

Sales Force Turnover: An Exploratory Study of the Indian Insurance Sector

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The insurance sector in India is rising rapidly to bring in growth and employment opportunities. Insurance companies are basically human intensive, and human resources act as an undoubted differentiator. Quality manpower and its retention would act as a litmus test. Turnover of sales force has been high because of low entry and exit barriers. The paper addresses issues of recruitment, retention and turnover of sales force in insurance companies. An attempt is made to integrate them to Maslow's Need Hierarchy. A survey was conducted among 350 employees who worked in or had left insurance companies to analyze factors that influenced their decisions and job satisfaction. The data were treated with factor analysis. Factors such as Safety & Security, Social & Esteem and Personal Work Style emerged as the influencers to join insurance companies. Primary Needs and Social & Self Esteem Needs were the factors associated with job satisfaction; Stress, Career Advancement and Work Environment emerged as factors for leaving the companies.

Key words: insurance sector in India, employee turnover, motivation, employee retention

Introduction

Intense competition and globalization of businesses has put mounting pressure on organizations to deliver more and better than before. Organizations need to develop and deploy human resources that can articulate the vision of the organization and make teams with the synergy to perform at much higher levels. Human resource builds and drives the knowledge assets of an organization, the value of which has been established to be many times more than the tangibles. In the present scenario it is becoming important for organizations to focus on finding, developing, and retaining talented employees. This paper aims to enhance understanding of the phenomenon of high employee turnover in the insurance industry and factors that

lead to job satisfaction of employees. Researchers have also made an attempt to integrate Maslow's Needs Hierarchy to the underlying influencers for the sales force of insurance companies to join or leave the organization. The findings may be helpful for the companies to improve retention levels.

Indian Insurance Sector at a Glance

The insurance sector in India is one of the booming sectors of the economy and is growing at the rate of 15–20% per annum. Together with banking services, it contributes to about 7% of the country's GDP. The sector has completed a full circle in India from being an open competitive market to nationalization, and back to a liberalized market again. The government of India liberalized the insurance sector in March 2000, lifting all entry restrictions for private players and allowing foreign players to enter the market with some limits on direct foreign ownership. Under the current guidelines, there is a 26% equity cap for foreign partners in an insurance company. There is a proposal to increase this limit to 49%. With several reforms and policy regulations, the Indian Insurance Sector has witnessed tremendous growth in the recent past. According to a report by the Associated Chambers of Commerce and Industry of India (Assocham), a growth of over 200% is likely to be seen in Indian insurance business by 2009–10, in which private insurance business would grow at 140% in view of aggressive marketing techniques.

Insurance companies in India are growing vertically and horizontally bringing growth and new employment opportunities. It is an intensively people-oriented business and human resources will be the undoubted differentiator. The quality of manpower attracted and retained by insurers and how their abilities and ambitions are harnessed would be the litmus test for the industry.

Traditionally insurance business is managed by a large number of insurance agents who work on a commission basis. The turnover of insurance agents has usually been high in this business. The insurance sector faces high rates of employee turnover. The highest employee turnover is at the financial advisors (agent) level, where the entry barriers are low but targets and work pressures are very high.

Views of Recruiters in Indian Insurance Companies

The attrition rate is about 35% in the first year of recruitment. This goes down to about 18% by the fourth year. Most of those who drop

out are non-performers, as told by the Executive Director of the Kotak Mahindra Mutual Life Insurance Company, he attributes it to the high expectations on the part of the agents. Most people think that they can make a lot of money in a short span of time. It is a high-pressure job. Sustenance requires constant networking and acquiring new relationships which requires a lot of discipline. MD Kotak Life Insurance opines that it's a sunrise industry, a lot of people just want to join the race, but can not retain the enthusiasm till the end of a year. The attrition rate in the industry is pitched between 14% and 38% at this rate, it will soon rival the 50 per cent churn rate of the ITES-BPO sector. Country Manager, Tata AIG, argues that the industry today is more at an attraction stage, insurers are also attracting a lot of talent from banking, Fast Moving Consumer Goods, BPO-ITES industries. Head (HR and Admin, HDFC Standard Life Insurance) stated that attrition rates are at 14% in the industry. Companies have to go beyond building a brand to offer the agents careers and let them grow with the market. While retaining employees may be a problem, attracting fresh talent is still relatively easy. The slowdown in the Fast Moving Consumer Goods and Consumer Durables sector and people trained by direct marketing companies like Amway and Oriflamme, too find a way into selling insurance. Head (HR ICICI Prudential Life Insurance) opines that companies cannot hold on to people, especially among frontline sales force, and this will rise as the market matures, since people are actually experiencing large amount of money coming in. Managing director and CEO (Prudential Life Insurance), the HR challenge is being addressed by offering employees learning and growth opportunities. The company offers opportunities for cross-functional learning, skills and talent development, thereby expanding one's job profile. Further, employees also develop a sense of belongingness with the company.

