degree of ‘responsibility and autonomy’ increases, the degree of ‘leadership and supervision’ also increases, and vice versa. This highest correlation is followed by the relation between career development and rewards and leadership and supervision; between ‘career development and rewards’ and ‘responsibility and autonomy’;

between 'remuneration and employee benefits' and 'career development and rewards'; between 'remuneration and employee benefits' and 'working environment'; between 'working environment' and 'career development and rewards'; between 'remuneration and employee benefits' and 'responsibility and autonomy'; between 'remuneration and employee benefits' and 'leadership and supervision'; between 'working environment' and 'responsibility and autonomy'; and between 'working environment' and 'leadership and supervision'. Here it is seen that the smallest degree of correlation is .276 and is between 'working environment' and 'leadership and supervision'. This indicates that there is slow pace in the relation between them as compared to all the other correlation coefficients. If working environment is improved increasingly, the improvement in leadership and supervision will be slow in increment, or vice versa. However, it is concluded that there is positive relation among them affecting each other with different degree of relation. Then, it suggests that all of them are equally important for job satisfaction mechanism and to develop relation with turnover intention of the staffs in insurance industry of Nepal.

### **Job Satisfaction in Insurance Industry**

Job satisfaction is one of the important parts experienced by management for smooth operation of the insurance industry in Nepal. A proper operation of an insurance industry is possible only if the employees are well motivated and committed for the best performance. The old proverb also supports "A happy worker is a productive worker". Employee will be happy if they are satisfied with the job and organization. So, the management should always take into consideration the job satisfaction level of employee. Whenever it is possible the management should try to increase the employee satisfaction. Then only the organization can expect the best performance from its employees.

In this study, the researcher attempted to know the job satisfaction level of the employee of the insurance industry in Nepal. The job satisfaction, which is one of the key elements of human resource management is determined by the six variables. Each of them is measured by a 5-point Likert scale with the alternatives: 1. strongly agree, 2. agree, 3. neutral, 4. disagree and 5. strongly disagree.

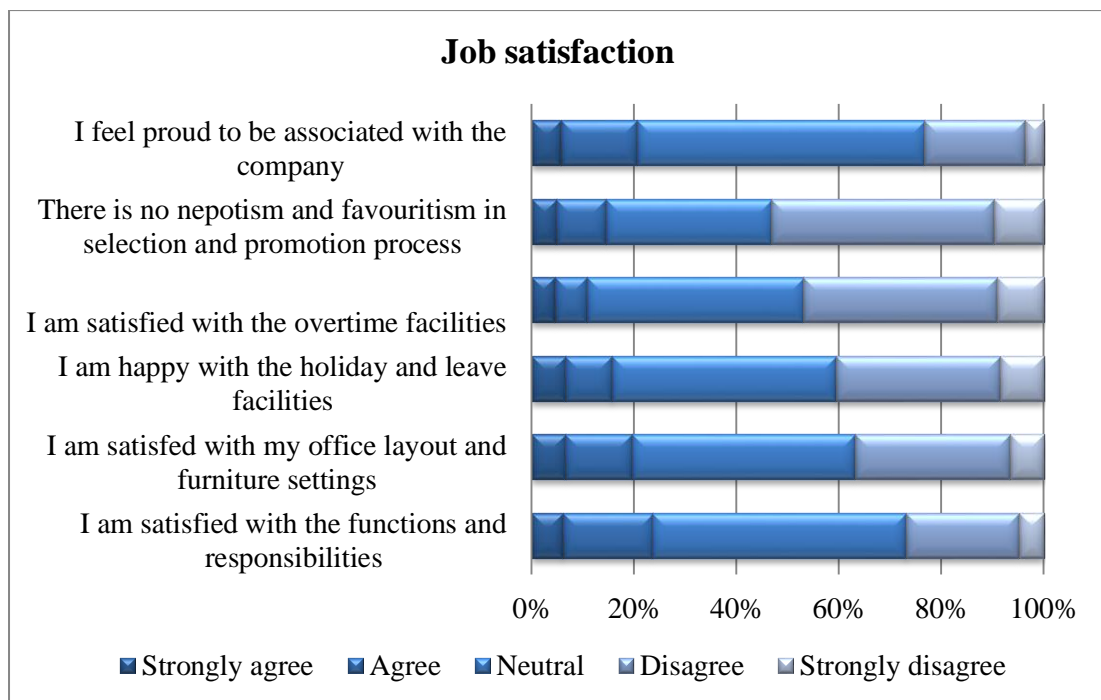
### **Descriptive Analysis of Job Satisfaction Level**

Job satisfaction is very important factor for effective performance from employee and productivity of an organization. It is very hard to determine the level of job satisfaction. There is no hard and fast rule for calculating the level of job satisfaction. Here, the researcher has used six statements to find the hidden attitude of the respondents towards their job and organization. These responses help to determine the level of employee job satisfaction in this study. The six statements included in the questionnaire to measure the level of job satisfaction are: 'I am satisfied with the functions and responsibilities', 'I am satisfied with my office layout and furniture setting', 'I am happy with the holiday and leave facilities', 'I am satisfied with the overtime facilities', 'there is no nepotism and favoritism in selection and promotion process' and 'I feel proud to be associated with this company'. The responses from the participants show the following results:

Each statement is measured by a 5-point Likert scale, for example, 1 represents Strongly agree, 2 agree, 3 neutral, 4 disagree and 5 strongly disagree. The response of each statement with any one of these five points is expressed by frequency of count and percentage. In the analysis, the greater the percentage of any one of scale becomes, the greater the influence of the statement of each factors is found. Now the results of all six elements are presented and analyzed as follows:

**Table 4.5.1 Descriptive statistics of job satisfaction level by statements**

<b>Statements to measure the level of job satisfaction</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Total No./ %</b>
I am satisfied with the functions and responsibilities	20 6.00%	58 17.50%	164 49.50%	73 22.10%	16 4.80%	331 100.00%
I am satisfied with my office layout and furniture settings	22 6.60%	43 13.00%	144 43.50%	100 30.20%	22 6.60%	331 100.00%
I am happy with the holiday and leave facilities	22 6.60%	30 9.10%	145 43.80%	106 32.00%	28 8.50%	331 100.00%
I am satisfied with the overtime facilities	15 4.50%	21 6.30%	140 42.30%	125 37.80%	30 9.10%	331 100.00%
There is no nepotism and favoritism in selection and promotion process	16 4.80%	32 9.70%	107 32.30%	144 43.50%	32 9.70%	331 100.00%
I feel proud to be associated with the company	19 5.70%	49 14.80%	186 56.20%	65 19.60%	12 3.60%	331 100.00%
<b>Total</b>	114 5.70%	233 14.80%	886 56.20%	613 19.60%	140 3.60%	1986/6 100.00%



**Figure 4.5.1 Descriptive statistics of job satisfaction level**

Each of these statements expresses the attitude or feelings of an employee towards his/her satisfaction with job. The table 4.5.1 and figure 4.5.1 both gave the result as follows:

Job satisfaction of employees depends more upon the function and responsibility determined by the company. If a company gives the responsibilities and functions as per the expectation of employees, employees enjoy their jobs and perform efficiently. In this circumstance, both the employee and employer become happy and satisfied with each other. So the statement 'I am satisfied with the functions and responsibilities' is assumed to be the determining factor in this study. With this item, the responses are 17.5 percent for 'Agree' and 22.10 percent for 'Disagree'. The responses for disagree is little bit higher than that for agree. This difference seems wide. It means that the employees seem dissatisfied with this item. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, there are 6.00 percent responses for strongly agree and 4.80 percent response for strongly disagree. The difference in their responses seems not very wide. Therefore, the employees are unhappy for their existing functions and responsibilities on the average.



Regarding the statement 'I am satisfied with my office layout and furniture settings', the employees' satisfaction depends them to some extent. If the company provides well furnished office, the employees enjoy working in and become happy and satisfied working in the office. So office layout and furniture is taken as one of the determining factors of job satisfaction. With this statement, the responses are 9.10 percent for 'Agree' and 32.00 percent for 'Disagree'. The responses for disagree is higher than that for agree. This difference seems very wide. It means that the employees seem dissatisfied with this item. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared with each other, there are 6.60 percent responses for strongly agree and 6.60 percent response for strongly disagree. The difference in their responses seems zero. Therefore, the employees are unhappy for their existing company's office layout and furniture settings on the average.

Regarding the statement 'I am happy with the holiday and leave facilities', the job satisfaction of employees depends on the holiday and leave facilities provided by the company. If there are adequate holiday and leave facilities in an organization, the employees feel relaxed from working. Their job satisfaction level will automatically increase. With this statement, the responses are 13.00 percent for 'Agree' and 30.20 percent for 'Disagree'. The responses for disagree is higher than that for agree. This difference seems very wide. It means that the employees seem dissatisfied with this item. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared with each other, there are 6.60 percent responses for strongly agree and 8.50 percent response for strongly disagree. The difference in their responses seems a little higher. Therefore, it is concluded that the employees are not satisfied with their existing holiday and leave facilities.

Regarding the statement 'I am satisfied with the overtime facilities', it is noteworthy that overtime facility is also an important factor determining job satisfaction. Employees of a poor country like Nepal may always look for extra earnings to upgrade their livelihood. If the company provides overtime facility to those employees who want to earn extra income will definitely, help to enhance their job satisfaction level.

Here the results have some different features. As to this statement, the responses are 6.30 percent for 'Agree' and 37.80 percent for 'Disagree'. The

responses for disagree is higher than that for agree. This difference seems very wide. It means that the employees seem dissatisfied with this item. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, we find 4.50 percent responses for strongly agree and 9.10 percent response for strongly disagree. The difference in their responses seems a little higher. Therefore, it is concluded that the employees are unhappy with the overtime facilities on the average. In the interview with the managers, they agreed that most of them were aware of this situation but due to financial problem of their company, they were unable to provide their subordinates with adequate overtime facilities even if they worked over time.

Regarding the statement 'there is no nepotism and favoritism in selection and promotion process', the employees' satisfaction depends on the fair and equality. Employees prefer situation free of nepotism and favoritism in all organizational activities including selection and promotion process. If there is nepotism and favoritism in the organization and manager or boss behaves his/her subordinates inequitably, employees feel cheated and discriminated and become dissatisfied with the organization.

Here the results have some different features. With this statement, the level of difference in of responses is 9.70 percent for 'Agree' and 43.50 percent for 'Disagree'. The responses for disagree is higher than that for agree. This difference seems very wide. It means that the employees seem dissatisfied with this item. However, when the response for 'Strongly agree' and 'Strongly disagree' are compared with each other, there are 4.80 percent responses for strongly agree and 9.70 percent response for strongly disagree. The difference in their responses seems a little higher. Therefore, the employees are unhappy for their existing company's selection process on the average.

Regarding the statement 'I feel proud to be associated with the company', the employees' satisfaction depends on the employees' feeling associated with the company. If employees are proud of being associated with the company, it means that they are satisfied with the company. Here the results have some different features. With this statement, the responses are 14.80 percent for 'Agree' and 19.60 percent for 'Disagree'. The responses for disagree is a little higher than for agree. This difference seems not very wide. It means that the employees seem a little dissatisfied with this

item. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, there are 5.70 percent responses for strongly agree and 3.60 percent response for strongly disagree. The difference in their responses seems little. Therefore, the employees are happy and feel proud for associating with their existing company on the average.

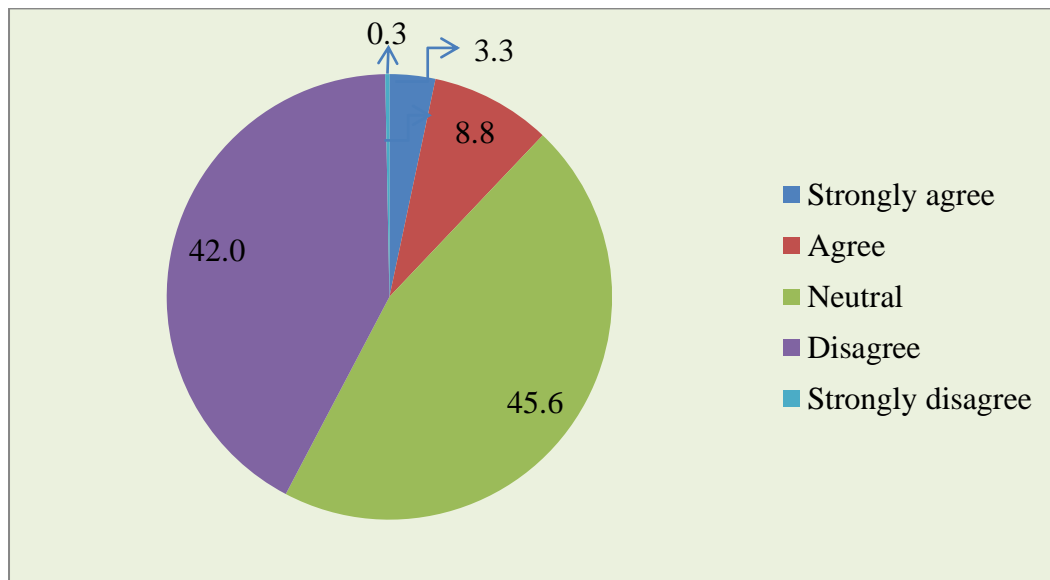
The average of all above six analysis shows that the responses are 14.80 percent for 'Agree' and 19.60 percent for 'Disagree'. The responses for disagree is higher than agree. This difference seemed less wide. It means that the employees were slightly dissatisfied with their jobs. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, there are 5.70 percent responses for strongly agree and 3.60 percent response for strongly disagree. The difference in the responses shows contradiction. The above analysis shows that the employees are normally, neutral. They claimed to be neither satisfied nor dissatisfied. Very few were fully dissatisfied and little more that were fully satisfied. Approximately, highest percentage or 56.20% were in neutral position. When we compare agree and disagree statements only, disagreed responses was greater than that of agree. Hence it is concluded that employees in insurance industry were slightly dissatisfied with their jobs.

