

“A STUDY ON JOB SATISFACTION OF INSURANCE AGENTS IN DAVANGERE DISTRICT”

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Abstract:

Job satisfaction is of vital importance for the growth of any organization. Satisfied employees are the backbone for the successful functioning of the organization. The work involvement of the employees is helps to meeting the customer requirements and achieves the goals of an organization. In this regards, an attempt is made to analyze the factors that influence the job satisfaction of insurance agents. This research is to evaluate the level of satisfaction of individual agents with regard to motivational factors of Life Insurance Corporation in Davangere district. This is an exploratory nature of research. Opinion gathered through structured questionnaire using stratified and simple random Sampling Method from 10 branches covers six taluk places of Davangere district. This article reveals that, the agents who are engaged as insurance agents in LIC are not satisfied with their job. Study has depicted the major factors affecting the satisfaction level of insurance agents. Further, there is no significant difference in their opinion in district with regard to satisfaction level.

Key words: Agents, Satisfaction, Motivation, Factors.

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1. Introduction:

In 1818, a British company called Oriental Life Insurance setup the first insurance firm in India followed by the Bombay Assurance Company in 1823 and the Madras Equitable Life Insurance Society in 1829. Though all this companies were operating in India but insuring the life of European living in India only. Later some of the companies started providing insurance to Indians with approximately 20% higher premium than Europeans as Indians were treated as “substandard”. Substandard in insurance parlance refers to lives with physical disability. Bombay Mutual Life Assurance Society was the first company established in 1871 which started selling policies to Indians with “fair value”. Insurance business was subjected to Indian company act 1866, without any specific regulation. In 1905, the slogan “Be Indian-Buy Indian” declared by Swadwshi Movement gave birth to dozens of indigenous life insurance and provident fund companies. In 1937, the Government of India setup a consultative committee and finally first comprehensive ‘insurance act’ was passed in 1938.

An Ordinance was issued on 19th January, 1956 nationalizing the Life Insurance sector and Life Insurance Corporation came into existence in the same year. The LIC absorbed 154 Indian, 16 non-Indian insurers as also 75 provident societies—245 Indian and foreign insurers in all. The LIC had monopoly till the late 90s when the Insurance sector was reopened to the private sector. Today there are 24 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 23 life insurance companies operating in the country (2013).

Table: 01 Trend Analysis of life and Non-life insurance premium (Crores)
TOTAL INSURANCE PREMIUM

SL NO	YEARS	LIFE INSURANCE	NON-LIFE INSURANCE	TOTAL	TREND %
1	2002	50094.46	12385.24	62479.7	100
2	2003	55747.55	14870.25	70617.8	113.03
3	2004	66653.75	16542.49	83196.24	113.15
4	2005	82854.8	18456.45	101311.25	162.15
5	2006	105875.76	21339.1	127214.86	209.69
6	2007	166075.84	25930.02	192005.86	307.3
7	2008	201351.41	28805.6	230157.01	368.37
8	2009	221785.47	31428.4	253213.87	405.27
9	2010	265447.25	35815.85	301263.1	482.17
10	2011	291638.64	43841.84	335480.48	536.94
11	2012	287072.11	54578.49	341650.6	546.81

Source: Data source from IRDA

Interpretation: In the above table we can observe how the insurance premium is increasing year to year. In 2002 there were only few companies in the Insurance market, before 1999 the LIC was only insurance company and it's the regulatory body in India. The trend percentage shows you the growth of insurance sector from year 2002-2012.

2. Literature review:

Berry (1995) showed that because of the amount of money that is typically invested in an insurance policy, customers seek long-term relationships with their insurance companies and respective agents in order to reduce risks and uncertainties. In view of IBAI (2009) regulation, an intermediary plays a very important role in insurance selling. Both for life and non-life companies, intermediaries like Agents, Brokers etc. According to Singhvi (2006), insurance agents are the true Brand Ambassadors of the company and they deserve a fair treatment from the insurers. Weigelt (2001) observes that most insurance services are very complex experience and credence goods. Therefore, an assessment of their features and the ability to choose among many diverse offers requires specialized knowledge. Bosselmann (1994) says that Self-employed insurance agents sell exclusively the products of a certain insurance company. According to Vahrenkamp (1991), from an economic policy point of view this suggests institutional reforms to give more incentives for providing high-quality information and advisory services for both insurance agents and brokers. Pandikumar *et al.* (2011) in their study argued that the success of life insurance industry not only relies on the successful features of its products, but also on the astounding role of agents who take immense efforts towards solicitation of insurance business from public.

