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Certificate

This is to certify that the dissertation entitled “*Employee Attrition and Retention in Private Life Insurance Companies: An Emperical Study in Manipur*” submitted by **Yumnam Thoiba** for the award of Degree of Master of Philosophy to Mizoram University, Aizawl has been carried out under my guidance and supervision.

This dissertation is his original work and it has not been formed the basis for award of any degree or diploma to any University or Institution.

Dated

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DECLARATION

I, Yumnam Thoiba hereby declare that the dissertation entitled “*Employee Attrition and Retention in Private Life Insurance Companies: An Emperical Study in Manipur*” submitted to Mizoram Unviersity,Aizawl for the award of the degree of Master of Philosophy is an orginal work done by me under the guidance of Prof. Elangbam Nixon Singh, Department of Management, Mizoram university.

I, also declare that this research work has not been published or submitted elsewhere for the award of any degree or diploma or any other similar titles in any university or institution.

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PREFACE

Employee attrition is the major indicator of employee dissatisfaction in different sphere of workplace, policies, communication system, organizational culture and working conditions. While a high retention rate on the other hand indicates high satisfaction level of employees towards company's policies, working condition, organizational culture etc. Attrition can be broadly classified into voluntary and involuntary attrition. In voluntary attrition employee leaves the organisation according to his will mostly personal reasons opportunity in other companies, marriage, further study etc. while involuntary attrition occurs due to the termination of employees for non performance, misbehavior, layoff plan of the company etc. There are many literatures that suggest there is high attrition rate in the insurance sector, an attempt was made to find the factor that causes attrition in life insurance sector and at the same time to find the factor that causes employee retention in the life insurance industries.

For the present study, employees from six private life insurance companies operating in Manipur, namely, Birla Sunlife, Tata AIA, ICICI Prudential, HDFC Standard Life, SBI Life and Bajaj Allianz were selected. The employees in the life insurance mainly consisted of the sales force. They are given target oriented task which is time bound. So, this study tries to find out the difficulties of the employees working in insurance industries that ultimately lead the employees to quit this sector.

This study aims at giving valuable suggestion through the findings to the policy makers in the insurance sector and employees working in this field by suggesting retention measures.

Dated

Yumnam Thoiba

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Dated:

Mr. YumnamThoiba

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ACRONYMS

| | |
|----------|---|
| ABSLI | Aditya Birla Sunlife Insurance |
| ABP | Ananda Bazar Patrika |
| AIA | American International Assurance |
| AMD | Attrition Management Model |
| AM | Agency Manager |
| AP | Associated Partner |
| ASSOCHAM | Associated Chambers of commerce and Industry of India |
| AUM | Assets Under Management |
| AP | Associated Partner |
| BBC | British Broadcasting Corporation |
| BC | Before Christ |
| BFSI | Banking Financial services and Insurance |
| BDM | Business Development Manager |
| BH | Branch Head |
| BM | Branch Manager |
| BNP | BNP Banque Nationale de Paris |
| BP | Business Partner |
| BPO | Business Process Outsourcing |
| BSLI | Birla Sunlife Insurance |
| BSE | Bombay Stock Exchange |
| CEO | Chief Executive Officer |
| CIF | Certified Insurance Felicitators CIF |
| CNBC | Consumer News and Business Channel |
| CSR | Corporate Social Responsibility |
| DHFL | Dewan Housing Finance Corporation Ltd. |
| FY | Financial Year |
| GWP | Gross Written Premium |
| HDFC | Housing Development Finance Corporation |
| HRD | Human Resource Development |
| HR | Human Resource |

| | |
|-------|---|
| HRIFS | Human Resource Interaction Feedback System |
| HSBC | Hong Kong and Shanghai Banking Corporation |
| ICICI | Industrial Credit and Investment Corporation of India |
| IDBI | The Industrial Development Bank of India |
| IRDA | Insurance Regulatory and Development Authority |
| IT | Information Technology |
| ITES | Information Technology Enabled Services |
| KMO | Kaiser-Meyer-Olkin |
| KPMG | Klynveld Peat Marwick Goerdeler |
| LICI | Life insurance Corporation of India |
| MD | Managing Director |
| MNC | Multi National Company |
| NSE | National Stock Exchange |
| PIMCO | Pacific Investment Management Company |
| PNB | Punjab National Bank. |
| SBI | State Bank of India. |
| SAM | Senior Agency Manager |
| SDM | SDM –Sales Development Manager |
| ULIP | Unit Linked Insurance Plan |
| UM | Unit Manager |

1.1 Insurance: A brief History

It is believed that the first known Insurance started in 2250 BC ago in the Babylonian era where Babylonians develops maritime business loan insurance. In the Babylonian era, after the receiving the loan for shipments of goods, the merchant has to pay a fix amount to the lender while the lender assured the merchant to waive off the loan, if any untoward incident happens to the ship. In other words, the lender takes the risks of the goods transported at a fix rate of interest (Buckham *et al*, 2010).

Similarly, Lester (2009) attributed the evolution of insurance industries to a systematic practice, 2000 years ago which is known as bottomry. It is a practice in which the owner of the ships takes a loan for his voyage on the condition that he will give up the ownership rights of the ship if he cannot repay the loan he has taken. While the loan were waived off in case of loss of ships, ship wreck and plunders or attack by pirates. The maritime loans were used until 13 century in the cities of Italy like Genoa and Venice. Trade and commerce through sea route were full of danger and uncertainty, ranging from ship wrecks, pirates, storm, and navigation lost etc. During these days the idea of risk mitigation was against the god will, people consider fire, storms earthquakes as an expression of gods' anger to the mankind.

As evident Insurance developed as a result of trade mainly through sea routes that was full of uncertainties. But the modern insurance evolved in 1666 due the great fire of London in the form of fire Insurance. Bardon, Nicholas created the first insurance office in 1667 with an aim to prevent houses and building from the fire damages. Fire fighting squads were formed under this fire insurance company. They issued especial tags (marks) to the houses and building which are insured under the company. So, that the fire fighting squads can easily identify and extinguished the fire.

1.2 Life Insurance in India:

The first life insurance company in India, Oriental Life Insurance Company started operating in 1818 at Calcutta. The company, however, had a short life. It was closed in 1834. With enactment of British Insurance Act in 1870 numerous insurance company started to operate in India like the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897). However, foreign players like Albert Life Assurance, Royal Insurance, Liverpool, and London Globe Insurance were doing good business than their Indian counterparts. As there was stiff competition between Indian and foreign companies Indian government started publishing returns of Indian insurance companies in 1914. This was first step to promote Indian insurance companies; the government also takes statutory measure in the form of enacting the Indian Life Assurance Companies Act, 1912. The various developments in the Indian insurance sector from 1912 onward are given in Table 1.1. Regarding employees attrition, the insurance companies are facing employee attrition since the beginning of their operation in India, recruiting the right person who is self-motivate and efficient was a great challenge at that time and still it's a great challenge today. Growth in the business is the main objective of every organisation; growth and productivity depend on the efficient and skilled employees' if the efficient employees leave the organisation, productivity as well growth decrease. Thus there is a need to retain the efficient and skilled employee for a long time to excel in highly competitive world.

Table.1.1 Chronological development of Insurance in India

| Year | Development | Motive/Aim/Implication |
|-------|---|---|
| 1912 | The Indian Life Assurance companies act ,1912 was passed | Collection of Life insurance and general insurance information transaction in the country by the Indians and others insurers operating in India including Provident insurances societies. |
| 1928 | The Indian Insurance Companies Act 1928 was enacted. | Collection of statistical data by the government on insurance. |
| 1938 | The Indian insurance company's act 1928 was consolidated and amended by the Insurance ACT 1938. | To safeguard the interest of insured people against any mal practiced and control the activities of the insurance companies operating in India. |
| 1950 | The Insurance Amendment Act of 1950 abolished principal Agencies. | To stop unfair trade practices. |
| 1956 | Nationalisation of Life Insurance sector. | Life Insurance sector and Life Insurance Corporation came into existence in the same year |
| 1957 | Formation of General Insurance council | Framed a code of conduct for ensuring fair conduct and sound business practices. |
| 1968, | The insurance act was amended | To regulate investments and set minimum solvency margins. |
| 1972 | General Insurance Business(Nationalisation) Act passed | To set up general insurance business in India |
| 1973 | 107 insurance companies were amalgamated and grouped into four companies. | National Insurance Company Ltd, the new India assurance company ltd, the oriental Insurance company ltd. and united India Insurance company ltd came into existence. |
| 1990 | Re-opening of the sector | Private insurance Industries were allowed to operate again. |
| 1993 | RN Malhotra committee formation | Reformation in the insurance sector |
| 1994 | RN Malhotra committee report submitted | Recommended that the private sector be permitted to enter the insurance industry along with foreign companies preferably a joint venture with Indian partners. |
| 1999 | Insurance Regulatory and Development Authority IRDA was developed | To regulate and develop the insurance industry |
| 2000. | The IRDA was incorporated as a statutory body. | The key objectives of IRDA include promotion of competition so as to enhance so as to enhance customer satisfaction through increased consumer choice and lower premiums while ensuring the financial security of insurance market. |
| 2000 | The IRDA opened up the market | Started the invitation for application for registrations |

Source: *Inputs from IRDA*

Life insurance industry in India comprises of 24 (Table.1.2) companies. Out of which, 23 are private and life insurance co operation of India, LIC is the only public companies in India.

Table 1.2: List of life Insurance companies operating in India

| Sl. No. | Life Insurance companies | Sl. No. | Life Insurance companies |
|---------|--|---------|--|
| 1. | Bajaj Allianz insurance co.ltd. | 14. | SBI Life life insurance co.ltd. |
| 2. | Birla sunlife insurance co.ltd | 15. | Tata AIA life insurance co.lt |
| 3. | HDFC standard life Insurance co.ltd | 16. | Life insurance cooperation of India |
| 4. | ICICI Prudential life co.ltd. | 17. | Exide life Insurance cooperation of India |
| 5. | Reliance Nippon Life insurance co.ltd. | 18. | Shahara India life insurance co.ltd. |
| 6. | Max life Insurance co.ltd | 19. | Shriram life insurance co.ltd |
| 7. | PNB metlife Insurance co.ltd. | 20. | Bharati AXA life insurance co.ltd. |
| 8. | Aviva life insurance co.ltd. | 21. | IDBI federal life Insurance co.ltd |
| 9. | Future generali life Insurance co.ltd. | 22. | DHFL pramerica life Insurance co.ltd. |
| 10. | AEGON life Insurance co.ltd. | 23. | Edelweiss Tokio life Insurance co.ltd. |
| 11. | Star union dai-ichi life co.ltd.. | 24. | Canara HSBC Oriental Bank of Commerce Life Insurance co.ltd. |
| 12. | India first life insurance co.ltd. | | |
| 13. | Kotak Mahindra old mutual life insurance co.ltd. | | |

Source: IRDA Annual Report 2017

1.3 Attrition in Insurance sector:

“India is the world's fifth largest life insurance market and growing at a rapid pace of 32-34 per cent annually” as per Life Insurance Council studies. While Anuj (2015) opined that employee attrition in India is much higher in private life insurance companies as compare to Life insurance cooperation of india. private companies in their fervent desire to earn high profit exert a high pressure and large target to the employees thus leading to employee dissatisfaction which instil the idea to quit if there are better option in other places. There is no sector in the economy in India that are not facing attrition, Employee attrition may be defined as “gradual reduction in membership or personnel as through retirement, resignation or death”.Attrition can be of many forms depending on different factors and circumstances however attrition can be broadly categorised into “voluntary” and “involuntary attrition”. “Voluntary attrition” takes place when an employee decide to the leave the organisation on his own due to various factor like personal or organiation factors. while “involuntary attrition” occur when employer forced the employee to

leave the organisation due to non performance ,end of work contract ,mis conduct etc.some authors and researchers also refer “voluntary attrition” and “involuntary attrition” as “drive” and “drag attrition”.According to Wernick, et al., (2016) organisation has two factor “push” and “Pull” out of which one attract employee to stay and one repell employee from the organisation. “Pull factor” attract employees, its consist of “recognition, good leadership, adequate support, constructive feedback, supportive management, advancement opportunitny and clear direction and mission” while “push factors” forces and employee to leaves their job. These factors include unclear career path, lack of autonomy, unsafe physical working condition, low salary, non-recognition of employees etc. In todays’ competitive environment, it is important to measure the level of job satisfaction from the side of the employer. If the level of satisfaction is not measured there are employees’ who are ready to hop any time in any company that can satisfied his need.So the first and foremost task of an employer should be identifying the factors that lead to employee dissatisfaction, measuring the cost effectiveness of fresh recruitment, training cost, time consumed and effect on production and efficieny of organisation when a dissatisfied employee leave the organisation.

A study by Valenzuela (2008) in the health care industry found that un-expected work place and people ,job mismatch, too little coaching and feedback, too few growth and advancement opportunities, feeling devalued and unpappreciated, stress from overwork and loss of trust and confidence in senior leaders were the main reson of attrion.

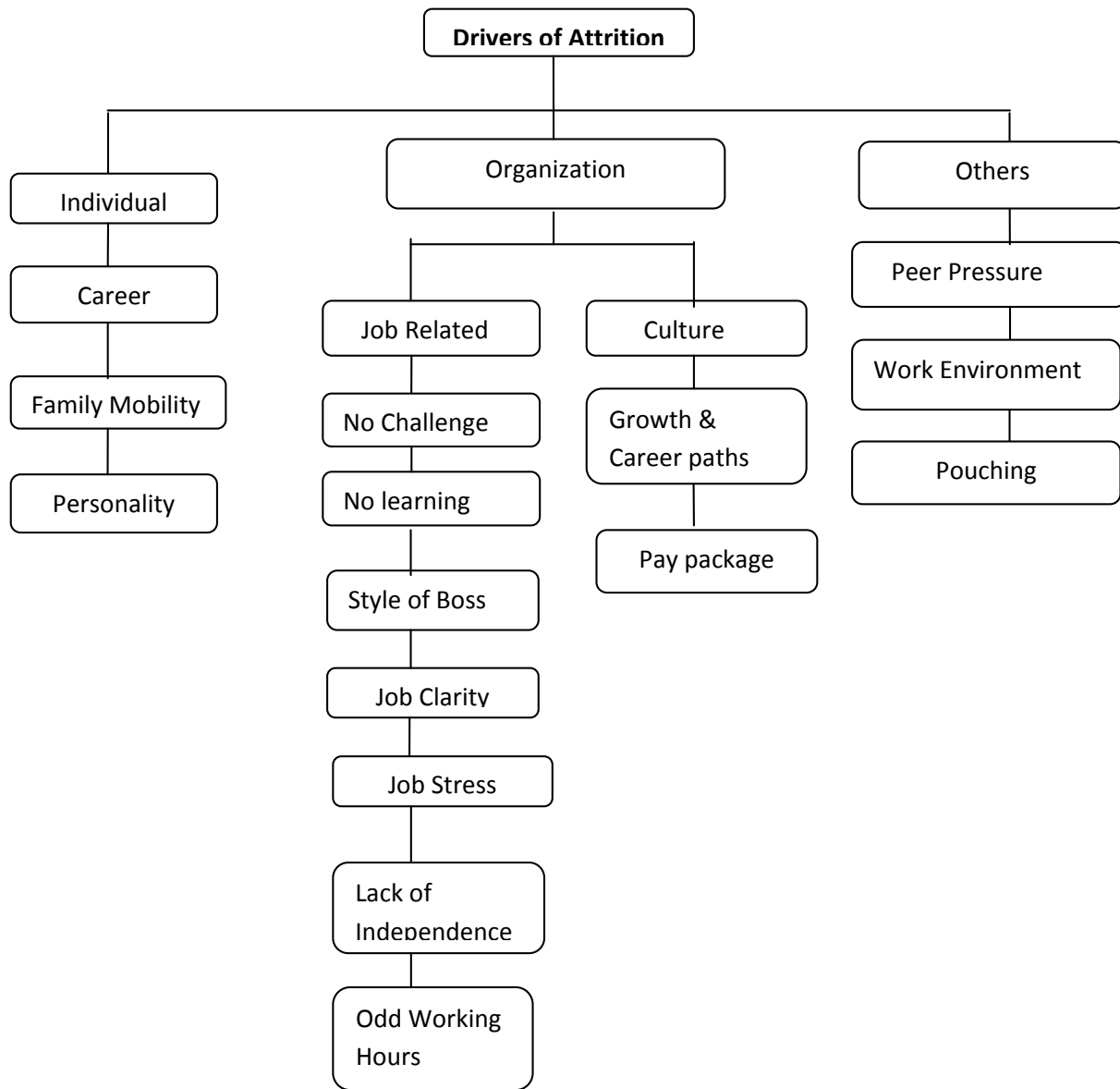


Fig.1.1: Drivers of Attrition

Source: Jha and Singhal, (2014)

while Kaur and Vijay (2016) found that retail store employees have to work for long hours as they are mostly open for 12 hours which leads to loss of interest in work, anxiety while mismatch between workload and pay and others facilities leads to de-motivation again lack of support from the supervisor and monotonous nature of work lead to attrition.

1.3.1. Scenario of attrition in India:

According to KMPG India's annual compensation trends survey report, March 2017, retail sector shows the highest attrition rate followed by media and service sector. KMPG is a trusted advisor in human resource providing service to the Indian organisation operating in private or public sector and International organisations, KMPG focuses on developing strategies, structure, system process as well as building capabilities that can enable organisation to attract, develop and manage talents.

Table1.3: Average Voluntary Attrition in Different Sectors 2016-2017

| SL. No. | Sectors | % |
|---------|---|-------|
| 1. | Energy /Power/ Coal Gas/oil) | 8.1% |
| 2. | Automotive and Auto components | 8.9% |
| 3. | Engineering/Manufacturing | 9.9% |
| 4. | Infrastructure, Construction and Real estate | 11.4% |
| 5. | Logistics | 12.6% |
| 6. | Consumer Goods | 13.2% |
| 7. | Information technology (IT) | 14.5% |
| 8. | Information technology enable services (ITes) | 15.4% |
| 9. | Life sciences/pharmaceuticals/Healthcare | 16.1% |
| 10. | Banking and financial services. | 17.4% |
| 11. | Media and services | 18.5% |
| 12. | Retail | 19.4% |

Source: *KMPG India's Annual Compensation Trends Survey 2016-2017*

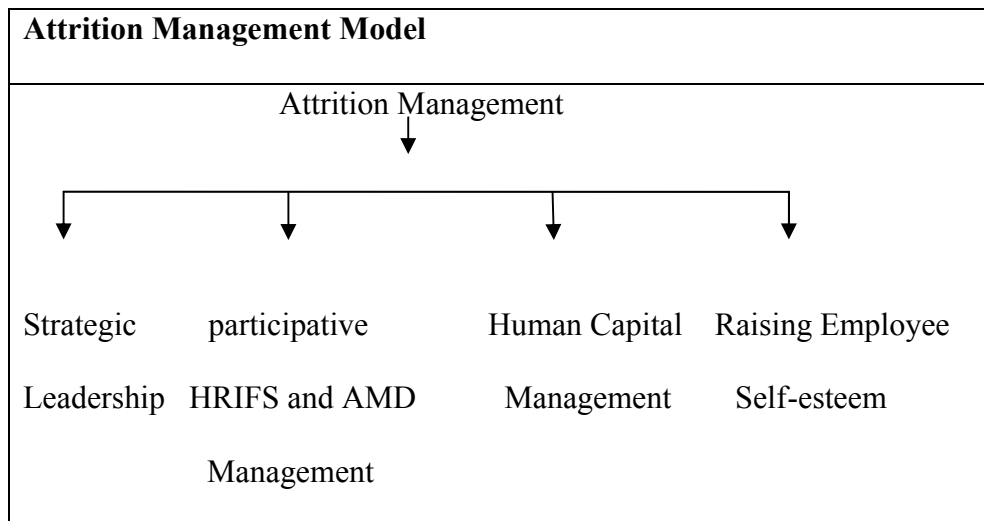
KMPGs annual compensation survey 2017-18 (Table 1.3) was carried out to find out the compensation trends in companies across India and also to provide a reference point on key aspects such as Increment, variable pay, benefits, employee attrition and retention and potential future HR trend. The survey was conducted on 263 companies across 19 sectors in India .