### **Combined Analysis of Job Satisfaction Elements**

These six elements used to measure job satisfaction are combined here to make a new composite variable to measure the job satisfaction. The measure of the job satisfaction is based on the average score of all six elements. Thus, it is termed as a summated scale. In order to evaluate the job satisfaction level, the scale used here is classified as 1.0-1.79 as Strongly Agree/Extremely Satisfied, followed by 1.80-2.59 for Agree/Satisfied, 2.60-3.39 for Neutral, 3.40-4.19 for Disagree/Dissatisfied and finally 4.20-5.00 for Strongly Disagree/Extremely Dissatisfied. It is assumed that the score below 1 and above 5 are absent. Now the job satisfaction level of the staffs resulted as follows:

**Table 4.5.2 Level of job satisfaction in insurance industry**

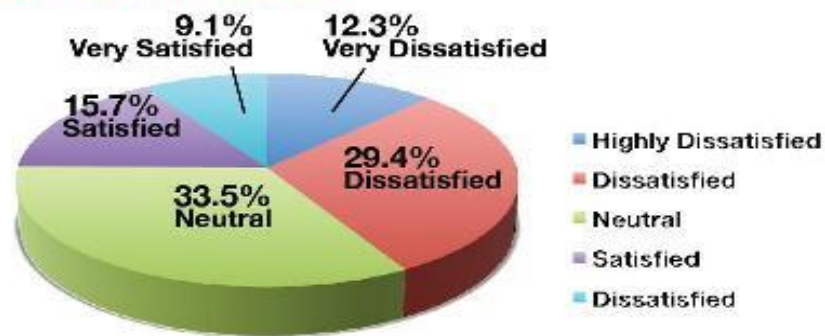
Job satisfaction level	Frequency	Percent
Strongly agree	11	3.30
Agree	29	8.80
Neutral	151	45.6
Disagree	139	42.0
Strongly disagree	1	0.30
<b>Total</b>	<b>331</b>	<b>100.0</b>

**Figure 4.5.2 Job satisfaction level in insurance industry**

The table 4.5.2 and figure 4.5.2 indicate that out of 331 sampled staffs, 3.3 percent of the participants responded strongly agree with job satisfaction and 8.8 percent response with agree. 42 percent respondents were dissatisfied with the present with 0.30 percent strongly dissatisfied responses with the job. 45 percent are found neutral position in showing their satisfaction level. So, here are different proportions of satisfaction level of the job. It is clear from this figure that higher proportion of employees was not satisfied with the present job. However, it cannot be verified for difference in proportions with these descriptive observations

The result can be compared with international job satisfaction level such as the job satisfaction level of Singapore, one of the developed countries of Asia as a sample representing developed countries. A survey was conducted with 500 respondents in Singapore, 42% employees were found to be dissatisfied with their jobs (Yap, 2011).

#### Breakdown of Responses



Source: AYP Association (Yap, 2011).

**Figure 4.5.3 Job satisfaction level in Singapore**

The comparative study indicates that there was no significant difference in proportion of employee job satisfaction between least developed country like Nepal ( $42+0.3=42.3$ ) and higher developed country like Singapore ( $29.4+12.3=41.7$ ). It revealed that money is not only a matter for employee satisfaction.

Now chi-square test is computed with the help of 'SPSS 16.0 for Windows software program' to test the hypothesis that there are equal proportions across five level of job satisfaction in insurance industry in Nepal. The results are as follows:

**Table 4.5.3 Level of job satisfaction Chi-square test**

Test Statistics	Job satisfaction level
Chi-Square	319.831 <sup>a</sup>
df	4
Asymp. Sig.	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 66.2.	

The p-value of chi-square statistic with the value of 319.831 and 4 degrees of freedom is less than 5 percent level of significance. It means that there is a significant difference in proportion of these five levels of the job satisfaction level. So, the following table 4.5.4 shows such difference in proportions.

**Table 4.5.4 Job satisfaction level**

<b>Alternatives</b>	<b>Observed N</b>	<b>Expected N</b>	<b>Residual</b>
Strongly agree	11	66.2	-55.2
Agree	29	66.2	-37.2
Neutral	151	66.2	84.8
Disagree	139	66.2	72.8
Strongly disagree	1	66.2	-65.2
<b>Total</b>	<b>331</b>		

Hence, it is concluded that higher proportion of employee were found dissatisfied with the present job compared to the proportion of the satisfied staffs.

#### **Job Satisfaction Level by Demographic Variables**

The staffs under neutral category may raise question to properly distinguish between satisfied and dissatisfied staffs. Because there may be involvement of some proportion of really dissatisfied staffs and really satisfied staffs. But it is difficult to isolate them. Beside this some other factors may influence their job satisfaction level. They may be job status or gender or academic qualification or tenure or age-group or location.

#### **Job Satisfaction Level by Status**

Status may also be one of the demographic variables playing important role in determining job satisfaction level of employee in the insurance industry. So it is intended to measure the job satisfaction level based on status. For this purpose the chi-Square tested for status is computed. It shows the result as given below:

**Table 4.5.5 Chi-Square Tests for Status**

Tests statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.320 <sup>a</sup>	4	.000
N of Valid Cases	331		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .49.			

Table 4.5.5 revealed that there was a significant difference in proportion in job satisfaction level between officer and non-officer since p-value of chi-square is less than 5 percent level of significance.

**Table 4.5.6 Officer/non-officer job satisfaction level cross tabulation**

Status	Job satisfaction level					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
Officer	10	23	83	47	0	163
Non-officer	1	6	68	92	1	168
Total	11	29	151	139	1	331

The table 4.5.6 gives clear picture that officer is more satisfied than that of non-officer in the insurance industry. The status is a dominant factor influencing the job satisfaction level. So it is better to evaluate the job satisfaction level by job status.

#### **Job Satisfaction Level by Gender**

Gender may also be one of the demographic variables playing important role in determining job satisfaction level of employee in the insurance industry. So it is intended to measure the job satisfaction level based on gender. For this purpose the chi-Square tested for gender is computed. It showed the result as given below:

**Table 4.5.7 Chi-Square tests for gender**

Test statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.075 <sup>a</sup>	4	.059
N of Valid Cases	331		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .48.			

Table 4.5.7 reveals that there is no significant difference in proportion in job satisfaction level between male and female since p-value of chi-square is more than 5 percent level of significance.

**Table 4.5.8 Gender and job satisfaction level Cross tabulation**

Gender	Job satisfaction level					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
Male	10	17	73	72	0	172
Female	1	12	78	67	1	159
<b>Total</b>	<b>11</b>	<b>29</b>	<b>151</b>	<b>139</b>	<b>1</b>	<b>331</b>

The table 4.5.8 gives clear picture that proportion of male is not much difference in satisfaction level between male and female employees. Therefore, the gender is not a dominant factor influencing the job satisfaction level.

#### **Job Satisfaction Level by Academic Qualification**

There may be variance in job satisfaction level of employees with different academic qualifications. Here, the researcher has intended to test the job satisfaction level by academic qualification.



**Table 4.5.9 Chi-Square Tests for academic qualification**

Tests statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	170.158a	24	.000
N of Valid Cases	331		
a. 25 cells (71.4%) have expected count less than 5. The minimum expected count is .01.			

Table 4.5.9 reveals that there is a significant difference in proportion of job satisfaction level across seven academic qualifications at the level of significance since p-value of chi-square is less than 5 percent.

**Table 4.5.10 Academic qualification and job satisfaction level cross tabulation**

Academic qualification	Job satisfaction level					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
Below SLC	0	0	3	2	0	5
SLC	0	1	8	10	1	20
Higher secondary/PCL	1	2	25	26	0	54
Bachelors' level	0	8	59	62	0	129
Master level	3	14	56	39	0	112
M. Phil. level	5	3	0	0	0	8
Ph D level	2	1	0	0	0	3
<b>Total</b>	<b>11</b>	<b>29</b>	<b>151</b>	<b>139</b>	<b>1</b>	<b>331</b>

The table 4.5.10 gives clear picture that proportion of higher academic qualification is more dissatisfied than that of lower academic qualification in the

insurance industry. Therefore the academic qualification is also a dominant factor influencing the job satisfaction level.

### **Job Satisfaction Level by Tenure**

Tenure may also be one of the demographic variables playing important role in determining job satisfaction level of the employee in insurance industry. So it is intended to measure the job satisfaction level based on tenure. For this purpose the chi-Square tested for tenure is computed. It shows the result as given below:

**Table 4.5.11 Chi-Square tests for tenure**

Tests statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	147.556 <sup>a</sup>	20	.000
No. of Valid Cases	331		
a. 20 cells (66.7%) have expected count less than 5. The minimum expected count is .01.			

Table 4.5.11 reveals that there is a significant difference in proportion of job satisfaction level across six job experience/tenure levels since p-value of chi-square is less than 5 percent level of significance.

**Table 4.5.12 Job satisfaction level and tenure cross tabulation**

<b>Job experience /Tenure</b>	<b>Job satisfaction level</b>					<b>Total</b>
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
1-5	0	6	56	79	1	142
6-10	1	6	64	45	0	116
11-15	3	7	26	13	0	49
16-20	0	2	2	0	0	4
21-25	3	5	3	2	0	13
above 25	4	3	0	0	0	7
<b>Total</b>	<b>11</b>	<b>29</b>	<b>151</b>	<b>139</b>	<b>1</b>	<b>331</b>

The table 4.5.12 gives clear picture that employees with lower tenure were found less satisfied than that of higher tenure in the insurance industry. Therefore the tenure is also a dominant factor influencing the job satisfaction level.

#### **Job Satisfaction Level by Location**

Location may also be one of the demographic variables playing important role in determining job satisfaction level of employee in the insurance industry. So it is intended to measure the job satisfaction level based on location. For this purpose the chi-Square tested for location is measured. It has showed the result as given below:

**Table 4.5.13 Chi-Square tests for location**

Test statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.282 <sup>a</sup>	4	.015
No. of Valid Cases	331		
a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .12.			

Table 4.5.13 reveals that there is a significant difference in proportion of job satisfaction level between Kathmandu and Outside-Kathmandu since p-value of chi-square is less than 5 percent level of significance.

**Table 4.5.14 Job satisfaction level and location cross tabulation**

Location	Job satisfaction level					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
Kathmandu	11	22	126	130	1	290
Outside Kathmandu	0	7	25	9	0	41
<b>Total</b>	<b>11</b>	<b>29</b>	<b>151</b>	<b>139</b>	<b>1</b>	<b>331</b>

The table 4.5.14 gives clear picture that proportion of respondents from Kathmandu were found less satisfied than that of outside-Katmandu in the insurance industry. Therefore, the location is also a dominant factor influencing the job satisfaction level.

#### **Job Satisfaction Level by Age-group**

Age-group may also be one of the demographic variables playing important role in determining job satisfaction level of employee in the insurance industry. So it is intended to measure the job satisfaction level based on age-group. For this purpose the chi-Square tested for age group is measured. It shows the result as given below;

**Table 4.5.15 Chi-Square Tests for age-group**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	162.920 <sup>a</sup>	16	.000
N of Valid Cases	331		
a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .03.			

Table 4.5.15 reveals that there is a significant difference in proportion of job satisfaction level of employees across five level of age-group since p-value of chi-square is less than 5 percent level of significance.

**Table 4.5.16 Job satisfaction level and age-group cross tabulation**

Age-group	Job satisfaction level					Total
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
15-25	0	0	4	22	1	27
25-35	0	3	68	70	0	141
35-45	3	13	63	43	0	122
45-55	3	11	15	3	0	32
55-65	5	2	1	1	0	9
Total	11	29	151	139	1	331

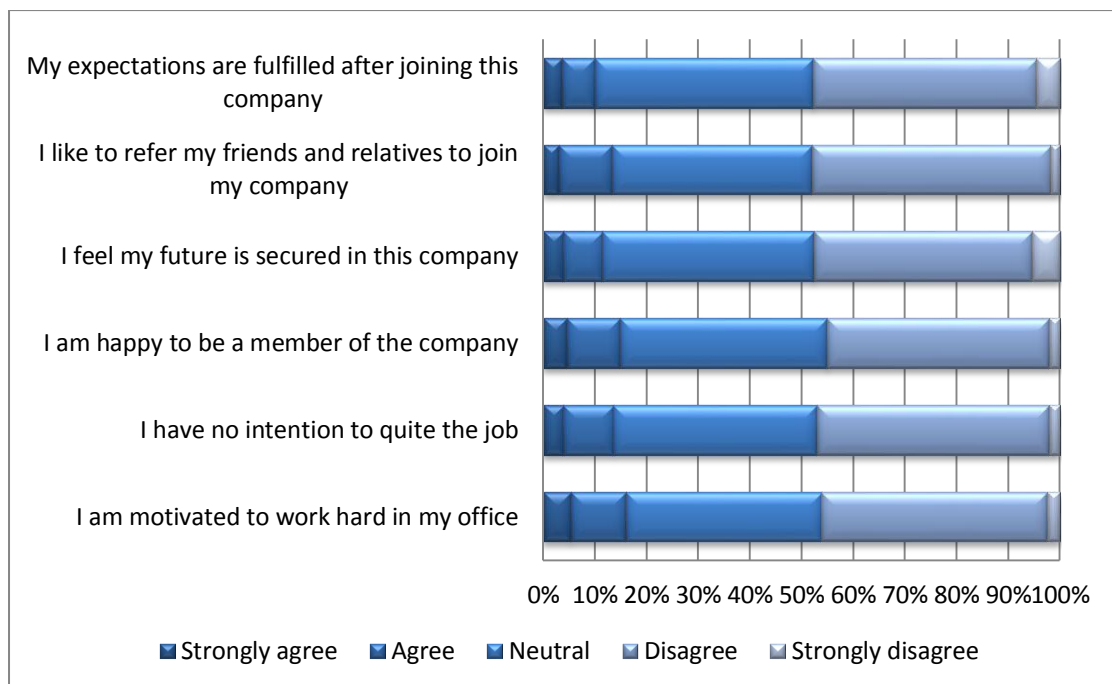
The table 4.5.16 gives clear picture of job satisfaction level by age-group. It shows that the proportion of lower age-group was less satisfied than that of higher age-group in the insurance industry. Therefore the age-group is also a dominant factor influencing the job satisfaction level.

### **Employee Turnover Intention in Insurance Industry**

Employee turnover intention is an important factor influencing the rate of employee turnover in an organization. It is heavily influenced by different organizational factors such as remuneration, working environment, career development, rewards responsibilities, autonomy, leadership, communication etc. However, turnover intention level can be determined by its own statements that represent attitudes of employees towards the job. Based on the literature review, the researcher had shorted five statements that determined the level of turnover. The researcher used a 5-point Likert scale, 1 represents strongly agree, 2 agree, 3 neutral, 4 disagree and 5 strongly disagree to measure these statements. A response of each item with any one of these five points was expressed by frequency or counting and percentage. In the analysis, the greater the percentage of any one of scale, the greater is the influence of the item of each factor. Now the results of all five statements were presented and analyzed as follows:

**Table 4.6.1 Employee turnover intention with six statement**

Statement of Turnover intention	Turnover level					Total number/ percent
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	
I am motivated to work hard in my office	18 5.40%	35 10.60%	125 37.80%	145 43.80%	8 2.40%	331 100%
I have no intention to quit the job	13 3.90%	32 9.70%	130 39.30%	149 45.00%	7 2.10%	331 100%
I am happy to be a member of the company	15 4.50%	34 10.30%	133 40.20%	142 42.90%	7 2.10%	331 100%
I feel my future is secured in this company	13 3.90%	25 7.60%	135 40.80%	140 42.30%	18 5.40%	331 100%
I like to refer my friends and relatives to join my company	10 3.00%	34 10.30%	128 38.70%	153 46.20%	6 1.80%	331 100%
My expectations are fulfilled after joining this company	12 3.60%	21 6.30%	140 42.30%	143 43.20%	15 4.50%	331 100%
<b>Total</b>	81 4.08%	181 9.11%	791 39.83%	872 43.91%	61 3.07%	1986/6 100%



**Figure 4.6.1 Employee turnover intention with six statements**

As shown in the table 4.6.1 and figure 4.6.1, the statement to ‘I am motivated to work hard in my office’, the respondents show no intention to turnover the job as their attitude towards the exiting job seems positive. However, when percentage of turnover levels measured by a 5-point Likert scales shows that 10.6 percent of the participants responded for ‘Agree’ and 43.80 percent for ‘Disagree’. The responses for disagree is higher than that for agree. This difference seems higher. It means that they are not so much motivated to work hard in their office.

