

The Journal of ARSYM

A Publication of Students' Research of the Annual Research Symposium in
Management

Volume: 2 Issue: II August: 2022

The Journal of ARSYM (JARSYM) is a refereed journal published bi-annually by the Faculty of Business Studies & Finance, Wayamba University of Sri Lanka. The aim of the JARSYM is to disseminate high-quality research findings on a variety of timely topics generated by the undergraduate and postgraduate researchers in the Wayamba University of Sri Lanka. Furthermore, it opens up avenues for the undergraduates involved in the industry to share their inventions, state-of-the-art discoveries and novel ideas. The main philosophy behind the JARSYM is to enhance the research culture within the faculty, thereby within the Wayamba University. All research articles submitted are double blind reviewed prior to publishing. Views expressed in the research articles are not the views of the Faculty of Business Studies and Finance, Wayamba University of Sri Lanka or the Editorial Board.

Copyright © 2021 Faculty of Business Studies and Finance
National Library of Sri Lanka - Cataloging in Publication Data
Journal of ARSYM (JARSYM)
ISSN No: 2756-9373
Bar Code: 9772756 937008

Published by:

Faculty of Business Studies and Finance
Wayamba University of Sri Lanka
Kuliyapitiya, Sri Lanka
Tel: +94 37 228 4216
Web: <http://bsf.wyb.ac.lk>

Cover Page by:

Dr. R.M.T.N. Rathnayake
Lecturer
Department of Accountancy
Wayamba University of Sri Lanka

All rights reserved. No part of this Publication may be reproduced, stored in a retrieval system or transmitted by any means, electronically, mechanical, photocopying, recording or otherwise without the written permission of the publisher.

Aims and Scope

The Journal of ARSYM (JARSYM) is a refereed bi-annual journal committed to publish undergraduate research papers of the Faculty of Business Studies and Finance, Wayamba University of Sri Lanka. The JARSYM publishes theoretical and empirical papers spanning all the major research fields in business studies and finance. The aim of the JARSYM is to facilitate and encourage undergraduates by providing a platform to impart and share knowledge in the form of high quality and unique research papers.

Core Principles

- Publication in the Journal of ARSYM is based upon the editorial criteria cited and the evaluation of the reviewers (each manuscript will be sent two reviewers).
- Priority is given for novelty, originality, and to the extent of contribution that would make to the particular field.

The journal welcomes and publishes original articles, literature review articles and perspectives and book reviews describing original research in the fields of business studies and finance. The core focus areas of the journal include;

- Accounting
- Banking
- Business strategies and innovations in crisis
- Disaster and crisis management
- E-commerce & business communication
- Economics
- Entrepreneurship and small business
- Finance
- Human resource management and organizational behavior
- Management information systems
- Marketing management
- Operations management
- Risk management and insurance
- Strategic management

Editor-in-chief,
Journal of ARSYM (JARSYM)

Editorial Board

Editor-in-Chief

Dr. KAMS Kodisinghe

Department of Business Management
Faculty of Business Studies and Finance
Wayamba University of Sri Lanka

Editorial Advisory Board

Prof. SK Gamage

Dean
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Prof. DAM Perera

Department of Accountancy
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Prof. HMA Herath

Department of Business
Management
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Prof. RA Rathnasiri

Department of Banking and Finance
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Dr. KM Dissanayake

Department of English Language
Teaching
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Editorial Board

Dr. Kumara Uluwatta

Department of Accountancy
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Dr. WS Sanjeewa

Department of Insurance and
Valuation
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Mr. EMHJ Edirisinghe

Department of English Language
Teaching
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. WSA Fernando

Department of English Language
Teaching
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. JAGP Jayasinghe

Department of Accountancy
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. RSL Jayarathne

Department of Insurance and
Valuation
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. HMAK Herath

Department of Banking and Finance
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. BB Tharanga

Department of Banking and Finance
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Editorial Assistants

Ms. DMNB Dissanayake

Department of Insurance and
Valuation
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. DGS Abeygunawardane

Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. BACH Wijesinghe

Department of Accountancy
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Mr. MMSKB Bogamuwa

Department of Insurance and
Valuation
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. PDSN Dissanayake

Department of English Language
Teaching
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. WDMBK Dissanayake

Department of Business
Management
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. SMN Praveeni

Department of Business
Management
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. WJAJM Lasanthika

Department of Business
Management
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Ms. MOS Mendis

Department of Accountancy
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Dr. RMTN Rathnayaka

Department of Accountancy
Faculty of Business Studies and
Finance
Wayamba University of Sri Lanka

Panel of Reviewers

Internal Reviewers

Prof. HMA Herath
Wayamba University of Sri Lanka

Prof. RA Rathnasiri
Wayamba University of Sri Lanka

Dr. TK Karandaketiya
Senior Lecturer
Wayamba University of Sri Lanka

Dr. KAMS Kodisinghe
Senior Lecturer
Wayamba University of Sri Lanka

Dr. WAI Lakmal
Senior Lecturer
Wayamba University of Sri Lanka

Dr. DAT Kumari
Senior Lecturer
Wayamba University of Sri Lanka

Mr. BM Wijesiri
Senior Lecturer
Wayamba University of Sri Lanka

Ms. WDNSM Tennakoon
Senior Lecturer
Wayamba University of Sri Lanka

Mr. UES Kumara
Senior Lecturer
Wayamba University of Sri Lanka

Ms. AKDN Dilshani
Senior Lecturer
Wayamba University of Sri Lanka

Ms. HMAK Herath
Senior Lecturer
Wayamba University of Sri Lanka

Mr. DGL Rasika
Senior Lecturer
Wayamba University of Sri Lanka

External Reviewers

Dr. EACP Karunarathne
Senior Lecturer
Department of Industrial
Management
Wayamba University of Sri Lanka

