

Employee Satisfaction Survey on the Life Insurance Industry

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Abstract: This paper has proposed to explore the satisfaction of employees that sell insurance policies. Several authors had examined customer satisfaction, service quality and its implications on customer attitude towards different fields, but our concern was to address this relatively unexplored field which is employees` satisfaction. By using an exploratory approach, we collected data from a sample of 332 employees that sell insurance policies within north-Western Romanian. By analyzing data it was possible to determine the GAP between the expectations of employees that sell insurance policies and their perceptions regarding the service quality in life insurance industry. In addition it was tested whether there is relationship between the frequency of contact with the back office employees and level of income earned from this activity. It was revealed that from the analyzed population the most of those surveyed were employees of insurance intermediaries and not employees of a single company insurance. Considering that the number of researches that analyze the front office employees` satisfaction is rather low we consider that this paper brings a significant contribution to the literature review.

Keywords: life insurance; front office employee; service quality; insurance; SERVQUAL

JEL classification: G21; M31

1. Introduction

As an extension of a prior work when was analyzed the customer expectations and perceptions regarding the quality of insurance policy, in this article we changed the angle from which we look at the problem. By analyzing only the customers` satisfaction we neglected an important part of the service process. In service industry in particular both customers and sale agents have an important task. Thus, customer satisfaction depends on the satisfaction of frontline employees.

Services, by their nature, are intangible, so contact staff has a great impact on the whole process of providing service. Product offerings of insurance companies can be easily copied by competitors, and how to provide services is no exception.

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How the customer is treated within an insurance company can be a major difference being almost impossible that gestures of staff, ambiance and atmosphere created to be reproduced by the competition.

Contact staff must meet certain qualities, such as attitudes, gestures and professional experience. So they can perform their duties most efficiently the contact staff must be satisfied to work for the way that the documents are provided, information required timely, responsiveness from those responsible, how communicating with management and the employee from the back office.

In his research Rose (2001) has viewed job satisfaction as a bi-dimensional concept consisting of intrinsic and extrinsic satisfaction dimensions.

Satisfied employees tend to be more productive, creative and committed to their employers. (J. Michael Syptak, MD, David W. Marsland, MD, and Deborah Ulmer, Singh Anita).

It examines quality assurance through the determination of employee satisfaction that sell insurance (the front office). Quality of service is measured by the employees at the front, looking expectations they have regarding their tangible elements are provided for this activity, fairness, transparency in the management and those in the back office, responsiveness, items related process safety and the empathy of the back office and management.

2. Method

To collect the data we used the validated survey instrument used in the first step of the research which was the determination of the customer satisfaction concerning service quality in life insurance industry (Bente et al., 2014). The adapted SERVQUAL instrument contained 21 statements for both expectations and perceptions questionnaire. We modified only the way of expressing of some questions in order to fit in this context. “The composition for both perceptions and expectations questionnaires is: tangibility- 4 items, reliability- 4 items, responsiveness -6 items, assurance - 4 items and empathy-3 items” (Bente et al., 2014).

As in the first research, the analyzed population represents the Northwestern Romania. In such cases, when we are targeting specific population (the front office employees who sell insurance policies) the use of this sampling method is most often justified by supposing that the convenience sample was a random sample. The sampling units were not randomly selected because not all the broker agencies or the insurance companies where we went to collect data wanted to participate in the study. The participants from the broker agencies or from the insurance

companies were randomly chosen. As a part of an extensive research “in January 2014 the survey instrument was piloted on a group of 70 customers. Finally, a cross-sectional survey design was used” (Bente et al., 2014). The data from this research who analyzes the satisfaction of employees that sell insurance policies were collected in about three and a half weeks in May and June 2014.

3. Findings

In order to verify the research hypotheses were calculated the following statistical tests: Paired-Sample T Test and one way ANOVA.

H1. There are significant differences on the perceptions mean of insurance employees’ and the insurance employees` expectation mean.

