

**A STUDY ON THE FACTORS THAT INFLUENCE JOB SATISFATION
AMONG THE EMPLOYEES OF INSURANCE COMPANIES IN ALOR SETAR,
KEDAH**

By

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ABSTRACT

This study is to examine and focus on the understanding of factors that influence job satisfaction among employees of insurance companies mainly in Alor Setar, Kedah. Data were collected from few insurance companies around Alor Setar, Kedah which are Prudential Assurance Malaysia Berhad, Allianz Malaysia Berhad, Multi-Purpose Insurance Berhad, Tokio Marine Insurance (Malaysia) Berhad, Lonpac Insurance Berhad, Great Eastern Life Assurance (M) Berhad, ING Insurance Berhad, American International Assurance Berhad, Takaful Ikhlas Berhad, Etiqa Insurance Berhad, MCIS Zurich Insurance Berhad, ACE Jerneh Insurance Berhad, Uni Asia Insurance Berhad, Syarikat Takaful Malaysia Berhad, MSIG Insurance (M) Berhad and Manulife Insurance (M) Berhad. The study involved 102 respondents who are employed at various insurance companies around Alor Setar, Kedah. The questionnaire is developed to analyze using “Statistical Package for Social Science” version 21.0 (SPSS 21.0). The research will undergo analysis such as Reliability Test which is Cronbach’s Alpha, Pearson Correlation and also Multiple Regression. The main purpose is to determine the relationship between the independent variables and dependent variable. The independent variables in the study are as follows which are salary, leadership, career advancement and job stress, while the dependent variable of the study is job satisfaction. Among the independent variables, salary was found to be the dominant dimension in influencing the job satisfaction among the employees in the insurance companies. In addition, out of four variables, three of them give significant results which are salary, leadership and career advancement while job stress gives insignificant result. Therefore, the management should be concerned on those three factors as key motivators towards satisfying the employees in insurance companies. This paper will benefit the insurance companies to compete well and drive towards sustainable growth. As a result of this research, the insurance companies will have a clear picture of their employees in term of what actually satisfied their employees in doing their job well.

ABSTRAK

Kajian ini adalah untuk mengkaji dan memberi tumpuan kepada pemahaman terhadap faktor-faktor yang mempengaruhi kepuasan kerja di kalangan kakitangan syarikat-syarikat insurans terutamanya di Alor Setar, Kedah. Data telah dikumpul daripada beberapa syarikat insurans di sekitar Alor Setar, Kedah iaitu Prudential Assurance Malaysia Berhad, Allianz Malaysia Berhad, Multi-Purpose Insurance Berhad, Tokio Marine Insurance (Malaysia) Berhad, Lonpac Insurance Berhad, Great Eastern Life Assurance (M) Berhad, ING Insurance Berhad, American International Assurance Berhad, Takaful Ikhlas Berhad, Etiqa Insurance Berhad, MCIS Zurich Insurance Berhad, ACE Jerneh Insurance Berhad, Uni Asia Insurance Berhad, Syarikat Takaful Malaysia Berhad, MSIG Insurance (M) Berhad and Manulife Insurance (M) Berhad. Sebanyak 102 orang responden yang terlibat dalam kajian ini yang bekerja di pelbagai syarikat-syarikat insurans disekitar Alor Setar, Kedah. Soal Selidik yang telah dibuat untuk tujuan penganalisan adalah menggunakan “Statistical Package for Social Science” versi 21.0 (SPSS 21.0). Kajian ini akan menjalani analisis seperti Kebolehppercayaan Ujian iaitu Alpha Cronbach, Korelasi Pearson and Regresi Berganda. Tujuan utama kajian adalah untuk menentukan hubungan antara pembolehubah-pembolehubah bebas dan pembolehubah bersandar. Pembolehubah-pembolehubah bebas dalam kajian ini adalah seperti berikut iaitu gaji, kepimpinan, kemajuan kerjaya dan tekanan kerja manakala pembolehubah bersandar dalam kajian ini adalah kepuasan kerja. Antara pembolehubah-pembolehubah yang terdapat, gaji didapati adalah dimensi yang dominan yang mempengaruhi kepuasan kerja di kalangan kakitangan dalam syarikat-syarikat insurans. Di samping itu, daripada empat pembolehubah yang terdapat di dalam kajian, tiga daripada mereka memberikan keputusan yang penting iaitu gaji, kepimpinan dan kemajuan kerjaya manakala tekanan kerja memberikan hasil yang tidak penting. Oleh itu, pihak pengurusan harus mengambil berat terhadap ketiga-tiga faktor yang menjadi pendorong utama ke arah memuaskan pekerja dalam syarikat-syarikat insurans. Kajian ini akan memberi manfaat kepada syarikat-syarikat insurans untuk bersaing dengan baik dan memandu ke arah pertumbuhan yang mampan. Hasil dari kajian ini, syarikat-syarikat insurans akan mempunyai gambaran yang jelas mengenai pekerja-pekerja mereka dalam melakukan tugas mereka dengan baik.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter consists of introduction to the research and the general explanation of the entire research process. The research study focuses on the factors that influence job satisfaction among personnel of insurance companies. The research only focuses and refers to insurance companies which are located in Alor Setar, Kedah.

Normally, people address satisfaction as the most important factor that influences job selection. Job satisfaction is the main criterion for all individual in an organization regardless of the types of business they are involved in. Satisfaction in life is the goal to be achieved for each individual in order to feel better in performing certain job. The level of job satisfaction appears to be different for every individual within an organization. Some will have a high level of satisfaction in their job while some do not. This level of satisfaction is therefore dependent on how individual feel towards their job.

Based on Robbins and Judge (2010), happy workers make productive workers. Some researchers believe that the relationship between job satisfaction and job performance is a myth but the correlation tends to be quite strong in 300 studies reviewed. There were a support for relationship of satisfaction and performance as there were move from individual to organizational level. Organizations with employees who are highly satisfied are more effective when compared to organizations with low level of

satisfaction among their employees. The conclusion is based on the gathering of data on satisfaction and productivity as a whole for the organization.

Job satisfaction can affect employee's performance in a good way. Employees will show good performance when they are satisfied with their job. Based on Schermerhorn, Hunt, Osborn and Uhl-Bien (2010), belonging and performing are the two decisions that people tend to do regarding their job which can be viewed as the importance of job satisfaction. The first decisions which are joining and remain as member of an organization are known as decision to belong. Both absenteeism and turnover linked job satisfaction and withdrawal behaviors. The decision to perform known to be the second decision. The decision to perform shows that not all people tend to perform their best when they belong to an organization.

Referring to Schermerhorn *et. al* (2010), managers should think more on increasing performance of their workers while doing their job and always focus on making them happy if high levels of performance cause to job satisfaction. It cannot be said that job satisfaction alone are the predictor of worker's performance even there are some studies shows that there are link between satisfaction and performance.

According to Robbins and Judge (2010), job satisfaction and absenteeism has a weak relationship when compared to the relationship between job satisfaction and turnover. Alternative job prospects are one of the factors that give affect job satisfaction-turnover relationship. When job opportunities are numerous, job dissatisfaction appeared to translate into turnover, i.e workers see it as easy to move. In term of job satisfaction and work deviance, employees may respond in different ways if they do not like their work environment which might create dissatisfaction. Some employees

might choose to resign while some will use their working time doing unnecessary things like surfing internet and many more such non-work related activities. Managers should find ways to identify the root causes of the problem that cause dissatisfaction, instead of trying to control the different responses.