Recruiters explain that high employee turnover rates significantly increase the investments that are made in the employees. The problem of losing funds in employee acquisition is prominent. Companies invest significant amounts of money and time in training in the initial phase; but these investments do not always get converted into actual profits. In the case of the insurance industry, each agent level recruitment costs a company nearly Rs. 5000, other associated costs of training and administrative service are also involved. Each agent works in a non-productive or partly productive mode in the organization for nearly the first 2-3 months. An employee leaving the organization within the first 6 months is a bad investment for the company. While most insurers were not willing to share the number

of staff members they lost to competitors and other sectors in recent times, industry sources indicate that newer companies like Reliance, Bharti Axa, IDBI Fortis, Pantaloons-Generali and others have been active in fresh recruitment of officials from established companies like ICICI Prudential Life, Birla SunLife, HDFC Standard Life.

Literature Review

Researchers have done a literature review on the issues related to the reasons for and consequences of employee loss and how management may deal with turnover in various industries, in order to have a fair understanding of the strategies that could be adopted by insurance companies.

REASONS FOR AND CONSEQUENCES OF EMPLOYEE TURNOVER

The term 'turnover' refers to employee movements that create vacancies within an organisational unit (Beach, Brereton, and Cliff 2003, 62). These vacancies may be the result of resignations, transfers, retirements, dismissals, or the completion of fixed term contracts.

Hale (1998) stated that employers cited recruitment costs of 50% to 60% of an employee's first year's salary and up to 100% for certain specialized, high-skill positions. Bowen and Shuster (1986) stated that while all constituting elements of an organization are important for its success, it is its enhanced ability to attract and retain the best quality talent that separates it from the others.

Abbasi and Hollman (2000) sought to determine the impact of employee turnover on an organization and found that excessive employee turnover often engenders far reaching consequences and at the extreme may jeopardize efforts to attain the organizational objectives. Elangovan (2001) has argued that there is a reciprocal link between organizational commitment and turnover intention, i. e. lower commitment increases turnover intention, which lowers commitment further.

Abdul Rahman, Raza Naqvi, and Ismail Ramay (2008) revealed that job satisfaction and organizational commitment had a negative effect on turnover intentions, whereas perceived alternative job opportunities had a significant positive correlation with turnover intentions and is the major factor associated with turnover intention among IT Professionals in Pakistan. Van Dick et al. (2004) have also identified job satisfaction as a predictor of turnover intention, however, they argue that it is a mediating variable between organizational identification and turnover intention. According to their

study, organizational identification feeds into job satisfaction which, in turn, predicts turnover intention. Zheng and Lamond (2009) found out that training, size, length of operation and the nature of the industry are significantly related to turnover.

Determining what constitutes 'high turnover' is a complex issue, because there is no simple linear relationship between turnover rates and the social and/or economic performance of companies. Issues ranging from poor job fit, lack of recognition or support from senior management, uncertainty about the organization's future and poor management communication are some of the reasons why people start looking for other opportunities. Reasons that can be attributed to high employee turnover in the insurance sector are:

- Being an insurance agent in India is seen as a societal stigma as there is uncertainty of job and income attached to it. People join insurance companies as a part time job or a gap filler occupation and not as a long – term career. Very few competent people want to become agents owing to low social status attached to it.
- It is a high pressure job. It is expected from an agent to understand the customer's needs and sell the products accordingly. This process involves a high level of persuasion and a sustained effort for a long period of time. A lot of people succumb to such pressures.
- The expectation achievement gap adds to the turnover. Many people are lured to the profession with a high earning potential. However, to earn a decent income, agents require a lot of patience, perseverance, and persuasion in the field. During early phase, the earnings of the agents are low despite hard work. This expectation achievement gap leads many of them to break down in the initial period of joining the profession.
- Scarce skilled or experienced human resource in insurance market leads to wide – scale poaching and head – hunting amongst the competitors. The industry has yet to witness mature HR processes, like work force planning, training, motivation and retention. The lack of preplanned recruitment leads the firms to indulge in poaching human resources working in other insurance firms.
- With insurers having a high percentage of the workforce from multiple sectors (non-domain), the chances of losing employees to other fields, like Fast Moving Consumer Goods companies or other financial outfits, are high.