The report further continued that overall employee attrition rate in the entire sector was 13.4 per cent, and it also gives employee attrition at different levels i.e. Top executive 8.7 percent, senior managers 8.1 per cent, Middle Management constitute 11.2 per cent, junior management 13.7 per cent and Individual contributor is 15.1%.

] 1.4 Retention

According to Attrition Management Model (Fig. 1.2) by Sharma (2008), strategic leadership in an organisation is necessary to envision and empower employee to create a strategic change wherever necessary according to her strategic leadership should possess the abilities like conceptual capacity and interpersonal skills. Secondly, participation is one of the factors that is require to reduced attrition. So ,suggestion and solution given by the employees should be given priority. Enough degree of freedom should be given to the employeesso that they can take part in decision making process by contributing their ideas and experience.Another important part of participative management is the recognition of the employee for their good performance .

Table 1.4.Attrition Management Model



Source:Sharma (2008)

Another important step to reduce attrition is to establish a department for attrition management. The role of such department will be identifying the factors leading to employee dissatisfaction finding effective retention mechanism and finally Human Capital Management “should be directly linked to the improvements in organisational performance”. The role of Human capital management is to ensure smooth communication, constant feedback from managers, checking workload etc.

Pansiraja (2008) described banking sector as the proactive sector in reducing the rate of attrition. He further stated that the steps of standard charter banks mentoring programs for its junior employees and IDBI bank offering the good opportunity for growth, transfer to prefer location, housing etc. are helpful in reducing attrition.

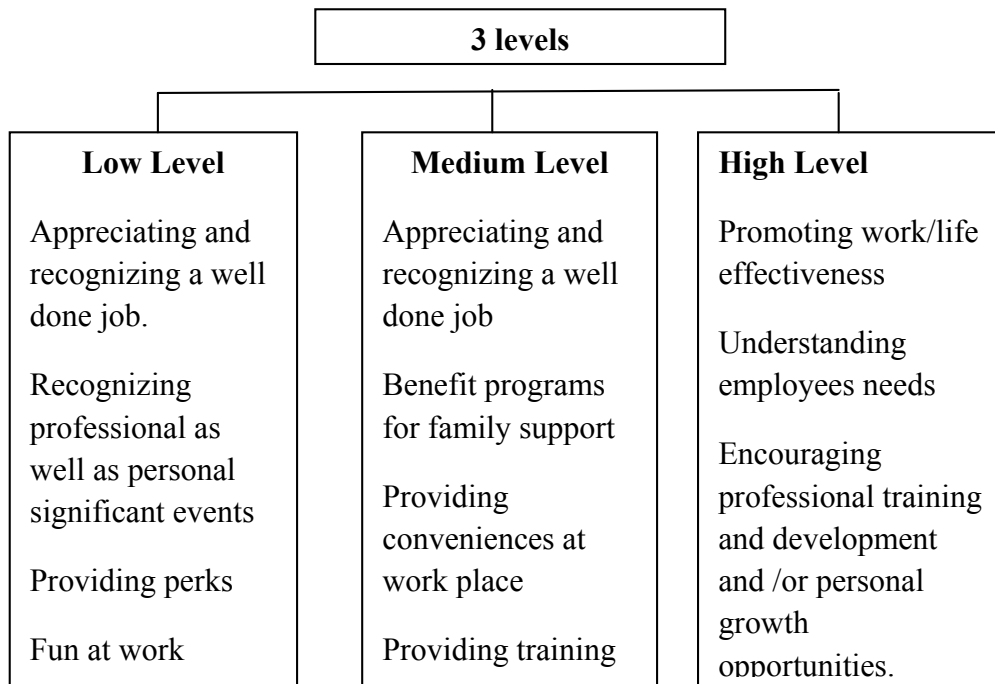


Fig.1.2: Three Levels of Retention

Source: www.Naukari.com

While the most important factor which should be kept in mind for retention of employee are hiring the right person , empowering the employee to execute the work, creating a sense of belongingness to the organisation, making the employees part of the organisation by having faith and trust in them, providing better information and knowledge and feedback, making organisational morale high and giving recognition to the performers and finally creating environment where employee can enjoy and have fun together . One of the popular models for the retention of the employee in different organisation is the employee retention rethinking model (Fig. 1.3). It is based on three principles;

- (i) Employee quit jobs because they can
- (ii) Employee stay for things they get uniquely from the organization and
- (iii) Supervisor unique relation that drive attrition or retention.

This model give a step by step detailed role that needs to be given to the different people in the organisation . The first strategy for supervisors should be to hold accountable for achieving the goal of retention. and secondly the organisation need to develops its supervisor to build trust in the team. Thirdly, the strategy for people management process is to narrow the front door to close the back door and to strictly monitor the employees' for first 90 days and made them faced challenging policies to make sure that they drive retention and finally the strategies for top management is to calculate the turnover cost to galvanize retention as a business issue. Drive retention from the top, as executives have the greatest impact on achieving retention goals.

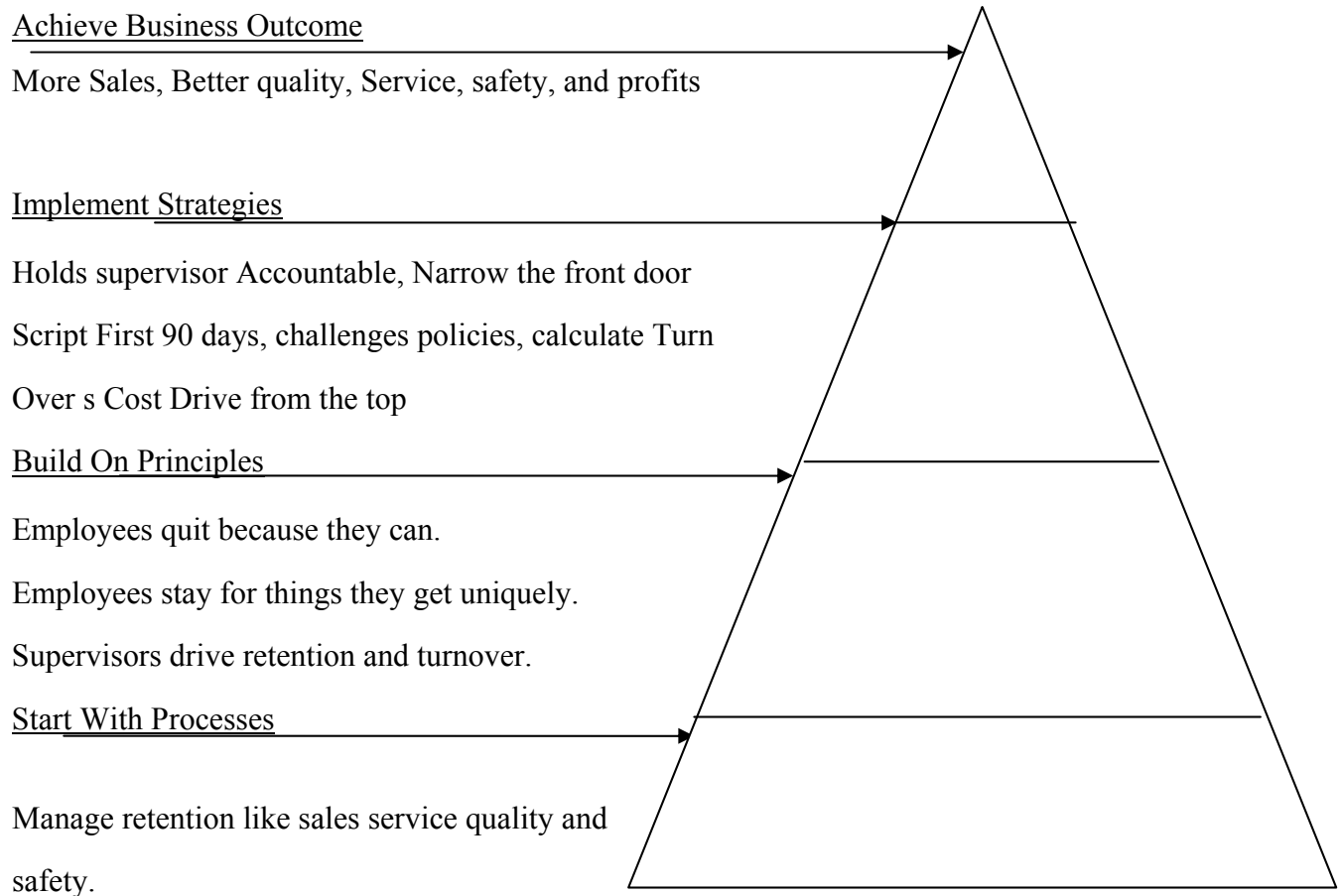


Fig 1.3: Rethinking model of retention

Source- *Richard P. Finnegan (2015) www.c-suiteanalytics.com*

1.5. Significance and Scope of the study:

The study can throw light through valuable suggestion to decrease attrition level in the organization and it will also help the management to find the weaker parts of the employer and how the employee can be retained in the organization by converting that weaker part into stronger parts. This study can help the management to know for which reason employees tend to change their job. Every organization requires efficient and stable human resources to work effectively and many organizations spent a lot of effort, time, and money on employees 'recruitment and training. The outcome of the study will not only help the top management and

policymakers to make sure the stability of workforce, reducing the cost involves in recruitment and training but it will also help in reducing the cost of losing a valued employee which proves costly in the terms of knowledge lost, productivity lost and monetary lost. Thus retention is more economical than going for fresh recruitment and organizations should have an effective retention plan to keep the current employees.

Hence, in this context, the present study is highly significant for life insurance companies and other related organization facing the problem and huge loss due to employee attrition.

The scope of the study is confined to the employees who are presently working in the private insurance companies in Manipur.

At present, there are six private Life Insurance companies operating its business in Manipur viz.

- 1) Bajaj Allianz life insurance co.ltd.
- 2) Birla Sunlife Insurance Co.Ltd.
- 3) HDFC standard life Insurance Co.Ltd
- 4) ICICI prudential Life Insurance co.ltd
- 5) SBI life Insurance co. Ltd.
- 6) Tata AIA Life Insurance co.Ltd

In short, the present study attempted to analyse employee attrition and its causes and coming up with suggestions for different strategies of employee retention in the selected private life insurance companies in Manipur.

1.6.Literature Review:

A thematic review of literature related to the attrition and retention is given below

Job Security

James (2012) defined “Job security as the assurance of an employee’s job continuity”. While Adebayo and Luck (2012) described job security as the possibility or probability of an individual keeping his/her job. Job security is the major reason for employees leaving the organization (Ashford, Lee, and Bobko 1989).A study on attrition and retention of senior Academics in South Africa by Samuel and Chipunza(2013) found that contractual tenure of the academician as the major reason for attrition as many of them could not get the permanent job in the same institution.

Work Environment

Birdseye and Hill (1995) opined that working environment is crucial as it is the most important factor that instil the idea whether to stay or leave the organisation to the employees. “The young generation of this century wants a very safe high standard, hi-tech working environment (Nandi and Mittal 2012)”. While a study by Singh, Satpal, and Dhillon (2016) suggested that a good working environment either in term of physical working condition or person around the organization play an important role in the employee's decision to stay or leave, they also suggested that good organizational grievances redressal mechanism is a must for retention of employees. A study by Nazia and Begum (2004) found that initiatives taken up by the organization to strike a work-life balance for employees do not have an impact on retention of employees, pleasant work environment helps to retain employees in Indian MNCs, good interpersonal relations also leads to retention of employees. Further Yun, Takeuchi, and Liu

(2007) suggested that organization should clearly communicate to the employees about their goals, working condition, and task which are to be carried out.

Career growth and development

Vijayalakshmi (2015) opined career as an inseparable part of the employees' life. If an employee feels that there are no more steps ahead in his/her career path in the organization then the employees start to search for alternative opportunity. Companies should be capable enough to give the talented, dedicated, passionate employees the opportunities to develop themselves professionally or to provide better career path which they can climb base on their performance (Ramya and Raghurama 2014). While Kadam and Thakar (2014) found that availability of opportunities for better career growth among the IT professional between the age of 24-28 and with an experience of 2-3 years was the major reasons of attrition in IT industries.

Salary

According to Buragohain (2016), most of the employees are always concern about their salary. It is the salary that makes them bind to the job and family. So, most of the employees want a better paying job, if not, and then they just start looking for other opportunities. Similarly a study by Shah and Rainayee (2014) found that employees usually look for high paying jobs and employees keep on hopping form one job to another in search of better pay. With the increase in competition, those who have experience can easily find a better paying job in the same or higher position. In most of the studies in BPO sector, it was found that pay was the reason for most of the employee leaving the organization. Those employees who are not paid at par for their performance are less motivated, they feel that their works are not recognized, the effort they have made are of no use so they start to look for other alternatives (Ramya and Raghurama2014). Similarly, Linhartova and Urbancova (2011) in their study in the Czech Republic found that 21

per cent of respondents leave the organisation due to the level of pay they get indicating that salary as one of the most important factors of attrition. Without the introduction of attractive pay package, it will be impossible to stop the employees from leaving the BPO sector. The employees in these sectors does not stay in one place as there are a lot of competitors who can hire them by giving better pay (James and Faisal 2013).

Job satisfaction

Das and Vijayalakshmi (2015) found that dissatisfaction was the main reason for the employees leaving the job and the factors of dissatisfaction can be intrinsic or extrinsic. They also opined that employee efficiency depends on good working conditions; no one wants to work in a hazardous, noisy, uncomfortable unsafe work environment. While Bajpai, Prasad, and Pandey (2013) opined that if one happens to achieve the three features of work-life balance i.e. the Involvement balance, Time balance and Satisfaction balance then he/she will be happy, satisfied with his/her job and proactive in all the task . While Rayat and Aqeel, (2016) in their study in Max life insurance found that opportunity for growth and development, rewards given for good performance and the working environment are the major reason that keeps the level of job satisfaction high in the organization.

Scherman, Alper, and Wolfson (2006) and Kim, Leong, and Lee (2005) stated that “What an employee think about his job, what an employee expects to, from his job and the areas where an employee is goods are entail in job satisfaction (Gardner, Dyne, and Pierce 2004)”. Further a study by Park (2007) reveals that those who work part time (or in a shift) and non-white collar workers have a stressful, physically demanding work which led to job dissatisfaction. While

Basak *et al* (2013) claims that job satisfaction is one of the important antecedents for the employee to quit.

Role Ambiguity:

Nayab and Richter (2017) described role ambiguity as non-clarity of job profile. It is a situation where an employee is not sure what to do and what not to do, and he fails to realize the exact duties he has to perform. Therefore, talented employees who are highly skilled, self-motivated, and dedicated leaves the organisation if their talent is not utilized or mismatch with the present job (Kaur 2013, Mane and Jojare 2012). While Hobfall (2001) attributed role ambiguity as the major factor for the employee leaving job. He further opined that due to lack of clearness in the job, employees put his utmost effort in the area where it is not necessary.

Quality work life

Robbins (1989) described that quality work life as a mechanism for retention which allows employees to make their own decision and to make them contribute to the work life in the organization. Hence, if there is good quality work life, then the rate of attrition will be low and it will also attract the new employees to work in the organization (Sumathi and Velmurugan, 2017). Lazar, Osoian, and Ratiu (2010) concluded that a good equilibrium between work and personal life will be beneficial to both employees and employer. The ability to achieve satisfactory experiences in all spheres of life increases the quality of relationships and organizational outcomes. While Adhikari and Gautam (2010) considered that good salary, secure job, safe and healthy working condition, participation in management activities, and participation in decision making are necessary for quality work life.

Autonomy

According to Ghosh and Satyawadi (2013), autonomy is the certain degree of freedom enjoyed by the employee in his /her work and it is one of the factors that lead to high rate of attrition in any organization. Thus, in order to retain employees, organizations need to give the certain degree of autonomy to their employees. The most important factor for job satisfaction lies in employee autonomy at work which is directly related to employee attrition (Hart 2005). Wan (2009), Spence, Day and Gilin (2009) also found that autonomy was the major factor for job satisfaction which ultimately leads to retention. While Ellenbecker (2004) stated that limitation of one's job under certain boundaries leads to job dissatisfaction which negatively influences retention of the employee, employees feel empowered and self-motivated if autonomy is given.

Work Life Balance:

According to Clarke, Koch, and Hill (2004), work-life balance is “to achieve a level of equilibrium, symmetry, or stability which thus creates harmony and synchronization in a person's overall life”. According to Ellenbecker (2004), work-life balance affect the employee's decision whether to stay or not. If the work is not flexible enough, there will be an imbalance between work life and personal life which lead to a stressful work environment and personal life. Employees from the diverse field want a flexible work without which they look for an alternative. It is in the hand of the employer to give a flexible work environment in order to retain the employees. A good work environment is necessary for the employee to stay in the organization. There are little chances of the employees leaving the organization if there were an immense option for work-life balance in the organisation (Markey, Ravenswood, and Webber 2012). While Greenhaus, Collins and Shaw (2003) claimed that involvement balance the extent

to which an employee involves in work and one's personal life. The time balance the time spends in work and one's personal life and the satisfaction balance the extent to which ones satisfaction to work and one's personal life are the three aspects of work-life balance which affects retention.

Rewards and Recognition

Armstrong (2003) stated that rewards are practices or policies to retain the existing employees as well as to increase the performance level and to attract new employees. Rewards have a positive impact on the performance and productivity of the organization and it's also directly related to employee satisfaction and ultimately to employee retention (Taplin and Winterton 2003).

Whereas Mane and Jojare (2012) asserted that employees does not perceived recognition as only monetary rewards for their hard work and dedication, a word of praise from the boss is enough to raise the morale of the employee or to keep the employees motivated. Likewise rewards monetary or non-monetary given in lieu of good performance motivate the good performers in the organization (Agarwal 1998). While Suleman (2012) point out that increase level of attrition as the result of employer ignorance of the employees hard work and dedication and sometimes such ignorance lead to non-productivity and conflicts between the co-worker and absenteeism.

Supervisor's role

According to Eisenberger *et al.* (1990) employee relationship with the supervisor is also one of the contributing factors for attrition. A good relationship with the supervisor or line manager is necessary for an organization to retain employees. Employees who received constant support from the senior or line manager, work comfortably in the organisation, the guidance, and support

of the senior or line manager motivate them to work better for the organisation and hence such employee have less chance to quit the organisation (Frenkel, Sanders, and Bednall, 2012). According to Ellett *et al.* (2007) “supportive, quality supervision” and “leadership that values employees” have a positive impact on retention. . Similarly, Mignonac and Richebé (2013) identified “supportive supervision from managers as a contributing factor to employee retention”. Joo (2010) again stated that being supervised in a supportive manner is a contributor to retention.

