

RETENTION OF EMPLOYEES IS MAJOR CONCERN IN INSURANCE SECTOR: A CASE STUDY OF BIHAR

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ABSTRACT

Insurance sectors are facing major challenges of employee's retention as retaining talented employees are major concern in this sector due to competitive advantage. Gone are the days where recruiting good talent was enough, but today it become imperative to retain that good talent. Retaining good work force and well performer is a challenging task in changing HR Dynamics. Employees are the important and valuable assets for any of the organization. But, from various practices, researches and literatures it has seen that Employees are treated as the valued contributors by the employers. But retention is even more important than hiring. The paper deals with emerging challenge of employee's retention in insurance sector with a case study of Bihar Region. The paper focuses on strategies 'adopted by insurance sector to retaining talent. Appreciation and Recognition, Career growth opportunities, adequate salary, proper feedback, appropriate training, good rewards and incentives, work life balance, exit interview etc. may be the effective tools and strategies for retention of employee's talent.

KEYWORDS: *Employee Retention, Insurance Sector, Training, Recognition, Rewards, Work Life Balance, Exit Interview*

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INTRODUCTION

Employee retention is a process to retain the more professional and dedicated employee towards their job and having well technical knowledge. Retaining good work force and well performer is a challenging task in changing HR Dynamics. Employees are the important and valuable assets for any of the organization. But, from various practices, researches and literatures, it has been seen that Employees are treated as the valued contributors by the employers. To secure employees' loyalty towards the organization, the employers provide many monetary benefits, carrier growth opportunities, promotion, competitive compensation plans etc. Despite of these, employees are continually leaving their existing job and seeking another one where good pay and better benefits are provided. That is why the turnover rate is increased. In some extent, because of employee dissatisfaction, employee's attrition is seen in almost all organization especially in Insurance Sector.

FACTORS INFLUENCING EMPLOYEES RETENTION

For the growth of any organization – committed, engaged and loyal workforce is needed. HRM Group is responsible for managing and retaining talent. Hiring and recruiting is an important function of HR Management. Right People at right place at the right time must be hired for their long-term stability. But the retention is much more crucial than hiring

because knowledgeable and talented people have many opportunities, as well as in demand, in the globally competitive economic market. All the employees must be treated equally in the work place. It is the responsibility of the employer to make employees feel as a part of the organization. Every organization must understand the nerves of the market and requirements of the customers at their satisfied level and understand the importance of the employees. It is seen that higher level of employee satisfaction is equal to greater customer satisfaction.

Employers must understand the factors which are responsible for employee's dissatisfaction and causes for leaving their job. Keeping an eye over the factors of employee attrition, the employers focus on various effective strategies to retain their talents. In Bihar, Insurance has been proved itself as a crucial human intensive business. So, the insurance industry is a fastest growing industry in Bihar. It is getting a lot of equity in the state market. Thus, it is necessary to keep stability of the insurance companies by keeping or retaining its employees for longer period of time in a same organization. But to retain them is a challenge because only monetary benefits or good pay is not sufficient in today's era. Salary is now just a component for employees. That is why, to strengthen the work force, effective training process must be adapted in organization. There are various important aspects or factors which influence the human resource or manpower in an organization.

Some Important Factors Which Influence the Employee Retention are as under

- Work life balance
- Career growth opportunities
- Flexible working Hours.
- Performance Appraisals
- Appreciation and Recognition
- Good pay scale
- Proper feedback by Superiors
- Good rewards and incentive system
- Job Security
- Appropriate training is provided
- Provision of Effective and Efficient Exit Interview

LITERATURE REVIEW

Several Studies have been conducted on employee's retention as the dynamics of business environment and employment relations are constantly changing due to the changing perspectives of human resources, further studies are needed in this regard. Retaining talent should be the prime agenda for human resource managers.

Hilltop (1999), explained that companies have to be able to anticipate technological innovation and be able to compete with other companies worldwide. This need makes important role in companies' ability to evolve through the continuous learning and development of the employees. Having and retaining skilled employees, plays a pivotal role in this process because employee's knowledge and skills have become the key for companies to be economically competitive.