Dr Asanka Dharmawansa
Senior Lecturer
Department of Industrial
Management
Rajarata University of Sri Lanka

Ms. Seetha Pathmini
Senior Lecturer
Rajarata University of Sri Lanka

Table of Contents

THE IMPACT OF WORK FROM HOME ON EXECUTIVE LEVEL EMPLOYEES' PRODUCTIVITY OF AUDIT FIRMS IN THE WESTERN PROVINCE, SRI LANKA..... 1

Dhivya T., Kodisinghe, K.A.M.S.

WHAT PREVENT PURCHASING GREEN COSMETIC PRODUCTS: A STUDY IN SRI LANKA 16

Wijenayake K.V.A.J.C., Lasanthika W.J.A.J.M.

FACTORS INFLUENCING ON AGENTS' RETENTION IN SRI LANKAN LIFE INSURANCE INDUSTRY: REFERENCE TO HAMBANTOTA DISTRICT..... 32

Ranathunga, A.R.S., Dissanayake D.M.N.B.

THE IMPACT OF SERVICE QUALITY ON THE CUSTOMER SATISFACTION; WITH SPECIAL REFERENCE TO THE PUBLIC SECTOR BANKS IN SRI LANKA 48

Jayathilake, K.R.P.T., Herath, H.M.S.P.

ONLINE FOOD DELIVERY SERVICES: E-SERVICE QUALITY AND LOYALTY INTENTION OF THE CUSTOMERS IN COLOMBO DISTRICT 62

Perera, W.S.D., Dissanayake, W.D.M.B.K.

Factors Influencing on Agents' Retention in Sri Lankan Life Insurance Industry: Reference to Hambantota District

Ranathunga, A.R.S.¹, Dissanayake D.M.N.B.²

^{1,2}*Department of Insurance & Valuation, Faculty of Business Studies and Finance,
Wayamba University of Sri Lanka
¹arsdarshani@gmail.com, ²nadeekab@wyb.ac.lk*

ABSTRACT

Insurance sector in Sri Lanka is growing very fast. This cause to strong the competition in the country among the insurance companies. As there are 27 insurance companies operate in Sri Lankan insurance industry and 13 of them provide life insurance. Therefore, retain the existing customers by satisfying them and attract potential customers are a crucial issue for the insurance companies. This is directly linked with the agents because the agents act as the intermediary in between insurance companies and the customers. Hence, the survival of the insurance industry is in the hands of the sales agent. For an insurance company to thrive in the changing world of work there is a need to attract, develop and retain talent with the right skills and knowledge to enhance organizational effectiveness and efficiency. Among them, retention of the sales force is at a crisis situation. Insurance companies are plagued with high levels of employee turnover and are challenged by effectively retaining their staff. The study was done with a sample of 110 life insurance agents. Data for this investigation was gathered using quantitative techniques through a five-point Likert scale type questionnaire. Analysis of collected quantitative data was done using SPSS Data Analyzing Package. Multiple regression was conducted to demonstrate the statistical results. As per the study's findings Recruitment and Selection, Training and Development, Working Environment, Salary and other benefits and Job Security have an impact on agents' retention. This study was restricted to life assurance companies in Hambantota district. Hence, future researchers can widen the study to general insurance industry and other areas of the country.

Keywords: Agents' Retention, Insurance Industry, Turnover, Job Security, Working Environment

1. INTRODUCTION

Insurance has become broad concept with great economic force in the entire world. In Sri Lanka during the last decades' insurance industry has played a vital role due to the significant impact and the rapid growth of insurance activities. In Sri Lankan context out of the 27 companies in operation, 2 companies were composite insurers, carrying on both long term insurance business and general insurance business, 13 companies were carrying on long term insurance business and 12 companies were carrying on general insurance business. (Insurance Regulatory Commission of Sri Lanka, 2019)

But there are two main categories of businesses carried under insurance industry. They are life Assurance and General Insurance. This research concentrated with Life Assurance. Life insurance is a giant industry which contributes for the development of the global economy. Due to the demand of the insurance sector, it provides a variety of product portfolios through their intermediaries. As the intermediaries, agents play a major role in the insurance sector by connecting the insured and the insurer together. The survival of the insurance industry is in the hands of the sales agents. For an insurance company to thrive in the changing world of work there is a need to attract, develop and retain talent with the right skills and knowledge to enhance organizational effectiveness and efficiency. Among them, retention of the sales force is at a crisis situation. There were few researches focus on the retention of sales agents in the insurance industry. But in the Sri Lankan context, factors have not yet been identified and adequately discovered due to the lack of studies. Identifying the significant factors that affect the retention of agents will be benefited the insurance industry for enhancing the retention rate.

Insurance Agents are persons registered with an Insurer or an Insurance Broker registered under the Act and who is in consideration of a commission solicits or procures insurance business for such insurer or insurance broker. Qualifications for registration have been specified by the Commission. As per Section 34 of the Act, Insurance Agents are an important distribution channel through which insurers procure insurance business.