1.1 Background of the Study

This study looked into factors that influence job satisfaction among the employees in the insurance companies which are located in Alor Setar, Kedah. The focus of this study is to determine the factors that lead to lower or higher job satisfaction among the employees in the insurance companies itself. The employee's job satisfaction can reflect the way they perform the job and can give an impact to the outcome of the job. Job satisfaction can define an employee's level of performance in the organization. An employee with high level of job satisfaction can affect the performance to be high too which could be seen as positive correlation. According to Lund (2003), higher level of job satisfaction can be seen to have relationship with the strong culture where job satisfaction is derived from the strong culture from an employee. Organization which place emphasis on mentoring, flexibility and spontaneous culture offers job satisfaction to the employee.

According to Robbins and Judge (2010), job satisfaction is the mean of employee attitude which directly to be a positive feeling that an employee have about their job which came from an evaluation from characteristics. A positive feeling gives an employee high level of job satisfaction while a negative feeling causes an employee to have a low level of job satisfaction.

An employee with low job satisfaction level experienced tends to produce bad quality work which results in high rates of absenteeism. This has a big impact on the organization and the employee is likely to leave the job. This actually translates into high organizational costs and high employee turnover rates in the particular organization. Thus, organization should be more concerned in motivating and training employees in a wide range of skills (Friday and Friday, 2003).

A job is not merely consisting of preparing paperwork. Rather, it also requires interaction; i.e between an employee with the employer and an employee with other employees, while adhering to the organization rules and regulation, achieve standard set by the organization and also in participating organization activities. Thus, it is a complex summation of many discrete aspects in assessing an employee satisfaction with the job (Robbins and Judge, 2010).

Job satisfaction consists of core components which pay satisfaction appear to be one of them and there has been a positive relationship between pay level and pay satisfaction (Judge, Piccolo, Podsakoff, Shaw and Rich, 2010). Salary or plays a crucial role in determining job satisfaction. The right remuneration is important to satisfy the needs and keep the employees' job satisfaction level high.

Working with lack of expertise and/or insufficient training could lead to low job satisfaction. If an employee cannot understand the task given, he may end up taking more time to complete a task and this could attract higher cost in overtime payment (Mosadeghrad and Yarmohammadian, 2006). This shows that leadership is very important in providing guidance and keeping the employees on the right track. The

manager plays the important role of a leader in order to lead their subordinate in completing their task.

Career advancement allows individual who work in a certain company to know the way that they can be fit in order to compete in a corporate field. Individual must try to find the factor that lead to career advancement. Career advancement can be seen from different perspectives depending on the individual. Furthermore, career advancement actually does not basically relate to the high occupational status or high income of a person (Thurasamy, Lo, Amri and Noor, 2011).

The study examines the level of stress factor that influence the employees in the company. On-the-job stress will affect the employee's level of satisfaction in carrying out or completing the day to day task. According to Halkos and Bousinakis (2010), productivity of certain work can decrease when the level of stress increase. In addition, the productivity of certain work increased with a rise in job satisfaction.

Therefore, based on the afore-mentioned issues, this study aim to investigate whether or not, the factors such as salary, leadership, career advancement and job stress can influence job satisfaction among employees in the insurance companies.

1.2 Problem Statement

The study intends to examine and get a better understanding of the factors that contribute towards the job satisfaction among the employees of insurance companies in Kedah.

In the matter of insurance agents, the pay is a very important aspect of the job. Whenever, insurance agents sell an insurance policy to the customer, they will receive

a portion of commission from the premium collected. This is also known as their income derived from the sale of insurance policies. According to NNN Berita dated October 28, 2012, there was a claim regarding insurance commission received by the agents. 20 years ago, the agents used to receive 20% to 30% insurance commission but now they are only paid 10% commission. Since the cost of living is now increasing, the reduced rate of commission paid to agents is an issue which affects their job satisfaction level (NNN Berita, October 28, 2012). The employees will feel burden to work with lower income received.

The Star newspaper dated September 8, 2012, reported a Derrick Pang, a former insurance agent who resigned from a high income insurance job and ventured into ancient beauty technique. He left the insurance job despite its high income and proceeded to a field that only gives moderate pay but satisfied his interest. Here is an example of low job satisfaction level which may be the reason that forced him to make a change of career (The Star, September 8, 2012).

Training is very important in order to sharpen the knowledge and skills of employees which will enable them to perform better and produce error free work. A trained employee will enjoy and produce good work and reduce on time needed to complete a task. The former Chief Executive Officer of Prudential Assurance Malaysia Berhad, Mr Tan Kar Ho, said that many joined the insurance industry as agents but left the job after a few years providing services to consumers. They usually left the consumers without any guide. They did not take it as a real business to be focused in. This is why Mr Tan gives more focus on training the agent to perform well in their work by setting up the agency training and education based on insurance knowledge

(Bernama, June 12, 2006). The agency manager should pay more attention on their agents by giving more guidance and training to them. They should show good example to their agents so that their agents can deliver quality service to their customers. Most of the agents left the job before time because of low level of self-discipline and they did not take their career seriously.

Utusan Online on January 29, 2012, reported Dr Nor Hamidah Mohd Salleh a consultant Psychiatrist from Gleneages Hospital highlighted that stress is a very serious illness that arise in a workplace and give a big impact on the performance. Employees need to balance their career in order to maintain their mental and physical fitness. Decreasing the stress level of employees could actually increase the job satisfaction level since only well-adjusted employees who are free from stress that could perform their job well. Some employees handle their stress well where others fail to do so. An example of the stress faced by insurance agents is when they are unable to collect the insurance premium from their customers as this which will affect the agent's performance and also their commission.

1.3 Research Question

Job satisfaction is critical in determining a good relationship between the employees with the job they hold in an organization. The research question is carried out to analyze the factors that influence towards job satisfaction among the employees of insurance companies in Kedah. The research questions are as follows:

- a) Is there any relationship between salary and job satisfaction in insurance companies?

- b) Is there any relationship between leadership and job satisfaction in insurance companies?
- c) Is there any relationship between career advancement and job satisfaction in insurance companies?
- d) Is there any relationship between job stress and job satisfaction in insurance companies?

1.4 Research Objectives

The main objective of this research is to gain understanding of the factors that influence job satisfaction among the employees of insurance companies. This research is focused on respondents in Kedah state area. Specifically, the research objectives are:

- a) To determine the relationship of salary to job satisfaction.
- b) To determine the relationship of leadership to job satisfaction.
- c) To determine the relationship of career advancement to job satisfaction.
- d) To determine relationship of job stress to job satisfaction.
- e) To determine which of these four independent variables has the most significant effect on job satisfaction.

1.5 Significance of Study

This study is to measure the job satisfaction among the employees of insurance companies in Kedah and to see influence every variable may have on job

satisfaction. This study will show a clear picture of how far the level of satisfaction affect employees of insurance companies.

This study can give an advantage to the company and organization itself towards the better understanding of employee's needs and expectations especially in insurance industry. An organization will have better awareness on the importance of job satisfaction. Furthermore, this study will examine the factors that most influence job satisfaction among employees. The paper will contribute in the following ways:

1.5.1 Contribution to organization:

This paper will contribute to organization by solving the problem of employee's turnover. When the organization has some ideas on how they can improve in satisfying their employee's needs, thus this can solve cases on employees leaving the company. Therefore, this paper will benefit the insurance companies in Kedah as a whole by highlighting the factors that contribute towards job satisfaction.

1.5.2 Contribution to employees:

The study of job satisfaction can help employees on performing their job more effectively when they feel appreciated by the company.

1.5.2 Contribution to body of knowledge:

This paper will also contribute to body of knowledge where it can be a guide for future researcher to conduct new research in different context.

