

6th International Conference on Recent Innovations in Science, Engineering and Management

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A STUDY OF RETENTION OF FRONT LINE SALES

EMPLOYEES IN MAX LIFE

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ABSTRACT

In the insurance sector, recruiting, selecting, training and managing human resource constitutes the biggest challenge all over the world. Mainly all the organizations are struggling with knowledge loss due to high employee turn over. Managers are struggling high to retain talent in the organisation. Retention has become momentous to the development and growth of the organisation. Increased emphasis has been laid on retention of talent. Max New York Life is no exception to that. In this paper , we would analyse the causes of retention of front line sales employees in Max New York Life and suggest critical management strategies to reduce the retention rate .

I. LITERATURE REVIEW

Hale (1998) stated that employers cited recruitment costs of 50% to 60% of an employee's first year's salary and up to 100% for certain specialized, high-skill positions. **Bowen and Shuster (1986)** stated that while all constituting elements of an organization are important for its success, it is its enhanced ability to attract and retain the best quality talent that separates it from the others.

Abbasi and Hollman (2000) sought to determine the impact of employee turnover on an organization and found that excessive employee turnover often engenders far reaching consequences and at the extreme may jeopardize efforts to attain the organizational objectives. **Elangovan (2001)** has argued that there is a reciprocal link between organizational commitment and turnover intention, i. e. lower commitment increases turnover intention, which lowers commitment further.

Abdul Rahman, Raza Naqvi, and Ismail Ramay (2008) revealed that job satisfaction and organizational commitment had a negative effect on turnover intentions, whereas perceived alternative job opportunities had a significant positive correlation with turnover intentions and is the major factor associated with turnover intention among it Professionals in Pakistan. **Van Dick et al. (2004)** have also identified job satisfaction as a predictor of turnover intention, however, they argue that it is a mediating variable between organizational identification and turnover intention. According to their Sales Force Turnover study, organizational identification feeds into job satisfaction which, in turn, predicts turnover intention. **Zheng and Lamond (2009)** found out that training, size, length of operation and the nature of the industry are significantly related to turnover.

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Suman Pathak & Vibhuti Tripathi (2010) in their paper addresses issues of recruitment, retention and turnover of sales force in insurance companies. A survey was conducted among 350 employees who worked in or had left insurance companies to analyze factors that influenced their decisions and job satisfaction. Factors such as Safety & Security, Social & Esteem and Personal Work Style emerged as the influencers to join insurance companies. Primary Needs and Social & Self Esteem Needs were the factors associated with job satisfaction; Stress, Career Advancement and Work Environment emerged as factors for leaving the companies. They concluded organizations need to develop and deploy human resources that can articulate the vision of the organization and make teams with the synergy to perform at much higher levels. The survey revealed that 60% of the employees left the insurance sector in less than 1 year; 22% employees remained in the same sector for 1–3 years; 8% of employees worked in this sector for at least 4–6 years; 5% of employees remained in the same sector for 10 years, and 5% had been in the insurance industry for more than 10 years.

Geeta Verma , Neha Jain , Neha Choudhary (Nov, 2010) in their paper stated successful organizations realize by having an effective employee retention strategy will help them sustain their leadership and growth in the market place. Good organizations make employee retention a core element of their talent management and organizational development strategy. Those that failed to make employee retention a priority are at risk of losing their top talented people to the competition. Employee retention is an important job of HR department in today's optimistic scenario. Managing people at work can be done by employing an easy to understand approach to ensure the root causes of turnover are addressed and the potential for lasting change unleashed, customizes all activities to the organizations unique history, current practices and strategic objectives. Also considered are challenges unique to the industry sector, competitive market place issues and talent shortages.

According to **Abhishek Roy Chowdhary (Dec, 2011)**, people quit early due to poor compensation , no recognition ,no rewards , no benefits and when they don't find appropriate growth prospects in the company. Other reasons for high retention could be due to Micro management – constraint to employee. Poor relationships and biasness could also be one of the major factors behind. He had concluded that employee decides duration of his stint in the company depending upon his personal perception and outlook about employee.

Dr. Ms.Zartaj Kasmi (Dec 2011) had emphasized on HR factors affecting employee retention. He had identified Financial Rewards, career development opportunities & Job content as main measures to reduce employee retention. By adopting these method HR can effectively retain its employees. In his conclusion he had mentioned Retention management practices. It can be done through proper selection process and by managing HR related factors.