Employee Turnover is perhaps paid the least attention among var-

ious employees issues. It is shrugged off as inevitable. Few companies take a proactive approach towards reducing employee turnover. It always includes substantial costs of replacing the key employee who fall into the category of high performers. Replacing includes the costs of recruitment advertisement, referral bonuses, selection testing, training costs, etc. Moreover, turnover results in loss of time and efforts, low productivity, loss of morale, loss of knowledge and so on.

DEALING WITH EMPLOYEE TURNOVER

Organizations that keep the front line staff motivated and equip them with the right tools are most likely to enjoy long term superior performance (Rogers and Peccoud 2005). The challenge of creating a dynamic, enthusiastic, motivated front line environment is an opportunity in disguise for organizations. Organizations need employees who are committed, flexible, and ready to participate in decision making. Retaining such employees in the organizations is becoming imperative in today's competitive environment. Behavioral research studies show that all human activities including jobs are directed towards satisfying certain needs. Patterns of individual behavior and motivation differ, because individuals seek to fulfill different sets of needs in different ways as adopted from their environmental and social back-grounds. Maslow (1943) propounded the Hierarchy of Needs theory originally applied as a general theory of psychological motivation. However, the usefulness of its theoretical model was adopted by organizational theorist McGregor in 1960, who applied Maslow's theory in the work place. Later on, the Hierarchy of Needs theory has been adopted and incorporated into applications in many areas in business (Shoura and Singh 1998). In the management field, it is an effective approach towards understanding motivation.

Motivation is connected to several levels of the 'needs hierarchy' of human beings. Appreciation, love, respect and fulfilling work are several motivators other than monetary benefits that an individual looks for. An attempt is made in the paper to align Maslow's Hierarchy of needs to the findings of the survey to offer a better understanding of employee turnover.

Maslow suggests that each individual aspires for a higher level unfulfilled need once they have gratified the lower order need. An individual's level of aspirations rise when needs on lower levels are satisfied. The lower four layers of the pyramid are called 'deficiency needs' or D-needs, physiological, safety and security, love and belongingness and esteem. With the exception of the lowest layer of

physiological needs, if these 'deficiency needs' are not met, the body gives no physical indication but the individual feels anxious and tensed. Various levels of Maslow's Hierarchy of Needs are analyzed in the perspective of insurance agents:

- *Physiological Needs.* These include the most basic needs that are vital to survival, including the need for water, air, food, and sleep. These needs are the most basic and instinctive needs in the hierarchy. All other needs become secondary until these physiological needs are met. In the perspective of insurance agents these needs are addressed by the compensation plan. Insurance companies primarily work on incentive based compensation plans, which leads to income uncertainties. An employee looks forward to a sufficient compensation structure which would take care of all of his/her basic physiological needs. A robust, safe and easy to understand compensation plan may retain employees who are striving to materialize their physiological needs. It is necessary for the companies to update the compensation plan with time, so that it fulfills the physiological needs of the individual and his/her family at different stages of their lives.
- *Safety Needs.* Such needs are important for survival, but they are not as demanding as the physiological needs. Desire for steady employment, health insurance, safe neighborhoods, and shelter from the environment could be a few. There are two aspects of the security which would concern a person in the insurance business. One is the personal physical security while on field; and the psychological fear of job security with high targets is the second.
- *Social Needs.* Maslow states that people seek to overcome feelings of loneliness and alienation. This involves both giving and receiving love, affection and the sense of belongingness. This need of an individual gets highly affected in insurance companies predominantly. Individuals do not gain a high status in society, which is attributed to the social stigma of being an insurance agent, and big target pressure causes separation from one's family, friends and relatives. Employees have been found complaining about not being able to spend ample time with their family and friends. The insurance companies may compensate for this by creating a fun-filled work environment and developing a conducive work environment. Team building initiatives can be taken by managers to inculcate the sense of belongingness.
- *Needs for Esteem.* A normal human desires to be accepted and