Strauss and others et.al (2001), found that the opportunities in the market are increasing every day and the employees are fearless of about losing their job. Before the organization lay off the employees, they leave the organization if they are not satisfied with the job. Some of the major reasons why employees leave the organizations are bad hiring practices, poor management style, lack of recognition, inadequate compensation system, lack of job security, inadequate training and development system

Kali Prasad (2006) explained in his research that recruitment of staff is a risky aspect in today's competitive market and therefore much research and planning is required. The "right" people will not simply come to the organization. Effectively managed staffs are also said to be comfortable within the organization and usually believe that they own the business. This is when their commitment and loyalty are at its highest and therefore, they rarely tried to find a way to depart from the organization. In house career development and promotion opportunities are considered as highly effective strategies to attract the key staff to an organization,

Surji (2013), suggested in his research paper that many organizational problems and issues can be quickly resolved if there would be sincere and accurate employee response in organizations. Employee satisfaction is an important and very effective strategy. Management should take effective decisions to improve the work environment for its employees who are valuable assets for organization.

Das and Baruah (2013) stated that cost should be considered as a crucial matter to work on in a long run. Organizations are facing challenges like the shortage of competent managers in both the middle and upper level. So high attrition rate is observed in the organization. To retain the skilled employees, a very competent manager with high convincing skill is required. An effective manager can always influence the decision of the employees to leave the organization.

Anita (2014), for organization growth, employee retention is important. Proper hiring and losing skilled and talents become challenging task for any organization. Companies are not capable to retain the well performers for the longer period of time. Because they are not satisfied with their job and seek another workplace where they can get better attention and appreciation. Thus, the employers must understand the reasons of leaving or quitting the job and provide some effective retention strategies to retain the employees.

Hyher (2017) found that the personal premises of loyalty, trust, commitment and identification and attachment with the organization have a direct influence on employee retention. She also demonstrated that workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions, and the balance between professional and personal life have an indirect influence in employee retention.

Klein (2017) explained that expertise is a key resource in any organization, but it is usually not treated with the same case as other resources. When the staff members retired, the organization does little to preserve their expertise, if an exit interview is performed it is usually directed at learning how the person feels about the job and the organization.

Khalid and Nawab (2018) in their research suggested that, the employee participation-retention relationship should be examined in the light of economic conditions. In good economic conditions, when there is no recession and jobs are easily available, employees may leave the job if they are not satisfied. In time of inflation, however, where there are less job opportunities available, employees will have less turnover. Therefore, in countries where there is economic inflation, HRM practice should use participation and cost-effective compensation strategies to enhance employee retention.

OBJECTIVES OF THE STUDY

The Basic Objectives of the Study are

- To analyze the retention factors influencing the retention of the employees in the insurance sectors of Bihar.
- To analyze the initiatives taken by the organization towards the employee retention in insurance sector in Bihar
- To study the new challenges in HRM
- To observe the relationship between superior and subordinates in insurance sector.
- To examine the quality of work, working condition, working environment in insurance sector

RESEARCH METHODOLOGY

For this research descriptive and exploratory research design is used. The study relies on both primary and secondary data. The Primary data was collected from 102 employees of various insurance sectors in Bihar such as LIC, Reliance Nippon Life Insurance, Max Life, HDFC Life, etc. For research, a structured questionnaire was prepared and interviews were conducted by convenience sampling technique. The secondary data has been collected from various insurance companies, websites, annual reports, insurance journals, magazines and internets etc. The area of Study confined to various insurance companies in Bihar.

FINDINGS AND EXPLANATIONS

On the basis of the questionnaire and the methodology used to fulfil the objectives. Various tables, charts and diagrams have been prepared on the following parameters:

FACTORS INFLUENCING EMPLOYEE RETENTION STRATEGIES

Attractive incentives and sound work culture attracted people in the organization. There are several other factors which are influencing employee retention strategies, would be adapted by the employers of any organization to retain the skilled and talented people.