Organization culture

Sengupta and Gupta (2012) described that hostile organization culture was the major factor for the employee leaving the organization; Politics for power among the employees, conflicts between the co-workers, personal enmity, and unsupportive environment are the factor that leads the employee to leave the job and search for other jobs. While Tierney (1988) concluded that the study of subset of organizational culture such as subculture, anti-culture, or disciplinary culture will provide useful information about how to increase performance and decrease conflict in particular groups.

Employee engagement

Lado and Wilson (1994) stated that “employee engagement has a substantial impact on employee productivity and talent retention”. While Krishnan and Sethuramasubbiah (2012) stated that employees whose engagement level are high are efficient and productive and are committed to the organisation.

1.7 Research Gap:

Review of the above literature reveals that many researchers in India and abroad had conducted research on attrition and retention, Most of them had conducted the study on the causes of attrition and retention challenges faced by the management. However, not many studies were conducted on negative impacts of attrition in an organization in terms of its competency, the cost incurred, profit, and level of performance. In order to understand these factors in a greater detail, there is still the necessity to undergo further study on the attrition and retention strategy in life insurance sector. The present study analyse the causes of attrition, its impact, and retention strategy adopted by private life insurance companies in Manipur.

1.8. Research Design:

Statement of the problem:

Employee attrition and absenteeism represent significant costs to most organizations and many organizations neither measure such costs nor have targets or plans to reduce them. While continued decline in the top line, coupled with the persisting pressure on profitability, pose a serious challenge to the long-term health of private life insurers. Employee attrition is sometime uncertain and it adds additional cost to the company expenses in the form of advertisement cost for the new employees, recruitment cost, training cost etc. Besides employee attrition also cause workload, ties with client are cut-off, company's valuable information's are lost and on the other hand companies productivity and efficiency decreases if a skilful employee leaves or dies. One of most important thing is the time consumption in the entire new recruitment and training process of new employees. During this process the company has to carry it normal business with heavy work load that sometime may cause lost in productivity, shift problems and tussle among the employees.

The present study tried to find the causes of employee's attrition and retention strategies being adopted by the selected Private Life Insurance companies.

Objectives of the study:

The present study has been undertaken with the following objectives:

- i. To examine the variables that causes attrition in the selected private life insurance companies.
- ii. To analyse the factors of retention in selected private life insurance companies
- iii. To suggest appropriate retention strategies in selected private life insurance companies.

1.9. Research Methodology:

- i. **Population and sample:** All the employees of Bajaj Allianz life insurance Co. Ltd. Birla Sunlife Insurance Co. Ltd. HDFC standard life insurance Co. Ltd, ICICI insurance Co.Ltd. SBI life Insurance Co. Ltd. and Tata AIA life insurance Co. Ltd. formed the population and sample of the study. In short, it is a census study. There are total 79 employees in these six companies out of which only 71 sample were collected as some of them went for training and some did not responded.

Table 1.5: Organisation-wise number of employees

| Organisation | Total employee | Sample collected |
|-----------------------|----------------|------------------|
| HDFC Life | 26 | 25 |
| Birla Sunlife | 9 | 9 |
| SBI Life | 10 | 8 |
| ICICI prudential Life | 18 | 16 |
| Tata AIA Life | 6 | 4 |
| Bajaj Allianz | 10 | 9 |
| Total | 79 | 71 |

Source: *Field Survey*

- ii. **Source of data:** For this study, primary data was collected through a structured questionnaire containing the detailed question about the work environment, work pressure, retention, organizational culture, career development etc.
- iii. **Analysis of data:** Primary data, thus collected, are analyzed by using descriptive statistic and factor analysis.

1.10 Chapterisation:

The report of the study has been presented in six chapters which are as follows:

Chapter I Employee attrition and retention in life insurance: An introduction

Chapter II Profile of the life insurance companies selected for the study

Chapter III Demographic Profile of the respondents

Chapter IV Employee attrition in selected life insurance companies

Chapter V Employee retention in the selected life insurance companies

Chapter VI Findings, conclusion and suggestions

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2.1 Introduction:

There are 57 insurance companies in India, out of which 24 are life insurance companies and 33 are non-life insurance companies. Among the insurance companies operating in India there are seven public sector insurance companies. Out of which life insurance corporation of India (LICI) is the sole life insurance company and remaining six companies namely General Insurance Corporation of India, The new India assurance company limited, United India insurance company limited, The oriental insurance company limited, National insurance company limited and Agriculture insurance company of India limited are non-life insurance companies. Out of the 23 private insurance companies, six (6) private life insurance were selected for the study viz.,:

- (a) Birla Sunlife Insurance Co. Ltd
- (b) ICICI Prudential Life Insurance Co. Ltd
- (c) HDFC Standard Life Insurance co. Ltd
- (d) Bajaj Allianz Life Insurance Co. Ltd
- (e) Tata AIA Life Insurance Co. Ltd
- (f) SBI Life Insurance Co .Ltd.

The following is the profile of life insurance companies selected for the study:

2.2 Birla Sun Life Insurance Company Limited (BSLI):

Birla Sun life Insurance Company Limited was established in 2002, with its headquarters at Elphinstone Road Mumbai, India. BSLI is a joint venture of Aditya Birla Group-one of the prestigious and renown Conglomerates having name and fame in India as well as in aboard and Sun Life Financial Inc. Canada. William D. Anderson is the Chairman of Sun Life Financial Inc.

which offers a wide range of services to individuals, business houses and institution which include life and health Insurance, investments in “mutual fund, segregated funds annuity” etc.

It's also providing service like asset management, financial and retirement planning. Sun life Inc. is amongst the largest public companies in Canada and has the high rating in terms of financial strength. Kumar Mangalam Birla is the Chairman of 41 billion USD Multinational companies. He becomes the chairperson of the group in 1995 with his excellent skill, experience, and knowledge he has accelerated the company's growth and increase stakeholder share. In 1995 the companies were operating in only 8 countries having a turnover of 2 billion USD. In a short period, Kumar Mangalam Birla made 31 acquisitions in India, which is the highest acquisition by an Indian company. Now the company operates in 36 countries and earns revenue of 40 billion USD. Out of 23 private life insurance companies operating in India BSLI is amongst the top seven private insurance companies in India. BSLI in a short of span of ten years offers a recommendable service to its customers by securing their future. It has contributed greatly to the growth and betterment of the customers in the entire sector. BSLI is also known for its “innovation and creativity” in fact it is the first ever insurance company to introduce “free look period” where a client can return his/her Policy within fourteen days if he/she did not like the policy of the company. Insurance Regulatory and Development Authority of India IRDA made taking a serious note on the benefit of the free look period to the customers and to instill trust among the people in life insurance the free look period of BSLI compulsory. It is also credited as the first insurance company in India to introduce unit-linked life insurance. Another unique initiative of BSLI is the discloser of portfolio on monthly basis.

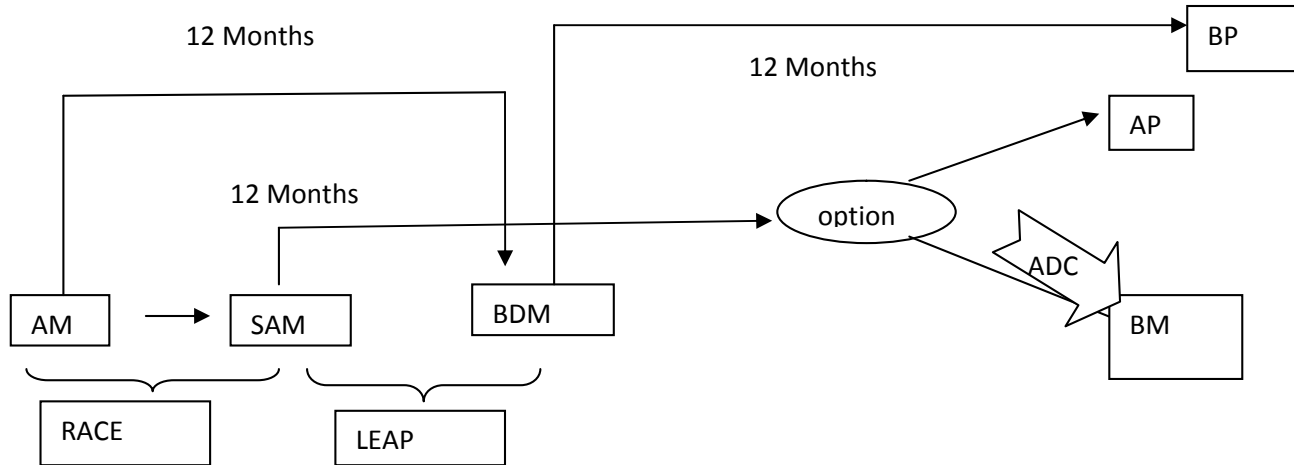


Fig.2.1 Career Progression

Source.www.birlasunlife.com

According to Business (2017), there are two type of career path for business development manager and agency manager as explained below:

a. Leap program:

On achievement of target given in goal sheet given by the company within the stipulated period of 12 months, senior agency manager are given promotion to Business Development Manager (BDM). A BDM can be further promoted to business partner on overachievement of goal sheet within 12 months or can be promoted to Associated Partner (BP) or Branch Manager (BM) through assessment development centre on achievement of given target or goal sheet. Promotion to BDM/AP/BM is done on quarterly basis.

b. Race program:

On successful achievement of the target mention in goal sheet of the agency manager in 12 months, the agency manager are promoted to senior manager in their respective city categories. They can be promoted to BDM on over achievement of goal sheet within the stipulated times. Promotion to SAM and BDM is done quarterly.

2.2.1 Birla Sunlife Insurance performance in the financial year 2016-17:

Table 2.1 shows that Birla Sun life Insurance shows a decrease of market share from 7.6% percent in the financial year 2015-2016 to 7.1 percent in the financial year 2016-2017. It shows a 14 percent growth in new business premium in the financial year 2016-17 with a premium earning of 2,534 cr. It also shows an increase of 5 percent growth in the renewal premium in the financial year 2016-17with earnings of 3,359 cr. The financial 2016-17 witness an increase of 3% growth in the total gross premium income and the company profit after tax increases by 11 percent in the financial year 2016-17. While the claim settlement ratio increases by 6.3 percent. Another remarkable growth is the 11 percent increase in the Asset under Management. On the other hand, the companies operating expenses increase by 2.6 percent from the previous financial year. While the companies' solvency ratio decreases by 5 percent. It also shows a decrease of persistency ratio of 6.76 percent in the financial year 2017. Further, the company shows a decrease of 7.25 percent of the employees in 2016-2017.

Table 2.1: Birla Sunlife Insurance performance in the financial year 2016-2017

| Growth in | FY 2016-17 | FY 2015-16 | Performance in FY17 |
|--------------------------------------|------------|--------------|---------------------|
| Market Share | 7.1% | 7.6% | 0.5% decrease |
| New Business Premium | 2,534cr | 2,220cr | 14% growth |
| Renewal premiums | 3,359cr | 3,190cr | 5% growth |
| Total Gross premium income | 5,580cr | 5,724cr | 3% growth |
| The Company's profit after tax (Rs.) | 124cr | 140cr | 11 %decrease |
| The operating expense ratio | `1,031cr | 1,004 Cr. | 2.6 % increase |
| Assets Under Management (AUM) (Rs.) | 34,523 Cr | ` 30,811 Cr. | 10.75% increase |
| Solvency ratio | 1.5 | 2.00 | Decrease of 0.5 |
| persistency ratio | 64.69% | 71.45% | 6.76% decrease |
| Dividend | nil | .nil | |
| Employee | 7269 | 7,838 | 7.25 % decrease |
| Claim settlement Ratio | 94.7% | 88.4%. | 6.3% |

Source: BSLI annual report FY 16 and FY17

2.2.2 Products and service offer by BSLI:

Birla Sunlife offer a wide range of products ranging from protection plan, wealth with protection, children future, retirement and health. The following are the products and services offered by BSLI (Table 2.2):

Table 2.2: Life Insurance product and service offer by BSLI

| | |
|---|--|
| <p>Protection Plan</p> <p>BSLI Income Shield Plan BSLI DigiShield Plan BSLI Life Shield Plan</p> | <p>Saving with protection</p> <p>Vision Money Back Plus Plan Vision Life Income Plan Vision Endowment Plan Vision life secure plan Income assure plan. Vision regular return plan. Vision Endowment plus BSLI Savings Plan Guaranteed Milestone Plan BSLI Secure Plus Plan POS – Jeevan Bachat Plan</p> |
| <p>Wealth Max Plan</p> <p>BSLI wealth max plan BSLI wealth Secure plan BSLI Wealth Assure Plan BSLI Fortune Elite plan BSLI Wealth Aspire Plan</p> | |
| <p><u>Children’s Future</u></p> <p>Vision Star plan</p> | <p><u>Health</u></p> <p>Cancer shield plan Critishield Plan Hospital plus plan</p> |
| <p><u>Retirement</u></p> <p>Empower Pension PAn Immediate Annuity Plan Empower Pension SP PAn</p> | |

Source: Annual Report BSLI FY 17

2.2.3 Corporate Social Responsibility (CSR):

In the financial year 2016-2017, BSLI has spent Rs.76 lakh in Tamil Nadu, Rs 1 crore in Madhya Pradesh, Rs.26 lakh in Jharkhand, and Rs.62 lakh in Maharashtra in healthcare as CSR activities through its agencies. It has also spent Rs.51 lakh in Orissa and Rs 9 lakh in Karnataka in the field of education.

2.3 Industrial Credit and Investment Corporation of India & Prudential Co.Ltd.

Ms. Chanda D. Kochharis is the Chairperson of Industrial Credit and Investment Corporation of India (ICICI) Prudential Life Insurance Company Ltd. It is a joint venture of ICICI Bank Ltd, One of the leading private bank and Prudential Corporation holding Ltd, United Kingdom, which provide a wide range of services in saving and protection products to its customers through a vast and well-built distribution channel. Prudential holding limited cater service throughout the world. They meet the growing needs of customers in various parts of the globe by helping to build better lives and stronger communities, fuel the growth cycle, creating long-term value or both to customers and shareholders. Paul Manduca is the chairman of Prudential Corporation Holding Ltd, United Kingdom. In the year 2001 ICICI prudential came into existence. Since its operation in the insurance sector, it has been the amongst life insurance companies leading in the market. It also gives stiff completion to other private players in this sector. ICICI prudential provides a wide range of saving and product to customers of different stages of life. ICICI Prudential is committed to its customer to provide cost effective product, good service qualities, better fund performance and fast and easy claim settlement. ICICI prudential is first ever private insurance company to have 1 trillion assets under management and to reach a sum assured of 3 trillion. It holds the prestige of being the first private insurance company to be listed on NSE and

BSE. In just one year i.e. from its start in 2001 the company insured 100,000 people, again in 2005 its cross ten lakhs (1 million) which kept on increasing, again in 2008 it crossed the mark of 5 million and receipt more than 100 billion of premium and asset under management reached a height of 500 billion. In 2012 it starts paying the dividend to the shareholders by 2015. The asset under management was 1 trillion.

2.3.1 ICICI Prudential Performance in the financial year 2016-17

Table 2.3: ICICI Prudential Performance in the financial year 2016-17

| Growth in | 2016-2017 | 2015-2016 | (+/-) 2016-2017 |
|--------------------------------------|------------|-------------|------------------|
| Market Share | 12.0 % | 11.3 % | 0.7% |
| New Business Premium (Rs.) | 64.08 bn | 49.68 bn | 28.98 % increase |
| Renewal premiums (Rs.) | 142.19 bn | 119.95 bn | 18.54 % increase |
| Total Gross premium income (Rs.) | 223.54bn | 191.64 bn | 16.61 % increase |
| The Company's profit after tax (Rs.) | 16.82 bn | 16.5 0b | 1.93 % increase |
| The operating expense (Rs.) | 23.63 bn | 18.94 bn | 24.76 % increase |
| Assets Under Management (AUM) (Rs.) | 1229.19 bn | 1,039.39 bn | 18.26 % increase |
| Solvency ratio | 280.7% | 320.0 % | 14 % decrease |
| persistence ratio (13 Months) | 86.0 % | 82.4 % | 3.6 % increase |
| Dividend paid (Rs.) | 10.55bn | 12.3 bn | 14.22 % decrease |
| Employee | 12,397 | 10,663 | 16.26 % increase |
| Claim settlement Ratio | 96.9 % | 96.20 % | 0.7 increase |

Source: ICICI life Annual Report FY 2016-17

Table 2.4 shows an increase of market share of ICICI Prudential life insurance from 11.3 percent in the financial year 2015-2016 to 12 percent in the financial year 2016-2017. It shows 18.54 percent growths in new business premium in the financial year 2016-17 with a premium earning of Rs. 64.08bn. It also shows an increase of 18.54 percent growth in the renewal premium in the financial year 2016-17 with earnings of Rs. 142.19 bn. The financial year 2016-17 witness an increase of 16.61 percent growth in the total gross premium income and the company profit after tax increase by 1.93 percent in the financial year 2016-17. It also shows an increase of

persistence ratio of 3.6 percent in the financial year 2017. While the claim settlement ratio increase by 0.7 percent. On the other hand the companies operating expenses increase by 24.76 percent from the previous financial year. While the company's solvency ratio decreases by 14 percent. Further, the company shows a decrease of 7.25 percent of the employee in 2016-2017.

2.3.2 ICICI Prudential Products/Services:

ICICI Prudential Life insurances offer several products to suit the needs of the clients. Table 2.4 gives the list of the product offered by ICICI Prudential.

Table 2.4: ICICI Prudential Products/Services

| | |
|---|-----------------------------------|
| <u>Saving</u> | <u>Health Insurance</u> |
| future perfect | Heart/cancer Protection |
| Cash advantage | Smart health protection |
| Saving suraksha | <u>Retirement Plan</u> |
| assured saving | Easy retirement regular premium |
| <u>Unit Link Insurance Plan</u> | Easy retirement single premium |
| ICICI prudential Life time classic | Immediate annuity |
| ICICI prudential Smart kid | <u>Term Life Insurance</u> |
| ICICI prudential Elite life super | I Protect smart |
| ICICI prudential Smart life | |
| ICICI prudential Guaranteed wealth protection | |

Source: www.iciciprudential.com

2.3.3 Corporate Social Responsibility:

Under the Projects of ICICI Foundation for inclusive growth, skill development and sustainable livelihood and elementary education, an amount of 172.5 million was outlaid for the project and out of this an amount of Rs 170.3 million were spent in financial year 2017, resulting in twenty-

four fully operational skill training centres opened in Bengaluru, Bhubaneswar, Jaipur, Indore, Kochi, Kolkata, Lucknow, Trichy, Vadodara, Vijaywada, Zirakpur, Mohali, Nagpur, Narsobawadi, Hyderabad, Chennai, Bangalore, Pune, Coimbatore, Patna, Guwahati, Durg, Delhi, Mumbai, Rajasthan, and Chhattisgarh. Under this project, vocational training in locally relevant skills in more than 150 villages across the country was also imparted. 6.5 million Rs were spent on (a) health care set up with Sughavazhvu (Tamil Nadu) focusing on chronic disease management for rural India (b) Tata Memorial Hospital for supporting treatment and hospitalisation of children diagnosed with cancer, and (c) Genesis Foundation for supporting medical aid of underprivileged children diagnosed with cardiac ailments. 16.8 million was spent on Catalysts for Social Action (Mumbai) for enhancing childcare conditions, rehabilitation outcomes and vocational and skill development of children living in Child Care Institutes in Madhya Pradesh, Nature conservation foundation for supporting a 5 year Ph.D. program for 2 underprivileged students, Nature conservation foundation for exploring livelihood alternatives for fishermen in Lakshadweep island, Financial protection of underprivileged frontline forest staff in case of any eventuality (death or permanent disability while on duty).