valued by others. People engage themselves to gaining recognition, attaining a sense of contribution, feeling accepted and self-valued, be it in a profession or hobby. Imbalances at this level can result in low self-esteem or an inferiority complex. Those working as employees in an insurance company are viewed as people of comparatively less ability. The attitude is developed due to mass recruitment undertaken by insurance firms, where not much focus is placed on selecting suitable candidates. This diminution in esteem leads to leaving the industry on getting a better opportunity. Many companies are focusing on creating a positive image of the industry by using the media, though much is yet to be done. Measures like change in job title and nature of the job could be positive steps in this direction. As the industry matures, the positioning needs a change from being a mere money maker option to an industry which provides learning and high growth opportunities.

- *Need for Self-Actualization.* Maslow describes self-actualization as a person's need to be and do what he/she was born to do. These needs make themselves felt in signs of restlessness. A person feels on edge, tensed, or lacking something. Insurance companies are providing a career growth path and higher education opportunity for employees as a measure of retaining them. These steps are strides towards fulfilling the discontented Self Actualization needs of the employees.

Lyon, Ivancevish and Donnelly (1970) suggested that it is a difficult task in an organization to motivate employees in a way that produces mutual benefits for both the employees and the organization. An effective motivational model can lead to an employee's job satisfaction and achievement of organizational goals. According to Maslow (1971), employees are not likely to seek higher-level gratifications till their lower level needs are relatively met. Maslow's hierarchy of needs theory helps managers make workplaces more responsive to employees' specific needs.

Objectives of the Survey

Employee turnover is a larger problem currently faced by insurance companies, as a major part of their revenue is lost. Analyzing the causes of employee turnover is imperative for insurance companies. An exploratory survey is designed, keeping in mind following objectives:

- Identifying factors which influence the decision to join the Insurance Industry.
- Analyzing factors which play a major role in job satisfaction.
- Identifying factors which influence the decision to change or leave.

Methodology

The survey was conducted during January-March 2009. The target population tapped was the people currently working in the insurance industry and those who have left the industry. Responses were collected from 350 randomly selected respondents in the city of Lucknow, the capital of largest state of Uttar Pradesh in India. Based on motivational theories and judgment of the researchers', 23 variables were identified which could influence the individuals to join or quit the insurance company, and variables that lead to job satisfaction. The respondents were asked to rank their responses on a five point Likert Scale ranging from Highly Important (5) to Not at all Important (1).

REASONS FOR JOINING AN INSURANCE COMPANY

- A1 *Growth Opportunity*
- A2 *Flexibility of Time*
- A3 *Challenging Job*
- A4 *Reputation of the Company*
- A5 *Work Environment of the Company*
- A6 *Attractive Salary/Incentive Plans*
- A7 *Job Security*
- A8 *Peer/Friends' Advice*
- A9 *Unemployment*
- A10 *Earn an Extra Amount*

VARIABLES THAT LEAD TO JOB SATISFACTION

- B1 *Job Security*
- B2 *Work Environment*
- B3 *Accomplishments*
- B4 *Balance in Work and Family Life*
- B5 *Monetary Benefits*
- B6 *Career Growth*

REASONS FOR LEAVING AN INSURANCE COMPANY

- c1 *Better Job Opportunity*
- c2 *Better Salary*
- c3 *Target Pressures*
- c4 *No Time for the Family*
- c5 *Job Insecurity*
- c6 *Relocation*
- c7 *Bad Work Culture*

The required data were gathered through a pretested questionnaire. The data were analyzed with Factor Analysis using Principal Component.

Data Presentation and Findings

The survey reveals that 60% of the employees left the insurance sector in less than 1 year; 22% employees remained in the same sector for 1–3 years; 8% of employees worked in this sector for at least 4–6 years; 5% of employees remained in the same sector for 10 years, and 5% had been in the insurance industry for more than 10 years.

REASONS FOR JOINING AN INSURANCE COMPANY

Ten variables were identified as possible reasons for joining an insurance company. These were analysed for their importance. The analysis reveals that the respondents considered all 10 variables important. The weighted mean value and scale of importance is given in table 1.

Hence, to identify the reasons for joining an insurance company, Factor Analysis was done using Principal Component Analysis.

