

## FACTORS DETERMINING EMPLOYEE RETENTION IN PRIVATE SECTOR INSURANCE COMPANIES IN COIMBATORE DISTRICT

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### ABSTRACT

Human Resource is one among the significant important belongings for any association which directs the firm in accomplishing upper hand. HR organization is very trying when contrasted with administrating innovation or capital and for its viable working. At the point when workers are disappointed with the current manager or the work, they ponder different choices. The goal of the review is to observe the different factors influencing representative maintenance in open area insurance companies in Coimbatore District. The discoveries of the review show that factor which is significant for the representatives for maintenance is benefits/remuneration followed by relationship with manager and workplace. T test results show work-life approaches, working climate, associations with director and advantages/pay are measurably critical. The examination of fluctuation results show that female representatives firmly consent to vocation improvement opportunity as critical element contrasted with their male partners and workers with age over 50 years unequivocally concur for work-life approaches, associations with manager and advantages, though representatives with age in the middle 36 to 50 years emphatically concur for work space.

**Key Words:** *Private sector insurance companies, Employee retention, Coimbatore District, Human resource Management.*

### INTRODUCTION

Human Resource is one among the significant important belongings for any association which directs the firm in accomplishing upper hand. HR organization is very trying when contrasted with administrating innovation or capital and for its successful working. The organizations require successful HRM framework in current situation where representatives are unique. Workers have different freedoms close by. At the point when workers are disappointed with the current boss or the work, they ponder different choices. Worker turnover is one of the biggest however broadly obscure costs an association faces. Losing the current representative and recruiting new worker costs organizations 30 to 50 percent of the yearly compensation of section level workers, 150% of center – level workers, and up to 400 percent for upper level, particular workers (Dubey, 2010).

The business should hold their best workers for development of the association. The disappointment will bring about awful representatives left. Boss ought to be aptitude in drawing in and holding the workers. A compelling human asset the board rehearses in particular representative strengthening, preparing and advancement, evaluation framework and remuneration are the primary component for the accomplishment of a firm on worker maintenance. Workers are

the mainstays of an association. Henceforth, the maintenance of the representatives is a significant component in keeping the association pursuing its targets. In this setting associations need to make methodologies to hold the most important workers for the more extended timeframe. Serious climate of the business has changed the business world as well as the personalities of the people. Each association is intrigued to make their association fittest from such a serious climate. Just faithful, skilful, and experience worker can make the business fruitful and can handle the predicament of the business climate. In the event that the association can't hold its significant workers, it can not profit by human resources created inside the association (Shekshnia, 1994). The review utilizes five determinants like Career Development Opportunities, Superior Support, Work Environment, Rewards, and Work-Life Policies to concentrate on the effect of HRM rehearses on maintenance of representatives.

### LITERATURE REVIEW

American Management Association (2001) supported Employee maintenance since it is fundamental for firm execution. On the off chance that the organization can't hold its workers, it can not acquire on human resources which were created inside the association. Yazinski (2005) recognized the accompanying for maintenance in an associations are Skill acknowledgment, Learning and Working Climate, Job Flexibility, Cost Effectiveness, Training benefits, Career Development, Superior-Subordinate relationship, pay, Organizational Commitment, Communication, Employee Motivation.

Shoaib M., Noor A, Tirmizi S.R, Bashir S A (2009) featured some significant variables on worker maintenance which are profession advancement openings, management support, working climate, rewards and work life arrangements on representative maintenance. The concentrate additionally uncovers the positive relationship of profession improvement openings, management support, working climate, rewards and work life approaches with worker maintenance. Pabla M.S (2010) concentrated on 'representative maintenance' and explored maintenance implies pay, association climate, development, and profession, significance of relationship in workers, maintenance projects and backing from the board, bosses and partners.

Sheik, Muhammad (2011) inspected the effect of HRM rehearses on vocation improvement openings, administrator support, working climate, rewards, and work-life arrangements and observed that work space, profession advancement openings and prizes are more significant elements that influence the maintenance of representatives. Zachariah and Roopa (2012) analyzed the purposes behind representatives leaving the association, remaining back factors, their mentality towards work, work connections. The result of the review is relied upon to help the HR Managers of these associations in limiting the weakening rate by creating powerful maintenance techniques explicit to their association. Akila R. (2012) saw that the Employees have given most noteworthy weighting to agreeableness in working hours and are not happy with yearly augmentations gave. Sexual orientation has critical relationship with balance between serious and fun activities. Relationship between's occupation fulfillment and working condition prompts representative maintenance. The divisions likewise have impact on it. The elements that affected representative

maintenance were vocation openings, balance between fun and serious activities and acknowledgment at BGR Energy.