2.4 TATA AIA Life:

Among the private life Insurance companies in India, Tata AIA life is also one of the rapidly growing Insurance companies in India having its headquarters in Mumbai. Tata AIA Life Insurance Company Limited came into existence in the Indian insurance market on 1st April 2001 as a result of a joint venture between Tata Sons Ltd and AIA group Ltd Hong Kong, Tata sons hold 51 percent of the share in the company while AIA ltd. holds 49 percent. Tata's excellent market, skilled combine with the expertise of AIA ltd. promises to give a different and unique service to its customer in India and the most important objective of Tata AIA limited is to

enhance the quality of Life of the people whom they serve. Tata Company was started by “Jamshedji Nusserwanji Tata” in 1868.

Tata Sons Ltd. is the promoter as well as principal investment holding company of Tata companies. It is also one of the globally known Indian companies having the presence in more than 100 countries. AIA Group Limited was started by Cornelius Vander Starr in 1919 with Hong Kong as its Headquarter. AIA Group Ltd is one of largest insurance group having the presence in 18 countries in Asia Pacific region viz. Hong Kong, Thailand, Singapore, Malaysia, China, Korea, The Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, Sri Lanka, India, Myanmar, and Cambodia. Ng Keng Hooi is the Group Chief Executive and President of AIA Group Ltd. In 2016 Tata AIA Life Insurance Company Limited has collected Rs. 572 cores as the premium for nine months, which shows a growth of 85 per cent over the year 2015. As on 31 December 2016, the company persistency is recorded as 85 per cent and has a claim settlement ratio of 98.8 per cent. It may be mentioned that for excellent risk management schemes Tata AIA Life Insurance Limited was given the Golden peacock award in 2016. During the financial year, 2015 AIA life insurance has issued 136380 policies, covering 62,617 people through corporate pension scheme and 289,439 lives through Group Life. According to the company’s annual report 2016-2017 the companies have 2,729 employees as on 31st march 2016.

2.4.1 TATA AIA Life Performance in the financial year 2016-17:

Table 2.5 shows an increase of market share of TATA life from 3 percent in the financial year 2015-2016 to 3.25 percent in the financial year 2016-2017. It shows 37.06 percent growths in new business premium in the financial year 2016-17 with a premium earning of 784 cr. It also

shows an increase of 14.74 percent growth in the renewal premium in the financial year 2016-17 an earning of Rs.20, 388,892000. The financial year 2016-17 witness an increase of 21.82 percent growth in the total gross premium income and the company profit after tax increase by 78.34 percent in the financial year 2016-17.

Table 2.5: TATA AIA Life Performance in the financial year 2016-2017

| Growth in | 2016-17 | 2015-2016 | performance |
|--------------------------------|---------------|---------------|-----------------|
| Market Share | 3.25% | 3% | 0.25% increase |
| New Business Premium | 784 cr | 572 cr | 37.06% increase |
| Renewal premiums | 20,388,892000 | 17,381,697000 | 14.74% |
| Total Gross premium income | 31,710,836000 | 24,789,602000 | 21.82% |
| The Company's profit after tax | 1,134,750000 | 636,256000 | 78.34% increase |
| The operating expense | 7,354,269000 | 4,802,813000 | 53.12% increase |
| Assets Under Management (AUM) | 20693 crores | 18987 crores | 8.98% |
| Solvency ratio | 315% | 348% | 33% decrease |
| persistency ratio | 82.45% | 75.49% | 6.9% |
| Dividend paid | nil | nil | -- |
| Employee | 3,251 | 2,729 | 19.12% |
| Claim settlement Ratio | 96.8% | 97.04% | 0.24% decrease |

Source: *Tata AIA life annual report FY 16 and FY17*

It also shows an increase of persistency ratio of 6.9 percent in the financial year 2017. Another important growth is the 8.98 percent increase in The Asset under Management. On the other hand, the companies operating expenses increased by 53.12 percent from the previous financial year. While the company's solvency ratio decreases by 33%. Further, the company shows a decrease 7.25 % of the employee in 2016-2017. While the claim settlement ratio decrease by 0.24%.

2.4.2 Tata AIA Life Product/Services

TATA AIA Life offers a wide range of products and it can be categorised into four categories such a Protection solution, saving, child solution, and Retirement solutions. The product are given in table 2.6

Table 2.6: Tata AIA Product/Services

| | |
|--|--|
| <p><u>I Protection Solution</u> Tata AIA Shampoornaraksha Tata AIA Shampoornaraksh+ Tata AIA iraksha trop Tata AIA Iraksha supreme Tata AIA maharaksha supreme</p> | <p><u>II Saving Solution</u> Tata AIA Diamond saving plan Tata AIA Gold Income plan Tata AIA Smart Income Plus Tata AIA monthly Insurance Plan Tata AIA secure 7</p> |
| <p><u>III Wealth Solution</u> Tata AIA Invest one Tata AIA Fortune Maxima Tata AIA Fortune pro Tata AIA Wealth Maxima Tata AIA Wealth Pro</p> | <p>Tata AIA mahalife Supreme Tata AIA Fortune Guarantee Tata AIA Insta Wealth Plan Tata AIA money back plus..</p> |
| <p><u>Iv Retirement solution</u> Tata AIA Life Insurance Freedom</p> | <p>Tata AIA smart 7 Tata AIA smart Growth plus</p> |
| <p><u>Child Solution</u> Tata AIA Super achiever Tata AIA Good Kid</p> | <p>Tata AIA Maha life gold plus Tata AIA maha life Gold plus. TATA AIA Maha life magic Money maxima</p> |

Source: www.tataaia.com

2.4.3 Tata AIA Life Corporate Social Responsibility:

Tata AIA Life supports higher studies of poor but meritorious youth. Most of the scholars attend professional courses in engineering and medicine, which are of four years' duration.

Udayan Care has an Udayan Shailini Fellowship Program. It is an academic excellence and personal development program for girls from the weak socio-economic background. It aims at providing financial assistance, mentoring, and workshops while facilitating the sense of social responsibility and aims to turn them into dignified women. In the year 2017 Tata AIA Life Insurance has won the Golden Peacock Award for Risk Management. It has also been recognised

by Aon Hewitt, the global talent, retirement and health solutions business of Aon plc (NYSE: AON), as a Best Employer for the year 2016.

2.5 Bajaj Allianz Life Insurance Company Limited:

Bajaj Allianz was started in 2001 to operate in India. It is a joint venture of Bajaj Finserv Limited Mumbai started in April 2007 by separating from Bajaj Auto Limited with a firm determination to enter into financial service like insurance, wealth advisory lending etc. and Allianz SE, Germany has presence in more than 70 countries and provide various insurance and fund product to more than 86 million people across the globe. 1900 billion euro of assets is there until the end of 31st December 2016. It is also one of the leading assets Management Company in world Alliance global investor and Pacific Investment Management Company (PIMCO) operate under Alliance asset management (Allianz 2017). Tarun Chugh is the Managing director and Chief executive officer of the company of Bajaj Allianz life insurance Company limited. Bajaj Finserv holds most of the major share i.e. 74 per cent while Allianz Se holds 24 per cent of the share. Both the company are prestigious and reputed companies in their respective field and area. According to its annual report of 2016-2017, it has 7,896 employees, 77,097 individual agents, 638 branches, and 41 corporate agencies across India so far Bajaj Allianz has insured 4.40 cr lives. Bajaj Alliance also has occupied an important place in micro-insurance market by giving 4.4 crores micro-insurance in the financial year 2016-2017 which is almost 32 percent of the market share. According to its annual report of 2016-2017, Bajaj alliance wants to grow other distribution systems other than agency channel they also aim at maintaining persistence of the existing business through giving the cost-effective product, better service and selling suitable products.

Table 2.7 shows an increase of market share of Bajaj Allianz from 2.6 percent in the financial year 2015-2016 to 3.1 percent in the financial year 2016-2017. It shows 14.03 percent growths in new business premium in the financial year 2016-17 with a premium earning of 3,290 cr. While it shows a decrease of 3.98 percent growth in the renewal premium in the financial year 2016-17 with an earning of Rs.2, 893 cr.

2.5.1 Bajaj Allianz Performance in the financial year 2016-2017

Table 2.7: Bajaj Allianz Performance in the financial year 2016-2017

| Growth in | FY 2016-17 | FY 2015-16 | performance |
|--------------------------------|--------------|------------------|-----------------|
| Market Share | 3.1% | 2.6% | 0.5% growth |
| New Business Premium | 3,290cr | 2,885cr | 14.03% increase |
| Renewal premiums | 2,893 crores | 3,013 crores | 3.98% decrease |
| Total Gross premium income | 3,751cr | 3,504cr | 7.04% increase |
| The Company's profit after tax | 836cr | 879cr | 4.89% decrease |
| The operating expense | 1,206 | 1,247 | 3.28% decrease |
| Assets Under Management | 49,270cr | 44,107cr | 11.70% increase |
| Solvency ratio | 582% | 792% | 147 % decrease |
| persistence ratio | 68.2% | 62.9% for FY2016 | 5.3% increase |
| Dividend paid | Nil | nil | |
| Employee | 7,896 | 4,464 | 76.88% increase |
| Claim settlement Ratio | 92.2% | 98.1% | 5.9% decrease |

Source: *Bajaj Allianz life Annual Report FY 2016-17*

The financial year 2016-17 witnesses an increase of 7 percent growth in the total gross premium income and the company profit after tax decreased by 4.89 percent in the financial year 2016-17. It also shows an increase of persistency ratio of 5.3percent in the financial year 2017. Another important growth is the 11.70 percent increase in The Asset under Management. On the other hand, the companies operating expenses decreased by 3.28 percent from the previous financial year. While the company's solvency ratio decreases by 147 percent from the previous financial

year. Further, the company shows an increase of 76.88 % of the employee in 2016-2017. While the claim settlement ratio decrease by 5.9 %.

2.5.2 Product /Service offered by Bajaj Allianz Life Insurance Co. Ltd.

In order to meet the future financial requirement, safety, security Bajaj Allianz offers a wide range of products and services. These products and services can be categorised into 6 categories (Table 2.8) such as Term Insurance, ULIP, Saving Plan, Child Insurance, Investment Plan, and Retirement plan.

Table 2.8: Product /Service offered by Bajaj Allianz Life Insurance Co. Ltd

| | |
|----|---|
| 1. | Term Insurance (a) eTouch Online Term (b) i-Secure (c) iSecure Loan (d) Life Secure (e) Life style Secure |
| 2. | ULIP (a)Future Gain (b) Fortune Gain (c) Future Wealth Gain (d) Principal Gain |
| 3. | <u>Savings Plan</u> (a) Save Assure (b) Guarantee Assure (c) Cash Assure (d) Super Life Assure (e) Income Assure |
| 4. | <u>Child Insurance</u> (a) Bajaj Allianz Young Assure(b)Bajaj Allianz Young Assure (c) Bajaj Allianz Young Assure Plus Solution |
| 5. | <u>Investment Plan</u> (a)Invest Assure (b) Fortune Gain (c) Elite Assure |
| 6. | <u>Retirement Plans</u> (a) Pension Guarantee (b) Retire Rich |

Source www.bajajallianz.com

2.5.3 Bajaj Allianz Corporate Social responsibility:

Under eradication of poverty and promotion of education activity, Bajaj Allianz has funded Rs. 1.30 crore to Association for Rural and Urban Needy. The organization provided shelter and education to the street children. Under this program, funding support for three years expenses of 1 Rainbow Home at Pune was given. Further, a sum of Rs.0.85 crore was funded to Globe mills

passage school to support for operational expenses of secondary school for children from the low-income community in Mumbai. Under ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining the quality of water, Bajaj alliance life insurance has funded a sum of 15.30 crores to Janki Devi Bajaj Gram Vikas Sanstha (JBGVS) to support for water conservation work to be executed in 3 Talukas of Aurangabad district of Maharashtra. Bajaj Allianz has given 0.80 crores to support for medical treatment to 250 children diagnosed with juvenile diabetes to Hirabai Cowasji Jehangir Medial Research Institute, Pune (Implementing Agency). Bajaj Allianz funded Rs.6 crore to Smile Trend India to provide approx. 3,330 safe, qualities, and totally free cleft surgeries for poor children at selected centres in India.

2.6. The Housing Development Finance Corporation (HDFC) Standard Life:

HDFC Life is one of the leading private life insurance company companies with its head office at Mumbai, it was established in 2000, Mr Amitabh Chaudhry is The MD and CEO of the company. It is a joint venture between Housing Development Finance Corporation Limited (HDFC) and Standard Life Aberdeen PLC, the United Kingdom which deals with investment and financial saving. Housing Development Finance Corporation Limited equity in this joint venture is 72.37 per cent and that of standard life is 26.00 percent remain percent of the equity is held by other groups. HDFC life provides a wide range product to its customer. ULIP plan, Term Insurance Plan, Saving plan, Investment plan, child insurance plan, retirement plan etc. are some of the plans that can be mention. HDFC life has 414 branches in India and presence over 980 cities in India. It's also top among its bank-linked insurance partners across India. Now

HDFC life has two wholly owned subsidiaries; HDFC Pension Management Company Limited and HDFC International Life.

2.6.1 HDFC Life Performance in the financial year 2016-17

Table 2.9: HDFC Life Performance in the financial year 2016-17

| | | | |
|-------------------------------|---|---|--------------------------|
| Market Share | 12.7 % | 14.7 % | 2% decrease |
| New business premium | 4,201cr | 3,657cr | 14.87% increase |
| Renewal premium (individual) | 10,749 Crs | 9,826 cr | 9.39% increase |
| Gross Premium Income | 19,445 Crs | 16,313Crs | 19% increase |
| Profit after tax | 892cr | 818cr | 9% increase |
| The operating expense ratio | 2,453 cr | 1,893 cr | 29% increase |
| Assets Under Management (AUM) | 91,742 cr | 74,247 cr | 23.56% increase |
| Solvency ratio | 192% | 198% | 6% decrease |
| persistence ratio | 81% in FY 2017 | 79% | 2% increase |
| Dividend | an interim dividend @ ` 1.10 per equity share (face value of ` 10/- each) was declared. | - an interim dividend @ ` 0.90 per equity share (face value of ` 10/- each) was declared. | 0.20 per equity increase |

Source: *HDFC Life Annual Report FY 16 and FY17*

Table 2.9 shows that HDFC life market share decrease by 2% in the financial year 2016-2017 which was 14.7 percent in the financial year 2015-2016. It shows an increase of 14.87 percent in the new business premium with a collection of 4,201cr as compared to previous financial year's collection of Rs. 3,657Cr. An amount of Rs. 10,749crs was collected as renewal premium in the year 2016-17 which is an increase of 9.39 percent from the financial year 2015-16 collection of RS. 9,826 cr. The gross annual premium collected in the financial year 2017 was Rs. 19,445 Cr. as compared to Rs. 16,313Cr.in the financial year 2016, an increase of 19 percent. The profit after tax is Rs. 892 Cr. which is 9 percent increase from previous financial year's collections. The assets under management also show an increase of 23.56% while the operating expenses of

the company also show an increase of 29 percent whereas the solvency ratio and persistency ratio decrease by 6 percent and 2 percent respectively.

2.6.2 HDFC Standard Life Product/services:

HDFC standard life offers numerous products and services to meet financial the safety and security needs. Unlike other insurance companies HDFC life offer a wide range of retirement and investment plans.

Table 2.10 HDFC Standard Life Product/services

| | |
|---|--|
| <p><u>1.Retirement Plan</u> Click 2 Retire Guaranteed Pension Plan Personal Pension plus Personal Pension plus Immediate annuity plan Assure pension Plan Pension Super plus Single Premium pension super</p> | <p><u>4.Investment Plan</u> Click 2 investment ULIP uday Sampoorn Shamridhi plus Super Saving Plan Classic Assures Plus Sanchay Super Income Plan Sampoorn nivesh SL proGrowth flexi Pro-Growth plus SI Pro growth super II SLCrest Pro-growth Maximiser CapitalShield SLSarvGrameenyojana <u>Child Plan</u> YoungStarUdaan Young Star super Premium</p> |
| <p><u>2.Term Plan</u> Click 2 Protect 3D Plus Click 2 Protect plus</p> | |
| <p><u>3.Woman Plan</u> Smart woman plan</p> | |

Source: *www.hdfclife.com*

2.6.3 Corporate Social Responsibility:

As a part of its corporate social responsibility, HDFC life has spent Rs. 66.98 lakh out of Rs. 103.5 lakh outlaid for promoting preventive healthcare and sanitation and making available safe drinking water in Maharashtra -Dhule, Nasik, Jalgaon through non-profit organisation, Enable

Health Society, for the same purpose it has spent Rs. 71.28 lakh in Maharashtra–Thane, Aurangabad through Yuva Unstoppable.

In the field of healthcare, it has spent Rs. 5 lakh out of Rs. 50 lakh outlaid for promoting preventive healthcare through cancer awareness and detection camps for the underprivileged people in Mumbai and suburban Mumbai through non-profit organisation, Indian Cancer Society, it has also spent Rs. 30.44 lakhs out of 40 lakh outlaid for promoting healthcare including medical, emotional, psychosocial, nutritional and accommodation support for children with cancer in Tamil Nadu – Chennai, Madurai, Adyar through non-profit organisation, CankidsKidscan. HDFC Life spent RS. 504.01 lakh for providing holistic education to aspiring children at a subsidized cost in Bihar – Vaishali district through the non-profit organization, Bandhan Foundation it has also spent Rs. 50.63 lakh for Promoting education among underprivileged children by providing an improved learning environment through sponsoring employees as teachers. Further, an amount of Rs 40.00 lakh was outlaid by HDFC life for promoting an enhanced educational experience for differently able children, by providing infrastructural support in schools in Ambala, Patiala, Dehradun, Babina, Bareilly, Bikaner, Jammu, Gwalior, Hisar, Agra through the non-profit organization, Army Wives Welfare Association.

2.7: SBI Life Insurance:

SBI life insurance is a joint venture between Indians largest bank state bank of India a fortune 500 company and BNP Paribas Cardif one of top insurance company known globally. In this joint venture, 70.1 percent of the total capital is owned by State bank of India and BNP Paribas Cardif owns 26 percent of the total capital in SBI Life and the remaining by other groups. State

bank of India has its presence in every nook and corner of India with 23,000 branches in the country which make it an undisputed banking giant. Not only in India has state bank group had its presence in 37 countries with 198 branches. BNP Paribas Cardif deals with “life property and causality insurance” It also features BNP Paribas Cardif owns 26% of the total capital in SBI Life. It is the Life and Property & Casualty insurance arm of BNP Paribas, one of the strongest banks in the world. With the presence in more than 70 countries, the BNP Paribas Group ranks highly in Retail Banking, Investment Solutions, and Corporate & Investment Banking. BNP Paribas Cardif is one of the world leaders in creditor insurance, and its life and non-life insurance units have received an A rating from Standard & Poor’s in the Fortune Global 500 list of the world’s biggest corporations. SBI life has collected 861 crore in financial 2015 -16 showing a growth rate of 5 percent, in the same financial year it has collected Rs. 15,825 crore Gross Written Premium (GWP) which include Rs. 8719 crores as renewal premium and Rs. 7,107 crore New Business Premium SBI life registered 39 percent growth rate in first premium year and 37 percent growth in its Individual new business measured. SBI life has retained a private market share of 17.3 percent and a total of 5.1 percent in the year 2015-2016. Currently, there are 10,863 employees 126, 536 Insurance Advisors and Certified Insurance Felicitators (CIFs).