Organizations may find it easier to attract people. But according to Grobler et.al.(2011) and Das, Nandialath, & Mohan, (2013), retaining them may be a great challenge as people are motivated by various factors. The life insurance industry faces an acute human capital attraction and retention challenges due to the effects of social, demographic, economic, and industry specific factors (Kwon, 2014). Herzberg's (2003) motivator-hygiene theory, initially published in 1959, identifies seven hygiene factors and eight motivators that could cause employees to stay satisfied with their jobs. Several factors affect employee retention, which include compensation, career opportunities, material working conditions, and training and development (Pierre & Tremblay, 2011).

According to the annual reports of IRCSL (2015-2019), the number of insurance sales agents has decreased from 45,433 in 2015 to 44,998 at the end of 2019. As it emphasis a slight decrease in the number of agents, identifying the factors affecting the retention of agents is crucial for the insurance industry's growth. In the Sri Lankan context, there is a lack of studies conducted in this area. Hence, the current researcher conducted this study to fill this research gap. The researcher selected five factors based on the literature review which impact on agent retention such as recruitment & selection, training & development, working environment, salary and other benefits and job security. Therefore, the research problems were to know what extent recruitment and selection/ training & development/ working environment/ salary and other benefits / job security has been influenced on agents' retention in insurance industry. These problems will let the researcher to the main objective of this study which was identifying and analyzing the factors affecting agents' retention in life insurance industry in Sri Lanka.

2. LITERATURE REVIEW

This review of the literature was designed to answer the question: 'What strategies do insurance managers use to retain their talented employees?' 'What kind of impact will arise to the Insurance agents from retention factors?'

References used for the literature review are categorized into seven subheadings: employee retention, employee turnover, factors associate with retention, recruitment and Selection, Training and development, working environment, salary and other benefits and job security.

2.1 Employee retention

The American Council of Life Insurers (2015) suggested life insurance agents' organizational commitment is at an all-time low, as has been shown by the significant amount of life insurance sales agents leaving the occupation annually. A key component for life insurance companies to maintain growth and remain profitable is the management of life insurance sales agents' retention (Tanwar & Prasad, 2016) . In (2018) U.S. Bureau of Labor stated that the retention of agents has become a challenge in the life insurance industry. The retention of life insurance sales agents has become a challenge in the life insurance industry.

2.2 Turnover

Between 1990 and 2011, the life insurance industry lost 30% of its workforce and human capital management issues in the United States was noted as having a fast decrease in its markets with high volatility in its labour market (Kwon, 2014).Also in (2018) U.S. Bureau of Labor recognized Approximately 18,580 agents will need to be replaced annually due to the turnover.

2.3 Factors associate with retention

Before selecting the factors for the study, researcher focused on factors associate with retention through the support of the literature. Herzberg's (2003) motivator-hygiene theory, initially published in 1959, identifies seven hygiene factors and eight motivators that could cause employees to stay satisfied with their jobs. The motivator-hygiene theory is used to explain the logic associated with reasons for talented employee retention and potentially yield strategies insurance managers can use to retain talented employees. According to Gregory P. Smith, author of "Here Today, Here Tomorrow", transferring your workforce from higher turnover to higher retention", discuss the areas attributes as essential to a higher retention organization. Namely clearly defined organizational direction and purpose, caring management, flexibility in scheduling and benefits, open straight forward communication, energetic and enthusiastic work environment, effective performance appraisals, rewards and recognition, training and development, paying competitive wages, championing longevity and respective employees (Smith Gregory P, 2003)

Pierre & Tremblay(2011) point out several factors that affect employee retention, which include compensation, career opportunities, material working conditions and training and development. Abassi and Hollman, 2000; Hewitts Associates, 2006; Sherman et al. 2006 highlights reasons for employee turnover in the organizations: hiring practices, managerial style, lack of recognition, lack

of competitive compensation system, toxic workplace environments. Others include lack of interesting work, lack of job security, lack of promotion and inadequate training and development opportunities, amongst other. By considering the above following independent variables were recognized for the study.

2.4 Recruitment and Selection

Sar suggested that people strategies should include recruiting outstanding talent besides ensuring proper management of employees. (Sar, 2012). According to Torre, (2008), selection process is the key to the retention of employees in any organization. James et al (2009) affirms the same point by saying that selection process for the agents in the assurance industry is very critical and is directly associated with the retention of the agents in the assurance industry.

2.5 Training and development

Training and development are the formal activities designed by organizations to help employees acquire the necessary skills and knowledge to perform current or future jobs (Desimone, Werner & Harris, 2002). Training and development have been considered as one of the crucial activities of human capital development (Desimone et al., 2002). This is because training and development activities such as on-the-job training, mentoring, coaching, and counseling are important activities for employees to get valuable support, knowledge, skills and abilities that may enhance their employability and marketability in an organization.

Cravens (2010) points out that, life insurance industry can be a difficult business to get started in, but with the right tools and training a person can become successful at selling life insurance products. The first few years as a new agent can be the toughest. If agents could be properly coached and supported during this period, retention rates would improve.

2.6 Working Environment

Mosckovich and Achouch (2017) explained that the organizational family culture increases employee retention.