1.6 Scope and Limitation of Study

This research focuses on the insurance companies which are in Alor Setar, Kedah. This study will focus on respondents who work in insurance companies only around Alor Setar, Kedah. A few insurance companies will be used to examine the main issues in this study in order to receive an appropriate result.

In this study, the researcher focuses on four factors that influence job satisfaction among the employees particularly in insurance companies in Alor Setar, Kedah. The four factors were salary, leadership, career advancement and job stress.

1.7 Definition of Key Terms

This section basically state the definition of key terms used in this study.

Job Satisfaction. Evaluation of characteristic that make a person express a positive feeling on his/her job. (Robbins and Judge, 2010).

Insurance Company. A company that offer coverage in term of compensation for a specific risks in exchange of payment of premium by the customers (www.businessdictionary.com).

Salary. Dollar amount typically based on performance level (Jones and George, 2008).

Leadership. Process of influencing people in achieving the desired outcome (P. J. de Jong and Den Hartog, 2007).

Career advancement. Allows individual who work in a certain company to know the way that they can be fit in order to compete in a corporate field (Thurasamy, Lo, Amri and Noor, 2011).

Stress. Unpleasant emotions conditions that are experienced by individuals related to work and the emotions are unstable if one did not find a solution to it (Halkos and Bousinakis, 2010).

1.8 Organization of Remaining Chapters

The remaining chapter of this research consists of four additional chapters. The remaining chapters are literature review, methodology, findings and discussions, conclusion and recommendation.

Chapter two discusses the relevant literature specifically on the issue related to the factors that influence job satisfaction among employees in insurance companies.

Chapter three focuses on methodology of research which include research framework, research hypothesis, questionnaire, research design, sources of data, target population, sampling method, data collection procedures, measurement and technique of data analysis.

Chapter four consists of findings of the study which are overview of data collected and describe the analysis of the data.

Finally, chapter five summarized the total research and conclusion of study. Thus, the recommendation for further research is suggested.

1.9 Conclusion

The introduction chapter outlined the background of the study, problem statement, research objectives, research questions, significance of the study, scope and limitation of study, definition of key terms and organization of remaining chapters. In addition, the next chapter will focus on the literature which is done by previous researcher.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The purpose of the study is to identify the level of job satisfaction among employees of insurance companies. This chapter focuses on the related literature to the topic for example the salary, leadership, career advancement and also job stress. There are altogether two sections which are independent and dependent variables. This chapter reviewed and revealed clearly regarding the job satisfaction and overall discussion on the factor of job satisfaction.

2.1 Job Satisfaction

According to research done by O’Leary, Wharton and Quinlan (2009), an attitudinal variable that reflect towards how people love their job is generally known as job satisfaction. Employee health and job performance appear to have the positive relationship with job satisfaction. In addition, a good relationship with office colleagues and friends, control over annual leave taken, sufficiency of resources and clinical autonomy are those that job satisfaction depends on, as viewed by many physicians.

Moreover, in order to better meet the needs of doctors and patients, reliable measure of physician job satisfaction clarify the physicians’ behaviours in clinical, economic and organizational domains together with re-engineering the medical workplace. Meanwhile,

increase in physician turnover or leaving the career, decrease in continuity of caring for the patients, increase in cost of medical system and increase of patient dissatisfaction were the result that brings to dissatisfaction (O'Leary *et.al*, 2009).

According to Crossman and Abou-Zaki (2003), there is an impact of demographic characteristics for example age, gender, tenure and education on job satisfaction based on many studies conducted by researchers. The result of relationships between demographic characteristics and job satisfaction tend to be mix of positive and negative relationships or an interaction between the variables.

According to Groot and Brink (1999), women and men have different experiences of job satisfaction. Women tend to be happier when compared to men in doing their job. After controlling a number of variables, women appear to have high job satisfaction compared to men. According to Droussiotis and Austin (2007), for business owners and also top managers, the most crucial factor that relates to job satisfaction is dissatisfaction among the employees which consequently give rise to high absenteeism and high employee's turnover. Therefore, the most important factor that relate to the issue of job satisfaction is the organization commitment itself.

According to the research by Singh & Loncar (2010), among the three of pay satisfaction, job satisfaction and intention of turnover, study show the main influence on the turnover among the nurses are both the pay satisfaction and job satisfaction itself. Thus, the study indicates that every angle of the salary level, structure benefits and raises are to be taken into account in addressing this issue.

Referring to study by O'Leary *et.al* (2009), cultural and organization differences are the reason that are particularly difficult of international comparison in job satisfaction. The strong predictors of satisfaction tend to be the professional relations, opportunities for continuing medical education, patient care and intellectual stimulation whereas the strong predictors of dissatisfaction were time available for family, friends or leisure, workload, administrative burden and work-related income and prestige.

Referring to the study done by Linz (2003), job satisfaction relates to worker's performance among the United State workers but in Russia, in order to improve the performance of the firms without having to incur large additional costs, the managers of the firms whether domestic or foreign need to find ways to encourage job satisfaction among their workers. Firms will gain among the Russian workers, if the job satisfaction among the Russian workers is interpreted into high labour productivity or lower labour turnover.

According to Crossman and Abou-Zaki (2003), health of an organization depends on job satisfaction which known as one criterion that needs to take into account. The effective of the service totally depends on human source. Therefore, job satisfaction reported by the workers produce the quality of service by the workers. In addition, according to Linz (2003), generally a positive job evaluation derived from job satisfaction brings along a positive effect. This is a positive emotional state which derived function of a person works appraisal or working experience (Linz, 2003; Crossman and Abou-Zaki, 2003). A study has been done among the Russian workers where the aim was to measure the factor that increases probability of high job satisfaction among the employees (Linz, 2003).

The study put on focus on four specific things which are firstly, using the multiple measures to see the different dimension of job satisfaction in order to recognize Russian workers reported level of job satisfaction. Second is capturing the difference in employee's characteristics where this includes both objective and subjective factors in order to detect the variation in job satisfaction. Third, determine the relation between job satisfaction together with selecting intrinsic job characteristics and also extrinsic job characteristics. Finally is to evaluate the link of job satisfaction with organizational commitment alternative measures (Linz, 2003).

Next, in the study done by Linz (2003), among the United State of America workers, the intrinsic and extrinsic job characteristics tend to highly correlate with job satisfaction. Factors that influence the feelings or perceptions of the employees together with motivating them to work better every day is an intrinsic job characteristic. For the Russian employees, the positive correlation tends to appear if there is high probability in experiencing the intrinsic job characteristics at their current workplace. In addition, the outcome that created by fulfilling a job for example, job security, pay and promotion are the reflection of extrinsic job characteristics (Linz, 2003).

According to Crossman and Abou-Zaki (2003), interaction of variables for example task characteristics, organisational characteristics and individual characteristics that influences job satisfaction is assumed by situational theories. In addition, before commencement of employment, individual appraise the situational characteristics while the situational occurrences are appraised afterwards. The combination of both situational characteristics and situational occurrences is a function of overall satisfaction.

Based on the study by Crossman and Abou-Zaki (2003), factors such as work itself, pay, promotion, supervision and co-workers are the key factors in job satisfaction and are commonly proposed as the situational characteristics. Employee involvement and organisational commitment are the other variables that also give an impact on job satisfaction.

According to the study done by O'Leary *et.al* (2009), in term of physician's job, rewards, other people, nature of job and organizational context were the facets commonly accessed in research even though multidimensional construct is a physician's job satisfaction. The concept of job characteristics was the main theoretical framework of the study. Affective and behavioural job outcomes were related to the skill variety, task significance, feedback, autonomy and friendship opportunities for the model. A positive relationship between job characteristics and job satisfaction are showed by the meta-analysis by Loher *et. al* (1985) whereas mean correlation between overall job satisfaction and job performance were estimated to be 0.30 as showed by meta-analysis of 312 samples by Bono *et. al* (2001).