3. **Statement of the Problem**

Job satisfaction describes how content an individual is with his or her job. The happier people are within their job, the more satisfied they are said to be. Job satisfaction is not the same as motivation, although it is clearly linked. Job design aims to enhance job satisfaction and performance; methods include job rotation, job enlargement and job enrichment. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous work groups. Other factors rate of pay, work responsibilities, variety of tasks, promotional opportunities the work itself and co-workers play a greater role in job satisfaction. Hence, an attempt has been made to study the employees' job satisfaction of insurance agents of Davangere district.

4. **Objective of the study:**

The main purpose of study is to critically evaluate and analyse the factors affecting job satisfaction of insurance agents of Davangere district based on the motivational factors and attitude of agents towards their work on various factors like salary, working condition, family constraints, management support, promotion and etc.

5. **Hypothesis of the study:**

H1: A monetary benefit leads for job satisfaction of insurance agents.

6. **Research methodology:**

A. **Nature of Research:**

This is a combination of Descriptive and Empirical Research.

B. **Data Collection Source:**

As this study is focused on job satisfaction of insurance agents of Davangere district, both primary and secondary data are used for analysis.

C. **Sampling Design:**

Type of universe: Finite universe, since study is limited to taluk places of davangere district.

Sampling unit: Sampling unit of our study will be Insurance Agents of taluk places like, Davangere, Harihar, Honnalli, Harapanahalli, Jagalur,

Sampling list: Sampling unit of our study will be insurance agents of LIC

Sample Size: As per the sampling unit of universe the sample size of the study is 100.

Sampling Method: Stratified simple random sampling method can be used.

Statistical tools used: We have used descriptive statistical tools like, standard deviation and mean. To analyze the responses of respondents towards job satisfaction we used Likert scale and other useful tools/scales for the study. Chi-square test is used for hypothesis analysis.

7. **Significance of the Study**

The insurance business is purely dependent on individual agents. The research would be fruitful for Insurance Companies of India as in case intermediaries are satisfied, undoubtedly the growth of premium income will be multiplies.

8. Data Analysis:**Table: 02** Age and educational profile of insurance agents:

Geographical place	Demographic variable	No.of respondents	Percentage	Total
Davangere city	Age:			
	21-25	06	21	
	26-30	10	36	
	30&above	12	43	
	Education qualification:			
	Matriculation:	05	18	28
	Degree:	17	61	
Harihar	Age:			
	21-25	06	40	
	26-30	05	33	
	30&above	04	27	
	Education qualification:			15
	Matriculation:	06	40	
	Degree:	05	33	
Harapanahalli	Age:			
	21-25	06	37	
	26-30	06	37	
	30&above	04	26	
	Education qualification:			16
	Matriculation:	08	50	
	Degree:	04	25	
Jagalur	Age:			
	21-25	09	43	
	26-30	08	38	
	30&above	04	19	
	Education qualification:			21
	Matriculation:	06	29	
	Degree:	10	48	
Honnalli	Age:			
	21-25	04	40	
	26-30	04	40	
	30&above	02	20	
	Education qualification:			10
Matriculation:	02	20		
Degree:	03	30		

	Master's degree:	03	30	
	Less than Matriculation:	02	20	
Chennagiri	Age:			
	21-25	03	30	
	26-30	03	30	
	30&above	04	40	
	Education qualification:			10
	Matriculation:	02	20	
	Degree:	05	50	
	Master's degree:	03	30	
	Less than Matriculation:	00	00	
Total				100

Source: primary data

Interpretation: The above table depicts from the sample universe of 100 we have collected data from 06 taluk places of davangere district from insurance agents. 28% respondents have been chosen from davangere city, 15% harihar, 16% harapanahalli, 21% jagalur, 10% honnalli, and 10% from chennagiri. Table also depicts about the demographic profile (education qualification and Age) of respondents.