Previous literature finds out employer awards, employers respect and keep the promises within the agreement, positive inner job characteristics which impact positively and Workplace stress, lack of closeness and unsupportiveness has negative impact on agent retention in the working environment (MacDonald, Kelly, & Christen, 2014)

2.7 Salary and other benefits

Compensation is the total financial or non-financial rewards payable to an employee in return for their services (Milkovich, Newman, & Gerhart, 2011). Skipper (1995) suggests that the traditional compensation structure leads low public regard and legal problems. Insurance agents need such strategies to help them get more business opportunities. It has become very important for insurance agents to execute a variety of strategies in order to maintain and improve good sales performance, as insurance agents are compensated based on sales commission, with no basic salary being paid to them. (Tan & Khulida, 2013).

Barnett & Bradely (2007) and Hofman, Dries, & Pepermans (2008) found that the level of income, status and promotion appeared to be less relevant once employees achieved a certain level of compensation.

2.8 Job security

Insurance industries have made it more difficult for insurance agents to get business opportunities, which directly affect their income and subsequently, the probability of career achievement. This in turn makes it increasingly difficult for insurance agents to secure their careers. Sales force focused more on getting more earnings. This is evidenced as these sales force members shift to other companies more quickly due to lower job security (Akhter & Khan, 2015).

3. METHODOLOGY

Based on the literature review, the following research model and hypothesis were developed for the study. The independent variables were included recruitment & selection, training and development, working environment, salary and other benefits and job security. Agents' retention was taken as the dependent variable of the study.

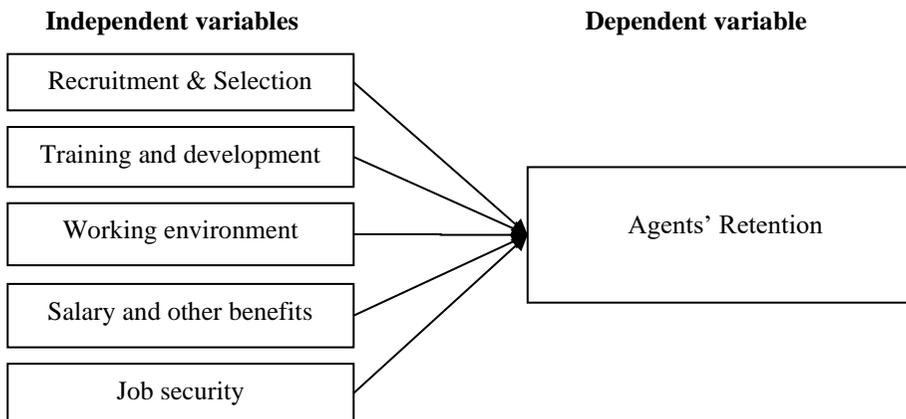


Figure 1: Conceptual Framework

- H1: Recruitment and selection significantly impact on agents' retention in the life insurance industry in Sri Lanka
- H2: Training and development significantly impact on agents' retention in the life insurance industry in Sri Lanka
- H3: Working environment significantly impact on agents' retention in the life insurance industry in Sri Lanka
- H4: Salary and other benefits significantly impact on agents' retention in the life insurance industry in Sri Lanka
- H5: Job security significantly impact on agents' retention in the life insurance industry in Sri Lanka

The population of the study can be defined as all agents in life insurance companies in Sri Lanka. Currently there are fifteen life assurance companies in Sri Lanka. There are ten life assurance companies in the Hambantota district.

They are Sri Lanka Insurance Corporation Ltd, Union Assurance PLC, AIA Insurance Lanka PLC, Allianz life assurance Lanka Ltd, Softlogic life assurance PLC, Janashakthi Insurance PLC, Ceylinco life assurance, Co-Operative Insurance Co. Ltd, HNB Assurance PLC and Sanasa Life Insurance Company Limited. During this analysis the researcher select 03 insurance firms as a sample. They are Softlogic life assurance PLC, AIA Insurance Lanka PLC, Allianz life assurance Lanka Ltd.

These 03 companies selected based on the contribution to the market share during 2015-2019. Softlogic life assurance PLC has rapid increment into the contribution of market share such as 7.62 from 2015 and 8.88, 10.52, 12.46 and finally 14.11 in 2019. But in AIA Insurance Lanka PLC remaining stable position in their contribution to market share. They start up at 15.71 in 2015 and then 15.92, 16.08, 15.87, 15.6 in 2019. Allianz life assurance Lanka ltd has considerably lower market share compared to the other companies. They start up in 1.71 in 2015 and then 1.64, 1.65, 1.62, 1.58 in 2019. The variety of market share contributors are selected by the researcher as it will diversify the outcome of those companies. A sample of 110 respondents was drawn from the population of 4848 agents. A structured questionnaire was used to collect primary data. The researcher used five points Likert Scale ranging from ‘Strongly Disagree’ to ‘Strongly Agree’ to measure the responses.

Table 1: Operationalization of Variables

	Variable	Indicator	Measurement
Independent Variables	Recruitment and Selection	Understanding	Five-point
		Qualifications	Likert Scale
		Timing	
	Training and Development	Opportunities for Training	Five-point
		Training Programs	Likert Scale
		Success of Training	
	Working Environment	Work-Life Balance	Five-point
Pressure		Likert Scale	
Supervisor Support			
Recognition			
Salary and Other Benefits	Salary Satisfaction	Five-point	
	Type of Work	Likert Scale	
	Job Security		
Job Security	Career Opportunities	Five-point	
	Job Interest	Likert Scale	
	Growth opportunities		
Dependent Variable	Employee Retention	Employer satisfaction	Five-point Likert Scale

4. RESULTS AND DISCUSSION

4.1 Demographic Analysis

According to the findings, 62% of the respondents were female, and most of them belong to the age of 18-25 (62%). Furthermore, 50% of respondents receive only the commission as compensation.