However, when the responses for ‘Strongly agree’ and ‘Strongly disagree’ are compared to each other, there are 5.40 percent responses for strongly agree and 2.4 percent response for strongly disagree. The difference in their responses seems not very strong. Therefore, the employees are not happy with the present job on the basis of motivation. This indicates that they might turnover the job any time, if they get opportunities outsides.

Regarding the statement ‘I have no intention to quit the job’, the percentages of the responses are 9.70 percent for ‘Agree’ and 45.0 percent for ‘Disagree’. The responses for disagree was higher than that for agree. This difference seemed very strong. It indicates they had more intention to quit the job. However, when the responses for ‘Strongly agree’ and ‘Strongly disagree’ are compared, there were 3.9



percent responses for strongly agree and 2.10 percent response for strongly disagree. The difference in their responses seemed not very higher. Therefore, the employees had relatively much intention to quit the job as responded to this statement.

Regarding the statement 'I am happy to be a member of the company', this item also determines the intention for turnover the job. Because if an employee is not happy with the job, employer or organization, s/he may be disappointed and develop tendency to quit the job. Here, the percentages of the responses are 9.70 percent for 'Agree' and 45.0 percent for 'Disagree'. The responses for disagree is higher than that for agree. This difference seems very wide. It indicates that they were not happy with the company.

However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, there are 4.5 percent responses for strongly agree and 2.10 percent response for strongly disagree. The difference in their responses seems not very wide. Therefore, the employees are relatively unhappy with other members to work in the office. Consequently, the employees have more willingness to turnover their job.

Regarding the statement, 'I feel my future is secured in this company', this item also determines the intention for turnover the job. Because, if an employee feels that his or her job is secured in the company, s/he may feel free in performing regular works in the company and will be encouraged for better performance. Consequently, there will be less probable situation for them not quit the job. Here, the percentages of the responses are 7.6 percent for 'Agree' and 42.30 percent for 'Disagree'. The responses for disagree is higher than that for agree. This difference seems very wide. It indicates they are feeling insecurity in the job. Moreover, when the responses for 'Strongly agree' and 'Strongly disagree' were compared to each other, there are 3.9 percent responses for strongly agree and 5.40 percent response for strongly disagree. The difference in their responses shows a good support that they have not good feeling for security of the job in future. Therefore, this item confirms that they may have more willingness to turnover the job.

Regarding the statement 'I like to refer my friends and relatives to join my company'; this statement also may determine the intention for turnover the job. Because if an employee feels that s/he likes to refer his/her friends and relatives to

join his/her company, it means that s/he will not turnover soon. S/he feels that the company is good and cooperative and job is secured. Here the percentages of the responses are 10.3 percent for 'Agree' and 46.20 percent for 'Disagree'. The responses for disagree is higher than that for agree. This difference seems very wide. It indicated they do not like their friends and relatives to join their company. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, there are 3.0 percent responses for strongly agree and 1.80 percent response for strongly disagree. The difference in their responses showed a strong desire for quitting job. Therefore, this statement confirmed that they had willingness to turnover the job.

Regarding the statement 'My expectations are fulfilled after joining this company', this item also may determine the intention for turnover the job. If an employee's expectations are fulfilled after joining the company, it means that they will not turnover the job for long. Otherwise, they will quit the job. Here, the percentages of the responses are 6.3 percent for 'Agree' and 43.20 percent for 'Disagree'. The responses for disagree is higher than that for agree. This difference seems very wide. It indicates their expectations are not fulfilled what they want in their company. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, there are 3.6 percent responses for strongly agree and 4.50 percent response for strongly disagree. The difference in their responses also shows that they are not much happy for their expectation in the company. Therefore, this statement confirmed that they had willingness to turnover the job.

The aggregate percentage of over all six statements shows that the responses are 9.11 percent for 'Agree' and 43.91 percent for 'Disagree'. The responses for disagree was higher than that for agree. This difference seemed very wide. It indicates they had more intention to quit the job. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, there were 4.08 percent responses for strongly agree and 3.07 percent response for strongly disagree. The difference in their responses seemed not very wide. Therefore, it is concluded from above analysis that the employees had relatively more intention to quit.

It is commonly experienced that the employees turnover their job when they are getting older. This might be due to health problem or retirement. It is a normal course of action. But an employee tends to quit the job earlier for better opportunities with attractive offers outside the organizations. Such situation is not good for a company. The employees with younger age might stay at the same job for longer span of the time to get experience. But the situation may or may agree with these scenarios in this study. Here it is assumed that there is significant difference across all levels of age-group for their turnover intention. The following tables are the results of ANOVA to distinguish the nature of turnover intention among them.

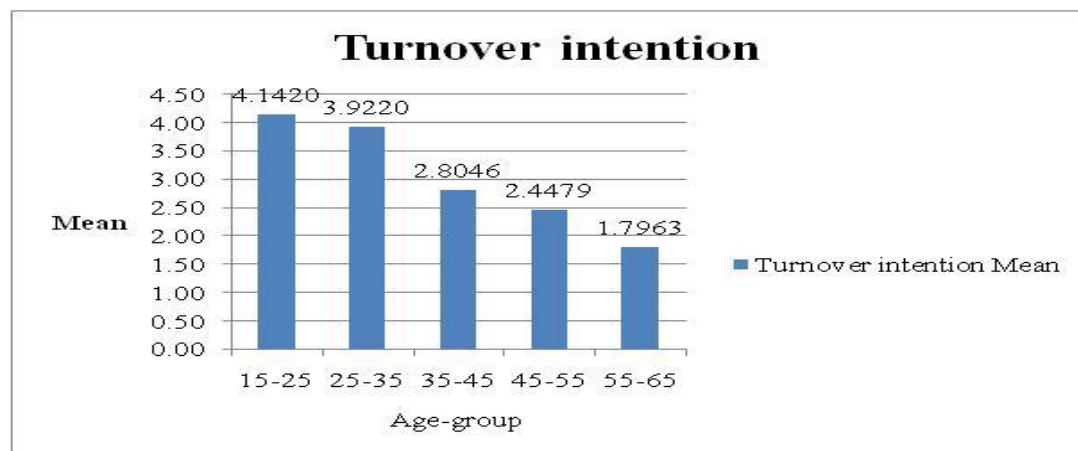
**Table 4.6.2 ANOVA test for turnover intention**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	146.953	4	36.738	253.574	.000
Within Groups	47.231	326	.145		
<b>Total</b>	<b>194.184</b>	<b>330</b>			

From above ANOVAs' table, the F-statistic has a value of 253.574 with p-value of 0.000. It is obviously less than 1 percent level of significance. It shows that there is a significant difference on the average score of turnover intention among five level of age-group. In other words, the employees may have different nature to quit their jobs according to various age or age-group.

**Table 4.6.3 Descriptive statistics of turnover intention of employees**

Turnover intention						
Age group	N	Mean	SD	Std. Error	95% Confidence Interval for Mean	
					Lower Limit	Upper Limit
15-25	27	4.1420	.17725	.03411	4.0719	4.2121
25-35	141	3.9220	.26693	.02248	3.8775	3.9664
35-45	122	2.8046	.30880	.02796	2.7493	2.8600
45-55	32	2.4479	.73010	.12906	2.1847	2.7111
55-65	9	1.7963	1.0232	.34109	1.0097	2.5828
	<b>331</b>	<b>3.3278</b>	<b>.76710</b>	<b>.04216</b>	<b>3.2449</b>	<b>3.4107</b>

**Figure 4.6.2 Descriptive statistics for turnover intention of employees**

In table 4.6.3 and figure 4.6.2, among 5 levels of age-groups of the employees, average score of age-group 15-25 is the highest among all. Then, it is followed by age groups 24-35, 35-45, 45-55 and 55-65. So, it indicates that the employees of this age-group have the highest turnover intention from their present jobs. This intention is gradually decreased for the rest of the age-groups. The employees of the age-group 55-65 have the average score of 1.7963 lowest among all the others. This shows that older employees have no intention to turnover their job for the coming years.

Furthermore, as for the age-groups 35-45, 45-55 and 55-65, despite different average scores, they do not differ significantly from each other. The employees of these age-groups comparatively have less or no intention to leave their jobs. Therefore, it is concluded that the intention to turnover the job is different across various age-groups or consequently age of the employees. In this study the younger employees are found to have more intention to turnover their job than the older employees in the study.

### **Turnover Intention by Academic Qualification**

It is found that the employees turnover their job more when they are getting more educational qualification in the same organization. This is might be due to expectation grows more. Joining a new organization, employee gets better opportunities with attractive offers in other organizations. The employees with lower academic qualification might not stay at the same job for longer span of the time to get experience. But, in my study, the situation may or may agree with these scenarios. Here it is assumed that there is significant difference at all levels of academic qualification for their turnover intention. The following tables are the results of ANOVA to distinguish the nature of turnover intention among them.

**Table 4.6.4 ANOVA test for turnover intention**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	37.206	6	6.201	12.799	.000
Within Groups	156.978	324	.484		
<b>Total</b>	<b>194.184</b>	<b>330</b>			

From the above ANOVAs' table, the value of the test statistic-F is 78.255 with p-value of 0.000. It is obviously less than 5 percent level of significance. It shows that there is a significant difference on the average score of turnover intention among the six levels of academic qualifications. In this study, the employees may have different nature to turnover their jobs according to various academic qualifications.

**Table 4.6.5 Descriptive statistics of turnover intention by academic qualification**

Academic qualification	N	Mean	SD	Std. Error	95% Confidence Interval for Mean	
					Lower Limit	Upper Limit
Below SLC	5	2.8667	0.70119	0.31358	1.996	3.7373
SLC	20	3.6083	0.80618	0.18027	3.231	3.9856
Higher secondary/PCL	54	3.6265	0.62774	0.08543	3.4552	3.7979
Bachelor's level	129	3.5194	0.65273	0.05747	3.4057	3.6331
Mater's level	112	3.0521	0.742	0.07011	2.9132	3.191
M. Phil. level	8	2.25	0.74001	0.26163	1.6313	2.8687
Ph D level	3	1.7778	1.07152	0.61864	-0.884	4.4396
<b>Total</b>	<b>331</b>	<b>3.3278</b>	<b>0.7671</b>	<b>0.04216</b>	<b>3.2449</b>	<b>3.4107</b>

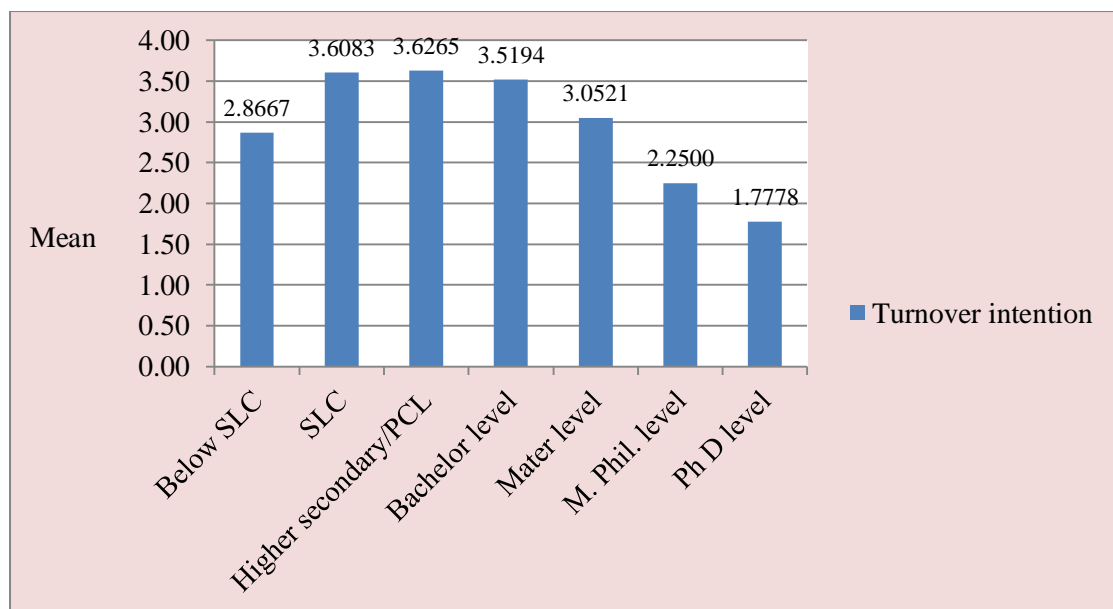
**Figure 4.6.3 Turnover intention by academic qualification**

Table 4.8.5 and figure 4.8.3 reveals that the employees belonging to higher secondary/PCL group have average score of 3.6265 with SD of 0.62774, which is the greatest among all. This average score is followed by the other academic qualification groups, SLC, bachelor's, level, master's level, below SLC, M. Phil level and Ph D levels. Basically, the employees of higher academic classes like PH D level and M Phil level have less or no intention to turnover the job. Below SLC level is an exceptional case. However, other academic classes have average scores close to 2,5 or 3.5. It means that they have no strong decision for turnover the job although their average scores are different from each other. Therefore, it can be concluded that the intention to turnover the jobs also depends on the academic qualification. Moreover, the employees with higher academic class master's or higher levels have less intention to leave the job than those with lower academic class.

This figure clarifies that the turnover intention is higher in the employees with academic qualifications of SLC and higher secondary/PCL level. The management should give more attention to these groups to minimize the turnover intention.

### **Turnover Intention by Tenure**

It is found that the employees' intention to turnover their job when they get more experience at the same organization. This is might be due to expectation in joining new organization or better opportunities with attractive offers in other organizations. The employees with smaller tenure might not stay at the same job for longer time to get experience. But, in this study, the situation may or may not agree with these scenarios. Here it is assumed that there is significant difference across all levels of tenure for their turnover intention. The following tables are the results of ANOVA to distinguish the nature of turnover intention among them.

**Table 4.6.6 ANOVA Test for turnover intention by tenure**

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	106.076	5	21.215	78.255	.000
Within Groups	88.108	325	.271		
<b>Total</b>	<b>194.184</b>	<b>330</b>			

From above ANOVAs' table, the value of the test statistic-F is 78.255 with p-value of 0.000. It is obviously less than 5 percent level of significance. It shows that there is a significant difference on the average score of turnover intention among six levels of tenure. In other words, the employees may have different nature to turnover their jobs based on various tenure.

#### **Descriptive Statistics of Turnover Intention**

Employee turnover intention has significant impact on the employee's productivity and organizational success. Considering the importance of turnover intention, the study on the concerned subject is gaining popularity throughout the world. From the observation and interview, the researcher found that the turnover intention in insurance industry is extremely high especially among the junior staffs, particularly in those, who have been employed on daily wage basis and contract basis. Most of them are heavily loaded with responsibility, but are paid very low. Nepotism and favoritism is also incredibly high in some insurance companies. Here, descriptive statistics is presented by tenure to evaluate the level of turnover intention in Nepal.