Table 1: Factors Influencing Employee Retention Strategies

Sl. No.	Strategies	Degree of Respondents					Respondents
		SA	A	NAD	D	SD	%
1	Career Growth Opportunities	92					90
2	Good and Healthy Working Environment	82					80
3	Good Communication	72					70
4	Recognition and Appreciation on Performance	94					92
5	Work Life Balance		72				70
6	Job Security		64				62
7	Opportunity Promotion			82			80
8	Flexible working hour		45				44
9	Team Building Culture	84					82
10	Exit Interview		66				64
Total Number of Respondents		102					



Figure 1: Factors Influencing Employee Retention Strategies.

Explanations

Table 1 constructed to show the employees retention strategies which were adopted by the organization. 10 employee retention strategies were considered as basic parameters for questionnaire. Interview was conducted from 102 respondents. Out of 102 employees, 92 respondents were strongly agreed that career growth opportunities are most effective retention strategy for employees. The majority of the respondents i.e. 94 respondents were strongly agreed that recognition and appreciation on performance is an important effective retention strategy. 82 respondents were neither agree nor disagree on promotion opportunity as an effective retention strategy. 72 respondents were strongly agreeing that for retaining the employees, good and transparent communications between superiors and subordinates are required. 66 respondents were agreed that exit interview would be an effective retention strategy. 64 respondents were agreed that work life balance is an effective retention strategy, 82 respondents were agreed that good and healthy work environment is required at work place. Undoubtedly, effective retention policy & strategies can retain talent and can reduce attrition rate.

RATING OF EMPLOYEE'S RETENTION RATE IN INSURANCE SECTORS BY THE RESPONDENTS

When the questions relating to retention rate were asked to rate the employees, most of the employees replied poor.

Table 2: Rating of Employees Retention Rate in Insurance Sector by the Respondents

Sl. No.	Rating	Respondents	
		No.	%
1	Excellent	13	13
2	Very Good	14	14
3	Good	20	19
4	Average	12	12
5	Poor	43	42
Total Number of Respondents		102	

Rating of Employees Retention Rate in Insurance Sector by the Respondents

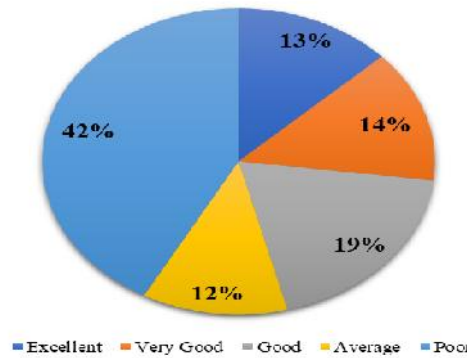


Figure 2: Rating of Employees Retention Rate in Insurance Sector by the Respondents.

Explanations

Table 2 constructed to shows the employee retention rate in insurance sectors. Out of 102 respondents, 13 respondents said that employee retention rate is excellent in their organization. 14 respondents agreed that there is very good employee retention in their company. 20 respondents said that they have good employee retention rate. 12 respondents supported that their employee retention rate is average in their organization. Majority of the respondents, i.e., 43 respondents out of 102 respondents said that employee retention rate is poor in their organization. This reveals that the retention strategies in insurance sector in Bihar is not effective, hence employees’ turnover in this sector is frequent.

Important Provisions Which Are Used In Various Companies (Views Given by Respondents)

When questions relating to important provisions which are used in the respective organizations to know the opinion of respondents were asked, all respondents expressed their own views for retaining the talent.

Table 3: Important Provision Which are Used in Various Companies

Sl. No.	Remedies	Responses		Total number of Respondents In Number	Positive Respondents	Negative Respondents
		Yes	No		%	%
1	Promotion	41	61	102	40	60
2	Sufficient Monetary Incentives	79	23		78	22
3	Good Welfare Measure Provision	84	18		83	7
4	Supervisor Feedback	50	52		49	51
5	Career Counselling	82	20		81	19
6	Happy with Organization	64	38		63	37
7	Training Given	90	12		89	11