4.2 Reliability Analysis

To determine if the questions of the questionnaires are reliable, measure of internal consistency (reliability) can be considered. The reliability of the questionnaire was tested by using Cronbach's Alpha. The Cronbach's alpha values for all the 5 main dimensions of the research and the dependent variable are greater than 0.7 which indicates a high level of internal consistency for our scale with this specific sample.

Table 2: Reliability of construct

Variable Type	Variables subjected to the reliability tests	Cronbach's Alpha	Comment	No. of items
Independent	Recruitment & Selection	0.849	Acceptable	5
	Training and development	0.920	Acceptable	5
	Working environment	0.930	Acceptable	5
	Salary and other benefits	0.869	Acceptable	5
	Job security	0.932	Acceptable	4
Dependent	Retention of Insurance Agents	0.934	Acceptable	6
Dependent & Independent	All Variables	0.977	Acceptable	30

Source: (Survey Data, 2021)

4.3 Descriptive Analysis

Descriptive statistics used in this study to provide simple summaries about the sample and measures central tendency.

Table 3: Descriptive Analysis

	N	Mini mum	Maximu m	Mean	Std. Deviation	Varian ce
<i>Independent variables</i>						
Recruitment and Selection	110	1.40	4.8	3.62	0.7217	0.52
Training and Development	110	1.00	5	3.833	0.7114	0.51
Working environment	110	1.20	4.8	3.673	0.7874	0.62
Salary and other benefit	110	1.00	4.6	3.611	0.7152	0.51
Job security	110	1.00	4.5	3.536	0.7711	0.60
<i>Dependent variable</i>						
Employee Retention	110	1.7	5.0	3.655	0.7246	0.525
Valid N (listwise)	110					

Source: (Survey Data, 2021)

4.4 Inferential Analysis

The inferential statistic was included Correlation analysis, Regression analysis, and ANOVA was used to test the model fitness.

4.4.1 Correlation Analysis

Pearson's correlation coefficient was used to measure the strength of the relationship between dependent and independent variables. The results were summarized in Table 4.

Table 4: Correlation Analysis

Variable	Pearson Correlation	Sig. Level (2-tailed)	Nature of the Relationship
Recruitment & Selection	0.760**	.000	Significant
Training & Development	0.764**	.000	Significant
Working Environment	0.757**	.000	Significant
Salary and other benefits	0.682**	.000	Significant
Job Security	0.826**	.000	Significant

Source: Researcher Constructed, 2021

The results of the correlation analysis indicate that all the independent variables have a significant relationship with the dependent variable.

The positive correlation coefficients of recruitment & selection, training & development, working environment, salary and other benefits and job security are 0.760,0.764,0.757,0.682 and 0.826 respectively indicate that those five independent variables are positively correlated with the agent retention.

4.4.2 Multiple Regression Analysis

Table 5: Summary of Coefficient

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.451	.191		2.356	.020
Recruitment and Selection (RS)	.479	.104	.477	4.592	.000
Training and Development (TD)	.225	.084	.268	1.208	.041
Working Environment (WE)	.107	.089	.117	1.202	.032
Salary and other benefit (SB)	.466	.099	.471	2.287	.024
Job Security (JS)	.559	.078	.594	7.207	.000

Source: Researcher Constructed, 2021

Considering the Coefficients table, under the beta values of unstandardized column, there can be identified beta values as 0.451,0.479,0.225,0.107,0.466 and 0.559 for constant, recruitment & selection, training & development, working environment, salary and other benefits and job security respectively. The all values are positive which means when independent variables increase, the dependent variable of agent retention are increase. The regression equation can be presented in the following manner.

$$\text{Agents' Retention} = 0.451 + 0.479(\text{RS}) + 0.225(\text{TD}) + 0.107 (\text{WE}) + 0.466(\text{SB}) + 0.559(\text{JS}) + e$$

The p-values of recruitment & selection, training & development, working environment, salary and other benefits and job security are lesser than 0.05 alpha levels, which mean that all five variables are statistically significant. Therefore, Hypothesis of the study was tested as follows.

H1: Recruitment and selection significantly impact agents' retention in the life insurance industry in Sri Lanka.

The beta coefficient of the association between recruitment & selection and agents' retention is 0.479, $p < 0.05$. It indicates a significant impact on agents' retention. Hence, H1 is accepted.

H2: Training and development significantly impact agents' retention in the life insurance industry in Sri Lanka

The regression analysis results indicate a significant impact of training and development on agents' retention as beta coefficient is 0.225, $p < 0.05$. Hence, H2 is accepted.

H3: Working environment significantly impact agents' retention in the life insurance industry in Sri Lanka

This hypothesis is accepted as beta coefficient of the association between working environment and agents' retention is 0.107, $p < 0.05$. It indicates a significant impact on agents' retention.