Some studies showed the relationship between job satisfaction and performance where it is imprudent to believe that high job satisfaction leads to high performance. The relationship is still questionable. Some studies suggested a weak link between satisfaction and performance where others tend to indicates potential relationship. However, it cannot be ascertained whether high performers satisfied with their works or job satisfaction leads to high performance because the cause and effect determinants are still not clear.

According to study done by Oshagbemi (2000), the concept of job satisfaction is a general attitude towards an object which is a job. Job satisfaction is viewed as an emotional state that is positive that came from a person's evaluation of job experience (Oshagbemi, 2000). The leadership and high job satisfaction are known to be related between the supervisor and co-workers defined in positive team member interaction as shown by the previous research that done by Bartolo and Furlonger, 2000.

According to Carmeli, Shalom, Weisberg (2007), career is viewed as a stage that reflects from one phase of life to another. It is also defined as design of work experiences of a person (Carmeli *et. al*, 2007). A high in career performance could be achieved by implementing a career plan accordingly. The relationship between career strategy and career satisfaction are the professional enhancement which mediates it (Lee, 2002).

According to Shain (1999) in his study, absenteeism, high insurance claims, loss of efficiency and, productivity are the results that are related to the stress in the workplace. According to the study by Fairbrother and Warn (2003), work load and role-based factors such as role ambiguity, role conflict and lack of power may be aspects that are linked towards stress in working life. The occupational outcome of job satisfaction, organizational commitment and employee withdrawal behaviour have been associated with the stress itself. This will at the end cause negative relationship such as the intention to leave the job and thus contribute to high employee turnover. According to the O'Leary *et.al* (2009), based on the Canadian oncology physicians, they believe that major sources of job stress seemed to be the increasing workloads whereas patient care and contact are meant to be the greatest source of job satisfaction (O'Leary *et. al*, 2009).

2.1.1 Salary

Referring to study done by Carraher (2011), there is no differences in term of benefit satisfaction based on organizational size but in term of job satisfaction, it tend to be higher with small employers rather than large employers which reported 54% satisfied versus 37% unsatisfied. Employee benefit ware found to be an important reason for people joining organization according to 25% of employees and 27% of employers. Organization's benefits found to be an important reason to stay within the organization based on 42% of employees. Therefore, there is a strong influence of fringe benefits towards reducing turnover than would be shown by the direct costs of the benefits.

According to Shittu (2008), the employee's satisfaction in terms of pay is basically upon perceived differences between level of individual's workers' wages received and what they expect or believe they should received. Therefore, pay actually has an impact on either good or poor performance of a particular employee (Shittu, 2008). According to the study by Stringer, Didham and Theivananthampillai, (2011), employee usually makes comparison with other employees in term of equity judgement or other similarities in term of the organizational status. Therefore, an employee's motivation and also their performance could be adversely affected because of the unfairness in terms of pay. Employees with lower pay or higher pay than the market can adversely affect the intrinsic motivation.

The group and also individual behaviour can be influenced together with the firm effectiveness by using reward system as a management tools. Labour cost control, perceived fairness to employees and increased employee's productivity performance,

customer satisfaction and legal compliance are also known as the other objectives of compensation systems. Rewards structure and also allocation can affect the motivation of an individual in an organization (Kerrin and Oliver, 2002).

Based on the research done by Carraher (2011), in the organizational research, pay, pay satisfaction and attitudes towards benefits has been used as variables that are known to be popular. Most of the businesses face similar problem offering benefit packages and competitive compensation in a cost effective manner to employees. Therefore, in order to ensure jobs are well performed in the organization, they attract and retain the employees with needed knowledge, abilities and skills while focusing to maintain the organization profit. In addition, the strategic role in enhancing the organizational performance and profitability came from the employee benefit and compensation packages based on the research done with small, medium and large business around the world (Carraher, 2011).

There is shared interest in the measurement of performance as performance management is where talent and reward also come along (Durham and Charman, 2012). Furthermore, according to the study made by the McCausland, Pouliakas and Theodossiou (2005), the component of reward is designed to allow employee of the company to act in their employer's best interest when usually is faced by classical agency problem (McCausland *et. al*, 2005). According to Judge, Thoresen, Bono and Patton (2001), pay is directly related to performance, i.e where high performance means satisfied and low performance is dissatisfied.

According to the study done by Thozhur, Riley and Szivas (2006), low wages earners will tend to have low aspiration and enjoy a leisurely life. Pay satisfaction are caused by

the money ethics or attitudes towards money but people believe that high level of pay dissatisfaction is being expressed by the money ethics itself. Therefore, money attitudes and pay satisfaction are reported to have negative relationship. Basically pay is known to be part of satisfaction. Organizational commitment and turnover are also linked to satisfaction (Thozhur *et. al*, 2006).

Referring to the study by Carraher (2011), the major cost factor of production is compensation as viewed by the employer and also encouragement to attract the perfect job applicants together while retaining the valued employees, performance motivation and other desirable behaviours. Moreover, with respect to external labor market, relative value of the job and the added-value individuals produce for the organization, employers focus on providing fair pay within the budget constraints.

According to Carraher, Gibson and Buckley (2006), everyone does not view compensation in same manner where there has been problem related to study of compensation, since compensation differ from one person to another in term of working experiences, abilities and expectations. Furthermore, in the study of compensation satisfaction, this problem has come across as the main problem and recently confusion occurred in the interaction between the models of compensation satisfaction and measurement of compensation satisfaction.

In addition, the major models of compensation satisfaction are multidimensional in nature whereas the measurements of compensation satisfaction are unidimensional where the pay scales of the Minnesota satisfaction questionnaire and job descriptive index were the predominant instrument used to measure it. In most studies, there has been ignorance of

multidimensional analysis and only put focus on satisfaction with pay levels (Carraher *et. al*, 2006).

In order to be clear regarding the causes and consequences of compensation satisfaction, researcher should take into account both conceptualizing and measuring compensation satisfaction in a multidimensional fashion. Therefore, the pay satisfaction questionnaire (PSQ) was developed and validated by Schwab in order to measure compensation satisfaction in multidimensional fashion (Carraher *et. al*, 2006).

In that sense, there were more research conducted to check on the topic and instrument but it was found out that four dimensions were somehow discrete but associated with pay. There was one non-western study which questioned the inclusion of four factors while other studies confirmed the validity and reliability of pay satisfaction questionnaire (PSQ). Pay and benefits were the only factors that comprise pay satisfaction shown by the study conducted by Lam in Hong Kong (Carraher *et. al*, 2006).

2.1.2 Leadership

A study by P. J. de Jong and Den Hartog (2007) found that, different people will view the term leadership differently. Based on majority view, they tend to defined leadership with some basic elements of “group” influence” and “goal”, although there is no ultimate definitions of leadership exists. Some people believe that leadership is the process of influencing people in achieving the desired outcome.

Leadership is one of the important predictor among the determinants of job satisfaction. The process of influencing people in order to achieve the company's goal and also directed toward people and social interaction is known as management function of leadership. Studies have shown that leadership and job satisfaction of health care providers is to be positive correlated based on several countries (Mosadeghrad and Yarmohammadian, 2006).

Bartolo and Furlonger (2000) pointed that some studies shows that they support that there are relationship between worker's job satisfaction and the supervisor leadership behavior but there are issues regarding the positive or negative nature of the relationship. Therefore, there are controversy whether the leadership behavior relates with either low or job satisfaction among the worker (Bartolo and Furlonger, 2000).