Table 1. Paired Samples Test

| | | Paired Differences | | | | | t | df | Sig. (2-tailed) |
|--------|----------------------------|--------------------|----------------|-----------------|---|---------|---------|-----|-----------------|
| | | Mean | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference | | | | |
| | | | | | Lower | Upper | | | |
| Pair 1 | PERC EP - EXPE CT | -,78026 | ,57368 | ,03148 | -,84220 | -,71833 | -24,782 | 331 | ,000 |

Source: Processed by authors

The results of the testing (Table 1) reveal a mean difference between the perception mean and expectation mean pair is -0,78. Sig. value associated with the statistic t-test is 0,000 (is less than 0.05), which allows us to conclude that differs significantly from zero.

It can be reached the same conclusion by observing the 95% confidence interval which is between - 0,842 and -0,718 with degrees of freedom 331, and since the confidence interval does not pass through the 0,00 the difference is statistically significant at two-tailed significance level of 5%.

In these circumstances the first research hypothesis H1 is confirmed, there are significant differences on the perceptions mean of insurance employees’ and the insurance employees` expectation mean. In order to be more explicit the perception mean is 3,595 and the expectation mean is considerably higher 4,376. Thus, we can conclude that the significant difference can be attributed to high expectations rather than low perceptions.

H2 There are statistically significant differences on the 5 dimensions (tangibility, reliability, responsiveness, assurance and empathy) of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees. Contact not only means physical contact in which direct communication occurs through speech but also communication as phone, email, etc..

H2.a There are statistically significant differences on the tangibility dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees.

The results of the testing (Table 2) reveal that the F value of 0,539 is not statistically significant because Sig (p=0,584) is more than 0,05 and it shows that the mean differences on the tangibility dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees there are no significant differences, therefore the research hypothesis H2.a. is rejected.

Table 2. ANOVA test

| | | Sum of Squares | df | Mean Square | F | Sig. |
|----------|----------------|----------------|-----|-------------|-------|------|
| P_A_TANG | Between Groups | ,774 | 2 | ,387 | ,539 | ,584 |
| | Within Groups | 236,440 | 329 | ,719 | | |
| | Total | 237,214 | 331 | | | |
| P_A_RELI | Between Groups | 5,008 | 2 | 2,504 | 3,769 | ,024 |
| | Within Groups | 218,553 | 329 | ,664 | | |
| | Total | 223,561 | 331 | | | |
| P_A_RESP | Between Groups | 3,169 | 2 | 1,584 | 2,450 | ,088 |
| | Within Groups | 212,735 | 329 | ,647 | | |
| | Total | 215,904 | 331 | | | |
| P_A_ASS | Between Groups | 3,357 | 2 | 1,679 | 3,163 | ,044 |
| | Within Groups | 174,610 | 329 | ,531 | | |
| | Total | 177,967 | 331 | | | |
| P_A_EMP | Between Groups | 1,509 | 2 | ,755 | 1,017 | ,363 |
| | Within Groups | 244,248 | 329 | ,742 | | |
| | Total | 245,757 | 331 | | | |

Source: Processed by authors

H2.b There are statistically significant differences on the reliability dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees.

The results of the testing (Table 2) reveal that the F value of 3,769 is statistically significant because Sig ($p=0,024$) is less than 0,05 and it shows that the mean differences on the reliability dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees there are significant differences, therefore the research hypothesis H2.b. is confirmed, there are significant differences on the reliability dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees.

H2.c There are statistically significant differences on the responsiveness dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees. The results of the testing (Table 2) reveal that the F value of 2,450 is not statistically significant because Sig ($p=0,088$) is more than 0,05 and it shows that the mean differences on the responsiveness dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees there are no significant differences, therefore the research hypothesis H2.c. is rejected.

H2.d There are statistically significant differences on the assurance dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees.

The results of the testing (Table 2) reveal that the F value of 3,163 is statistically significant because Sig ($p=0,044$) is less than 0,05 and it shows that the mean differences on the assurance dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees there are significant differences, therefore the research hypothesis H2.d. is confirmed, there are significant differences on the assurance dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees.