TABLE 1 Reasons for joining an insurance company

No.	Variables	wmv	Std. dev.	Scale importance
1	Growth Opportunity	4.37	0.78	Important
2	Flexibility of Time	4.21	0.73	Important
3	Challenging Job	3.62	0.95	Important
4	Reputation of the Company	4.15	0.93	Important
5	Work Environment of the Company	3.99	0.90	Important
6	Attractive Salary/Incentive Plans	4.10	0.86	Important
7	Job Security	3.85	1.02	Important
8	Peer/Friends Advise	3.60	0.97	Important
9	Unemployment	3.91	1.02	Important
10	Earn Extra Amount	3.66	1.02	Important

TABLE 2 Results of principal component analysis

Bartlett's test of sphericity, approx.;				Kaiser-Meyer-Olkin measure		
chi-square = 311.425, <i>df</i> = 45; sig. = 0.000				of sampling adequacy = 0.648		
Extraction sums of squared loadings				Rotation sums of squared loadings		
Fac.	Eigen val.	% var.	Cum. %	Eigen val.	% var.	Cum. %
1	2.327	23.268	23.268	2.006	20.059	20.059
2	1.265	12.653	35.921	1.481	14.809	34.868
3	1.086	10.861	46.782	1.191	11.941	46.782
Factor matrix				Rotated factor matrix		
Var.	Factor 1	Factor 2	Factor 3	Factor 1	Factor 2	Factor 3
A1	0.316	0.429	-0.392	6.193e ⁻²	0.641	-0.153
A2	0.234	0.194	0.840	2.400e ⁻²	-5.785e ⁻²	0.891
A3	0.416	0.272	-2.558e ⁻²	0.202	0.423	0.166
A4	0.354	0.700	-0.245	-6.480e ⁻²	0.816	6.913e ⁻²
A5	0.542	0.250	0.229	0.299	0.369	0.428
A6	0.468	-0.389	-1.907e ⁻²	0.604	-7.630e ⁻²	-1.173e ⁻²
A7	0.551	-0.199	9.141e ⁻²	0.562	7.093e ⁻²	0.177
A8	0.589	-0.102	4.759e ⁻²	0.544	0.182	0.174
A9	0.540	-0.446	-0.320	0.719	2.876e ⁻²	-0.275
A10	0.646	-0.131	7.126e ⁻²	0.611	0.202	0.144

Bartlett's test of sphericity and Kaiser-Meyer Olkin (κ_{MO}) measures of sampling adequacy were used to examine the appropriateness of factor analysis. The approximate chi-square statistic is 311.425 with 45 degrees of freedom, which is significant at 0.05 level. The κ_{MO} statistic (0.684) is also large (>.05). Considering the facts, factor analysis is considered as an appropriate technique for further analysis of the data.

Results of Principal Component Analysis for reasons to join an insurance company are tabulated in table 2.

Retaining only the variables with eigen values greater than one (Kaiser's criterion), we can infer that 23.268% of variance is explained by factor 1; 12.653% of variance is explained by factor 2 and 10.861% of variance is explained by factor 3. All three factors together contribute to 46.782% of variance.

On the basis of Varimax Rotation with Kaiser Normalisation, 3 factors have emerged. Each factor is constituted of factors that have factor loadings greater than 0.5. The researcher conceptualized the identified factors as: Factor 1 – Safety & Security; Factor 2 – Esteem; Factor 3 – Personal work style. The identified factors with the associated variable and factor loadings are given in table 3.

TABLE 3 Identification of factors for reasons for joining an insurance company

Factor name	Variables	Factor loadings
Safety and Security	A6 Salary	0.604
	A7 Job Security	0.562
	A8 Peer Advise	0.544
	A9 Unemployment	0.719
	A10 Earn Extra as an Agent	0.611
Social & Esteem	A1 Growth Opportunities	0.641
	A4 Company Reputation	0.816
Personal Work Style	A2 Flexibility of Time	0.891

TABLE 4 Importance of variables in job satisfaction

No.	Variables	wmv	Std. dev.	Scale importance
B1	Job Security	4.29	0.79	Important
B2	Work Environment	3.75	0.88	Important
B3	Accomplishments	3.99	0.86	Important
B4	Balance in Work and Family Life	4.06	0.89	Important
B5	Monitory Benefits	3.96	1.04	Important
B6	Career Growth	4.37	0.83	Important