According to the study done by Mosadeghrad and Yarmohammadian (2006), the goal and the objective of the company towards achievement depends on the leadership style of the manager and also the manager of the company itself. The productivity, commitment and also the employee job satisfaction can result through suitable or appropriate leadership style by the manager of the company.

Based on P. J. de Jong and Den Hartog (2007) study, transformational leadership, participative leadership and leader-member exchange (LMX) theory was investigated on the relationship between leader behaviour and individual innovation as refer to available research. Hypothesis that encourages creativity is transformational leadership. Transformational leadership helps in enhancing creativity of followers where leaders

stimulate followers to view problem in new ways together with developing their full potential. There is a mixed results showed by previous studies.

As cited in the Choi *et. al* (2007) in the study done by Wells and Peachey (2011), where head coaches altruistic behaviour, affective commitment and job satisfaction associate with transformational leadership of athletic director. Furthermore, Yusof and Shah (2008) also cited in the same study done by Wells and Peachey (2011), that the use of transformational leadership by the athletic director among the head coaches cause to greater job satisfaction (Wells and Peachey, 2011).

Meanwhile, participative leadership uses various decisions making procedures that examine how far people can influence the leader's decisions while having the autonomy to design and implement the task on their own. LMX theory involves the social exchange relationship of leaders and employees. In addition, the quality relationship influences outcomes for example, subordinate satisfaction, supervisor satisfaction, role conflict, performance, commitment, role clarity and turnover intentions (P. J. de Jong and Den Hartog, 2007).

In addition, interaction of employees with peers in the workplace has impact on employees' innovative behaviour. Employees' work behaviours influences by the powerful source of leaders. Moreover, there is no exception in innovative behaviour (P. J. de Jong and Den Hartog, 2007).

In order to bring up the subordinate to perform to their highest capability is only rely on the ability of the leader. Management put the respect on the workers, applying honesty and integrity, promote efficiency, and give the employee the right towards an open

communication are how those factors are capture (Mosadeghrad and Yarmohammadian, 2006).

According to study by P. J. de Jong and Den Hartog (2007), work is defined less rigidly and has become more knowledge-based. Therefore, employees could use their skills to produce ideas and use that as building blocks for new, better product, services and work processes which by these employees can help to improve the business performance. Most of the practitioners and academics believe that organizational successes are attained from individual innovations. Employees themselves need to be both willing and able to innovate in order to realize a continuous flow of innovations.

2.1.3 Career Advancement

Referring to study by Ramayah, May-chiun, Adida and Noorhayati (2011), the theory of 'survival of the fittest' could be said to be related to the interest in career advancement. The 'recipe' or the factors that can lead towards being the fittest or to be among the fittest are what every career-minded person focused upon in order to compete in the corporate industry.

Many researchers put their full effort and spend their precious time on analyzing the career advancement factors since the thirst for career advancement is unquenchable. The increasing environmental uncertainty was the reason of how the shape of traditional career paths has changed and this is the main focus of career advancement research. The relationship of career advancement with sociology, socio-economies and behavioural studies were among the scope of studies that research focuses on (Ramayah *et. al*, 2011).

Based on the study by Zajas (1995), every manager focused on the success of their career. On the key facets of executive and managerial success, there should be a good career plan in order to encourage self-reflection and designed to promote upward career mobility. The development of managers may result from the most important global business challenges in the 1990's. Managers should be totally prepared for the challenges where one's performance towards desired personal or career goals can be related to the appropriate design of career plan of every manager.

Based on Zajas (1995), there were myths in relation with career planning and development exists in view by the managers and also entrepreneur. The myth is as such:

- Myth one: A good career development plan results from persistence, luck and hard work.
- Myth two: A person's goals, interests, values and attitudes flows towards career planning.
- Myth three: Business, employment and financial goals are the main focuses of career development.
- Myth four: For proprietors, entrepreneurs or small business owners, the career planning tends to be ineffective.

In addition, based on Zajas (1995) study, there are plenty of strategies applied for career advancement. Those strategies including:

- Engage in mentoring that promotes job performance, encouragement and feedback.

- Participating in support group that promote empathy, key interpersonal relationship and interacting with others.
- Nurturing through reading inspirational books that helps in refreshing one's mind.
- Getting involved in training and development programme in order to build up one's career advancement.
- Stay out of debt in order to reduce stress and being financially stable.
- Develop written goals and follow it in order to be successful in career because people who use to have their own written goals tend to be successful compare to who do not have it.
- Having own daily dairy and record daily activities.
- Keeping a success journal that could give benefit in term of decision making, performance and communication.
- Hiring a talented and specialized career counselor that could assist in matter of career planning.

According to Edem (1999), for newly joined employees, career advancement seems to be the major contributor to job satisfaction (Edem, 1999). According to Burke, Koyuncu and Fiksenbaum (2006), women are describe more towards organizational support and showed more job and career satisfaction and perceived psychological well-being in high levels.

Career advancement always start from the first day of stepping into the company and ends at the time of retirement. Career advancement is based on merit without discriminating in terms of gender, race or others. Graham and Bennet (1995), pointed out in their study that employee's hard works are driven from a prospect of career

advancement. Basically, the existence of alternative career path on employees and organizational preferences are entails by the career advancement.

According to Reitman and Schneer (2003), where interaction between the person internal characteristics and the person face of external forces is where the career is shaped. A person might choose one path over another path but the organization might or might not offer the path of the person's choice.

According to Wood (2006), the factors that support managerial advancement are not clearly understood but the success of career is equated with organisational progression especially in the case of women in management. The male model for career success does not explain well for women since women's development is seen as unique from that of men. In relation with different promotion outcomes experience by men and women, the scope of career advancement generated much research and debate.

Focusing on one Australian study, career models were confirmed to be gender-specific as tested by personal together with situational determinants, therefore the variance falls more on men's career success rather than on women's. Men were reported to have more advantage in terms of opportunity for training which is linked to managerial advancement. In addition, men benefited more than women in training where working experience and education provide more opportunity for training (Wood, 2006).

According to Igbaria and Baroudi (1995), where in rating job performance, gender differences does not play an important role but women compare to men are seen to have less favourable chances in term of promotion. An individual's chance of career advancement is influenced by his/her job performance rating. Men perceived stronger

effect of job performance rating on career advancement prospects while women perceived stronger effect of attributions on career advancement prospects (Igbaria and Baroudi, 1995)

2.1.4 Job Stress

Stress is known as unpleasant emotions condition that are experienced by individuals related to work and the emotions is unstable if one did not find a solution to it. Consequently, there will be emotional changes in dealing with it (Halkos and Bousinakis, 2010).

Stress can be described as an individual's reaction towards their job and it is different from general stress which may also be job and organization related (Chen and Silverthorne, 2008). According to Halkos and Bousinakis (2010) where satisfaction can be a factor that control stress. Employee who satisfied with their job will have a good impact on the productivity. Satisfaction and productivity brings up the existence of cause-effect relationship.

According to Zeffane and McLoughlin (2006), the factor that contribute towards worker's absence, turnover and poor performance tend to be the high workplace stress. Improvement of the work and the organizational environment met some success towards reducing and preventing stress. Therefore, the potential results for increased in stress were strongly shifted to the social and organizational aspects of workplace.

According to Johnson, Cooper, Cartwright, Donald and Taylor, Millet (2005), the interest on the topic of workplace stress appears to have no sign of waning and there has been a large amount of research conducted. There is a negative impact on an individual's mental and physical health if stress continuously and intensely happen. In UK itself, around half a million people view that they experience work-related stress at a level that is making them fall sick. Moreover, the work-related stress has cost society around £3.7 billion a year and up to five million people feel very or extremely stressed with their current work.