## **VARIABLES AFFECTING EMPLOYEE RETENTION**

### **Vocation Development Opportunities**

Vocation openings and advancement is a course of activities a singular makes to achieve his profession plan. Jiang, Klein and Tang, (2003) inspected that vocation improvement openings is quite possibly the main factors as employee are more cognizant with regards to their profession. An organization that needs to fortify its bond with its representatives should put resources into the improvement of their workers. Mill operator and Wheeler (1992) and Quarles, (1994) referenced that Employees who feel that they are adding to the association will be more drawn in with their work, and along these lines, will be less inclined to leave the association.

### **Prevalent Support**

Greenhaus (1987) concentrate on pushed that workers are more averse to leave an association and be more connected by having great relationship and open correspondence with the boss. Eisenberger et al (1990) made an appraisal, for example, representative's perspective on the association is emphatically affected by their relationship with their director. Freyermuth, (2007) viewed that as assuming the manager centers towards the worker's advancement, other than the conventional assessment process; this works on the representative's maintenance and responsibility towards the association.

### **Workplace**

Workers expect the climate given by the business should be useful to use their capacities and fulfill their fundamental requirements. Workplace is one of the elements that influence worker's choice to remain with the association Zeytinoglu and Denton, (2005). Weidemann, Olsen, Keable and BOSTI, (2001) investigation discovered that a representative loves to work at a spot, where he is given an appropriate climate to work. Shoaib et al (2009) featured that the compensation, working climate and the advantages (rewards) are three variables which influence the representative turnover and associated with one another.

### **Remuneration**

Remuneration as the aggregate monetary and non-monetary prizes payable to workers as a trade-off for their administrations are typically founded on the worth of work, level of individual commitments, endeavors and execution of the representative (Milkovich and Newman, 2005). Pay assumes a basic part in drawing in, holding and persuading the workers to keep contributing towards association's prosperity (Philips and Fox, 2003). Aside from the remuneration framework which is being reward and perceives representatives' endeavors and commitments likewise goes about as an inspiration device (Chiu, Luk and Tang, 2002) to work on workers' efficiency through further developing position execution, obstructing the expectation to leave and expanding vocation fulfillment. Remuneration frameworks generally been intended to draw in and hold representatives and to inspire them to expand their work and results toward the accomplishment of hierarchical objectives (Bergmann and Scarpello, 2001). Highhouse et al, (1999) inspected that compensation

alone isn't adequate to hold the representatives. The investigation discovered that low compensation bundle will drive laborers out of the association yet it isn't required that significant pay bundle will carry laborers into the association.

### **Work Life Policies**

The requests of work, for example, late hours working, successive voyages, abrupt exchanges are both mentally and socially exorbitant and ominous to nature of work life. In the present serious climate, the worker readiness to select decreased – hours plans isn't just an issue of planning it includes overhauling work courses of action which prompts change in association culture and professions, suitable diminished hours vocation choices require synchronous changes in the space of pay, tasks and advancements. So it is more practical and useful or the board to plan the work courses of action to fit the human than it is power the human to fit the framework (Barnet and Hall, 2001). Numerous scientists tried the effect of work and family helps which contain adaptable timetables, childcare help, parental leave, childcare data and parental leave on association responsibility. Specialists showed that there is more prominent authoritative responsibility assuming representatives approached work life arrangements and furthermore these workers enunciated impressively with lower expectation to disavow their calling (Grover and Crooker, 1995).

### **OBJECTIVES OF THE STUDY**

The study has the following objectives:

1. To find out the various variables affecting employee retention in insurance sector in Coimbatore District.
2. To measure the impact of independent variables (gender and age) on employee retention in the insurance sector in Coimbatore District.

### **METHODOLOGY OF THE STUDY**

#### **Model Specification**

Employee retention is the dependent variable, which is checked for relationship with career opportunities and development, work life policies, working environment, relationship with supervisor, benefits and compensation, and recognition that were considered as independent variables.

#### **Sources of Data**

The researcher has used both primary and secondary data for the present study. The researcher has used structured questionnaire for the data collection. The researcher has selected 110 respondents from the employees working in private sector life insurance companies.

### **ANALYSIS AND INTERPRETATION**

The overall impact of these variables on employee retention was summarized. The responses of employees of private sector insurance companies on main variables of employee's retention found from different review of literature in the area of human resource management are provided in Table 1.