2.7.1: SBI Life performance in the financial year 2016-2017

Table 2.17 shows that SBI life Insurance shows an increase of market share from 5.13 percent in the financial year 2015-2016 to 5.80 percent in the financial year 2016-2017. It shows a 33.33 percent growth in new business premium in the financial year 2016-17 with a premium earning of Rs. 101,438.62 mn. It also shows an increase of 24.69% percent growth in the renewal premium in the financial year 2016-17 an earning Rs. 108,712.72mn. The financial 2016-17

witness an increase of 32.79 percent growth in the total gross premium income and the company profit after tax increase by 10.87 percent in the financial year 2016-17. In FY 2016-17 the overall Claim settlement ratio has improved to 97.98 percent as compared to 95.77 percent in FY 2015-16. Another important growth is the 22.43 percent increase in The Asset under Management. On the other hand, the companies operating expenses decreased by 1.38 percent from the previous financial year. While the company's solvency ratio increases by 0.28 percent, it also shows a decrease in persistency ratio of 0.38 percent in the financial year 2017. Further, the company shows an increase 10.94 percent of the employee in 2016-2017.

Table 2.11 SBI Life performance in the financial year 2016-2017

| Growth in | FY 2016-17 | FY 2015-16 | Performance FY17 |
|-----------------------------|------------------------|-----------------------|---------------------------------------|
| Market Share | 5.80% | 5.13% in FY 2015-16 | 0.67% increase |
| New Business Premium | 101,438.62 mn | 71,065.76 mn | 33.33% growth |
| Renewal premiums | 108,712.72 mn | 87,187.89 mn | 24.69% growth |
| Total Gross Premium earned | 210,151.35 mn | 158,253.65 mn | 32.79% growth |
| Profit after tax | 9,546.53 mn | 8,610.34 mn | 10.87% increase |
| The operating expense ratio | stands at 7.83% | 9.21% | 1.38% decrease |
| Assets Under Management | 977,366.03 mn | 798,275.78 mn | 22.43% |
| Solvency ratio | stands at 2.40 | 2.12 | An increase of 0.28 |
| persistency ratio | 81.07% | 80.69% | 0.38% |
| Claim settlement ratio | 97.98% | 95.77% | 2.21% |
| Dividend | 1.50p per equity share | 1.20 per equity share | An increase of 0.30 per equity share. |
| Employee | 12,051 | 10,863 | 10.94% increase |

Source: SBI life Annual Report FY 17.

2.7.2: SBI Life Insurance Product/Services:

SBI life offers various types of plans that will suit the financial needs and protection of every person. Its products can be categorized into five groups as (i) Saving Plan (ii) Protection Plan (iii) wealth creation with insurance (iv) child Plan and (v) Retirement Plan. The list of the products is given in Table 2.12.

Table 2.12 SBI Life Insurance Product/Services

| | |
|---|--|
| <p><u>Saving Plan</u></p> <p>SBI Life shubhnivesh</p> <p>SBI life smart Bachat</p> <p>SBI life Flexi smart +</p> <p>SBI life CSC SaralSanchay</p> <p>SBI LifeSmart Women Advantage</p> <p>SBI Life Smart Women Advantage</p> <p>SBI LifeSmartHumsafar</p> | <p><u>Wealth Creation With Insurance</u></p> <p>SBI life wealth Builder</p> <p>SBI Life smart Wealth Builder</p> <p>SBI Life smart Wealth Assure</p> <p>SBI Life smartPower Insurance</p> <p>SBI life Smart Elite</p> <p>SBI Life Smart Privilege</p> <p>SBI LifeSaralMahaAnan</p> <p>SBI Life eWealth Insurance</p> |
| <p><u>Protection Plan</u></p> <p>SBI Life Sampoonn Cancer Suraksha</p> <p>SBI Life Smart Shield</p> <p>SBI Life Saral Shield</p> <p>SBI Life SaralSwadhan+</p> <p>SBI Life Smart Swadhan Plus</p> <p>SBI Life Grameen Bima</p> <p>SBI LifeShield</p> <p>SBI Life eIncome Shield</p> | <p><u>Child Plan</u></p> <p>SBI Life Smart Champ Insurance</p> <p>SBI life smart Scholar</p> <hr/> <p><u>Retirement Plan</u></p> <p>SBI Life Saral Pension</p> <p>SBI Life Retire Smart</p> <p>SBI Life Annuity Plus</p> |

Source: www.sbilife.com

2.7.3 SBI Life's Corporate Social Responsibility:

SBI Life's Corporate Social Responsibility initiatives have touched multiple dimensions of social issues in the realm of child education, healthcare, skill development, rural development

and environmental upgrade, thus impacting 1.9 lakh+ lives in FY 2016-17.4, 620 people life was impacted through the facilitation of rural development across 3 states in the country. In the area of education, SBI Life has provided Infrastructural support to 352 educational Institutions benefitting 85,606 children, educational aids and school essentials to 8,159 less fortunate children and holistic education support to 13,465 children were provided.

In areas of Skill Development, more than 53,000 women supported through skill training and financial literacy programme.

In the field of environment, SBI life has planted 1 lakh saplings in Andhra Pradesh and Madhya Pradesh benefitting a total of 16 villages around the plantations

Clinical and general care support to 2,500 underprivileged women and children, paediatrics eye surgeries for 200 children, Hygiene kits to 4,600 children battling cancer, Infrastructural support to 20+ healthcare and medical institutes under SBI life CSR for health.

2.8 STUDY AREA:

This study mainly focuses on retention of employees of private life insurance companies, the study is carried out to identify the main retention mechanism employed in the private life insurance companies operating in the Manipur, Manipur is a tiny state located in north-eastern part of India having about 22,327 sq km, with Imphal as capital; it is surrounded by Three Indian states namely Nagaland in the north, Mizoram in the south, Assam on the west and on the East by Myanmar. The study is carried out in six the private Insurance life insurance company whose office is located in Manipur. The name of the private life insurance companies and their office is given below:

- i. Birla Sun Life Insurance company Ltd Imphal 1st Floor, Dharamshala, Thangal Bazar, Imphal, Manipur it has a total 14 of employees in the branch.
- ii. HDFC Standard Life Insurance Company Ltd. DM College Colony Thangmeiband Imphal West, Manipur 795001India.
- iii. TATA AIA is located in M.G Avenue Opposite Nirmalabas High School they have 6 employees.
- iv. SBI LIFE, Babupara, Imphal, Manipur 795001
- v. Bajaj Allianz M.G. Avenue, Thangal Bazar, Imphal it has 10 employees in the branch.
- vi. ICICI PRUDENTIAL is located on 2nd Floor, Nr. GG Shopping Complex Governor Road, Paona Bazar Imphal and they have 17 employees in the company.

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3.1 Introduction: This chapter shows statistical data about the characteristic of the population. Gender, age, education, marital status, and designation are the main characteristic of the population in this study. This chapter presents a) gender wise age group, b) educational qualification and marital Status of the respondent, c) designation and experience of the respondent organisation wise e) Education qualification and gender of the respondents, f) Gender wise marital status, g) Gender wise Experience and designation. It also gives an overall male female ratio in the study, marital status and designation.

3.2 Gender-wise Age Group:

Table 3.1: Gender-wise Age Group of the Respondents

| Gender | Organisations | Age Groups (in years) | | | Total | % |
|--------|-----------------------|-----------------------|--------------|--------------|--------------|--------------|
| | | below 30 | 30-40 | 40-50 | | |
| Male | HDFC Life | 3 | 8 | 7 | 18 | 31.58 |
| | Birla Sunlife | 1 | 3 | 2 | 6 | 10.53 |
| | SBI Life | 4 | 3 | 1 | 8 | 14.03 |
| | ICICI prudential Life | 3 | 4 | 5 | 12 | 21.05 |
| | Tata AIA Life | 0 | 1 | 3 | 4 | 7.01 |
| | Bajaj Allianz | 0 | 7 | 2 | 9 | 15.79 |
| | Total | 11 | 26 | 20 | 57 | 100.0 |
| | % | 19.29 | 45.61 | 35.08 | 100.0 | |
| Female | HDFC Life | 3 | 2 | 2 | 7 | 50 |
| | Birla Sunlife | 0 | 2 | 1 | 3 | 21.42 |
| | ICICI Prudential Life | 0 | 4 | 0 | 4 | 28.57 |
| | Total | 3 | 8 | 3 | 14 | 100.0 |
| | % | 21.42 | 57.14 | 21.42 | 100.0 | |
| Total | HDFC Life | 6 | 10 | 9 | 25 | 35.21 |
| | Birla Sunlife | 1 | 5 | 3 | 9 | 12.67 |
| | SBI Life | 4 | 3 | 1 | 8 | 11.26 |
| | ICICI prudential Life | 3 | 8 | 5 | 16 | 22.53 |
| | Tata AIA Life | 0 | 1 | 3 | 4 | 5.63 |
| | Bajaj Allianz | 0 | 7 | 2 | 9 | 12.67 |
| | Total | 14 | 34 | 23 | 71 | 100.0 |
| | % | 19.71 | 47.88 | 32.39 | 100.0 | |

Source: Field Survey

Table 3.1 shows that HDFC life has the highest number of males respondents (18), followed by ICICI Prudential life (12), Bajaj Allianz (9), SBI Life (8), Birla Sunlife (6) and TATA AIA life

(4). There are 14 female respondents in this study; with 7 female HDFC life also has highest number of female respondents, followed by ICICI Prudential (4) and Birla Sunlife (3). In the age group 26 males are in the age group of 30-40, 20 males are in the group of 40-50 while remaining 11 are in the group of below 30. Out of total 14 female respondents 8 females are in age group of 30-40, 3 belong to 40-50 and another 3 belong to below 30. Therefore majority of the respondents in this study are males, constituting 80.3 per cent while 19.7 per cent of the respondents were females. The age group of respondents divided into the three categories that i.e. age below 30, 30-40, and 40-50 constituted 19.71, 47.88, and 32.39 per cent respectively.

3.3 Educational qualification and marital status of the respondents:

Table 3.2: Educational qualification and marital status of the respondents

| Marital status | Organisations | Educational Qualification (EQ) | | | Total | % |
|----------------|-----------------------|--------------------------------|-------------|------------------|-----------|------------|
| | | Post Graduate | Graduate | Higher Secondary | | |
| Married | HDFC Life | 2 | 13 | 4 | 19 | 35.18 |
| | Birla Sunlife | 5 | 4 | 0 | 9 | 16.66 |
| | SBI Life | 2 | 2 | 0 | 4 | 7.40 |
| | ICICI prudential Life | 2 | 8 | 1 | 11 | 20.37 |
| | Tata AIA Life | 0 | 4 | 0 | 4 | 7.40 |
| | Bajaj Allianz | 4 | 3 | 0 | 7 | 12.96 |
| | Total | 15 | 34 | 5 | 54 | 100 |
| % | 27.77 | 64.96 | 9.25 | 100 | | |
| Unmarried | HDFC Life | 3 | 2 | 1 | 6 | 35.29 |
| | SBI Life | 1 | 3 | 0 | 4 | 23.52 |
| | ICICI Prudential Life | 2 | 3 | 0 | 5 | 29.41 |
| | Bajaj Allianz | 1 | 1 | 0 | 2 | 11.76 |
| | Total | 7 | 9 | 1 | 17 | 100 |
| EQ % | 41.17 | 52.94 | 5.88 | 100 | | |
| Total | HDFC Life | 5 | 15 | 5 | 25 | 35.21 |
| | Birla Sunlife | 5 | 4 | 0 | 9 | 12.67 |
| | SBI Life | 3 | 5 | 0 | 8 | 11.26 |
| | ICICI Prudential Life | 4 | 11 | 1 | 16 | 22.53 |
| | Tata AIA Life | 0 | 4 | 0 | 4 | 5.63 |
| | Bajaj Allianz | 5 | 4 | 0 | 9 | 12.67 |
| | Total | 22 | 43 | 6 | 71 | 100 |
| % | 30.98 | 60.56 | 8.45 | 100 | | |

Source: Field Survey

Table 3.2 shows that the majority of married respondents are from HDFC life, account for 35.18 per cent of the total married respondents (54), followed by ICICI Prudential Life (20.37 per cent), Birla Sunlife (16.66 per cent), Bajaj Allianz (12.96 per cent), SBI Life (7.40 per cent) and TATA AIA life (7.4 Per cent) while 35.21 percent respondents are from HDFC life out of 17 unmarried respondent followed by ICICI Prudential Life (29.41), SBI life (23.52 percent) and Bajaj Allianz (11.76 percent).

Among the married respondents 64.96 percent are graduates, 27.77 percent are post graduate and 9.25 percent are higher secondary pass. While among the unmarried respondents 52.94 per cent are Graduate, 41.17 are Post Graduate and remaining 5.88 percent are Higher Secondary pass.

Hence, majority of the respondent's i.e. 60.56 percent of respondents are graduates, while 30.98 percent are postgraduate and 8.45 percent of respondents are Higher Secondary pass.

It also shows that 76.05 percent of respondents are married while 23.9 percent are unmarried.

3.4 Designation and Experience of the respondents:

There are many positions in insurance industry; some of the common positions are categorized and those which can be categorized are grouped into others column in table 3.3, which shows that there are 17 respondents having experience of less than a year, comprising 5 respondents each from HDFC Life and SBI Life, 4 from Birla Sunlife, 2 from ICICI Prudential and 1 from Tata AIA Life. Again 31 employees are in the category of employee having experience of 1-3 out of which majority of respondent is from HDFC life, with 13 employees in the category followed by ICICI life (7), Bajaj Allianz (5), BirlaSunlife (3), SBI life (2), and TATA AIA Life (1).while there are 23 employees having experience of more than three years comprising of 7 employees from HDFC life,7 from ICICI Life,4 from Bajaj Allianz,2 each from Birla Sunlife and TATA AIA Life and 1 from SBI Life.

Table 3.3: Designation and Experience of the Respondents

| Experience (Exp.) | Organisations | Designation | | | | | Total | % |
|-------------------|-----------------------|-------------|-------|-------|--------|--------|-------|-------|
| | | AM | BDM | SDM | BH/ BM | Others | | |
| Less than a year | HDFC Life | 2 | 3 | | | - | 5 | 29.41 |
| | Birla Sun life | 3 | - | | | 1 | 4 | 23.52 |
| | SBI Life | 4 | 1 | | | - | 5 | 29.41 |
| | ICICI Prudential Life | - | - | | | 2 | 2 | 11.76 |
| | Tata AIA Life | - | 1 | | | - | 1 | 5.88 |
| | Total | 9 | 5 | | | 3 | 17 | 100 |
| | Designation% | 52.94 | 29.41 | | | 17.64 | 100 | |
| 1-3 years | HDFC Life | 3 | 4 | 2 | - | 4 | 13 | 41.93 |
| | Birla Sunlife | - | - | - | - | 3 | 3 | 9.67 |
| | SBI Life | 1 | 1 | - | - | - | 2 | 6.45 |
| | ICICI Prudential Life | 1 | 2 | - | 1 | 3 | 7 | 22.58 |
| | Tata AIA Life | - | 1 | - | - | - | 1 | 3.22 |
| | Bajaj Allianz | 1 | 1 | - | - | 3 | 5 | 16.12 |
| | Total | 6 | 9 | 2 | 1 | 13 | 31 | 100 |
| | Designation% | 19.35 | 29.03 | 6.45 | 3.22 | 41.93 | 100 | |
| More than 3 years | HDFC Life | | 1 | 3 | 1 | 2 | 7 | 30.43 |
| | Birla Sunlife | | 1 | - | - | 1 | 2 | 8.69 |
| | SBI Life | | 1 | - | - | - | 1 | 4.34 |
| | ICICI Prudential Life | | 1 | 3 | - | 3 | 7 | 30.34 |
| | Tata AIA Life | | - | - | - | 2 | 2 | 8.69 |
| | Bajaj Allianz | | - | 1 | - | 3 | 4 | 17.39 |
| | Total | | 4 | 7 | 1 | 11 | 23 | 100 |
| | Designation | | 17.39 | 30.43 | 4.34 | 47.82 | 100 | |
| Total | HDFC Life | 5 | 8 | 5 | 1 | 6 | 25 | 35.21 |
| | Birla Sunlife | 3 | 1 | - | - | 5 | 9 | 12.67 |
| | SBI Life | 5 | 3 | - | - | - | 8 | 11.26 |
| | ICICI Prudential Life | 1 | 3 | 3 | 1 | 8 | 16 | 22.53 |
| | Tata AIA Life | - | 2 | - | - | 2 | 4 | 5.63 |
| | Bajaj Allianz | 1 | 1 | 1 | - | 6 | 9 | 12.67 |
| | Total | 15 | 18 | 9 | 2 | 27 | 71 | 100 |
| | % | 21.12 | 25.35 | 12.67 | 2.81 | 38.02 | 100 | |

Source: Field Survey

The number of respondents having less than 1 year experience with different position is 17, out of which 9 are Agency Managers (AM) or Unit Managers, 5 are Business Development

Managers and 3 are with others positions. The respondents that have experience of 1-3 years with different position comprises of 9 BDM, 6 AM/UM, 2 Sales Development Managers (SDM), and 1 Branch head/Branch Manager (BH/BM). While the respondents with more than 3 years of experience comprises of 4 BDM, 7 SDM, 1 BM/BH and 11 respondents with others designations.

In brief it can be concluded that Business Development Manager (BDM) counts for 25.35 percent, Agency Manager (AM) 21.12 percent, Sales Development Manager (SDM) 12.67 percent, Branch Manager or Branch Head (BM/BH) 2.81 percent while 38.02 percent consisted of the respondents who held other positions. On the other hand, 43.66 percent of the respondents are in the category of respondents having 1-3 years of experience, while 32.39 per cent respondents have more than 3yrs of experience, followed by 23.94 per cent having less than 1 year of experience.

3.5 Education qualification and gender of the respondents:

Table 3.4 shows that 81.81 percent of the respondents are male postgraduate while remaining 18.18 are female Postgraduate. Out of 22 Postgraduate respondents HDFC Life and Bajaj Allianz has 5 male each SBI and ICICI Prudential also contributed 3 male respondents each and remaining 2 male are from BirlaSunlife. While among female Postgraduate out of 4 postgraduates female, Birla Sunlife has 3 female and ICICI Life has 1 female respondent.

Among the graduates 83.72 % are male graduates while remaining 16.28 are female graduates. HDFC life has the highest number of male graduates with 10 male respondents, followed by ICICI Life 9 males, 5 male from SBI Life and 4 each from Birla Sunlife, Tata AIA, and Bajaj Allianz.