H4: Salary and other benefits significantly impact agents' retention in the life insurance industry in Sri Lanka

The beta coefficient of the association between salary & other benefits and agents' retention is 0.466, $p < 0.05$. It indicates a significant impact on agents' retention. Hence, H4 is accepted.

H5: Job security significantly impact agents' retention in the life insurance industry in Sri Lanka.

The beta coefficient of the association between job security and agents' retention is 0.559, $p < 0.05$. It indicates a significant impact on agents' retention. Hence, H5 is accepted.

4.4.3 ANOVA Test

The ANOVA test is used to check the significance of the model as a whole and hence it is known as a whole model test.

Table 6: ANOVA Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	44.238	5	8.848	70.809	.000
Residual	12.995	104	.125		
Total	57.233	109			

Source: Researcher constructed, 2021

An ANOVA table provides an F-statistic, which can be used to check the overall significance of the regression model. Here according to the ANOVA table, the F-statistic for this regression model is 70.809 with (5,104) degrees of

freedom. From the test results we can say that our regression model is significant since the p-value is less than 0.05 but it doesn't tell us specifically which predictors are significant.

4.4.4 Goodness of Fit

Table 7: Goodness of Fit table

R	R Square	Adjusted R Square	Std. Error of the Estimate
.879	.773	.762	.3535

Source: Researcher constructed, 2021

In Table 7, the multiple correlation coefficient (R), is 0.879 which lies in between 0.8 and 1, can be interpreted as a very high correlation. The adjusted R Squared of 0.762 is used to incorporate the effect of including additional independent variables in a multiple regression equation. R Squared indicates 77.3% of the total variation in agent retention is explained by this equation. Accordingly, the regression line predicts the model accuracy.

5. DISCUSSION

The overall objective of the current study is to explore the factors affecting on agents' retention in Life Insurance sector Sri Lanka. The correlation and regression analysis were performed to achieve the research objective and the analysis indicated that there is a significant impact and a positive relationship between independent factors and agents' retention.

Researcher concluded main things from the current study. According to the correlation analysis Job security has the highest relationship followed by training and development. Recruitment and Selection, working environment have moderate positive relationship. The lowest relationship with agent retention is with the salary and other benefits. Mainly, the current study investigated the impact of factors through the results of the regression analysis and found that all the independent factors are significant predictors of agent retention and they have a positive impact on agents' retention. Further Job security was found as the most influential retention factor on agent retention and Working environment as the least influential factor.

Akhter & Khan points out that sales force members shift to other companies more quickly due to lower job security. This view is also supported by Armstrong-Stassen & Cameron (2005) and Khilji & Wang (2007). They have indicated that an employee's career satisfaction depended on their perception of the organization's effort in supporting their career development needs.

The study found out that there is great significant association between job security in assurance companies and the retention of the agents. Testing of the hypothesis of the evidence suggest that there is a positive relationship between Job security and agent retention in insurance sector. Given research hypothesis, the results showed that job security have highest significant (0.559) impact on retention of the agents. Therefore, the study recommends providing guide for the agents on their career path and opportunities available for career growth

through the continuous performance, making system to mentoring the agents to feel the value of being in the sector.

Next, the most influential factor was recruitment & selection. According to Torre, (2008), selection process is key to the retention of employees in any Organization which he points out that, for any organization to be profitable the resourcing Strategies must be commercially aligned and directly linked to the checks and balances which makes sure the rate of turnover is as minimal as possible. James et al (2009) affirms the same point by saying that selection process for the agents in the assurance industry is very critical and is directly associated with the retention of the agents in the assurance industry.

The study found out that there is great significant association between recruitment & selection used by the assurance companies and the retention of the agents. Testing of the hypothesis of the study indicated that recruitment & selection have a positive and secondly highest impact (0.479) on job retention in insurance sector. The study further revealed that the agents who are recruited and selected by the management to carry on their business of prospecting for clients have a higher possibility of remaining in the current assurance companies they are working for if the management selects the most suitable employees. Therefore, the study revealed that the management has much responsible from the beginning of the employment of new agent on the retention of agents.

Kenneth (2004) mentioned that remuneration is a great motivator especially where the subject of remuneration is money besides other fringe benefits. Lorbrd, et al (2009) asserted, that commissions as a mode of remunerating assurance agents is influencing retention of agents. And also according to the hypothesis in this study, indicated the positive relationship and the mostly third impact for the salary & other benefits on agent retention.

The study established that major respondents agreed that having salary and other benefits positively impact (0.466) on the retention of agents, hence the majority of the agents are having commission and they motivated by commissions as a mode of payment to remain in the industry. Researcher recommend to provide adequate remuneration methods such as a fixed income package for the first few years until the new agents develops their income, also make bonus systems who achieve the expected target level, motivate the agents by providing other benefits.

Training and development is found to be the next significant factor. Also The study revealed that training and development is a indicated that training and development have a positive and lower impact (0.225) on job retention in insurance sector.