**Table 4.6.7 Descriptive statistics of turnover intention by tenure**

	N	Mean	SD	Std. Error	95% Confidence Interval for Mean	
					Lower limit	Upper limit
1-5	142	3.7899	.43610	.03660	3.7176	3.8623
6-10	116	3.3376	.61048	.05668	3.2254	3.4499
11-15	49	2.6633	.50973	.07282	2.5169	2.8097
16-20	4	2.6667	.66667	.33333	1.6059	3.7275
21-25	13	2.0128	.60653	.16822	1.6463	2.3793
above 25	7	1.2619	.18898	.07143	1.0871	1.4367
<b>Total</b>	<b>331</b>	<b>3.3278</b>	<b>.76710</b>	<b>.04216</b>	<b>3.2449</b>	<b>3.4107</b>

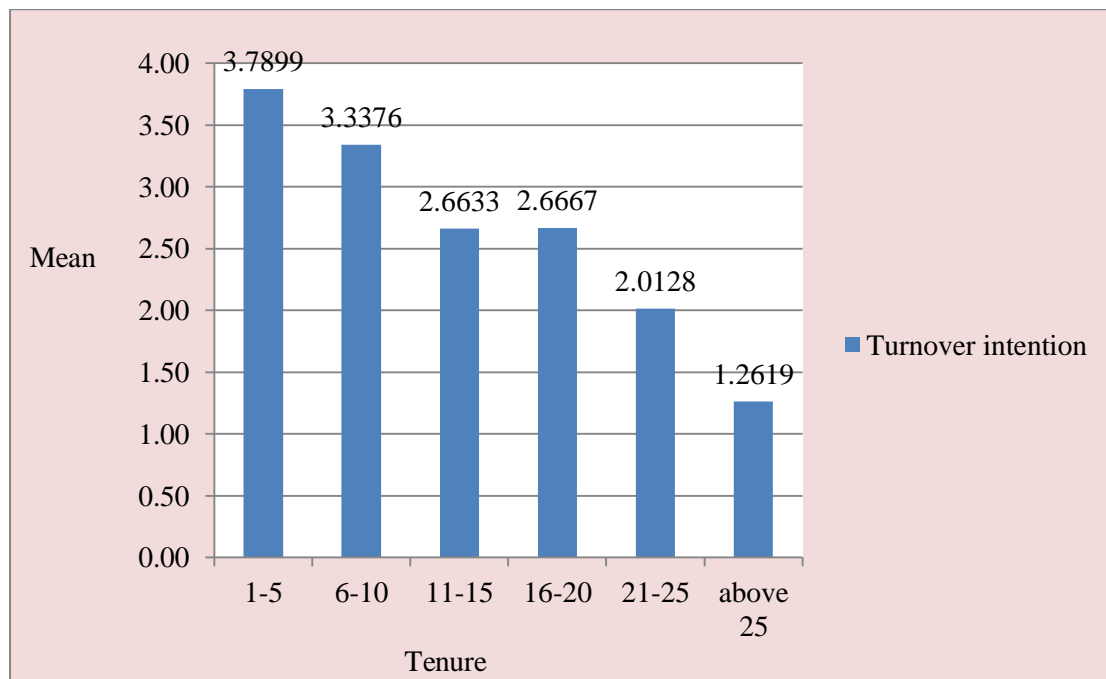
**Figure 4.6.4 Turnover intention by tenure**

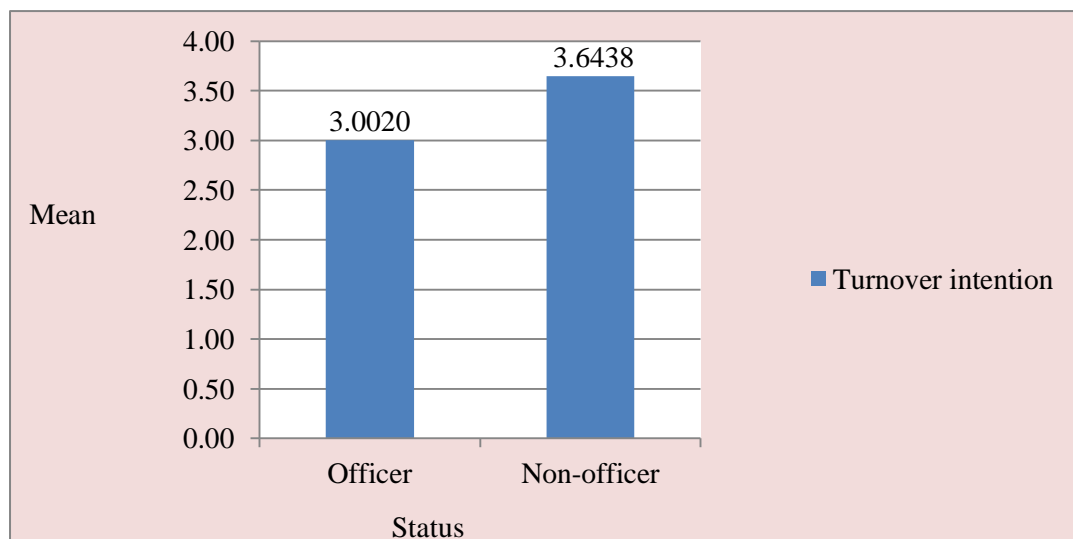
Table 4.8.7 and figure 4.8.3 reveals that the employees of tenure group have average score of 3.7899 with SD of 0.43610, which is the greatest among all. This average score is followed by other tenure groups 1-5, 6-10, 11-15, 16-20, 21-25 and

above 25. It means that the employees with less job experience have more intention to turnover their job and those with tenure 21-25 and above 25 have less or no intention to turnover their jobs. The tenure group 16-20 has average score of 2.6667 with SD of 0.88887. It is not significantly different from other tenure group for their turnover nature. So compared to this group, the nature of the turnover the job is similar among all groups. This job experience shows some different natures as it lies almost at the central part of the tenure. However, it can be concluded that the tenure has some effect on the employees in turning over the jobs. Therefore the employees of less tenure have more intention to turnover the jobs than those with more tenure.

The following table and figure show what the difference really is:

**Table 4.6.8 Descriptive statistics of turnover intention by status**

Job Status	Turnover intention			
	N	Mean	Std. Deviation	Std. Error Mean
Officer	163	3.0020	.76331	.05979
Non-officer	168	3.6438	.62731	.04840



**Figure 4.6.5 Turnover intention of officer and non-officer**

Table 4.6.2 and figure 4.6.1 show that the average score of turnover intention for officer is less than that for non-officer. It means that non-officer has more turnover intention than officer.

### **Relationship between Organizational Variables and Turnover intention**

It has been proved from the previous analysis that there is close relationship between organizational variables and job satisfaction of the employees involved in insurance industry in Nepal. It has also been cleared from the previous analysis that there is inverse relationship between job satisfaction and turnover intention of employees. If so, there must also be relationship between organizational variables and turnover intention also. Now researcher intended to analyze the relationship between organizational variables and turnover intention of employee.

Remuneration and employee benefit, working environment, career development and rewards, responsibilities and autonomy, leadership and supervision, human relations and communication, are the six variables under this study to determine their relationship with turnover intention of employees

The nature of these factors may vary in respect to different attributes associated with demographic features of the respondents. Here, the demographic features or characters considered are age or age-group, tenure and academic qualification. All these indicator variables or factors were measured on a 5-point Likert scale. The scale used to interpret the variables ranged from 1.0-1.79 for strongly agree, 1.80- 2.59 for agree, 2.60-3.39 for neutral, 3.40-4.19 for disagree and finally 4.20-5.00 for strongly disagree.

**Table 4.7.1 Descriptive statistics for eight factors**

Organizational factors	Total N	Mean	SD
Remuneration and employee benefit	331	2.9532	1.10138
Working environment	331	2.8177	.85350
Career development and rewards	331	3.2064	.75300
Responsibilities and autonomy	331	3.1752	.77883
Leadership and supervision	331	3.2729	.65575
Human relations and communication	331	3.2115	.69189
Job satisfaction	331	3.2175	.71104
Turnover intention	331	3.3278	.76710

Remuneration and employee benefit, working environment, career development and rewards, responsibilities and autonomy, leadership and supervision, human relations and communication, job satisfaction and turnover intention, all have mean values 2.9532, 2.8177, 3.2064, 3.1752, 3.2729, 3.2115, 3.2175 and 3.3278 with varying smaller standard deviations respectively. These average scores are all very close to the range 2.50-3.49. It reveals that the employees seemed to be neutral in level of agreement with them. This means that employees are marginally satisfied with the present job on the average with smaller variation.

Consequently, it can be said that the employees are ready to stay longer time at their job until they experience some influential factors like more and more opportunities from other sources that make them to turnover their present job. However, remuneration and employee benefit and working environment have average scores near to 2.5. It means that the employees are relatively satisfied with remuneration and benefits like pay-scale, allowance, transportation facility, medical facility, personal insurance facility and other employee benefits.

Likewise, they are also relatively satisfied with working environment like a quite good working hour, physical facility of the office, no stress at the job, quite good human relation, good cooperation among co-workers and quite good working

environment. The rest of the statements indicate that the employees are in the state of saying ‘no good’ or ‘no bad’ situation at their present job. This indicates that employee would not quit the job right now. But it is likely that employee would quit the job immediately if they got opportunities outside the organization.

### **Relationship between Job Satisfaction and Employee Turnover Intention**

Job satisfaction and employee turnover intention have significant impact on the employee’s productivity and organizational success. Considering the importance of job satisfaction and turnover intention, the study on the concerned subject is gaining popularity throughout the world. It has been already mentioned that job satisfaction is very important part as experienced by the managers for effective operation of an insurance company. It is natural that the best performance of employees can be expected only if they are satisfied from all aspects. So, it is necessary for every manager to pay proper attention to make the employees feel satisfied enough for higher productivity of the company. The job satisfaction is more related to productivity, whereas job dissatisfaction is more related to employee turnover intention. If employees are not happy they are not motivated to perform better. This situation may develop the turnover intention. But they do not decide to quit the job immediately. If employees are dissatisfied with the job, then it is sure that they will be developing turnover intention. It may result negative attitudes towards organization, such as go lows, carelessness, absenteeism, roughness, fighting, strikes etc. at the beginning. Ultimately, this will lead to the employee turnover. In this way, it is assumed that there is negative relationship between job satisfaction and turnover intention among the employees of the insurance industry in Nepal.

### **Correlations between Job satisfaction and Turnover Intention**

In this study, the researcher has attempted to know the job satisfaction in relation with turnover intention of the staffs of the insurance industry. The job satisfaction, one of the key elements of human resource management in the organization, is determined by the six statements, each is measured by a 5-point Likert scale such as 1 indicates strongly agree, 2 agree, 3 neutral, 4 disagree and 5 strongly disagree. The six statements are ‘I am satisfied with the functions and responsibilities’, ‘I am satisfied with my office layout and furniture setting’, ‘I am

happy with the holiday and leave facility’, ‘I am satisfied with the overtime facility’, ‘there is no nepotism and favoritism in selection and promotion process’ and ‘I feel proud to be associated with this company’. These six statements are combined together to make a new composite variable termed as job satisfaction. The measure of the job satisfaction is based on the average score of all the six statements. Thus, it is termed as a summated scale. Similarly, turnover intention is also based on summated scale from six statements like job satisfaction. Now, it is hypothesized that there is negative correlation between job satisfaction and turnover intention. In other words, the more the job satisfaction, the less the turnover intention. But, this sentence seems to show negative relation between them. In measurement of turnover intention and job satisfaction are measured in the same direction. For illustration, if a staffs selects 1 for strongly agree for job satisfaction, then s/he also select 1 for strongly agree for no turnover intention. In the similar fashion, other measurements are completed. Therefore, if there is a positive correlation between them, it means that they are satisfied with the job and have no intention of turnover the job. The results are as follows:

**Table 4.7.2 Correlation between job satisfaction and turnover intention**

Particulars	Pearson Correlation	Sig. (2-tailed)
Job satisfaction and turnover intention	.596**	.000
**, Correlation is significant at the 0.01 level (2-tailed).		

Table 4.7.1 show that there is significant positive linear correlation between job satisfaction and turnover intention since the p-value is less than 1 percent level of significance. This reveals that the staffs with higher job satisfaction have lower or no intention to turnover the job or vice versa. This significant correlation has verified the natural phenomena of job satisfaction with turnover intention. Although, it should be taken in consideration that environmental factors and demographic characteristics also play significant role in developing turnover intention among the employees. It may be assumed that the relation between job satisfaction and turnover intention of the

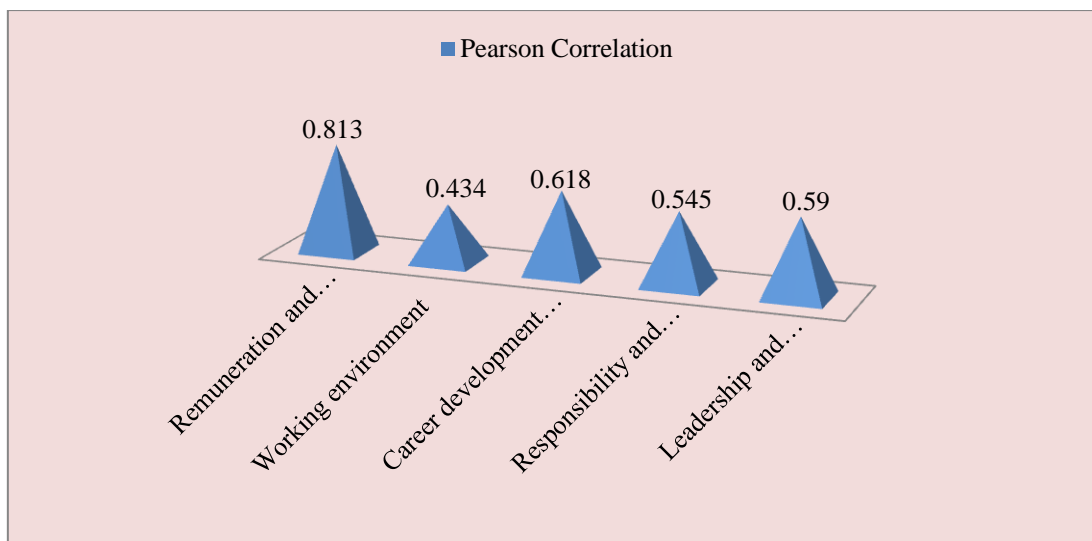
employees may be affected by some demographic factors. It is discussed, measured and analyzed in forth coming topic

### **Relationship between Job satisfaction variables and Turnover intention**

Generally there are some job satisfaction factors that may influence the turnover intention of employees in any organization. These factors may have positive or negative impact on the employees. So, it is required to understand about these factors for better and pleasant running of the organization. In my study, remuneration and employee benefits, working environment, career development and rewards, responsibilities and autonomy, and leadership and supervision are considered as the organization factors and are assumed to affect on the turnover intention in the insurance industry in Nepal. Now, correlation between turnover intention and each of these job satisfaction factors are computed and tested at 1 percent level of significance. The results are as follows:

**Table 4.7.3 Correlation between job satisfaction variables and turnover intention**

<b>Job satisfaction variables</b>	<b>Pearson Correlation</b>	<b>Sig. (2-tailed)</b>
Remuneration and employee benefits	.813 <sup>**</sup>	.000
Working environment	.434 <sup>**</sup>	.000
Career development and rewards	.618 <sup>**</sup>	.000
Responsibility and autonomy	.545 <sup>**</sup>	.000
Leadership and supervision	.590 <sup>**</sup>	.000
**. Correlation is significant at the 0.01 level (2-tailed).		



**Figure 4.7 Correlation between job satisfaction variables and turnover intention**

Table 4.7.2 and figure 4.6.5 show that there are significant positive linear correlation between turnover intention and each of variables such as ‘remuneration and employee benefits’, ‘working environment’, ‘career development and rewards’, ‘responsibilities and autonomy’, and ‘leadership and supervision’ since p-value of t-statistic is less than 1 percent in each case.