Table 3.4 Education qualification and gender of the respondents

| Educational qualification | Organisation | Gender | | Total | % |
|---------------------------|-----------------------|--------------|--------------|------------|--------------|
| | | Male | Female | | |
| Post Graduate | HDFC Life | 5 | - | 5 | 22.72 |
| | Birla Sunlife | 2 | 3 | 5 | 22.72 |
| | SBI LIFE | 3 | - | 3 | 13.63 |
| | ICICI prudential Life | 3 | 1 | 4 | 18.18 |
| | Bajaj Allianz | 5 | - | 5 | 22.72 |
| | Total | 18 | 4 | 22 | 100 |
| | % | 81.81 | 18.18 | 100 | |
| Graduate | HDFC Life | 10 | 5 | 15 | 34.88 |
| | Birla Sunlife | 4 | - | 4 | 9.30 |
| | SBI Life | 5 | - | 5 | 11.63 |
| | ICICI prudential Life | 9 | 2 | 11 | 25.58 |
| | Tata AIA Life | 4 | - | 4 | 9.30 |
| | Bajaj Allianz | 4 | - | 4 | 9.30 |
| | Total | 36 | 7 | 43 | 100 |
| | % | 83.72 | 16.28 | 100 | |
| Higher secondary | HDFC Life | 3 | 2 | 5 | 16.67 |
| | ICICI Prudential Life | 0 | 1 | 1 | 83.33 |
| | Total | 3 | 3 | 6 | |
| | % | 50 | 50 | 100 | |
| Total | HDFC Life | 18 | 7 | 25 | 35.21 |
| | Birla Sunlife | 6 | 3 | 9 | 12.68 |
| | SBI Life | 8 | - | 8 | 11.27 |
| | ICICI prudential Life | 12 | 4 | 16 | 22.54 |
| | Tata AIA Life | 4 | - | 4 | 5.63 |
| | Bajaj Allianz | 9 | - | 9 | 12.68 |
| | Total | 57 | 14 | 71 | 100 |
| | % | 80.28 | 19.72 | 100 | |

Source: Field Survey

While among the 6 higher secondary pass respondents 50% are male while 50% are female. HDFC life is the sole organisation with 3 male higher secondary pass respondent while among the 3 females 2 are from HDFC Life and 1 is form ICICI prudential.

There are total 25 respondents from HDFC Life which comprises of 18 males and 7 females, 9 respondents from Birla Sunlife 6 males and 3 female, SBI life 8 males no female respondents, 16 respondents from ICICI Prudential 12 males and 4 females, Tata AIA Life 4 male, and Bajaj Allianz 9 male respondents with no female respondents.

3.6 Gender-wise marital status of the respondents

Table 3.5: Gender-wise marital status of the respondents

| Marital Status | Organisation | Gender | | Total | % |
|----------------|-----------------------|--------------|--------------|------------|--------------|
| | | Male | Female | | |
| Married | HDFC Life | 13 | 6 | 19 | 35.19 |
| | Birla Sunlife | 6 | 3 | 9 | 16.67 |
| | SBI Life | 4 | 0 | 4 | 7.41 |
| | ICICI prudential Life | 8 | 3 | 11 | 20.37 |
| | Tata AIA Life | 4 | 0 | 4 | 7.41 |
| | Bajaj Allianz | 7 | 0 | 7 | 12.96 |
| | Total | 42 | 12 | 54 | 100 |
| | % | 77.78 | 22.22 | 100 | |
| Unmarried | HDFC Life | 5 | 1 | 6 | 35.29 |
| | SBI Life | 4 | 0 | 4 | 23.53 |
| | ICICI prudential Life | 4 | 1 | 5 | 29.41 |
| | Bajaj Allianz | 2 | 0 | 2 | 11.76 |
| | Total | 15 | 2 | 17 | 100 |
| | % | 82.24 | 11.76 | 100 | |
| Total | HDFC Life | 18 | 7 | 25 | 35.21 |
| | Birla Sunlife | 6 | 3 | 9 | 12.68 |
| | SBI Life | 8 | 0 | 8 | 11.27 |
| | ICICI prudential Life | 12 | 4 | 16 | 22.54 |
| | Tata AIA Life | 4 | 0 | 4 | 5.63 |
| | Bajaj Allianz | 9 | 0 | 9 | 12.68 |
| | total | 57 | 14 | 71 | 100 |
| | % | 80.28 | 19.72 | 100 | |

Source: *Field Survey*

Table 3.5 shows that 77.78 are male are married while 22.22 percent are married female. HDFC lifes has 19 married respondents with 13 male and 6 female, similarly Birla Sunlife has 9 married respondents with 6 male and 3 female, and ICICI Prudential Life has 11 married respondents

with 8 males 3males. Tata AIA Life, SBI Life each has 4 male and Bajaj Allianz has 7 married respondents with no female respondents. Whereas among the unmarried respondents HDFC Life has 6 respondents with 5male and 1 female, ICICI Prudential Life has 4 male with 1 female, SBI life has 4 male and Bajaj Allianz has 2 male with no female respondents.

3.7 . Gender-wise Experience and designation

Table 3.6: Gender-wise Experience and Designation of Respondents

| Gender | Experience. | Designation | | | | | Total | % |
|---------------|-------------------|--------------|--------------|--------------|-------------|--------------|------------|------------|
| | | AM | BDM | SDM | BM/BH | Other s | | |
| Male | Less than a year | 7 | 4 | - | - | 3 | 14 | 24.36 |
| | 1-3 years | 4 | 6 | 2 | 1 | 10 | 23 | 40.35 |
| | More than 3 years | - | 4 | 5 | 1 | 10 | 20 | 35.09 |
| | Total | 11 | 14 | 7 | 2 | 23 | 57 | 100 |
| | % | 19.30 | 24.56 | 12.28 | 3.31 | 40.35 | 100 | |
| Female | Less than a year | 2 | 1 | 0 | - | - | 3 | 21.43 |
| | 1-3years | 2 | 3 | 0 | - | 3 | 8 | 57.14 |
| | More than 3 years | - | 0 | 2 | - | 1 | 3 | 21.43 |
| | Total | 4 | 4 | 2 | - | 4 | 14 | 100 |
| Total | % | 28.57 | 28.57 | 14.29 | | 28.57 | 100 | |
| | Less than a year | 9 | 5 | - | - | 3 | 17 | 23.94 |
| | 1-3years | 6 | 9 | 2 | 1 | 13 | 31 | 43.66 |
| | More than 3 years | - | 4 | 7 | 1 | 11 | 23 | 32.39 |
| | Total | 15 | 18 | 9 | 2 | 27 | 71 | 100 |
| | % | 21.13 | 25.35 | 12.68 | 2.82 | 38.03 | 100 | |

Source: Field Survey

Table.3.7 shows that (a) there are total 15 AM out of which there are 11 male AM with 7 AM having less than a year experience and 4 AM with 1-3 year of experience. And out of the remaining female AM respondents 2 each has less than a year and 1-3 years of experience.

There are 18 BDMs of which 14 are male with 4 respondents having less than a year of experience, another 4 with more than 3 years of experience, and 6 respondents with experience in the range of 1-3 years.

Further, there are 9 respondents in the position of SDM, out of which 7 are male respondents with 2 males having 1-3 years of experience while 5 males having more than 3 years of experience.

Only 2 males are there in the position of BM/BH each having experience of 1-3 years and more than 3 years. On the other hand, 27 respondents having others position comprises of with 23 males (with 3 respondents less than a year of experience, 10 respondent each having 1-3 and 3 years of respondents) and 4 females (with 3 females having 1-3 years of experience while 1 female respondents has more than 3 years of experience).

4.1 Introduction:

Attrition means the process of reducing one's strength or effectiveness through sustained attack or pressure. While employees attrition can be defined as a gradual reduction in the number of employee through resignation, retirement, or death. The rate of attrition can be calculated by dividing the total number of employees leaving the organisation by the total number of employees in the organization or the total number of the position in the organization. A high attrition rate in an organization creates workload, stress, frustration, and stress among the employee. Organisation also has to spend the cost of recruiting and training a new employee, at the same it has to face a slowdown in the efficiency of service or productivity due to the loss of a skilful employee or employees. There are numerous reasons for employee leaving an organisation ranging from personal reasons like marriage, further education, location preference, others reasons are salary, work culture, physical environment, job dissatisfaction, role ambiguity etc. Despite these numerous reasons, one cannot say that all these reasons are applicable to a single organisation, thereby meaning that organisation and the individuals working in particular organisation has different issues and reason.

Therefore, in order to find out the reasons of attrition in private life insurance companies, data were collected through a structure questionnaire, the employees who have earlier work in insurance companies were asked to rate the reasons for leaving there previous Job consisting of 12 items or variables of attritions chosen from the study of Deepa and Shivani, (2016). They studied and identified the reasons for employee leaving job. These items were rated on scale of 1-5 (1 strongly disagree- 5 strongly agree) i.e a five-point likert scale. Out of 71 respondent 58 respondents who had work in previous insurance were found. Therefore there are 58 cases for

each variable. These data were analyzed using statistical tools such as descriptive statistics and factor analysis.

4.2 Reliability Statistics:

An attempt is made here to check the reliability of data by using Cronbach's Alpha and sample adequacy of data by using KMO and Bartlett's Test.

Table: 4.1: Cronbach's Alpha and KMO Test Value

| Reliability Statistics | | |
|---|--------------------|--------------|
| Cronbach's Alpha | | No. of Items |
| 0.721 | | 12 |
| KMO and Bartlett's Test | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | 0.621 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 461.242 |
| | df | 91 |
| | Sig. | 0.000 |

Source: *Field Survey*

Since Cronbach's Alpha for 12 items (variables) is 0.721, which is higher than 0.7 suggesting that the items have acceptable internal consistency. The KMO value (Table 4.1) is 0.621 (and in the range of 0.6-0.69 mediocre) which is closed to 1, indicating that factor analysis can be done while the value of Bartlett's test of sphericity is less than 0.05. It indicates that factor analysis can be carried out for the data.

4.3 Descriptive Statistics:

Table 4.2 descriptive statistics shows the number of variables, the means of the variables and their respective standard deviations of the variables used in the factor analysis. There were 58 cases (sample) for each variable.

Table 4.2 Descriptive Statistics

| Variable | Mean | Std. Deviation |
|-----------------------------------|------|----------------|
| Achievement not recognised | 2.52 | 1.03 |
| Lack of advancement opportunities | 2.67 | 1.06 |
| Better career opportunity. | 3.00 | 1.21 |
| Nature of the job | 3.67 | 1.11 |
| Work culture | 3.62 | .855 |
| Availability of better paying job | 3.34 | .870 |
| Long working Hour | 3.31 | 1.20 |
| Employee benefit schemes | 3.50 | 1.17 |
| Communication system | 3.05 | 1.09 |
| High work pressure | 3.02 | 1.17 |
| Training | 2.67 | 1.03 |
| Large sales target | 3.16 | 1.182 |

Source: *Field survey*

4.4 Communalities: Table 4.3 shows communalities of each item. It is the sum of the square of the loadings. This table indicate the variance of each item that can be explained by the factor.

Table 4.3: Communalities

| Sl. No. | Variables/items | Initial | Extraction |
|---------|-----------------------------------|---------|------------|
| 1 | Achievement not recognised | 1.000 | 0.708 |
| 2 | Lack of advancement opportunities | 1.000 | 0.895 |
| 3 | Better career opportunity. | 1.000 | 0.607 |
| 4 | Nature of the job | 1.000 | 0.655 |
| 5 | Work culture | 1.000 | 0.842 |
| 6 | Availability of better paying job | 1.000 | 0.630 |
| 7 | Long working Hour | 1.000 | 0.820 |
| 8 | Employee benefit schemes | 1.000 | 0.836 |
| 9 | Communication system | 1.000 | 0.674 |
| 10 | High work pressure | 1.000 | 0.783 |
| 11 | Training | 1.000 | 0.760 |
| 12 | Large sales target | 1.000 | 0.700 |

Source: *Field Survey*

4.5 Total variance:

The Total Variance (table 4.4) shows how the variance is divided among the 14 possible factors. Four factors have Eigen values greater than 1.0, which is a common criterion for a factor to be useful. So the four factors or component 1, 2, 3, and 4 with Eigen values 3.527, 2.904, 1.336, and 1.144 respectively are retained.

Table 4.4: Total Variance

| Component | Initial Eigen values | | | Extraction Sums of Squared Loadings | | |
|-----------|----------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| | Variance | % of Variance | Cumulative % | Variance | % of Variance | Cumulative % |
| 1 | 3.527 | 29.392 | 29.392 | 3.527 | 29.392 | 29.392 |
| 2 | 2.904 | 24.200 | 53.592 | 2.904 | 24.200 | 53.592 |
| 3 | 1.336 | 11.132 | 64.724 | 1.336 | 11.132 | 64.724 |
| 4 | 1.144 | 9.535 | 74.259 | 1.144 | 9.535 | 74.259 |
| 5 | .820 | 6.833 | 81.092 | | | |
| 6 | .632 | 5.266 | 86.358 | | | |
| 7 | .470 | 3.913 | 90.271 | | | |
| 8 | .393 | 3.273 | 93.544 | | | |
| 9 | .381 | 3.172 | 96.716 | | | |
| 10 | .182 | 1.517 | 98.233 | | | |
| 11 | .126 | 1.054 | 99.287 | | | |
| 12 | .086 | .713 | 100.000 | | | |

Source: *Field Survey*

When the Eigen value is less than 1.0, the factors explain lesser information. The Cumulative percentage column gives the percentage of variance by each component. So the cumulative percentage of the second component is $29,392+24,200=53,592$ percent. The other section of the Table 4.4 (Extraction Sums of Squared Loadings) showed the extracted components of the total variance. They explain the variability of 74.26 per cent in the original 12 variables of the study, so that the complexity of the data set can be considerably reduced by using these components.

4.6 Component Matrix:

The Component Matrix or Factor Matrix extracted 4 factors. These are all coefficients used to express a standardized variable in terms of the factors. These coefficients are called factor loadings, since they indicate how much weight is assigned to each factor. Factors with large coefficients (in absolute value) for a variable are closely related to that variable. For example, Factor 1 with largest loading (0.912) for the variable ‘Lack of advancement opportunities’ are closely related. These are all the correlations between the factors and the variables.

Table 4.5: Component Matrix

| | Variables | Component | | | |
|----|-----------------------------------|-----------|-------|-------|-------|
| | | 1 | 2 | 3 | 4 |
| 1 | Achievement not recognised | .815 | .042 | -.113 | .174 |
| 2 | Lack of advancement opportunities | .912 | -.017 | .201 | .149 |
| 3 | Better career opportunity. | .695 | .343 | -.067 | .046 |
| 4 | Nature of the job | -.392 | .627 | .167 | .284 |
| 5 | Work culture | -.277 | .823 | .194 | .223 |
| 6 | Availability of better paying job | -.017 | .551 | -.566 | .081 |
| 7 | Long working Hour | -.301 | .811 | -.041 | -.266 |
| 8 | Employee benefit schemes | .428 | .488 | -.644 | .028 |
| 9 | Communication system | -.313 | .260 | .370 | .609 |
| 10 | High work pressure | .159 | .416 | .419 | -.639 |
| 11 | Training | .795 | -.005 | .274 | .230 |
| 12 | Large sales target | .537 | .524 | .298 | -.221 |

Source: *Field Survey*

4.7 Component rotation matrix:

Since the idea of factor analysis is to identify the factors that meaningfully summarized sets of closely related variables, the rotation phase of the factor analysis attempts to transfer initial matrix into one that is easier to interpret. It is called the rotation of the factor matrix or the component rotation matrix.

4.6: Component rotation matrix

| Item | Variable | Component | | | |
|------|-----------------------------------|-----------|-------|-------|-------|
| | | 1 | 2 | 3 | 4 |
| 1 | Achievement not recognised | .789 | -.192 | .211 | -.063 |
| 2 | Lack of advancement opportunities | .929 | -.158 | -.065 | .059 |
| 3 | Better career opportunity. | .677 | -.018 | .333 | .194 |
| 4 | Nature of the job | -.183 | .758 | .169 | .135 |
| 5 | Work culture | -.071 | .818 | .273 | .306 |
| 6 | Availability of better paying job | -.051 | .186 | .770 | .002 |
| 7 | Long working Hour | -.291 | .443 | .461 | .571 |
| 8 | Employee benefit schemes | .324 | -.066 | .852 | .028 |
| 9 | Communication system | -.005 | .768 | -.200 | -.212 |
| 10 | High work pressure | .074 | -.006 | -.076 | .878 |
| 11 | Training | .861 | -.035 | -.133 | .021 |
| 12 | Large sales target | .439 | .132 | .123 | .614 |

Source: *Field Survey*

4.8 Component rotation matrix after the suppression of value less than 0.5:

The Rotated Factor Matrix after the suppression of value less than 0.5 is given in Table: 4.7 where each factor identifies itself with a few set of variables, the variables which identify with each of the factors and are given against each column and row. The rotated component matrix, sometimes referred to as the loadings, is the key output of principal components analysis. It contains estimates of the correlations between each of the variables and the estimated components. Table 4.7 shows a moderate to strong correlation between the variable and the

component 1 with factor loadings of 0.789, 0.929, 0.677, and 0.861. Similarly, component 2 shows a strong correlation with the variables having factor loadings of 0.758, 0.768, and 0.818. Similarly component 3 shows a strong correlation with the variables with factor loadings 0.770 and 0.852. While component 4 also shows a moderate to strong correlation with the variables having factor loadings of 0.571, 0.878, and 0.614.

Table 4.7 Component rotation matrix after the suppression of value less than 0.5

| Sl. No. | Variable | Component | | | |
|---------|-----------------------------------|-----------|------|------|------|
| | | 1 | 2 | 3 | 4 |
| 1 | Achievement not recognised | .789 | | | |
| 2 | Lack of advancement opportunities | .929 | | | |
| 3 | Better career opportunity. | .677 | | | |
| 4 | Nature of the job | | .758 | | |
| 5 | Work culture | | .818 | | |
| 6 | Availability of better paying job | | | .770 | |
| 7 | Long working Hour | | | | .571 |
| 8 | Employee benefit schemes | | | .852 | |
| 9 | Communication system | | .768 | | |
| 10 | High work pressure | | | | .878 |
| 11 | Training | .861 | | | |
| 12 | Large sales target | | | | .614 |

Source: *Field Survey*

4.9. Sorted variables with their factors

Table 4.8: Sorted variables with their factors

| Items | Statements | Factor Loadings | Factor Name |
|-------|-----------------------------------|-----------------|--|
| 1 | Achievement not recognised | 0.789 | Factor I Career growth and aspiration |
| 2 | Lack of advancement opportunities | 0.929 | |
| 3 | Better career opportunity | 0.677 | |
| 11 | Training | 0.861 | |
| 4 | Nature of the job | 0.758 | Factor II Work environment |
| 5 | Work culture | 0.818 | |
| 9 | Communication system | 0.768 | |
| 8 | Employee benefit schemes | 0.852 | Factor III Remuneration |
| 6 | Availability of better paying job | 0.770 | |
| 10 | High work pressure | 0.878 | Factor IV Job demands |
| 7 | Long working Hour | 0.571 | |
| 12 | Large sales target | 0.614 | |

Source: *Field Survey*

From Table 4.8, it can be seen that Factor I: Career Progression consisted of four variables such as non recognition of achievement, lack of advancement opportunity, career opportunity and job security having factors loading of 0.789, 0.929, 0.677 and 0.661 respectively. At the same time, Factor II: Work Environment consisted of three variables, namely, nature of job, Work culture, and communication having factor loadings of 0.758, 0.818, 0.768, and 0.770 respectively. Further, Factor III: Remuneration consists of two variables i.e. employee benefits schemes and better paying jobs having factor loading of 0.852 and 0.770 respectively. Lastly, Factor IV: Job demands consisted of three variables, namely, high work pressure, long working hour, and large sales target having factor loadings of 0.878, 0.571, and 0.614, respectively. Further, these factors are elaborated below:

i. Factor 1: Career growth and aspiration

Bigelow (2017) stated that employees who work hard and regularly perform beyond their pay grades want official recognition and the best way for this is developing structured career paths. Career progression sits within a cluster of essential systems including recruitment and induction, performance management and reward and recognition (Osibanjo et al., 2014). While Cao and Thomas (2013) described training as important parts for employee career growth. Therefore, if there is no career path, employee will leave the organisation in search for new job that offer better career growth opportunity. Thus, the factor career growth and aspiration well expressed and represent the four variables.

ii. **Factor 2: Work environment**

According to Shrivasti & Bhola (2015), work environment can be divided into physical environment (building, location, ventilation etc), social environment (cultural values, and tradition, human values, management policies, communication, interaction among employees, and practice) and psychological environment (employee's values, attitude, aptitude, perception, personality, motivation, moral, group formation organizational climate, leadership styles etc.). Without a cordial environment, employee leaves the organization in search for better work environment. Thus the three variables were tagged as work environment factor.

iii. **Factor3: Remuneration**

Calvin (2017) define remuneration as monetary or financial benefits in form of salaries, wages, bonuses, incentives, allowances and benefits that is accrued or given to an employee or group of employees by the employer (firm). As a result, services are rendered by the employees who are committed to the organization. Therefore, remuneration is an inseparable part of job and employees; so better remuneration is the reason for employees leaving the organizations. Thus, the two variables, employees benefits and availability of better paying job were named as remuneration.

iv. **Factor IV: Job Demands**

Schaufeli and Bakker(2004) stated that job demands are all physical, psychological, social, or organizational aspects of a job that required continuous physical or psychological (i.e., cognitive or emotional) effort. Long work hours and demanding work shifts, high time pressure, ergonomic problems and unpleasant physical conditions, for example, have a high risk of leading to stress and negative long-term consequences (Gründler & Cosmar, 2017). Thus, job demands is

also one of factor that leads employee to leaves the organisation hence the three variables long working hour, large sales target and high pressures were named job demands.

