An Analysis of Quality of Work Life of Sales force in Insurance Industry: A Study Conducted in NCR

Dr. Shobhika Tyagi

Affiliation: Asst. Prof. ABES Engineering College, Ghaziabad, Address: NH-24, 19th km Stone, Delhi-Hapur Bypass Road, Ghaziabad, UP 201009. Email: shobhikatyagi@yahoo.co.in, Mobile No: 7838287008.

Ms Pooja Tiwari

Affiliation: Asst. Prof. ABES Engineering College, Ghaziabad, Research Scholar (GBU Greater Noida) Address NH-24, 19th km Stone, Delhi-Hapur Bypass Road, Ghaziabad, UP 201009. Email:pooja2017@gmail.com, Mobile No: 9911787249.


Indexing:

www.ssijmar.in
ABSTRACT

Quality of work life is a much discussed phenomena in today’s competitive and dynamic environment. Apart from emphasizing only on the work related aspects it also encompasses the overall and holistic well-being of its employees. It is comparatively a broader concept wherein employee not only evaluate his work environment based on mere job satisfaction or work happiness. QWL is really important as it influences the attrition rate of the employees and it also help to adopt the policies and practices trough which diverse need of the employee can be addressed. The main focus of the study is to understand the QWL of direct selling people in Indian Insurance industry. Primary data has been used and data has been collected by the help of survey method. Data is collected from the sales person of the insurance industry. Attrition rate is one of the biggest problems in insurance industry and specifically to the sales people in higher magnitude. Thus, it motivates to understand the various factors that influence the quality of work life of the employees. To conduct the study and to select the respondents non-probability convenience sampling technique has been adapted. Many factors has been revealed as a output of the study which influences the QWL, which are useful for the companies to formulate the retention strategies.

Keywords: Quality of work life, attrition rate, sales person.
Introduction

Human resource is the most important asset for any company and it also help to determine the organizational effectiveness. Profitability and performance of any organization is dependent upon the employees of that company. So it becomes imperative for the company to identify and also to understand the various problems faced by the sales person. Different measures that have to be adopted by the company to reduce the problem of the sales person and also enhancing the quality of work life. After analyzing this, one step ahead can be taken by the top management to establish the cordial relationship between superior and subordinate. By the help of this management can formulate some of the strategies to minimize the attrition rate of the employees or to address the retention strategies that will be beneficial for the human resource development.

Need For the study

One of the key current and ongoing issues relating to direct selling pertains to high sales turnover. Even though most researchers have addressed this subject in a somewhat simple and generalized manner, it remains one of the key areas of concern to the industry itself. The aim of this research is to identify the key factor relating to direct sales force turnover in insurance industry. For this purpose, a range of variables obtained from the literature have been tested. It is hoped that this study will bring in fresh insights that will enable managers to handle this complex issue more effectively.

Review of Literature

The concept of QWL took roots with the behavioral approach to management which emerged as a result of Hawthorne experiments (1924-1933), conducted by Elton Mayo and F.J. Roethlisberger. These experiments proved to be a milestone in changing the focus from productivity to people who are responsible for such productivity. Researchers have proved that people make choices and set preferences who to work for and where to work for the longer time on such decisions are based on judgments about the quality of the working environment provided by their (prospective or existing) employers.

Researchers have defined the quality of work life in a variety of ways, such as quality of work (Attewell and Rule, 1984) and employment quality (Kraut et al., 1989). Hack man and Oldham
(1976) drew attention to what they described as psychological growth needs as relevant to the consideration of Quality of working life. Several such needs were identified: Skill variety, Task Identity, Task significance, Autonomy and Feedback. They suggested that such needs have to be addressed if employees are to experience high quality of working life. Davis (1983) has defined QWL as the “the quality of the relationship between employees and the total working environment, with human dimensions added to the usual technical and economic consideration.