Moreover, the degree of Pearson correlation is different. It means that the strength of the relations is different for each of above factors with turnover intention. The Remuneration and employee benefit has Pearson correlation of coefficient of 0.813, which is the highest among all. So, it has a most dominant effect on the turnover intention. Then, it is followed by career development and rewards leadership and supervision, responsibility and autonomy and working environment. remuneration and employee benefit has the greatest influence on the turnover intention. In this analysis, six statements of turnover intention are measured by again a 5-point Likert scale. 1 belongs to strongly agree not to turnover the job. 2 belong to agree not to turnover the job. 3 belong to neutral about turnover the job. 4 belong to disagree not to turnover the job or 4 belong to agree to turnover the job. 5 belong to strongly disagree not to turnover the job, or 5 belong to strongly agree to turnover the job. By this measure of statements of turnover intention and correlation with job satisfaction factors, the positive correlation will work inversely here. From the above table 4.7.2,



remuneration and employee benefit has significant strong positive and linear correlation with turnover intention. It indicates that if employees are paid more remuneration and benefits, they will have less intention to quit the job. However, there is relatively significantly less positive and correlation between working environment and turnover intention. This work environment is found to provide more inspiring effect on the employees not to turnover the job. All other factors like career development and rewards, leadership and supervision and responsibility and autonomy have the similar effect with varying degree upon the turnover intention. Therefore, it is concluded that job satisfaction factors have better influence on the turnover intention of employees.

### **Concluding Remarks**

The purpose of this chapter is to analysis and explains the job satisfaction condition and turnover intention of employee of insurance industry in Nepal. The analysis has been conducted with different statistical tools and procedures. The result revealed that there was significant relationship between demographic variables and job satisfaction. Furthermore, the job satisfaction level was more influenced by demographic variables. Among them the leadership and supervision was the dominating variable influencing the level of job satisfaction. At the same time, there was also close relationship between job satisfaction and turnover intention of employee. But it was negative relationship. It means that more the job satisfaction, the less turnover intention in employees. The analysis also clarify that there is also relationship between demographic factor/ organizational factor and turnover intention of employees.

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATIONS**

This is the final and most important chapter of the study. It provides precise summary and major findings of the whole study. It consists of four major parts. The first part of the chapter presents the summary of the whole study. The second part presents conclusion and third part presents recommendation for future research. The last part is incorporated with concluding remarks.

#### **Overall Summary**

‘Job satisfaction and employee turnover intention in insurance industry of Nepal’ is the title of the present study. Both job satisfaction and employee turnover intentions are the important aspects of human resource management. The importance of these aspects is gradually growing in the modern organizations, which are facing tough competition on the one hand and the expectations of employees are growing on other. The study was intended to measure the level of job satisfaction and turnover intention of employees in the insurance industry.

The present thesis is prepared after comprehensive preparation, in depth study, observation, discussion, literature review and analysis on job satisfaction and employee turnover intention in the insurance industry of Nepal. The thesis has been divided into five major chapters. They are ‘introduction’, ‘literature review’, ‘research methodology’, ‘findings and discussion’ and ‘conclusion and recommendations’ respectively.

The first chapter of the thesis presents the vivid introduction and general information of the study. This chapter consists of statement of problem, significance of the study, objectives of the study, research questions, conceptual framework of the study, limitations of the study, organization of the thesis and definitions of terms. This chapter explains the job satisfaction and employee turnover intention in insurance industry of Nepal. It is said that the level of job satisfaction is reducing and turnover intention is growing among the employees in the insurance industry. The present study has tried to find the real situation in this sector. The chapter has given overall

background of the insurance industry. This is followed by the introduction of human resource management, statement of problem, significance of the study, the objective of research, research questions, research methodology, scope and limitations of the study and the research lay-out.

The second chapter has presented the literature review of the study. It consists of literature related to human resource management, job satisfaction, employee turnover, insurance, insurance industry in Nepal and theories related to job satisfaction and employee turnover intention. The researcher spent lot of time in literature review to find out actual case of job satisfaction level and turnover intention and to determine the research gap. Many of the studies were found to be focused on industrial sides. As this study is related to the employee related to insurance industry, it is difficult to find a way to specifically analyze the rates of job satisfaction of the employees because they are providing service which cannot be measured digitally. Both primary and secondary data have been used in the study. Sets of primary information were collected through personal investigation and questionnaire method and tools. Primary data constitute the main source of information to support the purpose of this research work. The sources of secondary data were the annual reports of the companies, auditor's report, journals government reports and web sites.

The third chapter is related to methodology that has been used to carry out the research. It has contained research philosophy, research design, locations of the study, determination of research population and sample size, questionnaire design, pre-test of research questionnaire, data collection and ethical principles.

The inclusion criteria were all levels (officer and non-officer levels) of employees associated with insurance industry, who were available at the time of the study and willing to participate in the study. The exclusion criteria were those who were unavailable such as those who were on leave and those who decided to exercise their right not to participate in the present study.

This is a quantitative research on employee turnover intention. The primary concern of this research was to investigate and evaluate the job satisfaction and employee turnover intention in insurance industry of Nepal. The researcher used quantitative approach in questionnaire, which is easy to answer for respondents. Quantitative approach was more relevant because the researcher tried to clarify the

level of relationship between job satisfaction and employee turnover intention. This research process involves a series of well known activities of gathering, recording, analyzing and interpreting the data. The purpose of research was finding out solutions to the problem.

The research instrumentation contains 48 statements of questionnaire which was delivered personally to the respondents. The study has used the Minnesota Satisfaction Questionnaire (MSQ) as the basis for the collection of data. This survey was a time-tested instrument that added considerable validity to the precious research instruments. A set of 5-point type Likert scale questionnaire with 48 statements was developed based on the conceptual framework.

As it is a quantitative research, the tools, techniques and methodology used in collection and analysis of data have significant role in the research process. So the researcher has discussed research philosophy, research design, research variables, sampling and population and different techniques of data analysis such as mean, standard deviation, correlation, multiple regression, ANOVA test, Chi-square Test etc. The data collected were analyzed by using SPSS Version 16.0 computer program. Cronbach's alpha was used to test the reliability of the questionnaire.

In addition, interviews had been conducted with the concerned executives, managers and staffs. Such interviews became very useful to collect the information if not obtained through questionnaire. The information collected through interviews helped a lot to support to data analysis. This chapter has clarified the frame-work and road-map of data analysis and fact finding procedure. Ethical principle or issue is also an important aspect for fair and sincere research. Such ethical principles are considered while conducting every activity of the research.

The fourth chapter of the thesis consists findings and discussions. It is the main part of the study, which presents the analysis of data and interpretation. It contains demographic variables and organizational variables included the study for analysis. The job experience, job status, marital status, gender, age, academic qualifications and geographical regions of respondents are the demographic variables included in the present study. Similarly, 'remuneration and employee benefits', 'working environment', 'career development and rewards', 'responsibilities and autonomy', 'leadership and supervision', 'human relationship and communication'

are the organizational variable taken as independent variables influencing dependent variables job satisfaction and turnover intention. The data and information collected through questionnaire have been analyzed and interpreted to find the fact that which impacts the job satisfaction level and turnover intention in insurance industry. Quantitative research methods depend mainly on questionnaire techniques that disclose respondent's actual feelings and understandings

The final chapter is the conclusion and recommendations. It is the summary of result that emerged from the detail study and analysis of the study. It provides the findings at glance and recommendations for concerned authority to enhance the job satisfaction reduce turnover intention and further research. Overall analysis and study revealed that there was positive relationship between demographic variables and job satisfaction. There was positive relationship between organizational variables and job satisfaction. There was negative relationship between demographic variables and employee turnover intention. There was negative relationship between organizational variables and employee turnover intention. The level of relationship varied with different demographics variables. There was negative relationship between job satisfaction and turnover intention of employees. Employee turnover can be predicted on the basis of turnover intention and turnover intention can be predicted on the basis of job satisfaction level of employees.

The level job satisfaction among the employees in insurance industry was found not satisfactory to enhance utmost performance from employees. At the same time it is not fully unsatisfactory to quit the job as once. In short, it can be said that most of the employees were neither satisfied nor dissatisfied. They were lingering in between the satisfaction and dissatisfaction.

### **Conclusion**

The conclusion portion of this section is further divided into eight major parts, namely demographic variables, organizational variables, relationship between demographic variables and job satisfaction, relationship between organizational factors and job satisfaction, job satisfaction level in insurance industry, level of employee turnover intention, relationship between job satisfaction and employee

turnover intention, relationship between demographic variables and turnover intention.

### **Demographic Variables**

Demographic variables were found to be important factors influencing job satisfaction. The most common seven demographic variables are taken into consideration in this study. They are job experience, job status, marital status, gender, age, academic qualification and geographical region.

The result of job experience distribution indicates that 43.20 %, the greatest number of respondents had the lowest job experience below 5 years. only 1.21 % out of 331 respondents had expected job experience of 16-20 year. It means that almost fifty percent of total employees in the insurance industry had the job experience of less than five years. It clarifies the frequent turnover of employee in insurance sector.

So far as job status is concerned, there were 49.24 % of the total respondents were taken from officer level such as officer, manager, branch manager, assistant manager, marketing manager etc. As the same time, 50.76% respondents were taken from non-officer level employees such as assistant, head assistant, cashier marketing assistant, peon, store keeper etc. Among them, 52 % were male and 48 % were female respondents. The balance in percentage between two levels and gender helped the researcher to rationally evaluate the job satisfaction level and turnover intention in this study.

In the case of marital status, the majority of employees were found married. It was cleared the number of respondents, where, 68.58 % were married, only 31.42 % were unmarried. All the respondents with the tenure above 16 years were found to be married.

The male and female ratio of respondents was 52% and 48 % in this study. They helped to provide important information to the researcher through questionnaires and face-to-face interview. If we see the total figure of employees of insurance industry, there were 68 % male and 32 % were female employees involving in insurance industry of Nepal.

Age of employees is also an important demographic characteristic of the employee that may influence the job satisfaction and employee turnover intention.

The frequency distribution indicates that majority or 42 % of respondents were aged between 25-34 years. This age is the time to engage in any work and earn for living. There were only 2 % aged above 54 years and only 8 % aged below 25 years. The gender and age cross tabulation showed that the proportion of female employees were high in the early ages as there were only 1.8 % male respondents out of 8.2% below 25 years of age. But when age grew up, there were only 0.3 % female respondents out of 2.7 % in the age group above 55 years.

Administrative and professional jobs are based on academic qualifications. The academic frequency distribution table shows that that 35.95% and 32.63 % of the respondents had completed their bachelor's degree and Master's degree respectively. This figure suggests that maximum of employees ( $35.95\% + 32.63\% = 68.58$ ) were found well-educated in insurance industry, while only 9 or 2.72% employees were below S.L.C. level.

Residential area is one of the demographic variables influencing the job satisfaction and turnover intention of the employees. About fifteen percent of the insurance business was found concentrated in Kathmandu valley only and head offices of all insurance companies were found located within Kathmandu valley. Almost at the same ratio, only 11.48 % respondents were found from outside Kathmandu valley and 88.52% respondents were from Kathmandu.

### **Organizational Variables**

The analysis contained eight organizational variables contributing to job satisfaction of employees in insurance industry in Nepal. Remuneration and employee benefits, working environment, career development and rewards, responsibilities and autonomy, leadership and supervision, human relations and communication, job satisfaction and turnover intention were the eight factors under this study to determine the their impacts on the level of job satisfaction and ultimate impacts on turnover intention of employees. All these eight indicator variables were measured on a 5-point Likert scale.

The descriptive statistics revealed that that employees were neither satisfied nor dissatisfied with the remuneration and financial benefits , working environment, career development, responsibility, leadership and human relation in the present job

with normal variation on the average. It seemed that employees are in the stage between satisfaction and dissatisfaction.

### **Relationship between Demographic Variables and Job Satisfaction**

The purpose of the study was to evaluate the levels of job satisfaction and its impact on turnover intention of the employee in the insurance industry. For this purpose, the researcher should determine the factors influencing job satisfaction. First of all, statistical test for the relationship between job satisfaction and academic qualification is performed. Chi-Square test result shows that there is a significant relationship between two attributes: academic qualification and job satisfaction, since it is seen that p-value of Chi-square of value of 170.158 with 24 degrees of freedom is .000 and it is obviously less than 5 percent level of significance. The cross tabulation between academic qualification and level of job satisfaction indicates that the employees with higher academic qualification seem to be more satisfied with their job in comparison to the employees with lower academic qualification. Hence, it can be concluded that education level has a significant effect on the job satisfaction of the employees in the insurance industries.

Chi-Square test is used to measure the relationship between age group of employees and job satisfaction level. The test shows that there is a significant relationship between these two attributes since p-value of chi-square test 162.92 with 16 degrees of freedom is .000 and it is obviously less than 5 percent level of significance.

Job satisfaction and employees' age group has been cross tabulated to analyze relationship between them. The table indicates that satisfaction level is increasing with increase in age-group of employees. It has been concluded that the employees with lower age-groups were less satisfied with their present job in comparison to the employees with higher age-groups.

The study on the relation between geographic location and job satisfaction revealed that p-value of Chi-square of value of 12.282 with 4 degrees of freedom is .015 and it is obviously more than 5 percent level of significance. Similarly, job satisfaction level and job status is cross-tabulated and studied. The study revealed that satisfaction level is increasing with increment in job status. The employees holding



lower job status seem more dissatisfied with their present job than the employees holding higher job status. The relationship between job satisfaction level and tenure measured with Chi-Square test and results indicated that p-value of Chi-square of value of 147.556 with 20 degrees of freedom is .000 and it is obviously less than 5 percent level of significance. The cross tabulation indicates that job satisfaction level is remarkably low with tenure of 1-5 and 6-10. It is found increasing gradually upwards from the tenure 16-20 to above 25. So, this situation again verifies that tenure has much strong relationship with job satisfaction.

### **Relationship between Organizational Variables and Job Satisfaction**

In this study, 'remuneration and employee benefits', 'working environment', 'career development and rewards', 'responsibilities and autonomy' and 'leadership and supervision' are considered as the major organizational factors assumed to affect the job satisfaction in the insurance industry. Now, correlation between job satisfaction and each of these organizational factors are computed using 'SPSS 16.0 for Windows software program' and tested at 1 percent level of significance. The result revealed that there were significant positive linear correlation between job satisfaction and organizational factors.

Among organizational factors, the leadership and supervision had the highest relationship with Person correlation of coefficient of 0.681. It means that leadership as well as supervision has the highest influence on the job satisfaction on the employees. In contrast, working environment had comparatively minor influence on the job satisfaction across all the eight factors. In this sway, it is concluded that there are significant positive linear correlation between job satisfaction and each of the organizational factors.

Eight organizational variables were taken to measure the job satisfaction level in this study. It is also important to measure the inter-relationship between these variables. For this purpose, the correlations among organizational variables were analyzed. It was revealed from the analysis that there are significant positive and linear correlations between any two levels of job satisfaction factors as all the p-values are less than one percent level of significance. Among them, the highest degree of correlation is .615 and was between 'responsibility and autonomy' and 'leadership

and supervision'. So, if the degree of 'responsibility and autonomy' increases, the degree of 'leadership and supervision' also increases, and vice versa.