References:

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5.1 Introduction:

According to workforce planning for Wisconsin state government employee, retention can be defined as the systematic effort by the organization to create an environment that addresses diverse employee needs so employees will stay with the company,. Chaminade (2007) also defined retention as a voluntary move by an organization to create an environment which engages employees for a long-term.

The retention rate can be calculated by dividing the number of employees who left during a period by the total number of employees at the end of a period. There are many retention mechanism and model but one of the effective models (Das and Baruah, 2013) is given below:

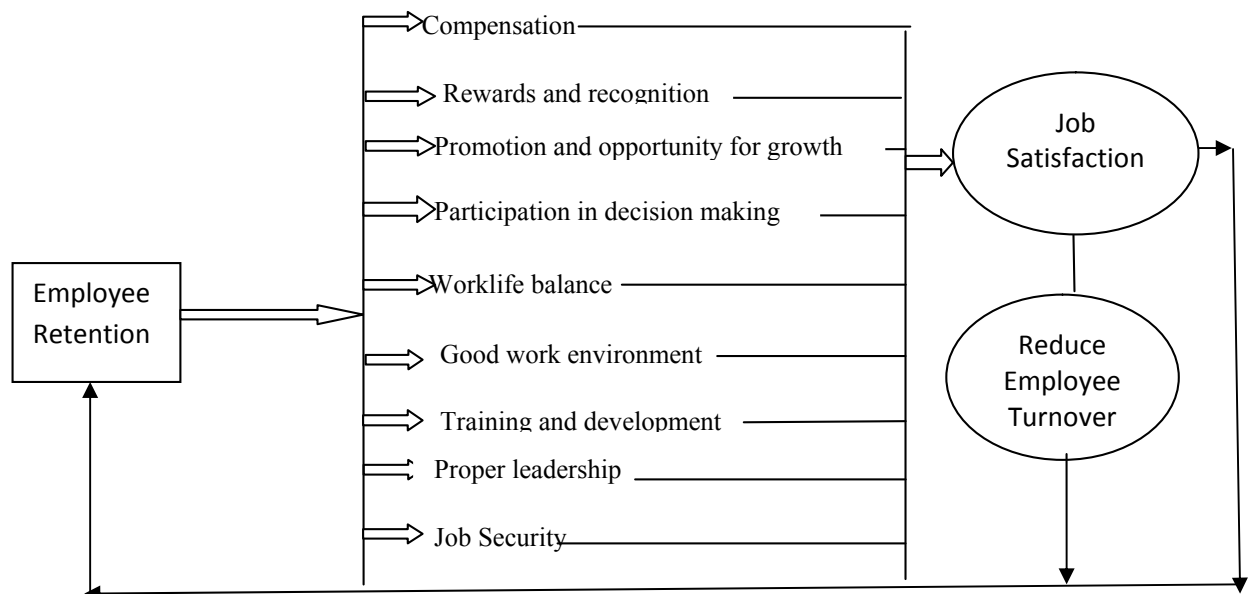


Figure 5.1: The Employee Retention & Job Satisfaction Model

Though this model described that employee retention factor has a direct impact on job satisfaction, they also opined that if the factors of retention exist in the organisation, then there is

less chance of voluntary attrition in the organisation. Thus the model shows that if these factors exist in the organisation then it will also help to attract new employees in addition to retention of employees. apart from these model there are numerous strategies for retention one of the retention strategy by Yazinski, (2009) suggested that Training, Mentoring, positive culture, communication, appreciation via compensation and benefits, Encouraging referrals for recruit from within, Coaching/feedback, growth opportunities, Making employees feel valued, Lower stress from overworking and creating work/life balance and Fostering trust and confidence in senior leaders will be useful to retain employees. Another retention strategy by Rawes (2017) suggested that courtship, coaching, communication, compensation, collaboration, commitment and continuous improvement in the organization is an effective retention strategy.

The objective of the research was to identify the factors of retention in private life Insurance companies. In order to identify and evaluate the factors for retention of employees based on primary data, the Respondents were asked to rate 14 variables of retention. These variables were chosen from a study conducted by Vijayalakshmi (2014) and employees were asked to rate these variable on a 5-point Likert scale i.e., highly dissatisfied to highly satisfy. The 14 items are given in Table 5.1.

An attempt is made in this chapter to analyse the various factors of retention of employees by the selected private life insurance companies.

5.2 Descriptive statistics:

Table 5.1 shows the number of variables, the means of the variables and their respective standard deviations of the variables used in the factor analysis. 71 respondents answered the responses

and thereby used in this factor analysis. In other words, there are 71 cases for each variable under the present study.

Table 5.1: Descriptive statistics

| Sl. No. | Variable | Mean | Std. Deviation |
|---------|--|------|----------------|
| 1 | Company give good salary | 2.10 | 1.267 |
| 2 | Promotion opportunities are high in the company | 3.48 | 0.998 |
| 3 | Job security | 3.72 | 0.929 |
| 4 | Provide good training and development program | 3.79 | 0.984 |
| 5 | Support for career development is given by the company | 1.73 | 0.736 |
| 6 | Health insurance scheme | 2.89 | 1.248 |
| 7 | Participation in decision making | 2.41 | 1.260 |
| 8 | Retirement benefits | 2.25 | 1.295 |
| 9 | Appreciation for good work. | 3.23 | .959 |
| 10 | Enough degree of freedom is given to execute a task | 2.94 | 1.206 |
| 11 | Recognition | 2.32 | 1.079 |
| 12 | Flexible working hour | 2.44 | 1.105 |
| 13 | Incentives for achieving targets are good as compare to others company | 3.20 | 1.116 |
| 14 | Performance appraisal system is good | 2.56 | 1.118 |

Source: *Field Survey*

5.3 Reliability Statistics:

Table 5.2: Cronbach Alpha and KMO Test Value

| Reliability Statistics | | |
|---|--------------------|--------------|
| Cronbach's Alpha | | No. of Items |
| 0.831 | | 14 |
| KMO and Bartlett's Test | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | 0.737 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 461.242 |
| | df | 91 |
| | Sig. | 0.000 |

Source: *Field Survey*

Since the value of Cronbach's Alpha of the 14 items is 0.831 which suggest that the items have better internal consistency. While The KMO value is 0.737 (and in the range of 0.7-0.79 middling) which is closed to 1- suggesting that a factor analysis can be done on the other

hand the value of Bartlett's test of sphericity is less than 0.05 indicating that factor analysis can be carried out for the data.

5.4 Communalities:

Table 5.3 shows the proportion of variance explained by the common factors called Communality of the variable. As communalities for all the variables are above 0.6 or have a mean of 0.7 which also indicated that factor analysis can be carried out for the data.

Table 5.3: Communalities

| Sl. No. | Variables | Initial | Extraction |
|---------|--|---------|------------|
| 1 | Company give good salary | 1.000 | 0.829 |
| 2 | Promotion opportunities are high in the company | 1.000 | 0.703 |
| 3 | Job security | 1.000 | 0.780 |
| 4 | Provide good training and development program | 1.000 | 0.702 |
| 5 | Support for career development is given by the company | 1.000 | 0.836 |
| 6 | Health insurance scheme | 1.000 | 0.704 |
| 7 | Participation in decision making | 1.000 | 0.745 |
| 8 | Retirement benefits | 1.000 | 0.794 |
| 9 | Appreciation for good work. | 1.000 | 0.834 |
| 10 | Enough degree of freedom is given to execute a task | 1.000 | 0.705 |
| 11 | Recognition | 1.000 | 0.714 |
| 12 | Flexible working hour | 1.000 | 0.738 |
| 13 | Incentives for achieving targets are good as compare to others company | 1.000 | 0.877 |
| 14 | Performance appraisal system is good | 1.000 | 0.762 |

Source: *Field Survey*

5.5 Total variance:

The Total Variance (Table 5.4) shows how the variance is divided among the 14 possible factors. Four factors have Eigen values greater than 1.0, which is a common criterion for a factor to be useful. So the four factors or component 1, 2, 3, and 4 with 4.585, 2.499, 1.855 and 1.557 variances respectively are retained. When the Eigen value is less than 1.0 the factor explains less information than a single item would have explained. So, the remaining factors or components 5, 6, 7, 8, 9, 10,11,12,13 and 14 with Eigen value 0.899, 0.672, 0.605, 0.461, 0.268,

0.217, 0.135, 0.094, 0.078, and 0.044 respectively are left out. Percentage of variance is the percentage obtained from the ratio of variance in each component with the total variance. The Cumulative percentage column gives the percentage of variance accounted for by the first n components. For example, the cumulative percentage for the second component is the sum of the percentage of variance for the first and second components.

Table 5.4: Total variance

| Component | Initial Eigen values | | | Extraction Sums of Squared Loadings | | |
|-----------|----------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| | variance | % of variance | Cumulative % | variance | % of variance | Cumulative % |
| 1 | 4.585 | 32.753 | 32.753 | 4.585 | 32.753 | 32.753 |
| 2 | 2.499 | 17.852 | 50.605 | 2.499 | 17.852 | 50.605 |
| 3 | 1.885 | 13.463 | 64.069 | 1.885 | 13.463 | 64.069 |
| 4 | 1.557 | 11.120 | 75.188 | 1.557 | 11.120 | 75.188 |
| 5 | .899 | 6.423 | 81.611 | | | |
| 6 | .672 | 4.796 | 86.408 | | | |
| 7 | .605 | 4.318 | 90.726 | | | |
| 8 | .461 | 3.295 | 94.020 | | | |
| 9 | .268 | 1.917 | 95.937 | | | |
| 10 | .217 | 1.553 | 97.490 | | | |
| 11 | .135 | .962 | 98.452 | | | |
| 12 | .094 | .669 | 99.122 | | | |
| 13 | .078 | .561 | 99.682 | | | |
| 14 | .044 | .318 | 100.000 | | | |

Source: *Field Survey*

The second section of the table i.e. 'Extraction Sums of Squared Loadings', explains that nearly 75 % of the variability in the original 14 variables so that the complexity of the dataset can be considerably reduced by using these components, with only a 25 % loss of information.

5.6 Component Matrix:

The Component Matrix or Factor Matrix (Table 5.5) shows the extraction of four components or factors by Principal Component Analysis (PCA). The loading below the factors or components 1, 2, 3 and 4 are the coefficients used to express a standardized variable in terms of the factors.

These coefficients are called factor loadings since they indicate how much weight is assigned to each factor. Factors with large coefficients (in absolute value) for variable are closely related to that variable.

Table 5.5: Component Matrix

| Sl. No. | Variable | Component | | | |
|---------|--|-----------|--------|--------|--------|
| | | 1 | 2 | 3 | 4 |
| 1 | Company give good salary | .764 | -0.318 | 0.379 | -0.021 |
| 2 | Promotion opportunities are high in the company | 0.530 | 0.553 | 0.307 | -0.150 |
| 3 | Job security | 0.663 | 0.090 | -0.371 | 0.441 |
| 4 | Provide good training and development program | 0.453 | 0.631 | 0.260 | -0.178 |
| 5 | Support for career development is given by the company | 0.619 | 0.555 | -0.317 | -0.209 |
| 6 | Health insurance scheme | 0.753 | 0.113 | 0.186 | -0.300 |
| 7 | Participation in decision making | -0.388 | 0.489 | 0.583 | 0.122 |
| 8 | Retirement benefits | 0.614 | -0.407 | 0.446 | 0.229 |
| 9 | Appreciation for good work. | 0.655 | 0.035 | -0.400 | 0.494 |
| 10 | Enough degree of freedom is given to execute a task | -0.441 | 0.588 | -0.096 | 0.406 |
| 11 | Recognition | 0.352 | 0.100 | 0.040 | 0.761 |
| 12 | Flexible working hour | -0.374 | 0.558 | 0.455 | 0.282 |
| 13 | Incentives for achieving targets are good as compare to others company | 0.780 | -0.305 | 0.414 | -0.063 |
| 14 | Performance appraisal system is good | 0.489 | 0.456 | -0.475 | -0.299 |

Source: *Field Survey*

5.7 Component Rotation Matrix:

Table 5.6 contains component loadings or factor loadings, which are the correlations between the variable and the component. Since the idea of factor analysis is to identify the factors that meaningfully summarize the sets of closely related variables, the rotation phase of the factor analysis transfers initial matrix into one that is easier to interpret. It is called the rotation of the factor matrix.

Table 5.6: Component Rotation Matrix

| Item | Variables | Component | | | |
|------|--|-----------|-------|-------|-------|
| | | 1 | 2 | 3 | 4 |
| 1 | Company give good salary | .871 | .157 | -.150 | .153 |
| 2 | Promotion opportunities are high in the company | .327 | .673 | .354 | .071 |
| 3 | Job security | .142 | .331 | -.229 | .773 |
| 4 | Provide good training and development program | .218 | .723 | .363 | -.006 |
| 5 | Support for career development is given by the company | -.010 | .879 | -.128 | .216 |
| 6 | Health insurance scheme | .579 | .488 | -.111 | .119 |
| 7 | Participation in decision making | -.082 | -.032 | .832 | -.212 |
| 8 | Retirement benefits | .840 | -.103 | -.030 | .277 |
| 9 | Appreciation for good work. | .138 | .272 | -.260 | .821 |
| 10 | Enough degree of freedom is given to execute a task | -.497 | .083 | .534 | .228 |
| 11 | Recognition | .152 | -.130 | .238 | .747 |
| 12 | Flexible working hour | -.189 | -.017 | .837 | -.023 |
| 13 | Incentives for achieving targets are good as compare to others company | .901 | .185 | -.137 | .113 |
| 14 | Performance appraisal system is good | -.154 | .799 | -.288 | .130 |

Source: *Field Survey*

The Rotated Factor matrix after the suppression of value less than 0.5 is given in Table 5.7 where each factor identifies itself with a few sets of variables the variables which identify with each of the factors and are given against each column and row. The rotated component matrix which is referred to as the loadings is the key output of principal components analysis. It contains estimates of the correlations between each of the variables and the estimated components.

5.8: Component rotation matrix after the suppression of value less than 0.5

Table 5.8 shows a moderate to strong correlation between the variable and the component 1 with factor loadings of 0.0.579, 0.9010.871, and 0.840.S similarly components 3 also witnesses a moderate to strong correlation with the variables having factor loadings0.534, 0.837,and0.832. While component 2 shows a strong correlation with the variables with factor loadings 0.673,

0.723, 0.879 and 0.799. Similarly, component 4 also shows a strong correlation between the variables having a factor loading of 0.773, 0.821, and 0.747.

Table 5.7: Component rotation matrix after the suppression of value less than 0.5

| Sl. No. | Variables | Component | | | |
|---------|--|-----------|-------|-------|-------|
| | | 1 | 2 | 3 | 4 |
| 1. | Company give good salary | 0.871 | | | |
| 2. | Promotion opportunities are high in the company | | 0.673 | | |
| 3. | Job security | | | | 0.773 |
| 4. | Provide good training and development program | | 0.723 | | |
| 5. | Support for career development is given by the company | | 0.879 | | |
| 6. | Health insurance scheme | 0.579 | | | |
| 7. | Participation in decision making | | | 0.832 | |
| 8. | Retirement benefits | 0.840 | | | |
| 9. | Appreciation for good work. | | | | 0.821 |
| 10. | Enough degree of freedom is given to execute a task | | | 0.534 | |
| 11. | Recognition | | | | 0.747 |
| 12. | Flexible working hour | | | 0.837 | |
| 13. | Incentives for achieving targets are good as compare to others company | 0.901 | | | |
| 14. | Performance appraisal system is good | | 0.799 | | |

Source: *Field Survey*

5.9 Sorted variables with their factors:

From Table 5.8, it can be seen that Factor I (compensation package) consist of four variables such as incentives, good salary, retirement benefits and health insurance scheme having factors loading of 0.901, 0.871, 0.840 and 0.579 respectively.

On the other hand, Factor II (Growth and development) consisted of four variables, namely, support for higher education, good Performance appraisal system, good training, and development program and promotion opportunities having factor loadings of 0.879, 0.799, 0.723, and 0.673 respectively.

Similarly, Factor III (Autonomy and involvement) consist of three variables i.e. flexible working hour, participation in decision making and enough degree to execute a task which is having factor loadings of 0.837, 0.832, and 0.534 respectively.

Table 5.8: Sorted variables with their factors

| Items | Statements | Factor Loadings | Factor Name |
|-------|--|-----------------|-----------------------------------|
| 13 | Incentives for achieving targets are good as compare to others company | 0.901 | I. Compensation package |
| 1 | Company give good salary | 0.871 | |
| 8 | Retirement benefits | 0.840 | |
| 6 | Health insurance scheme | 0.579 | |
| 5 | Support career development is given by the company. | 0.879 | II. Growth and development factor |
| 14 | Performance appraisal system is good | 0.799 | |
| 4 | Provide good training and development program. | 0.723 | |
| 2 | Promotion opportunities are high in the company. | 0.673 | |
| 12 | Flexible working hour. | 0.837 | III. Autonomy and involvement |
| 7 | Participation in decision making. | 0.832 | |
| 10 | Enough degree of freedom is given to execute a task | 0.534 | |
| 09 | Appreciation for good | 0.821 | IV.Motivation |
| 11 | Recognition | 0.747 | |
| 03 | Job security | 0.773 | |

Source: *Field Survey*

Further, Factor IV (Motivation) consisted of three variables i.e. appreciation, recognition and job security having 0.821, 0.747 and 0.773 respectively as factor lodgings.