According to Walton, (2005). He proposed eight major conceptual categories relating to QWL as (1) adequate and fair compensation, (2) safe and healthy working conditions, (3) immediately opportunity for continued growth and security, (4) Opportunity to use and develop human capacities, (5) Social integration in the work organization, (6), Constitutionalism in the work organization, (7), Work and total life space and (8), Social relevance of work life. Several published works have addressed the constructs that make up the QWL domain and key elements of QWL programs.

Surface level diversity and its impact on QWL
It is well–known fact that demographic variables are expected to direct effect, work-related attitudes (Arnold and Feldman, 1982; Compton, 1987; and Igbaria and Greenhaus, 1992). Prior research reveals that age and organizational tenure are positively related to satisfaction and involvement (Arnold and Feldman, 1982; cotton and tuttle, 1986 and Igbaria and Greenhaus, 1992). Education has been found to be negatively related to satisfaction (Igbaria and Greenhaus, 1992 and Parasuraman, 1982), and organizational involvement (Mottaz, 1988). Moreover, earlier research also suggests that demographic variable have a direct effect on turnover intention over and above satisfaction and involvement (Igbaria and Greenhaus, 1992 and Parasuraman, 1982).

Relation between Job and Organizational Characteristics and QWL
There are certain important jobs and organizational factor which has been identified in the literature are: job control, job demands, social support, job content, role conflict and role ambiguity (Carayon et al., 2000 Richter and Hacker, 1998; and Theorell and Karaesk, 1996). The importance of variety of job and organizational factors as predictor of QWL and turnover has been clearly highlighted in the organizational/job design and job stress models.
Human Resource Practices and QWL

The impact of high involvement work processes upon organizational effectiveness has been examined by Vandenberg et al. (1999) across 49 life insurance companies. The model between a set of organizational practices and high involvement work processes has been supported. It shows the positive linkage between the two. In another way, the high involvement processes is related to organizational effectiveness (i.e. employee turnover) both directly and indirectly, through positive influences on employee morale. The work practices assessed were work design, incentive practices, flexibility, training opportunities and direction setting. The findings suggested a significant influence of business practices on involvement and influences of involvement on organizational effectiveness. An examination of direct association between organizational practices and effectiveness showed that training opportunities significantly decreased the turnover (Vandenberg et al., 1999). Huselid (1995) conducted a study on human resources professionals across 3,452 US firms to evaluate the relationship among high performance work practices (e.g. training, promotion criteria, job design and information sharing), the individual level factors of turnover and productivity and firm performance. Overall, the high performance work practices were suggested to significantly reduce the rate of turnover (Huselid, 1995).

Thus, some have empathized that workplace aspects that in QWL. Others have identified the relevance of personality factors, psychological well being and broader concept of happiness and life satisfaction. The factors more obviously and directly affecting work, have however, been the main focus area as researchers have tried to identify the important influences on QWL. It has generally been agreed, however, that QWL is conceptually similar to wellbeing of employees ,but differs from job satisfaction which solely represents the workplace domain.

QWL and its impact on attrition rate

One of the powerful recruitment tools is recruitment strategy of an organization. It is imperative for any organization to retain its key employees so that it will be able to maintain long-term health and success. Retaining the employees in any organization also ensures customer satisfaction, increased product sales, satisfied work force, effective succession planning and deeply embedded organizational knowledge and learning. It is necessary for an organization to understand the
various factors which influence the quality of work life, which would be beneficial for the organization to develop strategies to retain the employees. Employee retention strategies, in turn, help organizations provide effective employee communication to improve commitment and enhance workforce support for key corporate initiatives.

According to the literature review, the authors have identified 11 different variables which can influence the quality of work life of its employees.

**Research Methodology**

Data collection has been done through primary data. To collect the data structured questionnaire has been used which consist of descriptive statements of 11 identified variables and personal interviews with the employees of an insurance industry. Most the respondents were middle level and lower level employees of an insurance industry. This study was conducted were in the employees of an organization were involved in direct selling organization. Since it is into direct selling, it is implied that there are no dealers and distributors. The salesman personally meet prospective customer and persuade them to buy their products. The secondary data for this study was collected from various journals, books and websites.