There are some jobs or occupational types that experience above average levels of stress such as teachers, healthcare, nurses and social workers, ambulance service and others. The increase of the likelihood of person experiencing negative stress outcome has been linked with the existence of a number of work related stressors (Johnson *et. al*, 2005).

Elangovan (2001) in the study pointed out that, stress is strongly related to satisfaction where high stress will lead to low satisfaction. Satisfaction is also strongly related to commitment where low satisfaction will cause low commitment. Job stress is usually known to be connected with the work attitudes and turnover intentions. An individual tend to resign from a job when job stress exceed a certain limit (Elangovan, 2001).

In Western Australian, approximately one quarter of their employees suffer occupational stress from their job which leads to dissatisfaction (Savery and Luks, 2001). According to a study done by Holdsworth and Cartwright (2003), mental distress and also excess chronic disease are related to the low levels of empowerment in working life. There should be increasing awareness on psychological and physical well-being that comes together with decreasing sickness, absenteeism and turnover rates which can ultimately

increase the levels of empowerment among the employees in the organization (Holdsworth and Cartwright, 2003).

2.2 Applied Theories

There will be a brief discussion on the theory that will be applied in this study.

2.2.1 Theory of Job Satisfaction

2.2.1.1 Hierarchy of Needs Theory (Maslow's Theory)

According to Ali and Khulood Ahmed (2014), this theory is introduced by Abraham Maslow's which known as hierarchy of needs. It consists of five levels of needs, which are:

1. Physiological needs include hunger, shelter, sex and other bodily needs
2. Safety needs such as security and protection from danger.
3. Social needs such as affection and friendship.
4. Esteem needs such as status and recognition.
5. Self-actualization needs such as to be what one is capable of becoming and self-fulfillment.

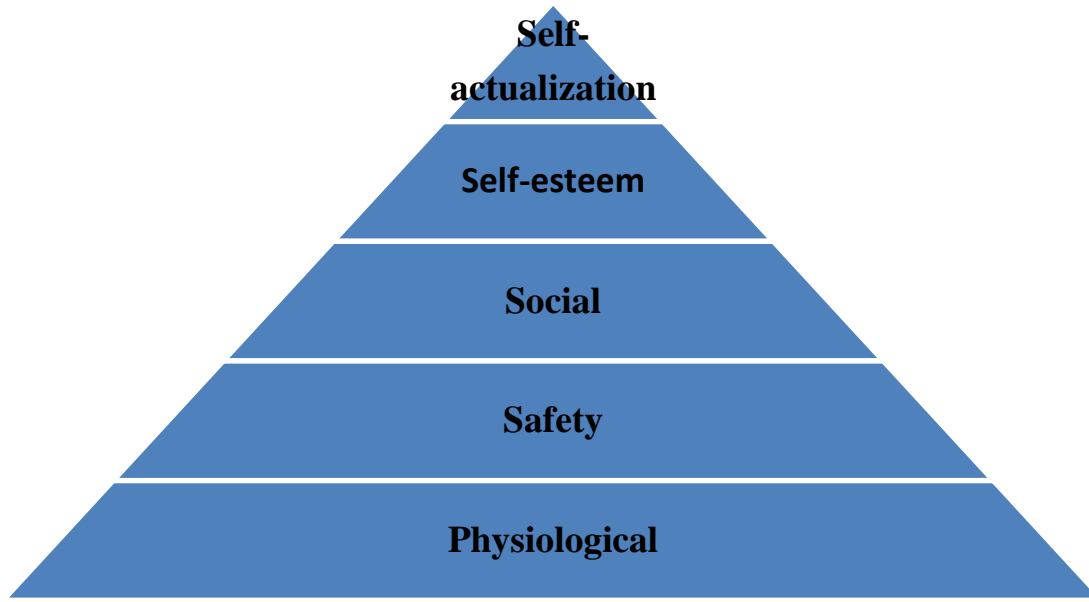


Figure 2.1: Abraham Maslow's Hierarchy of Needs

Maslow has separated the hierarchy needs into two types which are lower-order needs and higher-order needs. Lower-order needs include the two lower levels which are physiological and safety needs. These needs are satisfied externally. In addition, the higher-order needs are the three high levels which are social, esteem and self-actualization needs. These needs therefore are satisfied internally (Ali and Khulood Ahmed, 2014).

2.2.1.2 Herzberg's two-factor theory

According to Robbins and Judge (2010), the theory explains what a person wants from their jobs. People feeling towards their job are expressed either good or bad. The theory is also known as motivation-hygiene theory. This theory indicates intrinsic and extrinsic

factors. Intrinsic factors contribute to job satisfaction while extrinsic factors contribute to job dissatisfaction.

In a study done by Herzberg (1959, 1966), Herzberg studied the issue of job satisfaction among workers in many workplaces. In his model, he believes that the cause of satisfaction and lack of satisfaction was that they were elements within the job and job environment itself (Graham and Messner, 1998).

Referring to Robbins and Judge (2010), intrinsic factors are for example recognition, advancement and achievement. Extrinsic factors are for example company policies, supervision and working environment. According to Herzberg, a job does not necessarily achieve satisfaction if dissatisfying characters are taken out from the job. A factor that causes job satisfaction tends to differ from factors that cause job dissatisfaction. Similarly, if the cause of job dissatisfaction is been removed, it may not bring to motivation but may bring to peace (Robbins and Judge, 2010).

Referring to Graham and Messner (1998), there are four criticisms of the model of two-factor theory. The criticisms were:

1. Limited of methodology in determining critical events of satisfaction and dissatisfaction.
2. In existence of contamination of result when raters are required to interpret respondent's behaviors.
3. There is no measurement of overall satisfaction.
4. In explaining the relationship between satisfaction and productivity, the situational variables were not treated.

2.2.2 Theory of Leadership

2.2.2.1 Trait Theories of Leadership

According to Derue, Nahrgang, Wellman and Humphrey (2011), the trait theories of leadership focus on personal qualities and characteristics that differentiate the leaders from its followers or non-leader. For example, Big Five Model is discussed in this theory. Based on Gosling, Rentfrow and Swann Jr. (2003), Big Five Model involves five basic dimensions such as:

1. Extraversion such as assertive and sociable.
2. Agreeableness such as altruism, trusting and warm.
3. Conscientiousness such as organized and self-discipline.
4. Emotional stability such as a person can handle stress well.
5. Openness to experience such as creative, feeling and actions.

2.2.2.2 Reinforcement Theory

According to Robbins and Judge (2010), the reinforcement theory is introduced by the B. F. Skinner. This theory views behaviour as environmentally caused. It view that behaviour is known to be function of its consequences. This theory totally ignores the inner feelings of individual. It concentrates on what happens when individual takes some action.

According to Jones and George (2008), operant conditioning theory is people learn to behave that cause to favorable consequences and do not learn to behave that cause to

unfavorable consequences. This means that a person behave to have something he/she likes and avoid to behave towards they something dislike.

2.2.3 Career Advancement Theory

Sense of experience can be developed by career advancement theories. The type of career advancement theory is Holland theory of vocational types.

2.2.3.1 Holland Theory of Vocational Types

According to John Holland, a personality may be related to satisfaction and intention to leave position. Holland listed six types of personality namely realistic, investigative, social, conventional, enterprising and artistic (Carson, 1994; Robbins and Judge, 2010).

Realistic is a person with realistic personality is more towards activities relate to skill and strength. The characteristics for person with realistic personality are such as shy, practical, stable. The example of occupations for realistic personality is such as mechanic and operator.

Investigative is defined as a person with investigative personality is more towards activities related to thinking, organizing and understanding. The characteristic for person with investigative personality is analytical, original, and independent while the occupation suitable are such as biologist, economist.

Social is a person with social personality is more towards activities involving helping and interacting with others. The characteristics for person with social personality are such as sociable, friendly, understanding. The example of occupations for social personality is such as social worker, teacher, counsellor.

Conventional is defined as a person with conventional personality is more towards rule-regulated and orderly oriented activities. The characteristic for person with conventional personality is conforming, efficient, practical while the occupation suitable are such as accountant and bank teller.

Enterprising is a person with enterprising personality is more towards verbal activities where they have power in influencing people. The characteristics for person with enterprising personality are such as self-confident, ambitious, energetic. The example of occupations for enterprising personality is such as lawyer, real estate agent.

Artistic is a person with artistic personality is more towards activities which is unsystematic that provide creative expression. The characteristics for a person with artistic personality are imaginative, emotional, disorderly while the occupation suitable are such as painter, musician, writer (Carson, 1994; Robbins and Judge, 2010).

2.2.4 Job Stress Theory

2.2.4.1 Robbins Work Stress Model

According to Robbins and Judge (2010), this model is divided into two parts which are potential sources and consequences. There are three potential sources of stress which are

environmental factors, organizational factors and personal factors. There are three consequences such as physiological symptoms, psychological symptoms and behavioural symptoms (Robbins and Judge, 2010).

Environmental factors are divided into three types which are economic uncertainty, political uncertainty and technological uncertainty. Economic uncertainty occurs as a result from changes in the business cycle. Political uncertainty will not cause stress especially to employees in countries with stable political systems but countries with political threats and changes will definitely create stress. Technological changes tend to cause stress to people because human's skills and experience will no longer in use due to innovations.

Organizational factors are divided into three types such as task demands, role demands and interpersonal demands. Task demands are connected to a person's work for example the task variety, degree of autonomy and the degree of automation. Role demands are related to physical force place on people as function of certain role of that person holds in the organization. It includes role conflicts, role overload and role ambiguity. Interpersonal demands are defined as a stress created by other workers. An organizational with poor interpersonal relationship among their employees would cause towards stress.

Personal factors are divided into three types which are family problems, economic problems and personality. Family problems include marital difficulties, breaking of relationship children problems which cause stress to employees. Economic problems relates to problem in handling finance where some people are not good in managing their

income and exceed their earning capacity. Personality could also create stress on job because it is a person's basic disposition.

There are few consequences of stress where the symptoms are divided into three categories which are physiological symptoms, psychological symptoms and behavioral symptoms. Physiological symptoms are such as headaches, high blood pressure and heart disease. Psychological symptoms are such as anxiety, depression and decrease in job satisfaction. Lastly are behavioral symptoms which include productivity, absenteeism and turnover.

Robbins Model of Stress in detail is presented as below in figure 2.2.

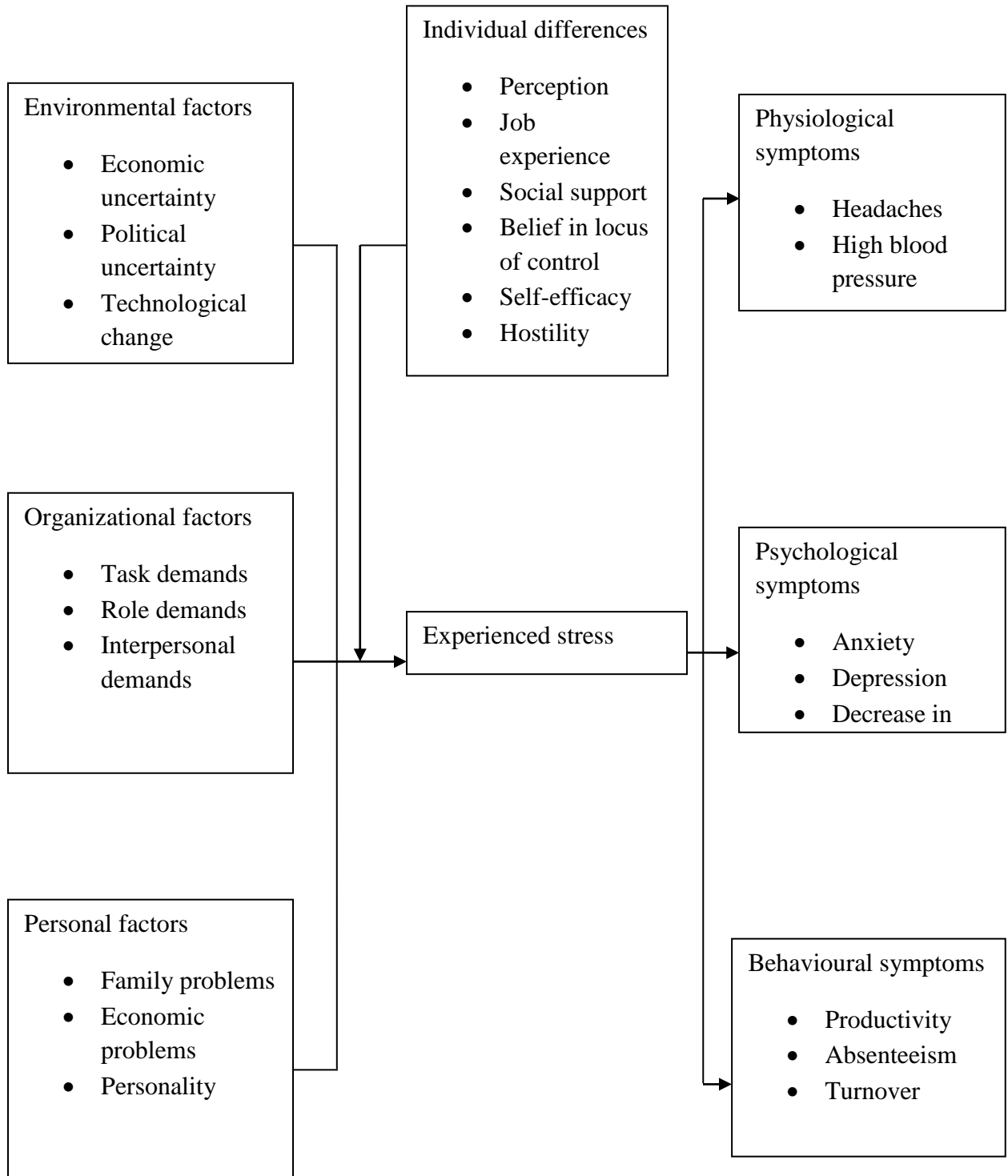


Figure 2.2: Robbins Model of Stress, Robbins and Judge(2010)

2.3 Conclusion

As a conclusion, the review of the literature indicates that, there are significant relationship between the dependent variable which is job satisfaction and independent variables such as salary, leadership, career advancement and job stress. However, none of the previous study has shown the evidence in the context of insurance employees in Alor Setar, Kedah.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter overall focuses on explaining the research framework, research hypotheses, research design, the population and sampling design, data collection procedures, measurement or instrumentation and finally the data analysis technique. In addition, this chapter gathered all information to solve the problems incur.

3.1 Research Model or Framework

The research framework has been developed based on the literature that has been highlighted earlier and problem involved. This frame work or model focuses on the factors that could have an impact on the job satisfaction at insurance companies in Alor Setar, Kedah. As suggested, the independent variables are salary, leadership, career advancement and job stress. The dependent variable therefore is employee's job satisfaction.