**Table 1: Responses of Bank employees on Employment Retention**

Main Variables	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Career Development Opportunities	20	26	24	5	35
Work-Life-Policies	22	30	28	17	13
Working Environment	43	37	7	9	14
Relationships with Supervisor	44	29	8	7	22
Benefits/ Compensation	56	22	4	11	17
Recognition	26	15	22	20	27

Source: Primary data

It was observed from the Table 1 that most of the bankers agree that benefits/compensation is the main factor for retention followed by relationship with supervisor and working environment. The percentage of employees strongly agree to the factor of benefits/compensation were 50.9 percent. Relationship with supervisor and working environment were strongly agreed by 40 percent and 39 percent of employees. The highest percentage of employees on strongly disagreed was on career development opportunities with 31.2 percent followed by recognition with 24.5 percent.

#### T Test

The study employed 't' test to analyse whether the factors are statistically significant. The results of the 't' test are presented in Table 2.

**Table 2: Results of 't' test**

One-Sample t Test				
Variables	Test Value = 3			
	T	Df	Sig. (1-tailed)	Mean Difference
Career Development Opportunities	-0.566	109	0.286	-0.0817
Work-Life-Policies	2.311	109	0.011	0.2817
Working Environment	5.954	109	0.000	0.7817
Relationships with Supervisor	4.071	109	0.000	0.6001
Benefits/ Compensation	5.570	109	0.000	0.8091
Recognition	-0.444	109	0.329	-0.0635

Source: Primary data

It was observed that four variables were found to be statistically significant at 5 percent significance level. Work-Life policies, Working environment, Relationships with supervisor and Benefits/compensation were found be statistically significant at 5 percent level. Two variables, career development opportunities and recognition were found to be statistically insignificant at 5 percent level. Private sector employees have their career development based on their experience. As employees get experienced they get promoted to the next level. Recognitions are not expected

by employees of private sector insurance companies They have job security and decent pay scale as their experience increases. Therefore, it was found that career development opportunity and recognition were insignificant in affecting private sector employees.

### ANOVA

In order to examine the relationship between socio-economic profile and variables affecting employee retention within the PSU bank employees in Coimbatore district, the technique of analysis of variants (ANOVA) has been used. The researcher classifies the gender of employees as male and female. The influence of the age of bankers was found significant only on one variable of employee retention at 5 percent significance level. It was found that female employees strongly agree to career development opportunity as significant factor compared to their male counterparts.

**Table 3: Influence of Gender of employees on Employee retention**

Factors affecting employee retention		Sum of Squares	Df	Mean Square	F	Sig.	Gender	Mean
Career Development Opportunity	Between Groups	9.122	1	9.122	4.086	0.046	Male	2.7701
	Within Groups	241.141	108	2.233			Female	3.4783
Total		250.264	109					

Source: Primary data

The researcher classifies the age of employees as, less than 35 years, 36-50 years and more than 50 years. The influence of the age of bankers were found statistically significant on four variables namely, Work-life-policies, working environment, relationships with supervisor and benefits/compensation at 5 percent significance level.

**Table 4: Influence of Age of employees on Employee retention**

Factors affecting employee retention		Sum of Squares	Df	Mean Square	F	Sig.	Gender	Mean
Work-Life-Policies	Between Groups	15.59	2	7.796	5.128	0.007	<35	2.6296
	Within Groups	162.67	107	1.520			36-50	3.4423
	Total	178.26	109				>50	<b>3.5806</b>
Working Environment	Between Groups	20.57	2	10.286	5.911	0.004	<35	3.0370
	Within Groups	186.19	107	1.740			36-50	<b>4.0962</b>
	Total	206.76	109				>50	3.9032
Relationships with Supervisor	Between Groups	14.57	2	7.285	3.171	0.046	<35	2.9630
	Within Groups	245.83	107	2.297			36-50	3.7885
	Total	260.40	109				>50	<b>3.8387</b>
Benefits/Compensation	Between Groups	20.37	2	10.189	4.687	0.011	<35	3.0741
	Within Groups	232.61	107	2.174			36-50	3.9615
	Total	252.99	109				>50	<b>4.1935</b>

Source: Primary data

Employees with age more than 50 years strongly agree for work-life policies, relationships with supervisor and benefits. Employees with age in between 36 to 50 years strongly agree for working environment.

## CONCLUSION

The way to deal with worker maintenance has grown slowly and has gone through centered consideration in different periods. Prior scientist thought and observed distinctive model and the backhanded targets of these models was to lessen work turnover which is generally exorbitant for the association. The discoveries of the review show that factor which is significant for the representatives for maintenance is benefits/pay followed by relationship with director and workplace. T test results demonstrate work-life arrangements, working climate, associations with boss and advantages/pay are measurably critical. The investigation of change results demonstrate that female representatives emphatically consent to profession improvement opportunity as critical variable contrasted with their male partners and workers with age over 50 years unequivocally concur for work-life arrangements, associations with chief and advantages, while workers with age in the middle 36 to 50 years firmly concur for workplace.

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