Dr.Abbishek Srivastava & Nitu Saxena (2011) in their work had focused on employee engagement. They had used a tool AIM (Articulate, Improve, Manage).It focuses on employee engagement through quality of work life, growth opportunities, hygiene & motivators. It can create healthy organization and healthy environment.

Arijit Bose (April 2011) examined the purpose of exit interview in order to study the reasons behind high attrition rate .He focused on seriousness of low retention rate for HR managers and how they are fighting this problem by redefining their HR policies & practices. In his study he focused on questions to be asked by employees in exit interview so that it may reveal the reasons for high retention. He concluded that third party firms should be hired to conduct exit interview on behalf of company so that it could throw light on true perspective of high retention.

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Monika Hamori & Burak Korjuncu (August, 2012) in their study “Why top young managers are in a nonstop job hunt) they had discussed career development gap. For the same they had asked 1200 young managers to rate mentoring, coaching , training ,support from senior management & working as a virtual global team, to rate on the scale of 1 to 5 depending on how important these items are to them. The conclusion was 95% of managers regularly engaged in such activity. It also revealed that they leave their company in every 28 months reflecting despite all these activities there is low retention of employees in companies.

1.1 Objectives of the research

1. To identify and understand the factors which influences the decision of an individual to join Max Life.
2. To study the retention rate of Front Line Sales employees in Max Life
3. To study the factors affecting retention rate.
4. To provide recommendations to Max Life to further enhance retention rate.

II. RESEARCH METHODOLOGY

2.1 Identification of Research Problem

It is clear from Literature review that the biggest challenge faced by the HR manager in Max Life continues to be retention of Front Line Sales employees. Company is investing huge money in hiring and training the employees but they are unable to retain them for longer. Knowing the factors of retention of front line sales professionals in the company, can be a great help for the HR manager.

There is abundant amount of research done on low retention of employees in different sectors. But, unfortunately no similar research initiative has been undertaken in Max Life,which has focused on retention of front line sales employees. The literature available on the retention of front line sales employees is also limited. Continuing on the same issue , this paper will focus on understanding the factors and consequences of retention of employees in Max Life . It will develop the strategies to retain efficient employees in the organisation.

2.1 Research Design

Descriptive Research (Study involves finding the root cause of employee retention).

2.2 Data Collection Method

1. Primary Data (Questionnaire)
2. Secondary Data (Books, internet ,news paper, journals, magazines)

III. QUANTITATIVE APPROACH

For the quantitative analysis, the research is conducted through questionnaire focusing on one independent group – Front Line Sales employees.

Front Line Sales employee

FLS employees comprise of males and females from different age-groups with different educational qualifications and work experience.

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Hence, stratified random sampling is used.

Sample Size

Front Line Sales Employees -150

Sampling technique - Random sampling

Hypothesis is based on the following assumption

Retention in insurance sector is influenced by job satisfaction

IV. INTRODUCTION: MAX LIFE INSURANCE

Max Life Insurance, the leading non-bank promoted private life insurer, is a joint venture between Max Financial Services Ltd. and Mitsui Sumitomo Insurance Co. Ltd. Max Financial Services Ltd. is part of the Max Group, a leading Indian multi-business corporation, while Mitsui Sumitomo Insurance is a member of MS&AD Insurance Group, which is amongst the leading insurers in the world. Max Life Insurance offers comprehensive long term savings, protection and retirement solutions through its high quality agency distribution and multi-channel distribution partners. A financially stable company with a strong track record over the last 15 years, Max Life Insurance offers superior investment expertise and has the vision 'To be the most admired life insurance company by securing the financial future of our customers'. The company has a strong customer-centric approach focused on advice-based sales and quality service delivered through its superior human capital. Max Life Insurance has positioned itself on the quality platform and has developed a strong corporate governance model based on the core values of caring, credibility, collaborative and excellence.

At Max Life Insurance, providing a superior customer experience is central to its vision and the Company is committed to provide superior service experience to the customer. As a proactive step towards service excellence, Max Life Insurance has launched the "Treating Customer Fairly" (TCF) policy. The TCF policy aims to raise standards in the way the Company interacts with customers at every touch point right from the pre-sales engagement to the payment of benefits.

The company values human capital and considers it to be its competitive advantage. Max Life Insurance believes that people are its biggest organizational assets and hence lays a strong emphasis on employee friendly practices leading to high levels of employee engagement and motivation. This is reflected in the recognition that the company received from the Great Places To Work Institute, India, as one of the best workplaces in the industry.