To fulfill the requirement of the study around 250 employees has been considered for the study. Non-probability convenience sampling technique has been used as the person engaged in sales was most of the time on the field. For this study, 95 responses were obtained, out of which nine were invalid. Hence, the sample size was restricted to 86.

**Objectives**

To understand the various factors that influence the QWL of employees engaged in sales of the organization is the primary objective of the organization. The secondary factor of the study was to identify the factors based on which strategies can be formulated to increase the tenure of the sales employee and also to retain the employees.

The hypothesis formulated for this study is as follows:

Ho: There is no significant difference in the factor that influences the QWL of the employees.

H1: There is a significant difference in the factors that influence the QWL of the employees.

**Respondents Profile**
While we were analyzing the demographic data, it was found that out of the 86 respondents that was chosen as a sample size 42.7% of the salesmen were of less than one year of experience and 41% had 1-3 years of total work experience. Apart from that it has also been analyzed that 52.3% of them had joined the company in the past one year. Out of these many respondents 52% of the respondents were undergraduates and only 31% of the salesman earned more than Rs. 20,000 per month. The average income of most of the respondents varied from 12,000-20,000.

Analysis and Discussion
The main aim of this study is to identify those factors that influence the performance of the salesperson working in insurance industry and how they perceive the quality of work life in the organization. This study will be highly beneficial for the organization to understand the major predictors and accordingly formulating the strategies which will help the organization to retain the sales personnel. Factor analysis has been done to understand and identify the various factors that influenced the quality of work life. Factor analysis is a multivariate statistical tool that aims to understand the interdependencies between the variable and reduces the set of variables in a data set. The analysis isolated the underlying factors that explained the data.

The analysis isolated the underlying factors that explained the data. Factor analysis is an interdependent technique. The complete sets of interdependent relationships are examined. There is no specification of dependent variables, independent variables, or causality. Factor analysis assumes that all the rating data on different attributes can be reduced to a few important dimensions. This reduction is possible because the attributes are inter-related.

11 significant items has been revealed as the result of the factor analysis, as shown in Table 1. The Kaiser-Meyer-Olkin measure of sampling adequacy is 0.613. The factors loading greater than 0.50 are considered significant under each dimension. The eigenvalues of selected factors are greater than 1. The extracted components are illustrated in table 2. The various related dimensions are grouped together and named as predictor.
Table 1: Component Matrix of the Factor Analysis of the dimension of QWL

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convince Customer</td>
<td>0.43</td>
<td>-0.25</td>
<td>-0.291</td>
<td>-0.249</td>
</tr>
<tr>
<td>Holiday Given</td>
<td>0.42</td>
<td>-0.62</td>
<td>-0.129</td>
<td>0.33</td>
</tr>
<tr>
<td>Supportive Boss</td>
<td>0.78</td>
<td>0.19</td>
<td>-0.031</td>
<td>-0.193</td>
</tr>
<tr>
<td>Satisfaction level of department</td>
<td>0.544</td>
<td>0.33</td>
<td>-0.18</td>
<td>0.39</td>
</tr>
<tr>
<td>Increment is satisfactory</td>
<td>0.53</td>
<td>-0.59</td>
<td>-0.142</td>
<td>0.34</td>
</tr>
<tr>
<td>Meet the target</td>
<td>0.51</td>
<td>-0.073</td>
<td>0.292</td>
<td>0.299</td>
</tr>
<tr>
<td>Work is enjoyable</td>
<td>0.34</td>
<td>0.28</td>
<td>0.55</td>
<td>0.36</td>
</tr>
<tr>
<td>Job benefited</td>
<td>0.31</td>
<td>-0.008</td>
<td>0.75</td>
<td>-0.25</td>
</tr>
<tr>
<td>Meet target door knocks</td>
<td>0.45</td>
<td>0.22</td>
<td>-0.403</td>
<td>-0.531</td>
</tr>
<tr>
<td>Easily Changeable</td>
<td>-0.028</td>
<td>0.69</td>
<td>-0.27</td>
<td>0.222</td>
</tr>
<tr>
<td>Motivating superior</td>
<td>0.48</td>
<td>0.56</td>
<td>-0.04</td>
<td>0.136</td>
</tr>
</tbody>
</table>

Note: Extraction Method: Principal Component Analysis; rotation Method: Varimax with Kaiser Normalization; Rotation Converged in 6 iterations; Components extracted 4 components.