### **Job Satisfaction in Insurance Industry**

Job satisfaction is one of the important parts experienced by management for smooth running of the insurance industry in Nepal. A proper operation of insurance industry is possible only if the employees are well motivated and committed to the best performance. In this study, the researcher attempted to know the job satisfaction level of the employee of the insurance industry in Nepal.

The six statements used to measure job satisfaction are combined to measure job satisfaction level. The aggregate percentage of over all six statements shows that 42% respondents were dissatisfied with their present jobs where as 45 % were found neutral. This situation indicated that majority of the employees were not satisfied with their job

The Chi-Square test is done for the status to measure the job satisfaction level of different status. The result revealed that there was a significant difference in proportion to the satisfaction level between officer and non-officer since p-value of chi-square was found less than 5 percent level of significance. The job satisfaction levels of officers and non-officers were cross tabulated and studied. The study revealed that officer was more satisfied than non-officer in the insurance industry. The genderwise job satisfaction level was studied with gender-job satisfaction level cross tabulation. The study revealed that the proportion of male was not so much different in the question of satisfaction level between male and female employees. Therefore, the gender was not a dominant factor influencing the job satisfaction level. The tenure-wise analysis is done to measure job satisfaction level. The analysis revealed that employees with lower tenure were less satisfied than those of higher tenure in the insurance industry. Similarly the cross tabulation of job satisfaction by location revealed that respondents from Kathmandu were less satisfied than those of outside-Kathmandu. As for the age is concerned, job satisfaction and age-group cross tabulation revealed that the proportion of lower age-group was less satisfied than those of higher age-group working in the insurance industry.

### **Employee Turnover Intention**

The aggregate percentage of over all six statements shows that the responses are 9.11 percent for 'Agree' and 43.91 percent for 'Disagree'. The responses for disagree was higher than that for agree. This difference seemed very wide. It indicates they had more intention to quit the job. However, when the responses for 'Strongly agree' and 'Strongly disagree' are compared to each other, there were 4.08 percent responses for strongly agree and 3.07 percent response for strongly disagree. The difference in their responses seemed not very wide. Therefore, it is concluded from above analysis that the employees had relatively more intention to quit.

It is found that the employees may quit their job when they are unsatisfied and get opportunity of higher posts outside the organization. Usually, job status does not affect the turnover intention of the employees. The T-test is here performed to test whether there is a significant difference on the average score of turnover intention between officer and non-officer status of the employees. Here the p-value of this statistic T is less than 5 percent level of significance. It means that there is significant difference in turnover intention between officers and non officers. The descriptive statistics also revealed the same result.

### **Relationship between Job Satisfaction and Employee Turnover Intention**

It is natural that the best performance of a company can be expected if the employees are satisfied in all aspects. So, it is necessary for every manager to pay proper attention to make the employees satisfied enough for higher productivity of the company. The job satisfaction is more related to productivity, whereas job dissatisfaction is more related to employee turnover intention. If employees are not happy they are not motivated to do better performance. This situation may develop the turnover intention. But they do not decide to quit the job immediately. If employees are dissatisfied with the job, then it is sure that they are developing turnover intention significantly. It may result negative attitudes towards organization, such as go lows, carelessness, absenteeism, roughness, fighting, strikes etc. at the beginning. Ultimately, this will lead to the employee turnover. In this way, it is assumed that there is negative relationship between job satisfaction and turnover intention among the employees in insurance industry of Nepal. In this study, the researcher has

attempted to know the job satisfaction in relation of turnover intention of the staffs of the insurance industry. Yet it is assumed that there is negative relationship between job satisfaction and turnover intention of the employees. Pearson correlation is measured to determine the relationship between them. The calculation revealed that that there is significant negative linear correlation between job satisfaction and turnover intention since the p-value is less than 1 percent level of significance. This reveals that the staffs with higher job satisfaction have lower or no intention of turnover the job or vice versa. This significant correlation has verified the natural phenomena of job satisfaction with turnover intention.

To conform the above results, the researcher further carried out in the study with the help of descriptive statistics for eight factors namely, remuneration and employee benefit, working environment, career development and rewards, responsibilities and autonomy, leadership and supervision, human relations and communication, job satisfaction and turnover intention. All had means values 2.9532, 2.8177, 3.2064, 3.1752, 3.2729, 3.2115, 3.2175 and 3.3278 with varying smaller standard deviations respectively. All these average scores were very close to the range of 2.50-3.49. It revealed that the employees were seemed to be neutral at level of agreement with them. This showed that employees were marginally satisfied with it on the present job small variations.

However, remuneration and employee benefit and working environment have the average scores near to 2.5. It means that the employees are relatively satisfied with remuneration and benefits and working environment. The rest of the statements indicate that the employees are in the state of saying 'no good' or 'no bad' situation at their present job. Furthermore, each of the eight factors or statements may be affected by some demographic factors like age, tenure and academic qualification. The following paragraphs presents real situation of the turnover intention by these factors.

### **Recommendations**

After concluding the analysis and discussion, the researcher intended to recommend some favorable suggestions regarding job satisfaction and employer turnover intention to employer and managers. Furthermore, here are some recommendations for future research, too.

### **Recommendation for Employers and Managers**

When employees become dissatisfied with their jobs, they generally develop the turnover intention. Today, the placement opportunities are very low. In this situation, they do not quit jobs immediately, but they slow down their works, dishonesty increases, productivity goes down. So every employer should give much attention to increase job satisfaction and decrease turnover intention of employees.

Managers should focus the employees to long term benefits. Employees do not mind going through difficult time when they believe there is a brighter future ahead. Leadership plays a dominant role to enhance job satisfaction level. Leader or manager should be cooperative, unbiased, caring, and efficient in concerned works.

Employees should be provided enough opportunities for development and diversity like training, promotion and job rotations. There should be continuous two-way communication between boss and subordinates to reduce bad times and misunderstandings. It is also important to coordinate their activities. Effective communication is essential to teach skills and inform employees about their jobs.

Employees should be provided adequate remuneration on the basis of their performance and ability. Payment should be competitive. Employees should be provided good working environment with adequate facilities. It tends to enhance job satisfaction among employees. Team work or groups make significant improvement in employees' ability to share resources and work together. This reduces cost and increases efficiency and job satisfaction.

The best way to ensure employee retention is to hire the right people in right place. There should be proper match between job and employee. There should be good human relation in organization. Employees will be healthier, happier and less likely to fly in this environment. Managers should recognize the value of employees. Social support and rewards make employees happier. All these efforts will definitely promote job satisfaction reducing employee turnover significantly in organizations.

### **Recommendation for Future Research**

This is sincere attempt to add some fresh knowledge in research on job satisfaction and employee turnover intention. The case is focused on insurance industry of Nepal. There are altogether eight demographic variables and six

organizational variables included in the study. Further research could be concluded adding other variables such as recruitment, selection, job assignment, opportunities, performance appraisal, training and development organizational commitment etc. Organizational commitment will predict the turnover more accurately rather than job satisfaction alone, supported the above recommendation (Moynihon, Bosel, & Boudreau, 1998).

Furthermore, future researches may be emphasized more on human resource policies such as procedure of recruitment, selection, promotion, training etc. Research can also be conducted in the productive areas such as manufacturing company. Telecommunication, electricity etc. are the other sector in service oriented organizations, where such research may be carried out because most of the previous studied were conducted at manufacturing field and educational sectors.

The future researchers are advised to select an organization with high turnover rate such as thirty percent per year. Then the results of the study will be more meaningful and useful to that organization.

### **Concluding Remarks**

The main purpose of the study was to determine impact of organizational variables on job satisfaction and its impacts on turnover. Different demographic variables have also been taken into consideration to evaluate their impacts on them. The researcher felt satisfied with the outcome of the research as the objective has been duly met.

The researcher has discussed technical terms and terminologies used in this research at the beginning. After completing literature review, the journey of research was discussed systematically. Firstly, research philosophy has been explained followed by research design, research variables, research location, population, sampling, criteria, questionnaire design, observation and interview, data collection. Then after, data analysis and interpretation have been presented with ethical principles.

Different techniques and tools were used in the process of research. As it was a quantitative research, statistical tools such as mean, standard deviation, ANOVA test, regressions were used as demanded by the nature of data and objectives of the

research. The study revealed that job satisfaction is inversely associated with turnover intention. The relationship between job satisfaction and employee turnover intention were moderated by organizational variables and demographic variables.

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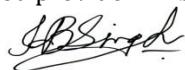
Serial No.....

Code No.....

**Survey Questionnaire for PhD Research**

Dear Sir/ Madam,  
(Research Participant)

I am Ph.D. scholar, conducting a research on **Job Satisfaction and Employee Turnover Intention in Insurance Industry in Nepal**. I humbly request you to answer the questions sincerely providing accurate data and information for the academic research. The information you provide will be confined and kept confidential only is used to conduct the proposed research.



Hridayaswor Bir Singh  
hridayasworbirsingh@yahoo.com

**First Part: General Information****Information related to Insurance Company**

Name of Company: Branch/Head Office:.....  
Address:(District).....Email Address:.....Phone No:.....

**Demographic Information of Respondent**

**Age:**.....Gender M(1) [ ] / F(2) [ ] **Marital Status:** Married(1) [ ] / Unmarried (2) [ ]

**Academic Qualification:** (1) Below SLC ....., / (2) SLC ....., / (3) Higher Secondary/PCL

(4) Bachelor Level ....., / (5) Master Level ....., / (6) M. Phil. Level ....., / (7) PhD Level .....

**Number of dependents:** Children [....] parent [....] Spouse [....] Brother/sisters [....] Others [....]

Information related to Respondent (highly confidential)

Job Title (post): Job Experience (in year):.....

**Job Status:** Permanent [....].....Temporary [....].....Contract [....]

**Second Part: Quantitative Questions**

Using the scale given below, please indicate to what extent you agree or disagree with the following statements:

<b>I</b>	<b>Remuneration and Employee Benefits</b>	Strongly agree (1)	Agree (2)	Slightly agree (3)	Neutral (4)	Disagree (5)
1	I am satisfied with my pay-scale					
2	I am satisfied with the allowance					
3	I am happy with the transportation facility					
4	I am happy with the medical facility					
5	The company has provided the personal insurance facility					
6	I am happy with other employee benefits					

<b>II</b>	<b>Working Environment</b>	Strongly agree (1)	Agree (2)	Slightly agree (3)	Neutral (4)	Disagree (5)
7	The working hour is quite good					
8	Physical facilities of the office is satisfactory					
9	I am not stressed at job					
10	Human relation is quite good in my office					
11	There is a good cooperation among colleagues					
12	The working environment is quite good					

<b>III</b>	<b>Career Development and Rewards</b>	Strongly agree (1)	Agree (2)	Slightly agree (3)	Neutral (4)	Disagree (5)
13	I receive adequate recognition and rewards for a job performed well					

14	I am satisfied with the promotion provision					
15	My works are evaluated fairly					
16	I am fully satisfied with the job rotation provisions					
17	So far as I know, there is less chance of nepotism and favoritism					
18	There is regular training and development program in my office					

<b>IV</b>	<b>Responsibilities and autonomy</b>	Strongly agree (1)	Agree (2)	Slightly agree (3)	Neutral (4)	Disagree (5)
19	I am clear and agree with my duties (job description)					
20	I have adequate autonomy in my job					
21	I have power to make decision in my job					
22	My job is very challenging					
23	I do not feel I have been overloaded with tasks					
24	I love my job					

<b>V</b>	<b>Leadership and Supervision</b>	Strongly agree (1)	Agree (2)	Slightly agree (3)	Neutral (4)	Disagree (5)
25	My boss behaves well and equitably to all subordinates					
26	My boss does not manipulate me					
27	The company has empowered me enough to do my job					
28	Supervision and monitoring is satisfactory					
29	My (male) boss has no intention to get undue advantages from female subordinates					
30	There is a good leader-subordinate relation in my office					

<b>VI</b>	<b>Human Relations and Communication</b>	Strongly agree (1)	Agree (2)	Slightly agree (3)	Neutral (4)	Disagree (5)
31	There is a good relation among subordinates					
32	There is effective two way communication environment in my office					
33	There is enough facilities of electronic communication ( Land line telephone, mobile phone, internet, fax, intercom, cc camera etc)					
34	There is a good cooperation among departments					
35	There is good team work in my office					
36	There is no gender issue or problem in my company					

<b>VII</b>	<b>Job Satisfaction</b>	Strongly agree	Agree (2)	Slightly agree	Neutral (4)	Disagree (5)
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		(1)		(3)		
37	I am satisfied with the functions and responsibilities					
38	I am satisfied with my office layout and furniture setting					
39	I am happy with the holiday and leave facility					
40	I am satisfied with the overtime facility					
41	There is no nepotism and favoritism in selection and promotion process					
42	I feel proud to be associated with this company					

<b>VIII</b>	<b>Turnover Intention</b>	Strongly agree (1)	Agree (2)	Slightly agree (3)	Neutral (4)	Disagree (5)
43	I am motivated to work hard in my office					
44	I have no intention to quit the job					
45	I am proud to be associated with this company					
46	I feel my future is secured in this company					
47	I like to refer my friends and relatives to join my company					
48	My expectations are fulfilled after joining this company					

Thanks.

क्र.सं. ....

संकेत नं. ....

## पि.एच.डी. अनुसन्धानका लागि सर्वेक्षण प्रश्नावली

सहभागी महोदय,

म एक पि.एच.डी.को विद्यार्थी हुँ । कार्यसन्तुष्टि तथा कर्मचारी अवकाश प्रवृत्ति विषयमा नेपालको बीमा उद्योगमा अनुसन्धानको क्रममा निम्न प्रश्नहरु भर्ने कार्यमा यहाँको सक्रिय सहभागिताको अपेक्षा राखेको छु । यसमा भरिएका सम्पूर्ण विवरणहरु पूर्णतया गोप्य राखिने छ ।

हृदयश्वर वीर सिंह

hridaybir singh @ yahoo.com

## पहिलो खण्ड: सामान्य सूचना

## क. बीमा कम्पनीसँग सम्बन्धित सूचना

कम्पनीको नाम ..... शाखा/प्रधान कार्यालय .....  
ठेगाना (जिल्ला) ..... इ.मेल ठेगाना ..... फोन नं. ....

## ख. सहभागिको ..... सूचना

उमेर ..... लिङ्ग: पुरुष (१) ..... महिला (२) .....

बैवाहिक अवस्था: विवाहित (१) ..... अविवाहित (२) .....

शैक्षिक योग्यता: एस.एल.सी. भन्दा तल (१) ..... / एस.एल.सी. (२) ..... / उच्च मा.वि./प्रमाणपत्र तह (३)..... / स्नातक तह (४) ..... / स्नाकोत्तर तह (५) ..... / एम मिल्ड (६) ..... / विद्यावारिधि (७) .....

आर्थिक परिवार: छोराछोरी (.....) अविभावक (.....) पत्नी/पति (.....) भाई बहिनी (.....) अन्य (.....)