TABLE 5 Results of principal component analysis

Bartlett's test of sphericity, approx.;				Kaiser-Meyer-Olkin measure		
chi-square = 328.627, $df = 15$; sig. = 0.000				of sampling adequacy = 0.702		
Extraction sums of squared loadings				Rotation sums of squared loadings		
Fac.	Eigen val.	% var.	Cum. %	Eigen val.	% var.	Cum. %
1	2.376	39.605	39.605	1.776	29.593	29.593
2	1.009	16.824	56.428	1.610	26.835	56.428
Factor matrix			Rotated factor matrix			
Var.	Factor 1	Factor 2	Factor 1	Factor 2		
B1	0.550	0.242	0.251	0.546		
B2	0.546	0.481	$8.975e^{-2}$	0.722		
B3	0.606	0.519	0.110	0.790		
B4	0.708	-0.417	0.806	0.157		
B5	0.698	-0.520	0.867	$7.388e^{-2}$		
B6	0.648	$-8.068e^{-2}$	0.538	0.369		

FACTORS THAT LEAD TO JOB SATISFACTION

The six Job Satisfaction related variables were analyzed for their importance. The analysis reveals that the respondents consider all six variables as important for job satisfaction. The weighted mean value

TABLE 6 Identification of factors for reasons of job satisfaction

Factor name	Variables	Factor loadings
Primary Needs	B4 Bal. in Work and Family life	0.806
	B5 Monetary Benefits	0.867
	B6 Career Growth	0.538
Social and Self Esteem Needs	B1 Job Security	0.546
	B2 Work Environment	0.722
	B3 Accomplishments	0.790

TABLE 7 Importance of the reasons for leaving an insurance company

No.	Variables	wmv	Std. dev.	Scale importance
c1	Better Job Opportunity	4.16	0.81	Important
c2	Better Salary	4.04	0.89	Important
c3	Target Pressures	4.03	0.92	Important
c4	No Time for the Family	3.96	0.94	Important
c5	Job Insecurity	3.35	1.11	Somewhat imp.
c6	Relocation	4.12	0.87	Important
c7	Bad Work Env. of Present Company	3.54	1.22	Important

and scale importance is given in table 4. Hence, to identify factors that lead to job satisfaction, Factor Analysis was done using Principal Component Analysis. Results of principal component analysis for reasons for job satisfaction are tabulated in table 5.

Retaining only the variables with eigen values greater than one (Kaiser's criterion), we can infer that 39.605% of variance is explained by factor 1; and 56.428% of variance is explained by factor 2. Both the factors together contribute to 56.428% of variance.

On the basis of Varimax Rotation with Kaiser Normalisation, two factors have emerged. Each factor is constituted of factors that have factor loadings greater than 0.5. The researchers conceptualized the identified factors as: Factor 1 – Primary needs; Factor 2 – Social and Self Esteem needs. The identified factors with the associated variable and factor loadings are given in table 6.

REASONS FOR LEAVING AN INSURANCE COMPANY

The seven variables of reasons for leaving an insurance company were analyzed for their importance. The analysis reveals that the respondents consider 6 out of 7 variables as important and consider c5 (Job Insecurity) as somewhat important as the reason for leaving the insurance company. The weighted mean values of the variables and scale importance are given in table 7.

TABLE 8 Results of principal component analysis

Bartlett's test of sphericity, approx.; chi-square = 411.849; <i>df</i> = 21; sig. = 0.000				Kaiser-Meyer-Olkin measure of sampling adequacy = 0.680		
Extraction sums of squared loadings				Rotation sums of squared loadings		
Fac.	Eigen val.	% var.	Cum. %	Eigen val.	% var.	Cum. %
1	2.466	35.266	35.266	1.644	23.479	23.479
2	1.108	15.826	51.052	1.622	23.177	46.656
3	1.022	14.604	65.656	1.330	19.000	65.656
Factor matrix				Rotated factor matrix		
Var.	Factor 1	Factor 2	Factor 3	Factor 1	Factor 2	Factor 3
c1	0.631	-0.568	0.180	0.123	0.858	4.353e ⁻²
c2	0.689	-0.486	0.209	0.165	0.842	0.139
c3	0.568	0.191	-0.561	0.819	5.571e ⁻²	-2.173e ⁻²
c4	0.690	-4.572e ⁻²	-0.366	0.694	0.360	3.337e ⁻²
c5	0.695	0.470	-9.949e ⁻²	0.657	5.784e ⁻²	0.527
c6	0.337	0.422	0.315	0.119	-1.390e ⁻²	0.614
c7	0.444	0.334	0.623	-5.310e ⁻²	0.203	0.808

Hence, to identify factors that influence the respondents to leave an insurance organization, Factor Analysis was done using Principal Component Analysis. Results of principal component analysis for reasons to leave insurance companies are tabulated in table 8.