The study found out that the working environment has lowest impact on the retention of the agents when it compares with the factors. Also study found out that there is great significant association between working environment of the assurance companies and the retention of the agents. Sar cited organizational culture, employee engagement, and leadership development as significantly improving talent retention. Insurance managers can make a commitment to

eliminate negative work factors within their control. Making a commitment such as this could minimize turnover while creating more work environments facilitated around trust that offers more security for working families. This aligns with Ugwu, Onyishi, and Rodriguez-Sanchez's (2014) statement. The study revealed that working environment of the agents does not much have significant impact (0.107) on the retention of agents in the assurance industry. But due to the positive relationship it emphasizes that in whenever there is a good environment agents would retain with their current employer. Researchers recommend to measure the agents' retention ratio to identify the weak supervisors and improve the retention of agents, Encourage and motivate agents to achieve their targets rather than making pressure on achieving targets.

key factor which impacts on the retention of agents directly as it enables to Build confidence to achieve goals. Tessin (2008) in the literature review points out that training and development of the employees in the organization leads to the morale of the employees which makes them feel as part and parcel of the organization. Cravens points out that, life insurance industry can be a difficult business to get started in, but with the right tools and training a person can become successful at selling life insurance products. The study found out that there is great positive association between training and development provided by the assurance companies and the retention of the agents. Testing of the hypothesis of the study

6. CONCLUSION

This study provided insights in terms of factors affecting retention of life insurance sales agents. Employee turnover plagues many businesses, which can lead to decreased productivity and loss of profits. This is why managers need to focus on retaining their employees. The study's main objective is to examine the factors influencing agents' retention in the life insurance industry in Sri Lanka. Accordingly, the study found that recruitment & selection, training & development, working environment, salary and other benefits, and job security significantly impact on agents' retention. The standardized coefficients of the regression analysis showed that job security has the strongest impact on agents' retention and work environment has the lowest impact on agents' retention.

According to the findings, it is suggested to the management of insurance companies to increase job security of the agents, provide attractive salaries and other benefits, select the most suitable persons for the job, and conduct special training and development programs to increase the awareness and loyalty of the agents. When employees are compensated fairly, being heard and acknowledged when they make suggestions or offer improvements to make daily operations better, and are truly understood by their managers, their commitment to their positions and the organization increases. Insurance managers should identify what motivates their employees and incorporate these motivators into successful retention strategies. When insurance managers make an honest effort to understand the needs of their employees, they can build and maintain positive working relationships centered on trust and mutual respect. For further research, it can be suggested to investigate the factors affecting

agents' retention in general insurance industry as there were no sufficient studies in this area in the Sri Lankan context

REFERENCES

- Akhter, W., & Khan, S. U. (2015). Determinants of Takaful and Conventional Insurance Demand: Empirical evidence from Asian Region (Working Paper). Retrieved from <http://www.lahore.comsats.edu.pk/ms/Files/MSDWP-12.pdf>
- Armache, J. (2014). Ways and means to keep employees motivated, productive and loyal. *Journal of International Diversity*, 2014(2), 87-103.
- Bagshaw, M. (2006). "Coaching :Not new but Newly relevant,". *Industrial and commercial training*, 29(5), 166-167.
- Bdawy, M. K. (1980). "Styles of Mid-Western Managers". *California Management Review*, 22, 51-58.
- Behrman, D., Bigoness, W., & Perreault, J. W. (2005). "Sources of job related Ambiguity and Their consequences Upon sales person 'job satisfaction and performance,". *Management science*, 2, 1246-1260.
- Capelli, P. H. (2015). Skill gaps, Skill Shortages and Skill Mismatches: Evidence and argument for the United States. *Industrial Labour Relation Review*, 68(2), pp. 251-290. doi:10.1177/00197939145644961
- Chew, J., & Chan, C. (2008). Human resources practices, Organizational commitment and intention to stay. *International journal of manpower*, 503-522. doi:10.1108/01437720810904194
- Cravens, I. L. (2010). Behavior-Based and Outcome-Based Sales Force Control Systems. *Journal of Marketing*, 47-59.
- Crowley, M. (2014). Class control and relational indignity: Labour process foundation for workplace humiliation, conflict and shame. *American behavioral Scientist*, 58, 416-434. doi:10.1177/0027642103503335
- Das, D., Nandialath, A., & Mohan, R. (2013). Feeling unsure: Quit or stay? Uncovering heterogeneity in employees' intention to leave in Indian call centers. *The International Journal of Human Resource Management*, 24(1), 15-34. Retrieved from <https://doi.org/10.1080/095>
- Dokel, A., Basson, J., & Coetzee, M. (2006). The effect of retention factors on organizational commitment. *SA Journal of Human resource Management*, 4(2), 20-28. doi:10.4102/sajhrm.v4i2.91