Table 03: The attitude of the respondents towards job factor is analyzed by using likert scale method and the results are presented below:

Factors	Strongly agree	Agree	Can't say	Disagree	Strongly Disagree	Total
Proud to work as an insurance agent	20	22	20	18	20	100
We have convenient working hours to work	21	38	20	11	10	100
We feel boring for doing the same job every day	28	18	19	15	20	100
There is no reasonable balance between our family and work life	18	19	29	21	13	100
Management put more pressure on us to achieve targets	25	22	23	15	15	100

Source: Primary Data

Interpretation: The above table depicts that, 44% respondents feel proud to work as insurance agents because they feel pleasure doing that job. But, 38% don't feel proud to work because its not provide them high returns for their effort for achieving targets. 59% feel convenient working as insurance agents because they get convenient time to work after their other works. 46% respondents have agreed they feel boring for doing job for long time because they are not motivated. 37% respondents feel their job not provide them a balance between their work and life because of target pressure and less remuneration. 47% respondents agreed management puts more pressure on agents to achieve more targets because, higher level authority puts more pressure on managers of davangere district and 30% disagree for the same.

Table 04: Analysis on attitude towards pay and promotion

Factors	Strongly agree	Agree	Can't say	Disagree	Strongly Disagree	Total
Company provide fair compensation	10	18	20	32	20	100
Agents get adequate salary	12	11	18	39	20	100
Agents get promotions	08	05	18	39	30	100
Managers motivates us to be diligent at work place	21	20	11	28	20	100

Source: Primary Data

Interpretation: the above table depicts that, 52% says management not provide them a fair compensation because they feel they are not rewarded for their actual performance and paid less for their efforts. 59% feels they are not paid adequate salary and this might be the one reason for their lower performance in achieving their desired targets. 69% of respondents say they are not promoted because; management policies and rules might have led them not to make quick promotion for the insurance agents. 48% respondents say they are not motivated from their superiors for achieving targets. The overall table depicts that insurance agents are not satisfied with their job.

Hypothesis test:

Table: 05 Monetary benefits motivate insurance agents and lead to job satisfaction

	Observed N	Expected N	Residual
strongly agree	23	20.0	3.0
agree	45	20.0	25.0
can't say	8	20.0	-12.0
disagree	15	20.0	-5.0
strongly disagree	9	20.0	-11.0
Total	100		

Source: primary data

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Table: 06 Test Statistics

	Monetary benefits motivate insurance agents and lead to job satisfaction
Chi-Square(a)	46.200
df	4
Asymp. Sig.	.000

a 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0. The above hypothesis test depicts that the chi-square value is greater than the expected value hence alternative hypothesis is accepted.

9. Findings of the study:

- 1) 59% feels they are not paid adequate remuneration and this might be the one reason for their lower performance in achieving their desired targets.
- 2) Insurance agents say that they are not promoted because; management policies and rules might have led them not to make quick promotion.
- 3) Insurance Agents are not motivated from their superiors to achieve desired targets.
- 4) Higher level authority puts more pressure on managers of davangere district.
- 5) Insurance agents feel that agent job not provide them a balance between their work and life because of target pressure and less remuneration.
- 6) Respondents have agreed they feel boring for doing job for long time because they are not motivated.
- 7) 38% don't feel proud to work because it does not provide them high returns for their effort for achieving targets.
- 8) Majority of insurance agents opine that private insurance companies provide better remuneration than LIC.
- 9) Most of the Agents feel that, Private insurance company's products are innovative and flexible according to the customer's requirement than LIC. This might be the one reason for difficulty in selling LIC products.

10. Suggestions to Management:

- 1) The monetary benefits should be revised from time to time to enhance the financial viability of insurance agents.
- 2) Holiday tour facilities and other promotional contest should be given to the agents and their family for those who achieve the desired targets.
- 3) Concessional medical facilities and education facilities and scheme for the children of insurance agents should be offered.
- 4) Management should fulfill the required need and demands of insurance agents in order to motivate them to achieve the desired targets.
- 5) Since insurance agents are the major source of employees who work at ground level to sale insurance policies. Hence, they should not be neglected from the benefits and managers should focus more on satisfying their needs.
- 6) LIC should come up with innovative insurance policies as per the customer's needs in order to compete with the private companies.

11. Conclusion:

Job satisfaction is the keying radiant that leads to recognition, income, promotion, and the achievement of other goals that lead to a general feeling of fulfilment. The most important point to bear in mind when considering job satisfaction is that there are many factors that affect job satisfaction and that what makes workers happy with their jobs varies from one worker to another and from day to day. In order to retain talents management must focus on satisfying insurance agents at the best and that directs agents to be diligent at work place. Monetary benefits are the major motivational factors for which individual perform better to achieve the targets. Job satisfaction of insurance agents provides a strong base for the company and helps to sustain for the long time in the market.

12. References:

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