Retaining only the variables with eigen values greater than one (Kaiser's criterion), we can infer that 35.226% of variance is explained by factor 1; while 15.82% of variance is explained by factor 2; and 14.604% of variance is explained by factor 3, and all three together explain 65.656% of variance.

On the basis of Varimax Rotation with Kaiser Normalisation, 3 factors have emerged. Each factor is constituted of factors that have factor loadings greater than 0.5. The researcher conceptualized the identified factors as: Factor 1 – Stress, Factor 2 – Career Advancement, and Factor 3 – Environment. The identified factors with the associated variable and factor loadings are given in table 9.

Conclusion and Suggestions

An individual's motive for working may vary according to the nature and potency of the unsatisfied portion of his/her individual hierarchies of needs. It is evident that individuals do not join an insurance company only for Fair compensation and Employment, instead they also look for job security, ease of working in flexible timing, and career advancement. They look to satisfy multiple levels of needs simultaneously and aspire for a job which offers a good mix of primary,

TABLE 9 Identification of reasons for leaving insurance company

Factor name	Variables	Factor loadings
Stress	c3 Target Pressures	0.819
	c4 No Time for Family	0.694
	c5 Job Insecurity	0.657
Career Advancement	c1 Better Job Opportunity	0.858
	c2 Better Salary	0.842
Environment	c6 Relocation	0.614
	c7 Bad Work Culture	0.808

social and esteem needs. The survey reveals a similar mix which may lead to job satisfaction. Individuals leave an organization if they are not satisfied with the job, e.g. factors like stress, career advancement and environment which forced the respondents to leave the organization. Insurance companies may consider offering a distinct proposition to successfully attract and retain the sales force. Managers may design systematic strategies rather than taking a random approach of hit and trial. Researchers conceptualized certain strategies based on the findings of the survey. Different needs of the employees could be addressed from the suggestions mentioned below.

BREAK EVEN PERIOD (BEP)

According to the survey 60% of the sales force leaves the company in less than one year. The occurrence leads to incurring a huge cost in recruiting and training of the employees. Companies may focus on retention for a specified period of time (break even period) so as to recover the cost incurred on the employee. This could be formally included as a process while recruiting candidates. Once the break - even period is calculated, strict actions can be taken to ensure that employees do not leave the organization before completion of BEP. One such measure could be getting a bond signed by the employee.

Our survey reveals that there are two factors: Primary Needs and Social & Esteem Needs as the major influencers of job satisfaction. It is necessary for all levels of managers in sales function to understand that motivation can increase job satisfaction. Companies may focus on the work environment that enhances employee motivation for the job. This includes a conducive and fun filled work environment, suiting to the needs of the young employees. This is essential for compensating the affected social life owing to the nature of the job. A few measures that can be included are: Variable pay package based on performance; Working from home when required for a

short term; Sponsored vacations and Job rotation on a periodic basis.

The survey reveals that Stress, Career Advancement and Environment influence an individual's decision to leave insurance companies. It is suggested that the companies may define job roles for a clear understanding of an employee, including clear documentation of the process and the jobs performed. This would reduce the stress levels to a significant level.

Companies should focus on having education and ongoing learning for the workforce, sponsoring employees on post-graduate programs and treating applicants and employees in the same way as one treats customers. The exercise would help employees in developing their knowledge base and their chances to grow within the organization.

80-20 RULE

The firms concentrate on 20% of the employees who contribute to 80% of the productivity. Companies may identify such employees and their unsatisfied needs in order to formulate individual specific retention plans. Succession planning is needed for the critical positions in the organization for faster replacement. To reduce poaching of employees within the industry, bilateral agreements between companies should be signed. Basic norms are being put in place and the code of ethics is being stressed by the industry. A Common Database should be maintained by all players of the industry to ensure that they are not cannibalizing each others' resources.

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