Max Life Insurance believes that as a corporate it has a responsibility to engage with society. This engagement goes beyond being ethical and honest in our business practices along with providing the right products basis their needs. We believe in caring for society and have decided to focus on providing a safe and secure future for underprivileged children.

V. INTRODUCTION TO RETENTION

Employee Retention is a process in which the employees are encouraged to continue with the organization for the long time .Employer employee relationships have undergone a fundamental change. It has implications on the attrition, motivation and retention of talented employees. Employee retention is necessary for both the

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organization as well as employee. An employee leaving the organization is a bad investment for the company. It is one of the major challenges for HR to retain its employees. Recruiters reveals that high low retention significantly increase the investments that are made in the employees. Companies invest significant amounts of money and time in training in the initial phase but these investments do not always get converted into actual profits. . High attrition reflects that an organization is not able to fulfill the needs of its employees. Employee retention imply to the various policies and practices which let the employees continue in the organization for a longer period of time. For retaining the most essential asset of the organisation , best HR practices need to be inculcated. Employee retention is important for the performance of a firm . If the organization is not able to retain its employees, it will not be able to capitalize on human assets developed within the organization (Shekhnia, 1994). . In this study employee retention is dependent variable and others are independent variables.

5.1 Reasons for joining Max Life

1. Abundant growth Opportunities
2. Flexibility of Time
3. Challenge in the Job
4. Goodwill of the Company
5. Work Environment of the Company
6. Attractive compensation and high incentive schemes
7. Low entry barriers

5.2 Findings

Reasons due to which an employee leaves Max Life

1. Better Job Opportunity in other sectors
2. Better Salary
3. Target Pressures in the company
4. No Time for the Family
5. Job Insecurity
6. Relocation
7. High targets

VI. ANALYSIS AND INTERPRETATION

Likert scale technique has been used in order to analyse the causes of retention of employees. And how to retain them.The responses from respondents for each determinant are scored on a five point scale i.e.; strongly agree, agree, uncertain, disagree and strongly disagree. Higher scores in each determinant depicts the high level of impact on employee retention and lower scores depicts less impact of determinants level of job satisfaction. The responses of the various respondents have been given below in Table-1and Table-2

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Determinants	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Chances of Promotion	19	32	43	4	2
Good salary Structure	21	31	5	42	1
Good work Culture	34	23	4	29	10
Growth opportunities	31	29	37	21	3
Allocation of Rewards	20	14	12	44	10
High work Pressure	48	42	10	0	0
Lack of Support	19	27	13	29	12
Recognition of work	11	14	6	42	27
Job Security	4	8	32	39	17

Table-2 Employee Retention Strategies

Please rate how important each strategies are important to you, on a scale from 1 to 5.

S.No	Strategies	Highly Dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Highly satisfied
1	Promotional Opportunities	4	16	3	6	4
2	Welfare Measures	9	15	5	4	3
3	Working Environment	3	4	7	14	4
4	Training & Development Programmes	2	3	6	8	3

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5	Rewards & Recognition	9	13	1	4	2
6	Fringe Benefits	7	16	3	5	3
7	Management support	8	7	4	15	8
8	Promotion opportunities	9	7	5	9	7
9	Proper amenities	4	3	2	8	4

VII. CONCLUSION

The study has shown a significance relationship between retention of employees and job satisfaction. The frequencies of promotional opportunities, allocation of rewards regarding work and work environment show the highest values in relation to the level of retention of employee in Max Life. It means that the respondents are more concerned towards their career growth, rewards and want to work in an environment where they get support from their colleagues. So, in today's competitive environment the organizations should treat their employees as the most valuable assets and have to take care of them in order to achieve the organisational goals. Organizations should provide their employees with the best career growth opportunities, working environment, rewards, supervisor support and work-Human Resource, a vital corporate asset, will melt away unless companies do something to stop the brain drain and to retain critical knowledge. Possible options include:

- documenting invaluable critical knowledge from the top domain experts and key personnel, before they leave the company so that relevant information is maintained in the organization.
- exit interviews should be undertaken as it would throw light on the factors which induces an employee to leave organization.

Strategies that can reduce the retention rate thereby inculcating job satisfaction in employee through

1. Job Security
2. Work Environment
3. Appreciation in job
4. Balance in Work and Family Life
5. Monetary Benefits
6. Career Growth
7. Better Work Culture

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