The components which are extracted through factor analysis are explained in table 2. The dimensions which are related to each other has been grouped together and named as predictor:

Table 2: Predictors of Quality of work life

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Predictor</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Accomplishment of goal</td>
<td>a. Boss is supportive and helpful in nature.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. satisfied with priorities and directions given by the department.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Satisfied with increment policy.</td>
</tr>
<tr>
<td>2</td>
<td>Organizational structure</td>
<td>a. Change in product line or branch can be easily obtained.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. superiors provide motivation.</td>
</tr>
<tr>
<td>3</td>
<td>Wholistic Job</td>
<td>a. Work is enjoyable.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. Benefited by job.</td>
</tr>
<tr>
<td>4</td>
<td>Balanced target setting</td>
<td>a. Meet target effectively.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b. Holidays given.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Convince Customer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d. Meet targeted door knocks.</td>
</tr>
</tbody>
</table>
Accomplishment of Goal
These factors aid in the motivation of the salesman to reach his target. They will be able to reach their goal and able to increase the profitability of the company. When a salesman is satisfied with the increment policy and commission policy, it acts as a major device to increase the enthusiasm to work better. “The boss has to be supportive and helpful in nature, this encouragement given to the salesman boost their morale. In addition, if they are given proper priorities and directions, they will be successful in attaining their goals or objectives very effectively.

Organizational Structure
The supportive structure in any department is very important for its success. The structure has to be dynamic and adapted to the changing requirements. The structure should allow the movement of salesman from one branch or product to another. The change in product line will break the monotony and reduce boredom in the work. The boss or superiors have to motivating and supportive in nature. They have to provide the salesman with adequate training and equip them with the appropriate aids and skills.

Wholistic Job
A job can be wholistic when the salesman feel that the job is beneficial and the working environment friendly and enjoyable. This is because salesmen will be under pressure to reach the target. When they have a friendly environment in the workplace, it reduces their stress levels to an extent. Salesman work efficiently only when their job is beneficial to them.

Balanced Target setting
To set the target for any job is a crucial activity. The targets have to be decided according the potential and skills of the individual that has to be accomplished by him. If the target is high as compared to the potential of the individual, person will be demotivated if he is not able to achieve the target and if the target is below his potential, he will not be benefited. To achieve the targets, salesman should be provided appropriate training on how to convince the customers. The predictor discussed above should form the core strategic elements of employee retention strategy in the organization. By doing so, the organization can, not only retain employees, but also ensure they are satisfied a lot.
Conclusion
Strategy can be formulated to improve the quality of work life of the salesman by taking into consideration the various positive factors. The negative factors can also be addressed to formulate strategy for the retention of the salesman. The general patterns in the findings suggest that sales force face some challenges, including the need to convince the customers, inadequate time to spend with family, not supported to meet the targeted customer visits and lack of customized training.
Specific strategies that the organization can initiate are providing customized training depending on the potential of the respective salesman, and reducing the monotony of the long working hours by switching them between different product line and branch easily.
Goal attainment, supportive dynamic structure, wholistic job factors have a positive influence on the QWL of the salesman, whereas balanced target setting factor has a negative influence on the QWL of the salesman.
This in-depth study is focusing only the insurance industry and only selected branches of NCR has been covered for the data collection. The data was collected from the sales force through the structured questionnaire and could be a biased data. The data was done during the office hours, hence it could not cover those salesman who were not present in the branches or the employees who were on leave. The data collected was restricted only to the customer sales restricted to the specialist cadre of employees. Nearly half of the respondents were from a particular product division, and hence the data might be skewed.
There is a scope for a detailed study, not only in the same organization covering all the branches, but also similar type of companies in the industry.
References: