

Job Satisfaction: Evaluation of Statelife Insurance Corporation Attock Branch, Pakistan

By

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Abstract

The purpose of study was to find the relationship between job satisfaction of employees working in Statelife Insurance Corporation Attock branch with job security, social recognition, and quality of work, inter-personal relationships. The basic objective of study is to find out the causes of internal and external factors that leads employees towards job dissatisfaction. This study tries to develop a model. The model shows the main concept i.e. Job satisfaction, Indicators of job satisfaction, and Variables of job satisfaction. Job satisfaction itself is a dependent variable and external and internal factors of job satisfaction are independent variables. Job Satisfaction is be measured by using five points Likert scale Conclusion is based on the questionnaires filled by the employees result shows that by taking steps to improve job satisfaction of all employees, Statelife will be able to argument employee's morale, increasing their loyalty, and hopefully improve their performance. This paper will be helpful for the company to measure satisfaction level of their employees and after analyzing they will be able to take corrective actions to reduce dissatisfaction factors.

Keywords: *Job satisfaction, job security, social recognition, quality of work, inter-personal relationship, sense of accomplishment, skills utilization, internal factors, external factors, scope of job, work responsibilities, work experience.*

1. Introduction

In organizational behavior research job satisfaction is the most frequently studied variable. Job satisfaction is considered as one's feelings or mental state regarding the nature of their work. Job satisfaction can be influenced by various factors, e.g., the quality of employee's relationship with their supervisor, the quality of physical environment in which employees work, degree of fulfillment in their work, and perception of people about the organization. The insurance sector plays an important role in the service-based economy and its services are now being integrated into wider financial industry. In Pakistan insurance companies act as financial intermediaries. Insurance companies (both private and public) consisting the organizations which provides life, fire, accident, causality and many other forms of insurance. Statelife Insurance Corporation was nationalized in March 1972. The Corporation was nationalized under Life Insurance (nationalization) order 1972. Previously it's Chairman and Board of Directors were appointed by the Federal Government. Up to 2000 Statelife was run by the Board of Directors appointed by Federal Government in 1972 at the time of it's nationalization. In July 2000 Federal Government reconstituted the Board of Directors under Insurance Ordinance 2000. Statelife is profitable organization and it paid 1.729 billion as dividend to the government of Pakistan since its commencement in 1972.

Research Objectives

The research objectives of this study are:

- One of the primary objectives is identification of major changes in job satisfaction, and relationships.
- To measure the satisfaction level of employees towards their job
- To find out the causes of internal factors that leads employees towards job dissatisfaction
- To find out external factors that leads employees towards job dissatisfaction

Statement of the Problem

Pakistan is an Islamic state hence both insurance systems (conventional & Islamic) are functioning. Takaful concept is introduced during last decade while conventional insurance system is working since the establishment of Pakistan. Takaful advertised itself as Islamic insurance system so job of employees working for conventional insurance system is questionable. So it is important to measure the job satisfaction of insurance company's employees that are based on conventional insurance system.

“What are the effects of internal and external factors of job satisfaction on employee's satisfaction in Statelife Insurance Corporation?”

2. Literature Review

Spector (1997) says that in the economic and social sciences, numerous studies have investigated which workers characteristics and organization features of determine or related to job satisfaction. Locke (1976) stated that starting from psychology, literature about job satisfaction was developed in a broad range of research fields. Taylor says that systematic studies about nature and causes of job satisfaction began in the 1930s, through the importance of the worker's attitude in determining their satisfaction and productiveness was recognized long before. According to Staples & Higgins, (1998) various theories have been building to explain what makes employees satisfied with their job. A review of the literature indicates that there is no general agreement on the definition of the determinants of job satisfaction. Job satisfaction has been studied as the outcome of some factors or as the cause of some consequences, such as job performance, absenteeism, labour, market mobility and general life satisfaction.

Examples of studies belonging to the latter class are Podsakoff and Williams (1986), and Freeman (1978). Locke (1976) stated that the theories go to the first group, viewing job satisfaction as an outcome, have been divided into two categories: content theories and process theories. Campbell et al (1970) suggested that process theories are distinguishable variables such as needs, values, expectancies, perceptions and how these variables combine and interact to determine job satisfaction. According to Herzberg (1995) content theories identify factors leading to job satisfaction. Two major content theories are Maslow's need hierarchy theory (Maslow, 1954) and Herzberg's two factor theory also called Motivation-Hygiene theory.

Focus of this study is on the latter theories which are most interesting theories about job satisfaction, because it has both theoretical and practical consequences. According to Herzberg (1966) the Motivation-Hygiene theory introduces the term job enrichment which is defined as an attempt to design a task in such a way as to build the opportunity for the personal achievement, individual growth, recognition and challenge. This theory has, therefore wide implications for managers who want to use Human resource successfully.

Furnham (1997) stated that job satisfaction can be viewed under different theoretical perspective but mainly “borrowed from other branches of economics and psychology. Herzberg theory is one of the few unique theories in the region of organizational psychology.

In Hertzberg Theory Hertzberg suggested that job satisfaction and dissatisfaction is caused by different and independent set of factors. He found that when people are satisfied, they attribute their satisfaction to the work itself, while when the people are dissatisfied with their job, they are concerned with the environment in which they work. Therefore we can say that job satisfaction is caused, on the one hand by the set of factors related to the work itself, such as nature of job, achievement in the work, possibilities of personal growth and recognition, and promotion opportunities. These factors are called Motivators by Hertzberg, as they should motivate people to higher performance.

On the other hand job dissatisfaction is result of “conditions that surround the doing of the job” (Hertzberg, p113) such as physical working conditions, company policy, salary, job security, quality of supervision and relations with others. Hertzberg called these factors hygiene (or maintenance) factors. These are not an intrinsic part of job but they refer to the environment and have the function of preventing job dissatisfaction. The hygiene factors must be continually maintained by management because they are never completely satisfied.

According to Staples and Higgins (1998) it is important to underline that if hygiene factors are at very low level, workers are dissatisfied, but the reverse is not true. When hygiene factors are satisfied and the environment is good, workers are not dissatisfied but neither necessarily satisfied and they are not motivated to higher performances. However, when motivators are satisfied, workers are satisfied and often this satisfaction leads to better performances. Kretiner et al (1999) stated that in other words Hertzberg theory does not place satisfaction and dissatisfaction at “opposite ends of a single, unbroken continuum” but it considers satisfaction and dissatisfaction as separate dimensions. There is a zero mid point where workers can be neither satisfied nor dissatisfied.

Some studies have confirmed that Hertzberg theory saying that job satisfaction and dissatisfaction are based on different factors (e.g. Ford, 1969 and Maher, 1971, as cited in Yamashita, 1995). Locke (1976) deeply analyzed logical criticism to Hertzberg theory and concluded that in one respect, Hertzberg made a major contribution to job satisfaction theory and he allowed us to understand nature of job satisfaction, on the other hand, the idea of separate and independent factors seems to be logically and empirically indefensible. Locke affirmed that these factors are “separable but independent”.

3. Research Methodology

Population

Target population for this study is drawn from the full-time employees of Statelife.

Sample Selection

The sample of this paper consisted of 61 employees and attribute of this sample is that they are working for the Statelife for last 10-15 years. From this selected sample 66% are male respondent and 34% are female respondents.

Data Collection

This research will use the primary data obtained from questionnaire distributed to employees of Statlife Attock branch.

Research Instrument

In order to measure job satisfaction data is collected from responses to a survey questionnaire sent to the employees of Statelife by distributing questionnaires in Attock branch. A target population was drawn from the full-time employees of Statelife.

Validity and Reliability of Research Instrument

To measure validity for this research tolerance and VIF factor calculated that can guide research. VIF factor is a recent method that is used to measure validity. It is calculated as $VIF = 1/1-R^2$. For valid research value of tolerance should be greater than 0.20 or 0.10 and VIF factor should be less than 5 or 10.

For this research first tolerance ($1- R^2$) is calculated. Value of tolerance is 0.64 ($1-0.366$) which means research is valid as per tolerance point of view. Now determine the value of VIF which is calculated as $VIF = 1/1- R^2$. VIF value for research is 1.56 ($1/1-0.366$) which is less than 5 or 10. Hence it is conclude that this research study is valid.

To check reliability of research cronbach’s alpha (α) is calculated which is coefficient of reliability and used as a measure of internal consistency or reliability. Cronbachs’ alpha compares the consistency of response of all item on the scale. α value is 0.81 which is acceptable and proves the reliability of research instrument.

Conceptual Framework

Table:1			
Concept	Indicators	Variables	Decision Point
Job Satisfaction	Internal Factors	Job Itself Sense of accomplishment Skills utilization Job Security	Likert Scale of 1-5 where 1=0% 2=25% 3=50% 4=75% 5=100% 3 or above is the
	External Factors	Social Recognition Job Security Inter-personal relationships Quality of work	

Data Analysis

Data is analyzed by using SPSS software

4. Data Analysis and Frequency Tables

Job Satisfaction is measured by using five points Likert scale. Questionnaires were distributed among employees of Statelife Attock branch. Questionnaire for this research consisted of three parts.

Part-1

First part was about the demographic information. It includes

- o Gender-Male or Female
- o Education
- o Monthly Income

Gender

After the analysis of questionnaires result showed that percentage of male respondents was greater than percentage of female respondents. Male respondents were 66% and female respondents were 34% (Table 1).

Table 1. Gender

		Frequency	Percent	Valid Percent	Cumulative percent
Valide	Male	33	54.1	66.0	66.0
	Female	17	27.9	34.0	100.0
	Total	50	82.0	100.0	
	System	11	18.0		
Missing		61	100.0		

Education

Second question was about the Education 24% respondents have passed their intermediate. 54% answered that they are graduate. And 22% were Post-Graduate (Table 2).

Table 2. Education

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	Intermediate	12	19.7	24.0	24.0
	Graduate	27	44.3	54.0	28.0
	Post graduate	11	18.0	22.0	100.00
	Total	50	82.0	100.0	
	System	11	18.0		
Missing		61	100.0		

Part-2

Second part consisted of general information. It includes

- o Work Experience
- o Work responsibilities

After the analysis of second part of questionnaires there were two general questions

Work experience

First question was about the work experience.18% said that they are working for the organization for more than 20-years. 48% said they have passed 10 years into the organization.28% said they are working for last 6years and 6% were new and just passed 2 or 3 years (Table 3).

Table 3. Work experience

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	0%	9	14.8	18.0	18.0
	25%	24	39.3	48.0	66.00
	50%	14	23.0	28.0	94.0
	75%	3	4.9	6.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.00		
Total		61	100.0		

Work Responsibilities

After analysis of second question I have come to know that from 100% respondents 14% were area managers, 20% were sales managers, 40% respondents were sales officers, 2% were sector heads, and 24%were sales representatives (Table 4).

Table 4. Work Responsibilities

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	0%	7	11.5	14.0	14.0
	25%	10	16.4	20.0	34.0
	50%	20	32.8	40.0	74.0
	75%	1	1.6	2.0	76.0
	100%	12	19.7	24.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Part-3

Third part of questionnaire consisted of specific information and information related to the research topic about which I am gathering data and using this tool (questionnaire) for data collection.

View of Family

In third part I have asked about family view to know about the social background of respondents. 50% respondents said that they are moderate, 30% said they are social able, and 20% said they are religious (Table 5).

Table 5. View of Family

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	Moderate	25	41.0	50.0	50.0
	Sociable	15	24.6	30.0	80.0
	Religious	10	16.4	20.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Achievement of Aim in Life

Second question that I have asked was about the achievement of aim in life to know the satisfaction level of respondents towards their goal achievement. 12% responded that they have achieved 25% goal that they have settled into their life, 56% said that they have achieved 50% of their goal and 32% said that they have achieved 100% of their goal (Table 6).

Table 6. Achievement of Aim in Life

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	25%	6	9.8	12.0	68.0
	50%	28	45.9	56.0	100.0
	100%	16	26.2	32.0	
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Job Itself

Next question was about the job itself to know that how respondent feels about his/her current job, 75% said that they are satisfied from their job, 13% said they are not satisfied with their job, and 12% said that they are neither satisfied nor dissatisfied (Table 7).

Table 7. Job Itself

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	25%	6	9.8	12.0	12.0
	50%	32	52.5	75.0	76.0
	100%	12	19.7	13.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Efforts are valued

Question number 4 was about the feelings about the effort valuation that are respondents satisfied about the response of supervisors and they got what they expected or not? 52% responded that they are satisfied with the manner in which their efforts are valued, 40% said that they are indifferent, 4% said that they are not satisfied, and 4% accepted their mistakes (Table 8).

Table 8. Feelings about efforts

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	0%	2	3.3	4.0	4.0
	25%	26	42.6	52.0	56.0
	50%	20	32.8	40.0	96.0
	75%	2	3.3	4.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Current Career Opportunities

I have asked this question for the reason that I will be able to know that what respondent feel that how long he will work with the organization? 46% said that their future is bright and they have the chance of promotion and they are satisfied, 24% said that they do not have any other option that's why they are working here, and 30% said that they are indifferent (Table 9).

Table 9. Current career opportunities

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	25%	23	37.7	46.0	46.0
	50%	12	19.7	24.0	70.0
	75%	15	24.6	30.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Scope of Job

Next question was about the job scope to know about the respondent behaviour towards the job and its loyalty with the organization. 58% responded that this job is perfect for them, 30% said that they are working for the experience, and 12% said that they are finding new jobs (Table 10).

Table 10. Scope of your job efforts for you

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	25%	29	47.5	58.0	58.0
	50%	15	24.6	30.0	88.0
	75%	6	9.8	12.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Personal Growth & Development

Question about the personal growth and development was important to know that is there any behavior changing practices that organization has adopted, 46% said that they have learned a lot within this organization and the important benefit they have got is the confidence in public dealing, 46% said that they are in learning process, and 8% said that may be it will helpful in future (Table 11).

Table 11. Personal growth & development

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	25%	23	37.7	46.0	46.0
	50%	23	37.7	46.0	92.0
	100%	4	6.6	8.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Participation

Question about the participation I have asked for the reason to know that how much organization is concerning to involve its employees into the decision taken for them.48% said that managers valued their participation and encourages them to participate, 44% said that management always take decisions with the participation of employees, 6% were satisfied with the decision of top- managers, and 2% said that they have not participated yet (Table 12).

Table 12. Your Participation

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	0%	1	1.6	2.0	2.0
	25%	24	39.3	48.0	50.0
	50%	22	36.1	44.0	94.0
	75%	3	4.9	6.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Skills Utilization

Skills utilization question was about to know that what are the requirement of job and how much a person can polish his/her personality.86% responded that they found a 100% chance to polish their personality and by doing this job they are utilizing their skills like communication and other skills, 14 % said that they just want to work into the office while this job is a field work (Table 13).

Table 13. Skills Utilization

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	50%	7	11.5	14.0	14.0
	75%	43	70.5	86.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Job Security

To check the level of job security I have asked this question, 52% said that they feel that their job is secure and they are satisfied with their job, 32% said that they are indifferent about the job security, 14% said that they are internally and externally satisfied with the job, and 2% do not feel security about their job (Table 14).

Table 14. Level of job security

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	0%	1	1.6	2.0	2.0
	25%	16	26.2	32.0	34.0
	50%	7	11.5	14.0	48.0
	75%	26	42.6	52.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Inter-Personal Relationships

Next question was about the inter-personal relationships that how much this job has effects on the relations of employees? 60% said that they have good relations with others inside and outside the organization, 38% said that sometimes they feel problem in dealing customers, and 2% said that they have some clashes with managers (Table 15).

Table 15. Interpersonal Relationships

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	25%	30	49.2	60.0	60.0
	50%	19	31.1	38.0	98.0
	75%	1	1.6	2.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

Quantity of Work

Last question was about the employee's expectations that are they feel that the work given to them is enough for them and they also found time to relax. 50% answered that they are satisfied the work quantity allotted to them, 34% said that sometimes they found work hectic, 14% said that they are indifferent, and 2% said that they are not satisfied with the work quantity allotted to them (Table 16).

Table 16. Quantity of work expected

		Frequency	Percent	Valid Percent	Cumulative percent
Valid	0%	7	11.5	14.0	14.0
	25%	25	41.0	50.0	64.0
	50%	17	27.9	34.0	98.0
	75%	1	1.6	2.0	100.0
	Total	50	82.0	100.0	
Missing	System	11	18.0		
Total		61	100.0		

5. Findings and Conclusion

- The result of this research indicates that employees working into the Statelife Insurance Corporation` s Attock branch are satisfied with their jobs.
- Employees working for 15 years are more satisfied than employees working for 5 years or less. Some factors that lead to dissatisfaction of this group of employees should be addressed into the organization at strategic level.
- Experienced employees have argued convincingly that their hands are tight in two areas- promotion and job security because of the limitations inherent in the organization by top- level management.
- They are, however, to be commended for continuing to make efforts to improve the situations by working with those employees having less experience.
- Until such time as real changes takes place, however, employees who are totally dissatisfied with some internal and external factors of job satisfaction must decide whether these frustrations outweigh the satisfying aspect of their job.
- It may seem harsh to suggest that employees who are hopelessly unhappy with their job conditions and policies of organization look for job elsewhere.
- If we analyze the research as a whole then we will come to know that overall result shows that employees are satisfied in Statelife but differences exist on the basis of experience that causes job dissatisfaction.
- Employees who are working for Statelife for 5 or less years they will take time to understand the nature of job.
- At one side some employees are not satisfied with some factors of job satisfaction like they think that their personal growth & development is not possible in this organization while on the other hand they are satisfied with the participation into the organization.
- By taking steps to improve job satisfaction of all employees, Statelife will be able to argument employee`s morale, increasing their loyalty, and hopefully improve their performance.

6. Limitations of the Study

Followings are the scope and limitation of the study:

- The research is conducting only from the Statelife insurance corporation and not from any other insurance organization.
- Research is conducting from the Attock branch of Statelife only.
- Conclusion is based on the questionnaires filled by the employees of Attock branch of Statelife only.
- Study is constrained by limited time and limited financial resources.

7. Recommendations

Pakistan's insurance industry is still following the conventional approach while developed countries are enjoying the benefits of friendly system of insurance. Insurance industry of Pakistan is contributing to 0.23% to GDP. Unfortunately Insurance industry of Pakistan is overlooked from its foundation as compared to other financial sectors (banking, mutual funds, and securities). The route cause of backwardness of insurance industry of Pakistan is lack of awareness of its customers. In developed countries insurance is considered as a vital tool for economic stability. Unluckily insurance companies and insurance association of Pakistan did not take steps to highlight the importance of insurance and promotion of insurance mechanism.

- Sufficient information is not available publicly about insurance companies.
- Insurance association of Pakistan should take steps to promote insurance mechanism.
- Significant reforms implemented to make financial system more efficient but insurance sector is lagged behind due to ineffective and diffused legal and regulatory frame work. Hence there is need to develop the regulatory framework governing insurance sector's supervision in Pakistan.

8. Recommendations for Further Research

Further studies on this topic should add more internal and external variables of job satisfaction. Other recommendation is that the future researcher should collect data from other branches and zones of Statelife Insurance Corporation of Pakistan. And also data should be collected from other Insurance companies as well. This study basically focused on one branch of Insurance companies so it is important for future research to extend the analysis by increasing the number of companies. Research is conducting from Statelife Insurance Corporation of Pakistan and purpose of this research oriented project is to measure job satisfaction of employees working in Statelife. This report will be helpful for the company to measure satisfaction level of their employees and then after analyzing they will be able to take corrective actions to reduce dissatisfaction factors.

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