## ग. व्यक्तिगत सूचना: पद (.....) ..... कार्य अनुभव (.....) अस्थायी (.....) स्थायी (.....) करार (.....)

## दोस्रो खण्ड: संख्यात्मक सूचना

कृपया प्रश्नहरुको स्केलमा ठिक चिन्ह (✓) भर्नुहोला:

I	पारिश्रमिक तथा सुविधा	पूर्ण स्वीकार (१)	सामान्य स्वीकार (२)	तटस्थ (३)	सामान्य अस्वीकार (४)	पूर्ण अस्वीकार (५)
१.	मलाई तलबमा सन्तुष्टि छ ।					
२.	मलाई भत्तामा सन्तुष्टि छ ।					
३.	यातायात सुविधामा म खुशी छु ।					
४.	उपचार सुविधामा म खुशी छु ।					
५.	कम्पनीले बीमा सुविधा उपलब्ध गराएको छ ।					
६.	अन्य सुविधा प्रति म खुशी छु ।					

II	कार्य वातावरण	पूर्ण स्वीकार (१)	सामान्य स्वीकार (२)	तटस्थ (३)	सामान्य अस्वीकार (४)	पूर्ण अस्वीकार (५)
७.	कार्य घण्टा उपयुक्त छ ।					
८.	भौतिक सुविधा सन्तोषजनक छ ।					
९.	कार्यमा तनाव छैन ।					
१०.	मानवीय सम्बन्ध राम्रो छ ।					
११.	सहकर्मीहरु बीच असल सम्बन्ध छ ।					
१२.	असल कार्य वातावरण छ ।					

III	बृत्ति विकास तथा पुरस्कार	पूर्ण स्वीकार (१)	सामान्य स्वीकार (२)	तटस्थ (३)	सामान्य अस्वीकार (४)	पूर्ण अस्वीकार (५)
१३.	पुरस्कार र सम्मान व्यवस्था राम्रो छ ।					
१४.	पदोन्नति व्यवस्था राम्रो छ ।					
१५.	कार्यसम्पादनको सही मूल्याङ्कन गरिन्छ ।					
१६.	कार्य परिक्रमण व्यवस्था सन्तोषजनक छ ।					
१७.	नातावाद र कृपावाद हावी छैन ।					
१८.	तालिम विकास कार्यक्रम नियमित रुपमा					

	सञ्चालन हुन्छ ।					
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IV	उत्तरदायित्व र स्वायत्तता	पूर्ण स्वीकार (१)	सामान्य स्वीकार (२)	तटस्थ (३)	सामान्य अस्वीकार (४)	पूर्ण अस्वीकार (५)
१९.	मेरो काम र कर्तव्य स्पष्ट छ ।					
२०.	मलाई प्याप्त कार्य स्वायत्तता छ ।					
२१.	मलाई प्याप्त निर्णय अधिकार छ ।					
२२.	मेरो काम निकै चुनौतिपूर्ण छ ।					
२३.	मलाई अधिक कार्यभार छैन ।					
२४.	मलाई मेरो काम मन पर्छ ।					

V	नेतृत्व र सुपरिवेक्षण	पूर्ण स्वीकार (१)	सामान्य स्वीकार (२)	तटस्थ (३)	सामान्य अस्वीकार (४)	पूर्ण अस्वीकार (५)
२५.	हाकिमले न्यायपूर्ण र राम्रो व्यवहार गर्दछ ।					
२६.	हाकिमले मलाई गलत परिचालन गर्दैन ।					
२७.	मलाई काम गर्न प्याप्त अधिकार दिइएको छ ।					
२८.	अनुगमन र सुपरिवेक्षण सन्तोषजनक छ ।					
२९.	महिला कर्मचारी माथि पुरुष हाकिमले गलत नियत राख्दैन ।					
३०.	हाकिम र सहायकबीच असल सम्बन्ध छ ।					

VI	मानवीय सम्बन्ध र सञ्चार	पूर्ण स्वीकार (१)	सामान्य स्वीकार (२)	तटस्थ (३)	सामान्य अस्वीकार (४)	पूर्ण अस्वीकार (५)
३१.	सहकर्मीबीच असल मानवीय सम्बन्ध छ ।					
३२.	प्रभावकारी दोहोरो सञ्चार व्यवस्था छ ।					
३३.	प्याप्त सञ्चारका साधनहरू (टेलिफोन, मोबाइल फोन, इन्टरनेट, फ्याक्स, इन्टरनेट, सी.सी. क्यामरा, कम्प्युटर) को उचित व्यवस्था छ ।					
३४.	विभागहरू बीच असल सम्बन्ध छ ।					
३५.	कार्यालयभित्र असल समूहकार्यको भावना छ ।					
३६.	कम्पनीमा लिङ्ग भेद समस्या छैन ।					

VII	कार्य सन्तुष्टि	पूर्ण स्वीकार (१)	सामान्य स्वीकार (२)	तटस्थ (३)	सामान्य अस्वीकार (४)	पूर्ण अस्वीकार (५)
३७.	मेरो काम र कर्तव्य प्रति म सन्तोष छु ।					
३८.	कार्यालय भित्र फर्निचर व्यवस्था सन्तोषजनक छ ।					
३९.	विदा सुविधाप्रति म खुशी छु ।					
४०.	ओभर टाईम व्यवस्था प्रति म खुशी छु ।					
४१.	पदोन्नती प्रक्रियामा नातावाद कृपावाद हावी छैन ।					
४२.	यस कम्पनीमा रहेकोमा मलाई गर्व छ ।					

VIII	अवकाश चाहना	पूर्ण स्वीकार (१)	सामान्य स्वीकार (२)	तटस्थ (३)	सामान्य अस्वीकार (४)	पूर्ण अस्वीकार (५)
४३.	असल काम गर्न म उत्प्रेरित छु ।					
४४.	अवकाश लिने मेरो सोचाई छैन ।					
४५.	कम्पनीमा रहेकोमा मलाई गर्व छ ।					
४६.	कम्पनी भित्र मेरो भविष्य सुरक्षित छ ।					
४७.	मेरो नातेदार र साथीहरूलाई यस कम्पनीमा					

	भर्ता हुन म सिफारिस गर्दछु ।					
४८.	यस कम्पनीले मेरो अपेक्षा र चाहनालाई पूरा गरेको छ ।					

---- धन्यवाद ----



## **APPENDICES**

- I. Format for outline of proposed Research Work
- II. Certificate by Supervisor
- III. Format for panel of examiners
- IV. Colour Scheme for Thesis Cover
- V. Model for Cover and Title page of PhD Thesis
- VI. Certificate to accompany the thesis
- VII. Details about supervisor
- VIII. Certificate by Scholar
- IX. Information to be supplied at the time of Submission of Thesis
- X. Guidelines for Thesis Submission
- XI. No-dues certificate

## **APPENDIX - I**

### **FORMAT FOR OUTLINE OF PROPOSED RESEARCH WORK (SYNOPSIS)**

- 1. Name of scholar:** Hridayaswor Bir Singh
- 2. Title of the Research Work:** Job satisfaction and employee turnover in insurance industry: the Nepalese evidence
- 3. Location:** Kathmandu, Nepal
- 4. Introduction**

Employees are the persons hired to provide services to an organization on a regular compensation basis. They contribute efforts and expertise to achieve the goal of an organization. Employees are usually hired and assigned to perform specific duties under a supervisor.

Job satisfaction is the level of employee positive feeling regarding job and organization (Robbins & Judge, Organizational Behaviour, 2007). It is simply how people feel about different aspects of their jobs. It is the extent to which people like or dislike their jobs (Spector, Job Satisfaction: Application, Assessment, Causes and Consequences, 1997). Effective management of human resources tends to enhance the organizational performance and responsibility. Organization with more satisfied employees tends to be more effective (Robbins & Judge, Organizational Behaviour, 2007). So it is said that happy workers are productive workers. But managing human resource efficiently is not an easy task for a manager.

Job satisfaction is one of the most widely studied work-related attitudes in the fields of industrial and organizational psychology and organizational behavior (Spector, Job Satisfaction: Application, Assessment, Causes and Consequences, 1997). Many researchers identify in several ways in definition of job satisfaction. Greenberg and Baron define job satisfaction as an individual's cognitive, affective, and evaluative reactions towards his or her job (Agrawal G. R., Dynamics of Human Resource Management, 2004). According to Cranny, Smith and Stone, job satisfaction is a combination of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared to what he or she

actually receives (Cranny, Smith, & Stone, Job satisfaction: How people feel about their jobs and How it affects their performance, 1992).

Job satisfaction is a factor that would induce the employee to work in a long term position. Regardless of job satisfaction the organization would confront with the cost of recruitment caused by turnover. For this reason, the organization should pay attention to the employees' job satisfaction as well.

Employee turnover is the rate at which, employees join and leave an organization. It is the end of the employee tenure in an organization. It can be described as how long employees tend to stay in the organization. Employee turnover is measured for individual companies in comparison to their industry as a whole. If an organization has a high turnover relative to its competitors, it means that employees of that organization have a shorter average tenure than those of other companies in the same industry. In contrast, low turnover denotes that employees have a longer average tenure in the organization. Thus, it is the proportion of employees who leave an organization over a set of period, often expressed as percentage of total employee numbers.

Employee management or human resource management is one of the most important activities in an organization. Managing the human resource is a challenging job for a manager. Employees are engaged in different jobs to achieve the goal of the organization. The effectiveness of employee's performance depends upon the effectiveness of the HRM.

### **Job Satisfaction**

Job satisfaction is pleasurable emotional feelings of employees from their jobs. It is mental satisfaction derived from job performance. The satisfaction may be related to job responsibility, remuneration, working hours and numerous other aspects of their jobs. Job satisfaction is a set of favorable or unfavorable feelings with which employees view their work (Newstrom, 2009). Job satisfaction and employee turnover is interrelated factor. Generally, job satisfaction has positive impact on turnover intention of employees in organization.

**Employee**

Employees are the persons who are hired to provide services to a company on a regular basis in exchange for compensation. They are the persons in the service of another under any contract of hire. Employer has the power and right to control and direct the employees in the material details of how the work is to be performed.

The managements of most business organizations are highly concerned about the employees because they are the most essential assets of the organizations. The concept of having satisfied staffs is considered as the basic notion of keeping the best employees to stay in the business enterprises. There have been many strategies provided to retain the best employees in the organization. These techniques are initiated to avoid staff turnover.

**Employee Turnover**

Employee turnover refers to the proportion of employees who leave an organization. It is often expressed as a percentage of total employee numbers over a set of period often on yearly basis. Employee turnover is a broad term encompassing all leavers, both voluntary and involuntary. All job leavers, who resign, retire or dismissed are included in the calculation of employee turnover.

Maintaining the efficient employees is a crucial and challenging task of the human resource managers. Hence, employee retention becomes one of the most important managerial functions. It is directly related to the employee turnover. The effectiveness of employee retention denotes the appropriate level of employee turnover. It means that the turnover rate of the organization should be below the average turnover rate of overall organizations in the same industry.

Competent human resource or efficient employees are the precious assets of an organization. They should be managed and retained properly. Basically, competent and efficient employees are the destiny of the organizations. The excessive turnover of those employees is one of the significant issues faced by many organizations these days. The excessive turnover of such employees disturbs and creates hurdles in the way to the goal achievement of the organizations.

It takes a very long time and efforts to make the employees competent and skilled in an organization. Such human resources should be maintained delicately so

that they remain in the organization for as long time. It ultimately helps to reduce employee turnover. Actually, it is the core of managerial success.

In other, too low employee turnover rate is also unfavorable to an organization in today's dynamic world. Too low employee turnover means that there are rigid in employment. Even old, inactive and conventional employees, who are not suitable in this modern world, are also retained in the organization blocking the entrance of young, committed and dynamic employees from outside. Such condition with extraordinarily low employee turnover should also be avoided. The management formulating the employee strategy for employee retention should give equal attention towards this aspect. In conclusion, we can say that the employee turnover rate should be maintained just below the average turnover rate of overall organizations involving in the same industry. The strategy should be to maximize the tenure of efficient and talent employees, whereas minimizing the tenure of inefficient and tired employees.

Employee turnover has negative impacts on organizational performance. Still it is impossible to avoid employee turnover completely. Due to various natural consequences, employee turnover is an unavoidable tendency in the organizations. But the percentage of employee turnover can be reduced significantly if the management can handle the human resource efficiently. We should know the basic reasons of employee turnover so that we can minimize the turnover rate significantly.

Employee turnover has lot of costs for an organization. Excessive employee turnover can have several negative effects on an organization. They include separation costs (exist interview time, separation pay, unemployment tax increase), training cost for few new employee (both orientation and skill development instruction; both formal and informal learning experience), vacancy costs (temporary help or overtime pay; productivity loss and service disruption), placement costs (attracting, screening, and relocating new hires), moral effects (loss of friendship, concerns about person, job loss during downsizing. (Newstrom, 2009, p. 210)

## **Insurance**

Insurance is a form of risk management. Risk can be divided, managed and reduced significantly. It is a form of risk management to hedge against the risk of a contingent and uncertain loss. Insurance is the means to get financial security against

risk. Insurance is an investment, from which we get return only when certain loss occurred from predetermined incident. Insurance can be defined as the transfer of risk of a loss, from one person to another, in exchange for payment. An *insurer* is a company selling the insurance. The *insured* is the policy holder who buys the insurance policy and the transfer of the specific risk to the insurer. (Singh, 2010, p. 282)

The primary function of insurance is to act as a risk transfer mechanism (Holyoake & Weipers, 2002, p. 24). Pooling or the sharing of losses is the heart of insurance. Pooling is the spreading of losses incurred by the few over the entire group, so that in the process, average loss is substituted for actual loss (Rejda, 2004, p. 18). Hence, insurance is a way of reducing uncertainty caused by occurrence of an event. It is designed to protect the financial well-being of an individual or organization.

This research will study, examine and analyze the employee turnover in insurance business in Nepalese evidence. There are now 25 insurance companies covering different types of insurance business within Nepal. Out of which, there are 8 life insurance companies, 16 non-life insurance companies and one is providing both life and non-life insurance policies. All Nepalese insurance companies are regulated and monitored by the Insurance Board, the regulatory authority of Nepal.

## **5. Importance of proposed Research Work**

The study of job satisfaction and employee turnover is very important to modern organizations in this globally competitive world. The success of any organization depends upon the effectiveness of the management. Management is the brain of the organization. The effectiveness of management more depends upon the employee's productivity. In another hand, employee is the life blood of the organization. Without which, the management is paralyzed. The employee's productivity is directly related to the job satisfaction and turnover of talented employees.

Most research in the human resource management has addressed only problems related to life recruitment, selection, growth, motivation, training, productivity and the HRM systems and issues of job stress, individual performance etc. There is very few research conducted on job satisfaction and employee turnover. The research on job satisfaction and employee turnover is especially in insurance sector of development country like Nepal is very rare. Moreover, no systematic and comprehensive work has been found that collaborate all the sectors like job satisfaction, employee retention and turnover focusing in insurance industry. This justifies the significance of the study.

The talented and committed employees are the core of the organization. It is the employee, who performs and leads the organization to the success. If there is excessive turnover of employees in an organization, the organization suffers from lack of efficient employees. Because it is the general trend that when an employee quits the organization, s/he may be the efficient one, who is hot cake, having lots of opportunities outside the organization. In this situation, only the weak and unskilled employees are retained in the organization. They have less opportunity outside the organization. They are tagged with the organization because they are cold cake and no chance to be hired by other organizations. In this situation, every organization must know how to minimize the turnover of efficient employees and effects of job satisfaction on employee turnover.