- Frank, J. S. (1960, June). The structure of Life Insurance Agents Compensation. *The journal of Insurance*, 27. Retrieved 05 08, 2014, from <http://www.jstor.org/stable/250625>
- Grobler, A., Wörnich, S., Carrell, M., Elbert, N., & Hatfield, R. ((2011)). *Human resource management in South Africa (4th ed.)*. Hampshire:: Cengage Learning.
- Gupta, N., & Sharma, V. (2016). Exploring Employee engagement -a way to better business performance. *Global Business Review*, 17(35), 45S-63S. doi:10.1177/0972150916631082
- Hoppe, D. (2018). Linking employer branding and internal branding: Establishing perceived employer brand image as an antecedent of favourable employee brand attitudes and behaviours. *Journal of product and brand management*, 27(4), 452-467. doi:10.1108/JPBM-12-2016-1374
- Insurance Regulatory Commission of Sri Lanka. (2019). *Annual Report*. Sri Lanka: Insurance Regulatory Commission of Sri Lanka.
- Jacobs, C., & Roodt, G. (2011). A human capital predictive model for agent performance in contact centers. *SA journal of industrial psychology*,.
- Jacobs, C., & Roodt, G. (2011). A human capital predictive model for agent performance in contact centres. *SA Journal of Industrial Psychology*,.
- Joshi, H., Farooque, J. A., & Chawla, D. (2016). use of knowledge management for competitive advantage: The case study of max life insurance. *Global Business Review*, 17(2), 450-469. doi:10.1177/0972150915619830
- Kashyap, V., & Verma, N. (2018). Linking dimensions of Employer branding and turnover intention. *International Journal of Organizational Analysis*, 26(2), 282-295. doi:10.1108/IJOA-03-2017-1134
- Kiazad, K., Kraimer, M. L., & Seibert, S. E. (2019). More than grateful :How employee embeddedness explains the link between psychological contract fulfillment and employee extra role behaviour. *Human Relation*, 72, 1315-1340. doi:10.1177/0087266718806352
- Kwon, J. W. (2014). Human Capital risk and talent management issues in the insurance market. *The Geneva papers*, 39, 173-196. doi:10.1057/gpp.2013.11
- Lai, G., Chan, K., Ko, Y. C., & Boey, K. W. (2000). Institutional context and stress appraisal: The experience of life insurance agents in Singapore. *Journal of Asian & African Studies*, 35, 209-228.

- MacDonald, P., Kelly, S., & Christen, S. (2014). A path model of workplace solidarity, Satisfaction, Burnout, and motivation. *International journal of Business Communication*, 1-19. doi:10.1177/2329488414525467
- Milkovich, G. T., Newman, J. M., & Gerhart, B. (2011). *Compensation(10th edition)*. New York, NY:: McGraw-Hill.
- Moskovich, Y., & Achouch, Y. (2017). Family home culture and Management employee relationships: Comparing two Kibbutz Factories. *Journal of Co-operative organization and Management*, 5, 95-107. doi:10.1016/j.jcom.2017.08.001
- O'Leary-Kelly, A. M., Henderson, K. E., Anand, V., & Ashforth, B. E. (2014). Psychological contracts in a non traditional industry: Exploring the implication for Psychological contract development. *Group and Organizational Management*, 39(3), 326-360. doi:10.1177/1059601114525851
- Panada, A., Karye, S., & Mohapatra, D. (2014). Aligning learning and development strategy with business: Strategy to operations. *South asian journal of Human Resource Management*, 1(2), 267-281. doi:10.1177/2322093714549110
- Pierre, X., & Tremblay, D. G. (2011). Levels of involvement and retention of agents in call centres: Improving well-being of employees for the better socioeconomic performance. *Journal of Management Policy & Practice*, 12(5), 53-71.
- Ronen, S., & Shenkar, O. (1985). "Clustering countries on Attitudinal Dimensions: A review and Synthesis". *Academy of management review*, 435-454.
- Sitzmann, T., & Weinhardt, J. M. (2015). Training engagement theory: A multilevel perspective on the effectiveness of work related training. *Journal of management*, 20(10), 1-25. doi:10.1177/014920615574596
- Skipper, H. D. (1995). Market conduct issues and the transformation of the U.S. Life Insurance Business. *Journal of American Society of CLU and ChFC*, 49, 36-45.
- Smith Gregory P. (2003). Transforming your work force from high turnover to high retention. *Here Today, Here Tomorrow*, 24, 24, 73.
- Stobbeleir, K. E., Clippeller, I. D., Caniels, M. C., Geodeertier, F., Deeprez, J., Vos, A. D., & Buyens, D. (2016). The inside effect of a strong external employer brand: How external perceptions can influence organization absenteeism rates. *The international journal of human resource management*, 29(13), 2106-2136. doi:10.1080/0958192.2016.1239120

- Suliman, A. M. (2007). Link between justice, satisfaction and performance in the workplace: A survey in the UAE and Arabic context. *Journal of Management Development*, 26(4), 294-311.
- Tan, F. Y., & Khulida, K. Y. (2013, february). The influence of Malaysian Insurance Agents' Career planning on their Career Strategies". *Intrernational Jouranal of E-Education, E-Business, E-management and E-Learning*, 3, 1.
- Tanwar, K, Prasad, & A. E. (2016). Exploring the relationship between employer branding and employee retention. . *Global Business Review*, 865-2065. doi:10.1177/0972150916631214
- Tanwar, K., & Prasad, A. (2016). Exploring the relationship between employer branding and employee retention. *Global business Review*, 17, 1865-2065. doi:10.1177/0972150916631214
- Tanwar, K., & Prasad, A. (2016). Exploring the relationship between employer branding and Employee Retention. *Global Business Review*, 17, 1865-2065. doi:10.1177/0972150916631214
- Torraco, R. J. (2016). Early history of the fields of practice of training and development and organization development. *Advances in developing Human Resources*, 18(4), 439-453. doi:10.1177/1523422316659898
- Uen, J. F., & Chien, S. H. (2004). Compensation structure, perceived equity and individual performance of R&D professionals. *Journal of American academy of business Cambridge*, 4(1/2), 401-405.
- Van Dyk, J., & Coetzee, M. (2012). Retention Factors in relationj to organizational Commitment in medical and informational technology services. *Sa Journal of Human Resource management*, 1-11. doi:10.4102/sajhrm.v10i2.433