H2.e There are statistically significant differences on the empathy dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees. The results of the testing (Table 2) reveal that the F value of 1,017 is not statistically significant because Sig ($p=0,363$) is more than 0,05 and it shows that the mean differences on the empathy dimension of employee satisfaction that sell insurance policies depending on frequency of contacts they have with the back office employees there are no significant differences, therefore the research hypothesis H2.e. is rejected.

H3. There are statistically significant differences on the 5 dimension (tangibility, reliability, responsiveness, assurance and empathy) of employee satisfaction that sell insurance policies depending on their income resulting from this activities.

H3.a There are statistically significant differences on the tangibility dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities.

The results of the testing (Table 3) reveal that the F value of 0,440 is not statistically significant because Sig (p=0,780) is more than 0,05 and it shows that the mean differences on the tangibility dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities, there are no significant differences, therefore the research hypothesis H3.a. is rejected.

H3.b There are statistically significant differences on the reliability dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities.

The results of the testing (Table 3) reveal that the F value of 1,259 is not statistically significant because Sig (p=0,286) is more than 0,05 and it shows that the mean differences on the reliability dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities, there are no significant differences, therefore the research hypothesis H3.b. is rejected.

Table 3. ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|----------|----------------|----------------|-----|-------------|-------|------|
| P_A_TANG | Between Groups | 1,269 | 4 | ,317 | ,440 | ,780 |
| | Within Groups | 235,945 | 327 | ,722 | | |
| | Total | 237,214 | 331 | | | |
| P_A_FIAB | Between Groups | 3,391 | 4 | ,848 | 1,259 | ,286 |
| | Within Groups | 220,170 | 327 | ,673 | | |
| | Total | 223,561 | 331 | | | |
| P_A_REC | Between Groups | 3,190 | 4 | ,797 | 1,226 | ,300 |
| | Within Groups | 212,714 | 327 | ,651 | | |
| | Total | 215,904 | 331 | | | |
| P_A_SIG | Between Groups | 1,925 | 4 | ,481 | ,894 | ,468 |
| | Within Groups | 176,041 | 327 | ,538 | | |
| | Total | 177,967 | 331 | | | |
| P_A_EMP | Between Groups | 5,302 | 4 | 1,325 | 1,802 | ,128 |
| | Within Groups | 240,456 | 327 | ,735 | | |
| | Total | 245,757 | 331 | | | |

Source: Processed by authors

H3.c There are statistically significant differences on the responsiveness dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities.

The results of the testing (Table 3) reveal that the F value of 1,226 is not statistically significant because Sig ($p=0,300$) is more than 0,05 and it shows that the mean differences on the responsiveness dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities, there are no significant differences, therefore the research hypothesis H3.c. is rejected.

H3.d There are statistically significant differences on the assurance dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities.

The results of the testing (Table 3) reveal that the F value of 0,894 is not statistically significant because Sig ($p=0,468$) is more than 0,05 and it shows that the mean differences on the assurance dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities, there are no significant differences, therefore the research hypothesis H3.d. is rejected.

H3.e There are statistically significant differences on the empathy dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities.

The results of the testing (Table 3) reveal that the F value of 1,802 is not statistically significant because Sig ($p=0,128$) is more than 0,05 and it shows that the mean differences on the empathy dimension of employee satisfaction that sell insurance policies depending on their income resulting from this activities, there are no significant differences, therefore the research hypothesis H3.e. is rejected.

H4 There are statistically significant differences on the 5 dimensions (tangibility, reliability, responsiveness, assurance and empathy) of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field.

H4.a There are statistically significant differences on the tangibility dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field.

The results of our tests (Table 4) demonstrate that the F value of 0,822 is not statistically significant because Sig ($p=0,365$) is more than 0,05 and it shows that the mean differences on the tangibility dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this

field, there are no significant differences, therefore the research hypothesis H4.a. is rejected.

H4.b There are statistically significant differences on the reliability dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field.

The results of our tests (Table 4) demonstrate that the F value of 0,822 is not statistically significant because Sig ($p=0,365$) is more than 0,05 and it shows that the mean differences on the reliability dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field, there are no significant differences, therefore the research hypothesis H4.b. is rejected.