Factor I: Compensation package:

According to Adewale *et al* (2014) Compensation is direct and indirect wages. Direct compensation includes wages, salaries, bonuses, or commission etc. while indirect compensation

is paid as medical benefits, utility allowances, incentive bonus etc. moreover Fogleman and McCorkle,(2013) stated that indirect compensation include “ Social Security to health insurance, retirement programs, paid leave, child care or moving expenses”. Thus the four variables under Factor I was given under the name ‘compensation package’.

Factor II: Growth and development factor:

According to American Psychological Associations Center for Organizational Excellence (2017), employee growth and development include “Continuing education courses, Career development or counseling services Skills training provided in-house or through outside training centers Opportunities for promotion and internal career advancement coaching, mentoring, and leadership development programs”

Toppo and Prusty (2012) concluded that the performance appraisal is means of assessing the level of individual and team performance in order to make appropriate development plans. Hence the four variables support for higher education, performance appraisal, training, and development program and promotion opportunities are named ‘growth and development factor’.

Factor III: Autonomy and Involvement factor

The three variables named in accordance with the following finding i.e. self-managed work teams, employee committees or task forces, continuous improvement teams, participative decision making, employee suggestion, and monthly meetings are meaningful ways to involve employees in the organization (American Psychological Associations Center for Organizational Excellence, 2017). At the same time, Possenriede and Plantenga (2011) stated that flexible work time increases the set of resources and therefore the autonomy.

Factor IV: Motivation:

According to Herzberg's Motivation-Hygiene Theory or the Two Factor Theory Achievement, recognition, work itself, responsibility, advancement, and growth are the motivating factors.

According to Andy (2017), the top ten factors that affect employee motivation included: (a) interesting work, (b) good wages, (c) full appreciation of work done, (d) job security, (e) good working conditions, (f) promotions and growth in the organization, (g) feeling of being in on things, (h) personal loyalty to employees, (i) tactful discipline and (j) sympathetic help with personal problems.

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6.1 Introduction:

There were six chapters in this present study. The first chapter 'Employee attrition and retention in life insurance: An introduction' presented a detailed account on how the India insurance industry was evolved, It also briefly described employee attrition and its types, retention, retention strategies. The second chapter 'Profile of the life insurance companies selected for the study' described the how the selected company was formed, its performance, product and service achievement and recognition, and their CSR activities. The third chapter 'Demographic Profile of the respondents' gives the overall male female ratio of the respondents, their designations, age group, no. of employees, educational qualifications of the respondents etc. The fourth chapter 'Employee attrition in selected life insurance companies' gives four factors of attrition in life insurance companies, namely, (a) Career growth and aspiration, (b) Work environment, (c) Remuneration and (d) Job demands.

The fifth chapter 'Employee retention by the selected insurance companies' gives four factor of retention (a) Compensation package, (b) Growth and development factor, (c) Autonomy and involvement and (d) motivation. And the last chapter is Findings, Conclusion and Suggestions which are discuss below:

6.2 Findings of the study:

Findings of the study are hereby concluded as follows:

(I) Demographic Profile:

(a) Most of the respondent i.e. 35 per cent of respondents belongs to HDFC Life, followed by 22 per cent (ICICI Prudential Life), 13 per cent of Birla Sun life, 13 percent (Bajaj Allianz), 11 per cent (SBI Life), and 6 per cent (Tata AIA).

(b) Majority of the respondents in this study are males, constituting 80.3 per cent while 19.7 per cent of the respondents were females.

(c) Among the three age groups, 47.88 percent of the respondents were in the age group of 30-40 years in this study.

(d) 60.56 percent of the respondents are graduates, while 30.98 percent are postgraduate and 8.45 percent of respondents are HSC qualified. Post-graduated male respondents in this study accounted for 81.81 per cent while 18.18 percent are female while the graduated male respondents accounted for 83 percent and 16.28 percent are females. While among higher secondary pass respondents, both male and female accounted for 50 percent each.

(e) Among the married respondents, 77.78 per cent are males while 22.22 percent are female respondents. While among the unmarried respondents, 82.24 percent are males and 11.76 percent are females. With 13 males and 6 females, HDFC Life has the highest number of married respondents and it also has the highest number of unmarried respondents with 5 males and 1 female among the organisations selected for the study.

(f) The designation of the respondents comprises of Business Development Manager (25.35 percent), Agency Manager (21.12 per cent); Sales Development Manager (12.67 percent), Branch Manager or Branch Head (2.81 percent) while 38.02 percent are the respondents who held other positions.

(g) 43.66 percent of the respondents are in the category of respondents having 1-3 years of experience, while 32.39 per cent respondents have more than 3yrs of experience, followed by 23.94 per cent having less than 1 year of experience.

(II) Employees attrition in selected life insurance companies:

- a) Career growth and aspiration was one of the factor that leads employees to leave the organisation,employees leave the organisation in search for new job that offer better career growth opportunity.
- b) Employee leaves the organization in search for better work environment.
- c) Better remuneration was the reason for employees leaving the organizations, employees benefits and availability of better paying job were reason for employee leaving job.
- d) Job demands such as long working hour, large sales target and high pressures were also one of factor that leads employee to leaves the organisation.

(III) Employees retention by the selected insurance companies:

- a) Employee's compensation package such as incentives, good salary, Retirement benefits, Health insurance scheme are essential for employee retention.
- b) Growth and development factor which include Performance appraisal system, good training and development program and Promotion opportunities are important for employee retention.
- c) Autonomy and Involvement in term of decision making, flexibility of work, freedom in executing work is also an important factor that help in employee retention.
- d) Motivation of employee in the form of appreciation for good work done, recognition of achievement and giving a secure job are necessary for retention.

6.3 Conclusion of the study:

From the review of literature, organizational performance, analysis of data and findings, it may be concluded that employers needs to pay attention to various aspect of employees needs to retain them. Further a well defined career path, favourable work environment, attractive

Remuneration, physically and mental less demanding job, autonomy, motivations etc. are necessary for retention of employees

6.4 Suggestions:

The following suggestions may be given under two separate headings:

6.4.1 Suggestions for the private life insurance companies:

- a) Companies should improve its work environment as it can be the reason for both employee attrition and retention. work environment, not only means the physical condition but also the behaviour, habits of the people, rules that binds the employees, the gesture that the employer shows to the employee, and employee -employee relation comes under it. So, it is important to maintain a cordial work environment for the success of an organisation.
- b) A good organisational culture is needed for the retention of employee. So, the organisation should try to maintain and developed culture like openness, listening to employee view, allowing employee to take responsibility and good communication system.
- c) Organisation should provide employees certain degrees of freedom to execute their job.
- d) Less pressure and reducing the target and providing adequate knowledge to the employee about the products and services will be useful to reduce attrition.
- e) Rewards and recognition for efficient work of employee should be given timely in order to motivate the employee who is doing the goods work and also to encourage other employees to work efficiently.
- f) Company should find out more mechanism to make the job more secure.
- g) Product information, market knowledge, and current trend in financial sector must be made aware to the employees.

- h) The company should stick to the government norms for working hour, and overtime without pay may be stopped.
- i) The company should provide a better career opportunity and promotion for the employee. They should not lay a career path that is too difficult to be achieved.

6.4.2 Suggestion for employees:

- a) In Insurance, performance is important and performer's job is always secured and as such, employees should be proactive and hard working.
- b) Employees should be self-motivated.
- c) New employees should try to gain knowledge from their superior as they know how to convince the clients and handle organizational pressure.
- d) Employees should set their own target higher than organization target as some target can be easily achieved within given period. This will help in achieving the second target easily.
- e) The employees should not hide anything to the client about the policy which would help him to gain the trust of the client.
- f) Employee should have sound knowledge about the products and what is happening in the market.
- g) Training and development is important for every employee. So, employee should actively participate in training and development programmes.

6.5 Limitations of the study:

- a) The scope of the present study is confined to Manipur only and does not cover all the employees of private life insurance companies in India.

- b) Since only six private companies are located in Manipur the population for the study is small and hence the sample is also limited.
- c) There may be many factors of attrition and retention other than the findings in study.
- d) At the same time, the findings of the study may not be generalised to all the private life insurance companies.

6.6 Future scope of research:

- a) The present study can be widened by taking all the life insurance companies (both public and private) and thereby large sample size for study.
- b) Factors of attrition and retention other than the findings of this study can be identified.
- c) Factors influencing employee attrition and retention factors by a particular placed, culture, and costumes of a society can be further studied.
- d) Further, an attempt can be made to identify common factors of attrition and retention which are applicable to all insurance companies in India.
- e) Similarly an attempt can be made to develop a common retention strategy applicable to all the insurance industries in India.

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## APPENDIX

|                                       |                                                                                                        |
|---------------------------------------|--------------------------------------------------------------------------------------------------------|
| Name of the Candidate                 | : YumnamThoiba                                                                                         |
| Degree                                | : M.Phil                                                                                               |
| Department                            | : Management                                                                                           |
| Title of the Dissertation             | : Employee Attrition and Retention in Private Life Insurance Companies: An Empirical study in Manipur. |
| Date of payment of admission fee      | : 05 <sup>th</sup> August, 2016                                                                        |
| Date of approval of research proposal | : 22 <sup>nd</sup> May, 2017                                                                           |
| Board of professional studies         | : 8 <sup>th</sup> May, 2017                                                                            |
| School Board                          | : 22 <sup>nd</sup> May, 2017                                                                           |
| Registration no.                      | : MZU/M.Phil/378 dt.22 .5.2017                                                                         |
| Date of pre – submission seminar      | : 6 <sup>th</sup> June, 2018                                                                           |
| Date of admission                     | : 5 <sup>th</sup> August, 2016                                                                         |

## QUESTIONNAIRE

### **‘Employee Attrition and Retention in Private Life Insurance Companies: An Empirical Study in Manipur’**

Dear Sir/ Madam,

I am pursuing M.Phil. programme ‘Employee Attrition and Retention in Private Life Insurance Companies: An Empirical Study in Manipur’ in the department of management, Mizoram University, Aizawl.

In order to ensure the completion of my M.phil work, May I request you to kindly complete the questionnaire, I assure the data collected will be kept strictly confidential and used for research work only. I also promise that no information about your name or identification will be directly used in this research work. Your cooperation will be appreciated. In case of any further query please contact on the number given below

YumnamThoiba

Research Scholar

9862517032

**‘Employee Attrition and Retention in Private Life Insurance Companies: An  
Empirical Study in Manipur’**

**INSTRUCTION**

Please read all the questions/statements carefully and answer them/fill up all the space provided, tick (√) the appropriate boxes/encircle only one option from all the statements.

1. Name of the organization.....
2. Name of the respondent .....
3. Gender:                    i. Male ( )                                    ii. Female ( )
4. Age.....                    5. Marital Status: i. Married ( )                    ii. Unmarried ( )
6. Educational qualification.....
7. Designation.....
8. Experience.....
9. For how many years you have been working in this company?  
.....
- 10 How many years of your service in this organization would be beneficial to your career?  
.....
11. Is this your first job in an Insurance company?  
.....
12. If no than Please rate the reason of leaving your pervious Job on a scale from 1 to 5 in respective column. (1=strongly disagree, 2=Disagree, 3=Neutral, 4=agree, 5=strongly agree)

| SL.No. | Reasons for leaving organisation  | 1 | 2 | 3 | 4 | 5 |
|--------|-----------------------------------|---|---|---|---|---|
| 1      | Achievement not recognised        |   |   |   |   |   |
| 2      | Lack of advancement opportunities |   |   |   |   |   |
| 3      | Better career opportunity.        |   |   |   |   |   |
| 4      | Nature of the job                 |   |   |   |   |   |
| 5      | Work culture                      |   |   |   |   |   |
| 6      | Availability of better paying job |   |   |   |   |   |
| 7      | Long working Hour                 |   |   |   |   |   |
| 8      | Employee benefit schemes          |   |   |   |   |   |
| 9      | Communication system              |   |   |   |   |   |
| 10     | High work pressure                |   |   |   |   |   |
| 11     | Training                          |   |   |   |   |   |
| 12     | Large sales target                |   |   |   |   |   |

13. Please rate the appropriate items from 9.1 to 9.16 that are in your organisation on a scale from 1 to 5 (1=highly dissatisfied, 2=Dissatisfied, 3=Neutral, 4=Satisfied, 5=Highly Satisfied) in the respective column.

| SL.No. | Items                                                          | 1 | 2 | 3 | 4 | 5 |
|--------|----------------------------------------------------------------|---|---|---|---|---|
| 1      | Company give good salary                                       |   |   |   |   |   |
| 2      | Promotion opportunities are high in the company                |   |   |   |   |   |
| 3      | Job security                                                   |   |   |   |   |   |
| 4      | Provide good training and development program                  |   |   |   |   |   |
| 5      | Support for career development is given by the company         |   |   |   |   |   |
| 6      | Health insurance scheme                                        |   |   |   |   |   |
| 7      | Participation in decision making                               |   |   |   |   |   |
| 8      | Retirement benefits                                            |   |   |   |   |   |
| 9      | Appreciation for good work.                                    |   |   |   |   |   |
| 10     | Enough degree of freedom is given to execute a task            |   |   |   |   |   |
| 11     | Recognition                                                    |   |   |   |   |   |
| 12     | Flexible working hour                                          |   |   |   |   |   |
| 13     | Incentives for achieving targets are good as compare to others |   |   |   |   |   |
| 14     | Performance appraisal system is good                           |   |   |   |   |   |

14. Please rate the following on a scale from 1 to 5 in the respective column. (1=strongly disagree, 2= Disagree, 3=Neutral, 4=agree, 5=strongly agree)

| SL.No. | Work Environment                                      | 1 | 2 | 3 | 4 | 5 |
|--------|-------------------------------------------------------|---|---|---|---|---|
| 1      | Communication system is good                          |   |   |   |   |   |
| 2      | Employees are treated with due respect.               |   |   |   |   |   |
| 3      | Employee's suggestions and grievances are considered. |   |   |   |   |   |
| 4      | Fair treatment of employees                           |   |   |   |   |   |
| 5      | Better co-ordination among co-workers                 |   |   |   |   |   |

15. Please rate the following on a scale from 1 to 5 in the respective column.

(1=strongly disagree, 2= Disagree, 3=Neutral,4=agree,5=strongly agree)

| SL.No | Organizational culture.                                                 | 1 | 2 | 3 | 4 | 5 |
|-------|-------------------------------------------------------------------------|---|---|---|---|---|
| 14.1  | The working environment is open and trustworthy.                        |   |   |   |   |   |
| 14.2  | Morale in the company is high                                           |   |   |   |   |   |
| 14.3  | Supervisors do spend good deal of time in listening to employees ideas. |   |   |   |   |   |
| 14.4  | Employees are allowed to take responsibility and authority.             |   |   |   |   |   |
| 14.5  | Organization recognizes human values and culture                        |   |   |   |   |   |

16. Please suggest any other strategies that the company should include or improve in order to retain its employees for a longer period of time

---



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on  
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UNIVERSITY OF SCIENCE &  
TECHNOLOGY, MEGHALAYA



10<sup>th</sup> - 11<sup>th</sup> October, 2017

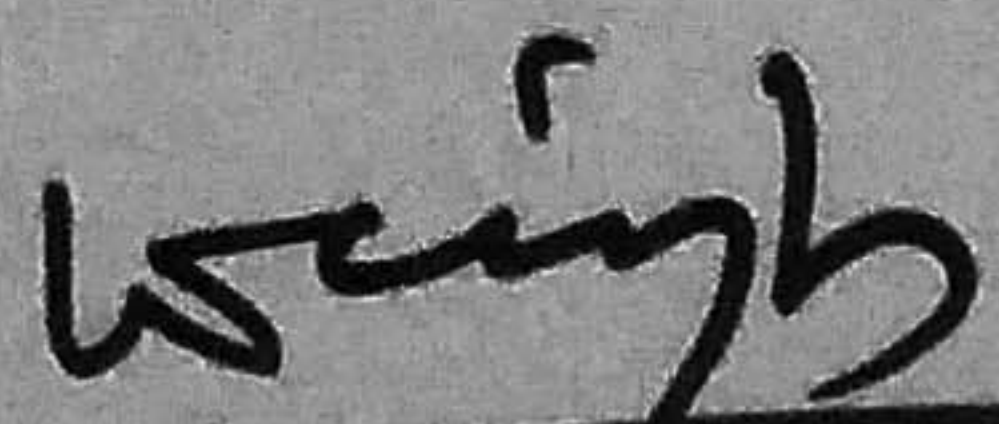
Certificate of Participation

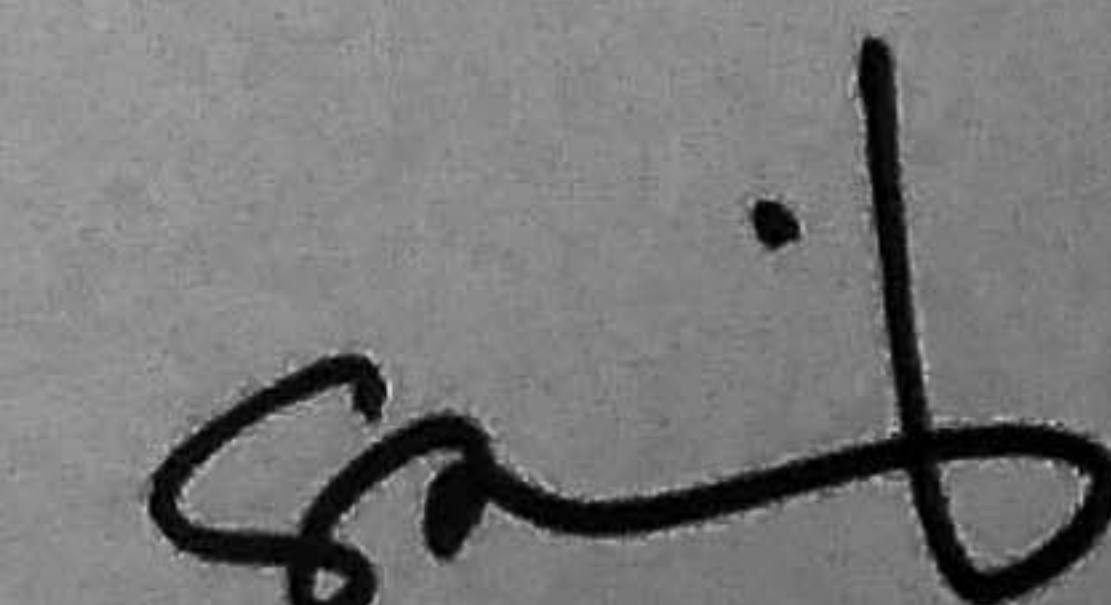
This is to certify that Mr/ Mst/Dr/Prof. *Yumnam Thoiba*


has participated / presented a paper entitled... *Employee Attrition and Retention: A Review of Literature*


at the 1st National Conference on "Think Global Act Local: Contemporary Sustainable Business Practices and Development" organized by North-Eastern Management Association in collaboration with University of Science & Technology, Meghalaya (USTM) held during 10<sup>th</sup> - 11<sup>th</sup> October, 2017, at USTM Campus.

Given this on 11th day of October, 2017

  
(W.C. Singh)  
Secretary, NEMA

  
(J.U. Ahmed)  
President, NEMA

  
(N.Laskar)  
Coordinator & Deputy Registrar, USTM

  
(Sunildro L.S. Akoijam)  
Coordinator & Jt. Secretary, NEMA