In an organization, the longer the employees work, more they are experienced and hence become more skilled and talented. So, the management should pay

appropriate attention to enhance job satisfaction and minimize turnover of such employees. At the same time, the management should also make the strategy to get rid of retired and dull employees. This clarifies the significances of the study of employee turnover. Such study helps us to understand the reasons, techniques and measures of employee turnover to manage it.

The study will broaden our understanding of the impact of employee turnover on the organizational performance in the proposed model. Since the traditional view of employee turnover is very narrow, the current study will add some new and fresh knowledge to the existing body of knowledge by signifying:

- The importance of the job satisfaction of employee to manage employee turnover,
- The importance of job satisfaction to manage employee turnover
- The findings of the study to mitigate the effect of turnover in insurance sector,
- The management to maintain the turnover rate to the appropriate level reducing the turnover cost and increasing the employee productivity,
- The study will help to expand the overall knowledge regarding job satisfaction and employee turnover especially in Nepalese context.
- The findings derived from the study will help to understand the effects of job satisfaction on turnover intention and at last but most important is the developing job satisfaction and retention strategies in service oriented organization.

## **6. Review of work already done on the subject**

Human resource management is a challenging job for a manager in modern organizations. Managers have dual responsibilities, firstly, to increase the productivity of organization and secondly, increase job satisfaction level of employees. In lack of job satisfaction, employees tend to develop turnover intention among them.

Employee turnover should be managed and controlled significantly. Job satisfaction can be used to predict employee turnover. Masri also agree on the motion that job satisfaction can be used to understand turnover process (Masri, 2009). Many researchers found stated that job satisfaction is the main predictor of turnover intention. Job satisfaction is the main predictor of turnover intention (Milkovich & Boudreau, 1977).



Job satisfaction is an employee's positive attitude towards job. High job satisfaction implies that the employee generally likes and values his/her job highly and feels positively towards it. Job satisfaction is an overall attitude of liking or disliking of the job (Agrawal, 2012). Job satisfaction has been defined in several ways.

A simple and general way to define job satisfaction is as follows: Job satisfaction simply means how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1997). Grahman has defined job satisfaction as the measurement of one's total feelings and attitudes towards one's job (Graham, 1982). Hence job satisfaction is the individual attitudes of employee of their jobs. When one says, 'I am satisfied with my job', it indicates that the person has positive attitudes towards the job.

According to 'Labour Economics in Huelva University', employees in European countries are the most satisfied with their job among the employees of other countries in world (Huelva University, 2013). So far as job satisfaction level of Asia is concerned, the survey conducted in 2011 revealed that, Singapore employees as the least satisfied among Asian developed countries (Yap, 2011).

Job satisfaction is the frequently studied subject. Various disciplines such as psychology, sociology, economics and management science are closely related to job satisfaction. It is closely related to human satisfaction, for which all human activities are directed. This is mainly because many experts believe that job satisfaction trends can affect work productivity, work effort, employee absenteeism and employee turnover (European Foundation for the Improvement of Living and Working Conditions, 2007).

Many scholars have examined the job satisfaction level in the process of various researches. For example, Steven & John, (2012) conducted a job satisfaction survey to measure the level of job satisfaction. They interpreted that the employees are slightly satisfied as supervision, benefits, coworkers, nature of work and a high mean value of 4.827 (SD 1.214), 4.323 (SD 1.123), 4.641 (SD 0.958), 4.769 (SD 0.993) respectively. These values show that software developers were moderately satisfied with supervision, benefits, coworkers and nature of work. The result shows

that software developers were found slightly agree with pay scale (mean = 4.827, SD = 1.301), contingent rewards (mean = 3.850m SD = 1.259), working condition (mean = 3.718, SD = 1.128) While they were found slightly dissatisfied with promotion (mean = 2.951, SD 1.263).

Similarly, Sharaf, Madan, & Sharaf (2008) measured the level of job satisfaction among primary care physicians. They used JSS for collecting data. Overall physicians were found slightly satisfied (mean = 3.46, SD 0.67). They also found that physicians were moderately satisfied with supervision (Mean = 4.62, SD 1.20), coworkers (mean = 4.58, SD 0.86) and nature of work (Mean = 4.69, SD 1.06) while they were found slightly satisfied with communication (Mean = 3.80, SD 1.09). This result indicated that physicians were slightly dissatisfied with pay scale (mean = 2.76 SD 1.26) promotion (Mean = 2.56, SD 1.12), fringe benefits (Mean = 2.65, SD 1.09), Contingent rewards (Mean = 2.61 SD 1.15) and operating condition (Mean = 2.85, SD 0.71)

### **Employee Turnover**

Employee turnover is the number of permanent employees leaving the organization within a specific period. It is determined in percentage of the total number of actual permanent employees on the given period. The turnover includes resignations, termination and retirement of the employees.

Many surveys and researches on employee turnover have been conducted over the years. Employee turnover is the ratio of the number of workers that had to be replaced in a given time period to the average number of worker (Agnes, 1999). Actually, it is the actions taken by the employee to leave his/her job and the organizational effort to replace the vacant post. It is often utilized as an indicator of a company performance and can easily be observed negatively towards the organization's efficiency and effectiveness (Glebbeck & Bax, 2004).

Employee turnover is calculated by total employees who quit the organization divided by the average number of human resource for a given period, generally one year. It is defined (Price & Mueller, 1981) as the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Frequently, managers refer to

turnover as the entire process associated with filling a vacancy: each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as turnover (Woods, 1995). However, the term, in this study, 'turnover' is used as only leaving the employee voluntarily from the organization.

Most researchers have concluded that money is the most common reason behind the employee turnover, but not the most important one. The most important things behind the turnover are lack of appreciation, positive contribution and opportunity for growth. When I think about the best jobs I have had in the past, I remember good pay, challenging work and interesting variety. I also remember a boss who kept me interested and focused. (Brown, Employee turnover: A positive or negative metric?, 2011). Turnover research has traditionally focused on job satisfaction as a predictor of turnover. Further research has shown that the intention of the employees to leave an organization actually precedes an employee quitting the organization.

Unskilled employees are those, who are generally on contract or as temporary employees. They are usually experienced as high turnover. The reason behind them is they are not attached well with the organization. This category of employees does not have status of permanent contract. Thus they do not enjoy the same opportunities provided to the permanent counterpart. As a result, they leave the organization at the slightest opportunity of having a more favorable job (Mbah, 2012).

In contract, skilled employees are those who are appointed as permanent designation in an organization. They are the precious human assets of an organization. They are well-trained, experienced and committed employees. To retain them, organization provides all the facilities that it can provide to them as per rules.

Since these specialized employees have skills that are relatively scarce and can be reemployed within the same industry, their leaving can act as a competitive disadvantage to the organization in addition to the cost of replacement them. These costs can be enormous, especially, if the employees occupy strategic position and play key role in the organization. (Mbah, 2012)

Turnover intention is employees' behavioural thinking to quit the current job. Actually, intention to leave refers to individuals' perceived likelihood that they will

be saying or leaving the employer's organization (Bigliardi, Petroni, & Ivo Dormio, 2005). If some employees have high withdrawal intentions, it is assumed that they will leave the organization very soon. Employees with high withdrawal intentions from the organization subjectively assess that they will be leaving the organization in the near future (Mowday, Steer, & Porter, 1982).

Actual turnover is quitting the job. Turnover intention is the indication of actual turnover. Turnover intention is the psychological process leading human behavior to quit the job. Studies in the area of turnover have been quite extensive, yet our understanding on the psychological process of employee turnover is far from complete (Mobley, Horner, & Hollingsworth, 1978). The earlier studies have shown that turnover intention reflects the future trends of actual turnover in an organization. However, the relationship between turnover intention and actual turnover has not been given the deserved attention.

Turnover intention is the degree of employee's desire or intention to leave the organization. Findings from several previous studies have clearly shown that employee's actual intention is largely related to their intention to leave the organization. Actual turnover is expected to increase as the intention increases (Mobley, Horner, & Hollingsworth, 1978).

Job satisfaction is an attitude of employees towards their jobs. Attitude is one of the most important subjects of employee turnover intention. Turnover intention is the process of recognition resulting from one's experience in relation to job, employer and organization. It is also possible to define turnover intention as overall attitude, sense, belief and thoughts which the individual forms a direction with his/her perceptions about his/her job. Turnover intention is one of the important factors for both employee and employer. It is the determinant factor that stimulates employee behavior to quit the job.

Although several researches have been carried out the study on the employee turnover, most of the researchers have focused on the causes of employee turnover. Very little has been done in examining the sources of employee turnover, effects and advising various strategies (Ongori H. , 2007). These are important aspects for a manager to ensure that there is employee continuity in the organizations to lead towards organizational success. This chapter contains the background of the study,

statement of problem, significance of the study, purpose of the study, research questions, conceptual framework, limitations and delimitations of the study.

The management should pay adequate attention to employee turnover. Employees with high performance level demand serious attention of management as they are scarce resources of the organization. They turn to be costly and tend to change jobs within a year rather than to choose to grow in one. Newstrom (2009) has recognized that high turnover at any organizational levels constitutes a waste of human resources. Hence, it is very important to retain competent and senior employees effectively in any organization. Thus manager must do something straight for the employees' interest when they think about job satisfaction. As they are involved in different job related activities, they can give the necessary feedback to the manager about their satisfaction and dissatisfaction.

The evidence from researches points out to specific determinants and correlations of job satisfaction and turnover. Dissatisfaction with one's job may result in higher employee turnover, absenteeism, slowness and grievance, where as improved job satisfaction results in increased productivity and decreased turnover.

It is better to get understanding with terminologies related to the subject such as employee, job satisfaction, turnover and insurance. Employees are the persons hired to provide services to an organization on a regular compensation basis. They contribute efforts and expertise to achieve the goal of an organization. Employees are usually hired and assigned to perform specific duties under a supervisor.

Employees are the most important resources to achieve the goal of the organization. Without employees, the organization becomes unable to implement its plans and to face the organizational challenges. In order to ensure the success of the organization, it must be continuously ensure the satisfaction of their employees (Berry, 1997).

Many studies have been conducted on job satisfaction and employee turnover. The studies in different settings found that there is significant negative correlation between job satisfaction and turnover intention. Rahman, Naqvi, & Ramay (2008) found that job satisfaction had negative effect on turnover intentions of IT professional.

There is negative association between overall job satisfaction factors and turnover of intention at all levels of staffs in an organization. So Khatri & Fern (2001) concluded that there was a modest relationship between job satisfaction and turnover intentions. Whether employees have the intention to stay or intention to turnover more depends more upon the level of their job satisfaction. Job satisfaction is a strong predictor of turnover intention (Brough & Frame, 2004). The research conducted by Westlund & Hannon (2008) assesses job satisfaction aspects and turnover intention of software developers. The found found many clues of job satisfaction impacting on turnover intention.

The employee turnover is a global issue being faced by most of the organizations nowadays. It has become a serious management problem because of its financial and moral impact on the organizational scarce source. Organizations are realizing it as very difficult task to retain efficient employees due to increased tendency of early retirement. In this way, employee turnover demands more attention of management to motivate and retain existing employees for higher job satisfaction and less turnover rate.

There are different types of physical and human resources in an organization. The attainment of organizational goals becomes possible only through effective mobilization of all available resources. Human or employees are the most valuable resources in any organization. Particularly efficient, committed and better performers are the precious assets of the organization. When they start leaving, it is an indication of trouble for an organization. Managers need to motivate and reward high performance employees in order to prevent them from quitting.

Seta, Paulus, & Baron, 2000 have stressed the factors contributing to the employee's satisfaction, the organization can play proper role and take appropriate step to increase positive behavior among employees. Proper training in their work settings, growth opportunities at work; job securities and good compensation benefits, for example, might improve employees' level of satisfaction in the organization.

According to (Khatrichhetri., 2013) the chair person of Insurance Committee (Nepal), the turnover rate among skilled employees in insurance industry in Nepal is significantly high. This is due to some reasons like low pay scales, other job alternatives, bad working condition, contract expiry etc. Therefore, paying the

employees well may motivate them to stay longer in the organization. The intense competition in insurance industry resulted frequent rotation of efficient employees from one organization to another. He added- job-hopping is also common among skilled employees due to intense competition in the industry.

Maintaining the employee turnover at a desirable level is a challenging job for a human resource manager. Since insurance is a risky business, the employees should be qualified, skilled, committed and experienced to run the insurance company successfully.

The employee turnover should be maintained at the minimum level in the insurance companies. It is a greatly challenging job for the companies. The employee turnover has direct and indirect costs. So, the turnover should be controlled and monitored with specific attention. It is the responsibility of a human resource manager, who has to manage and control the employee turnover in an organization. In this context, the basic problem is how to minimize the employee turnover and maintain employee retention efficiently.

The employee turnover is deeply related to the job satisfaction. Another problem is how a company can increase the employee satisfaction as well as employee productivity. In this context, how can an insurance company increase job satisfaction and productivity simultaneously. Have Nepalese insurance companies given appropriate attention to employee turnover aspect? Employee turnover should be managed from the beginning i.e. from recruitment and selection stages. Are Nepalese insurance companies aware of such unbelievable truth?

All major human resource management functions such as socialization, human resource development, motivation, career planning, compensation management may directly or indirectly affect job satisfaction and employee turnover. In this context, how much the insurance managers are concerned with this aspect? Are the Nepalese insurance companies practicing effective recruitment and selection processes to hire durable and retainable human resources? Are the employees motivated and trained to retain for a long time? What are their strategies to cope with the employee turnover? All these are general problems of insurance industry that must be solved for overall effectiveness and productivity. Thus additional research is needed to explore the job satisfaction and employee turnover in insurance industry of Nepal. For the purposes

of this study, research will be focused on the current insurance companies, specially, located in Kathmandu valley.



## **7. Hypothesis/Objective**

The objectives of the study are divided into two main parts namely; general objective and the specific objective. The basic objectives of the study are as follows:

### **General Objective**

The general objective of the study is to investigate the relationship between job satisfaction and turnover intention among the employees working in insurance industry.

### **Specific Objectives**

To achieve the above general objective, some specific objectives are determined as given below:

1. To explore the demographic variables of employees in insurance industry in Nepal,
2. To determine relationship between demographic variables and job satisfaction in insurance industry,
3. To explore the organizational variables effecting job satisfaction in insurance industry,
4. To determine relationship between organizational variables and job satisfaction in insurance industry,
5. To evaluate the level of employee job satisfaction in the insurance industry,
6. To evaluate the level of employee turnover intention in the insurance industry,
7. To examine the relationship between job satisfaction and employee turnover intention in insurance industry.

## **8. Methodology**

The primary concern of this research is to investigate the job satisfaction and its impacts on employee turnover intention in insurance industry of Nepal. For this purpose, the researcher will use the quantitative methods to analysis the data. It contains various stages of quantitative research process, sampling design, data collection, data analysis, reliability, validity and ethical principles.

This chapter contains the research methodology which is used in the study. Basically, it contains research philosophy, research design, research process, sampling design, data collection, data analysis, reliability, validity and ethical principles. This research will find out the reality of job satisfaction level, employee turnover intention and the impact of job satisfaction on turnover intention. The findings of the research are supposed to be helpful to develop effective management techniques to control employee turnover of insurance industry in Nepal.

This research will find out the reality of job satisfaction level, employee turnover intention and the impact of job satisfaction on turnover intention. The findings of the research are supposed to be helpful to develop effective management policies and strategies to maintain job satisfaction and control employee turnover of insurance industry in Nepal.