H4.c There are statistically significant differences on the responsiveness dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field.

The results of our tests (Table 4) demonstrate that the F value of 5,847 it is statistically significant because Sig ($p=0,016$) is less than 0,05 and it shows that the mean differences on the responsiveness dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field, there are significant differences, therefore the research hypothesis H4.c. is confirmed.

H4.d There are statistically significant differences on the assurance dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field.

The results of our tests (Table 4) demonstrate that the F value of 4,302 it is statistically significant because Sig ($p=0,039$) is less than 0,05 and it shows that the mean differences on the assurance dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field, there are significant differences, therefore the research hypothesis H4.d. is confirmed.

H4.e There are statistically significant differences on the empathy dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field. The results of our tests (Table 4) demonstrate that the F value of 1,164 is not statistically significant because Sig ($p=0,281$) is more than 0,05 and it shows that the mean differences on the empathy dimension of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field, there are no significant differences, therefore the research hypothesis H4.e. is rejected.

Table. 4 ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|----------|----------------|----------------|-----|-------------|-------|------|
| P_A_TANG | Between Groups | ,589 | 1 | ,589 | ,822 | ,365 |
| | Within Groups | 236,625 | 330 | ,717 | | |
| | Total | 237,214 | 331 | | | |
| P_A_REL | Between Groups | 1,253 | 1 | 1,253 | 1,861 | ,173 |
| | Within Groups | 222,307 | 330 | ,674 | | |
| | Total | 223,561 | 331 | | | |
| P_A_RES | Between Groups | 3,759 | 1 | 3,759 | 5,847 | ,016 |
| | Within Groups | 212,145 | 330 | ,643 | | |
| | Total | 215,904 | 331 | | | |
| P_A_ASS | Between Groups | 2,290 | 1 | 2,290 | 4,302 | ,039 |
| | Within Groups | 175,677 | 330 | ,532 | | |
| | Total | 177,967 | 331 | | | |
| P_A_EMP | Between Groups | ,864 | 1 | ,864 | 1,164 | ,281 |
| | Within Groups | 244,893 | 330 | ,742 | | |
| | Total | 245,757 | 331 | | | |

Source: Processed by authors

4. Conclusion

By using the instrument that Parasuraman et al. developed in 1988 (Parasuraman et al., 1988) a lot of researchers have found different characteristics that can influence customers' quality assessment of various services. This paper offers a relatively unexplored optic that employees' satisfaction that sell insurance policies. Some of the results revealed important aspects of the Romanian insurance market characteristics such as the most of those surveyed were employees of insurance intermediaries and not employees of a single company insurance. In this paper we sought to determine employees' satisfaction that sell insurance policies, therefore we tested four hypotheses. The first hypothesis H1 is confirmed; there are significant differences on the perceptions mean of insurance employees' and the insurance employees' expectation mean.

The second research hypothesis is partial confirmed because only on two dimensions (reliability and assurance) of satisfactions we significant differences. Therefore, there we confirmed H2.b and H2d. On the reliability and assurance dimension we can state that the more often the employees' contact with the back office employees the lower is the employees' satisfaction that sell insurance

policies. The third research hypothesis H3 is rejected. There are not statistically significant differences on the 5 dimensions (tangibility, reliability, responsiveness, assurance and empathy) of employee satisfaction that sell insurance policies depending on their income resulting from this activities. Although income is a component that influences satisfaction with quality of life.” Research suggests that usually, there is a positive relationship between income and subjective wellbeing (SWB) or happiness” (Diener, 1984, Thomas Li-Ping Tang, 2006). The fourth research hypothesis is partial confirmed because only on two dimensions (responsiveness and assurance) of satisfactions we significant differences. In conclusion that there are statistically significant differences on the responsiveness and assurance dimensions of employee satisfaction that sell insurance policies depending on the experience (number of years) they have in this field. Future studies should utilize larger sample sizes in order to increase the reliability of the results. Further research should explore whether in Romania these findings are influenced by the recent scandal from some insurance company. Therefore it could be utilize the SERVPERF instrument to determine employees` satisfaction to different moments.

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6. References

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