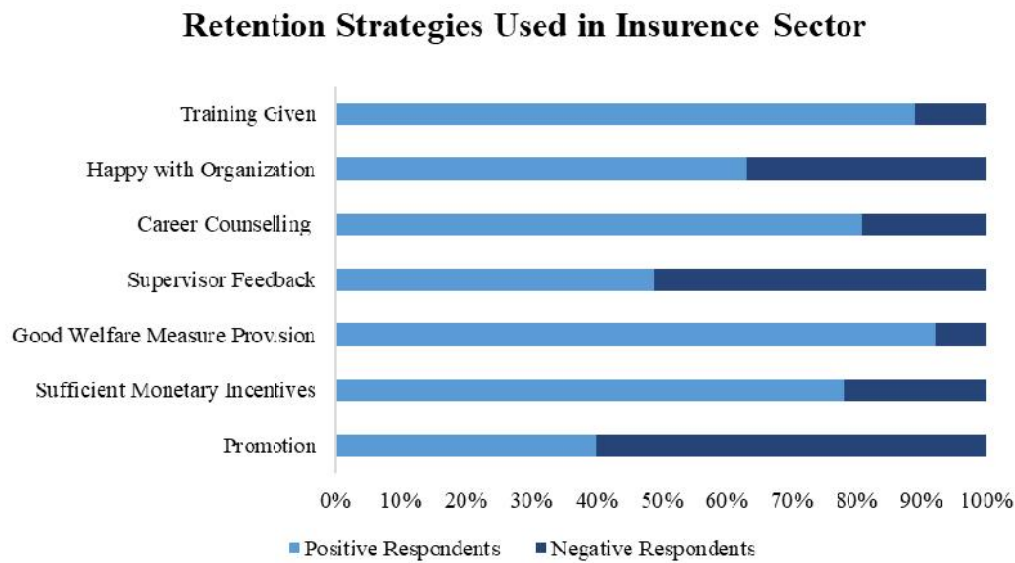


Figure 3: Retention Strategies Used in Insurance Sector.

Explanations

Table 3 constructed to show the views expressed by the respondents on his important provisions which are used in various insurance companies. Out of 102 respondents, 90 respondents said that adequate training is given in their organization for retaining the employees. 50 respondents said that supervision feedback is regularly given to the employees in their organization on the other hand 52 are not agree on this prospectus. 82 respondents out of 102 respondents agreed that career counselling course getting long in their workplace to retain the employees. 79 respondents said that monetary incentives are sufficient in their company where as 23 respondents were not agreeing in the sufficiency of monetary incentives. 64 respondents were happy with their original culture where as 38 respondents were unhappy with their original culture. On the basis of good welfare measures provision, 84 respondents were satisfied in his job, but 18 respondents were unsatisfied with the good welfare measures which are taken in their organization to retain their well performer.

CONCLUSIONS

It has been observed that an organization where employees are not valued and their skill and talent are not utilized may become dissatisfied and seek to go to another organization. This increases higher attrition rate. To avoid attrition rate, various retention strategy can be adopted by the organization to attract their human resource to work here. Quality manpower and its retention is one of the major determining factors in the success of organization. Therefore, the insurance sector should provide effective employee retention strategies which can successfully retain the existing employees for a longer period of time. From the study, it is found that there are many crucial factors which influence the retention strategy in insurance sectors. Those are: regular appreciation and recognition, adequate training, proper feedback given by superiors, provision of job security, career growth opportunity, flexible working hours, work life balance, provision of rewards and incentives etc. For the organization growth, loyal, committed and engaged man power is required and for this employer makes effort to make employees feel as a part of the organization.

SUGGESTIONS

Certain important suggestions may be quoted here for effective retention strategies in insurance sector:

- Healthy working environment and friendly work place must be provided to the employees.
- Give priority to employee involvement and employee engagement.
- Employee participation in managerial functions must be focused.
- Proper reward, recognition and appreciation should be provided to the deserving employee.
- Opportunity to have open communication should be provided to the employee.
- Proper training and development programme must be provided to the employee.
- There must be opportunity for career growth in the organization.
- Regular exit interview must be conducted to know the actual causes of attrition.

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