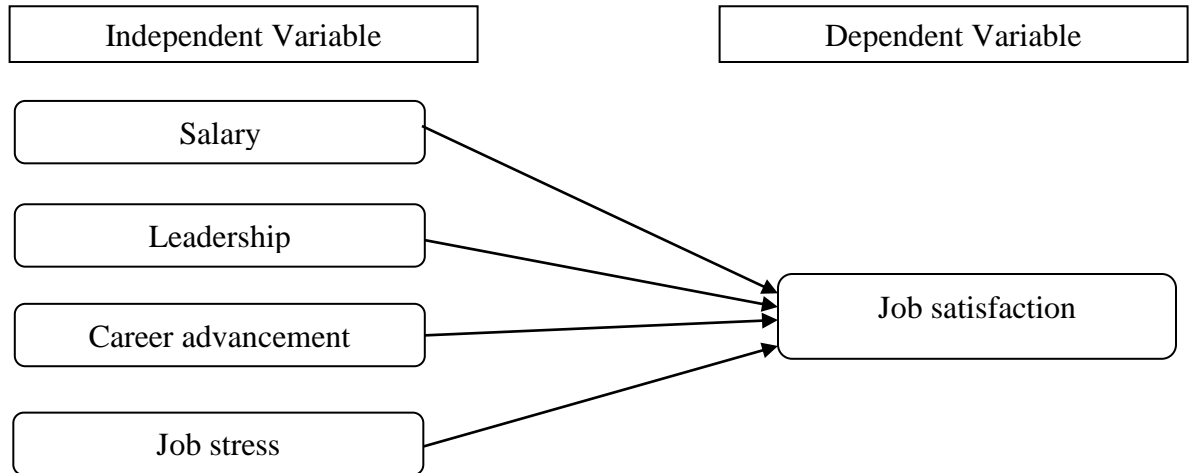


Figure 3.1: *Theoretical Framework of the Study*

3.2 Research Hypotheses

This research study is based on the H_0 which is the hypothesis null and H_1 which is the hypothesis alternate. This hypothesis is tested in this study. The following hypotheses are offered:

Salary

H_{1O} : There is no relationship between salary and job satisfaction among the employees

H_{1A} : There is relationship between salary and job satisfaction among the employees

Leadership

H_{2O} : There is no relationship between leadership and job satisfaction among the employees

H2_A : There is relationship between leadership and job satisfaction among the employees

Career Advancement

H3_O : There is no relationship between career advancement and job satisfaction among the employees

H3_A : There is relationship between career advancement and job satisfaction among the employees

Job Stress

H4_O : There is no relationship between job stress and job satisfaction among the employees

H4_A : There is relationship between job stress and job satisfaction among the employees

3.3 Questionnaire

The questionnaire is divided into three sections which is section A, section B and section C. Section A focuses on the demographic characteristic, section B focuses on the dependent variable which is job satisfaction and section C focuses on the independent variables which are salary, leadership, career advancement and job stress. The questions were divided as below:

Section A: Demographic characteristics (7 questions)

Section B: Job satisfaction (5 questions)

Section C: - Salary (5 questions)

- Leadership (6 questions)

- Career advancement (6 questions)

- Job stress (6 questions)

3.4 Credit to Weiss, Darwis, England & Lofquist (1967) and Currivan (1999)

The questionnaire that the researcher used was adapted and rephrased from Minnesota Satisfaction Questionnaire by Weiss, Darwis, England & Lofquist and journal by Currivan on “The Causal Order of Job Satisfaction and Organizational Commitment in Models of Employee Turnover”.

3.5 Research Design

In the research design, the researcher focuses on a series of rational decision-making choices. The research design depends on how the researcher decides for appropriate design alternative and focus on specific purpose (Sekaran, 2003). Research design will include the type of study, source of data, unit of analysis, population frame, sample size and sampling design.

3.5.1 Type of Study

This research is mainly focuses on descriptive and inferential study. The data was collected using the quantitative study method. This study investigates the correlation between the independent variable and the dependent variable. The relationship of the dependent variable which is employee's job satisfaction in insurance companies is to be investigated against the independent variables namely the salary or salary, leadership, career advancement and job stress.

This study was analyzed using Statistical for Package Social Science (SPSS) version 21.0 where the result will be tested using Cronbach's Alpha which is usually used for multipoint scaled items. In addition, the multiple regressions are suitable in testing the relationship of the variables.

3.5.2 Sources of Data

In this research, there are combination of two kinds of sources of data which are primary data and secondary data. According to Robert, Brain and Sekaran (2001), primary data is known as the first hand data collected in order to succeed analysis for the solutions towards the research problem. Moreover, the secondary data is also being used in this research for example journal and book.

3.5.3 Unit of Analysis

This study focused on an individual who is employee in the insurance companies in Alor Setar, Kedah.

3.5.4 Population Frame

Population is the group of people that researcher decided to examine on (Sekaran, 2003). Therefore, in this study, the researcher would like to investigate factors that influence job satisfaction among the employees in the insurance companies which focus in Alor Setar, Kedah. The population will be the employees of insurance companies in Alor Setar, Kedah.

3.5.5 Sample Size

The total of respondent of altogether insurance companies in Alor Setar, Kedah is 160 people. According to Krejcie and Morgan (1970), population with $N=160$, the sample size equal to 113. In this regards, the researcher has distributes 113 questionnaire to all insurance companies but the questionnaire that researcher can use for the research is only 102 because some of the questionnaire is incomplete and inaccurate.

3.5.6 Sampling Design

Sample is known to be the subset of population which means few members that are selected from the population. Sampling is a process of selecting adequate numbers of elements from the population. It would be rather hard and time consuming to collect data from the entire population and that is why sampling is being considered in gathering data (Sekaran, 2003). The research uses Simple Random Sampling. Simple Random Sampling is a sample design which considers and generalizes all elements in the population. The advantage of Simple Random Sampling is the finding has high generalizability (Sekaran, 2000).

3.6 Data Collection Procedures

Data for research can come from two ways which are primary data and secondary data. Primary data is obtained through people or focus group (Sekaran, 2003) for example interviewing respondents or distributing questionnaire. Secondary data is obtained usually from company records, government publication or from website. In this study, the researcher will focus on gathering data through primary data by distributing questionnaire to selected respondents. There will be steps on collecting the data, as below:

a) Request permission to do research

The researcher decided to do a survey on particular insurance companies in Alor Setar, Kedah. The researcher walked in to the insurance companies and hand over the permission letter to conduct survey at a particular place. Approval by the

company's manager to conduct survey on their employees is needed in order to complete the research.

- b) Set a particular date and time in distributing questionnaire to respondents

After receiving approval from the manager of the company, on an agreed date, the researcher went to the company and distributes the questionnaire. Approval from manager helped researcher to receive full response and support from the employees of the company.

- c) Explaining related to questionnaire

The researcher spends time with the employees in order to help and guide them on any question which they do not understand. The researcher explained everything that is related to the questionnaire in order to clarify the objective of the study.

- d) The time duration consumed

The research on distributing questionnaire will be conducted on the agreed time and day. The researcher agreed to collect back the entire questionnaire from the insurance companies after three days after negotiating with the manager of the insurance company.

3.7 Measurement

In this study, the measurement is focused on the independent variables and dependent variable. It measures the dependent variable which is the job satisfaction among the employees working in insurance companies in Alor Setar, Kedah. It also measures the independent variables which are the salary, leadership, career advancement and also job

stress. The study will also measure the demographic characteristics of all respondent involved.

According to Sekaran (2003), Likert scale is used to measure how strong or weak the statement on 5-point scale. The questionnaire is divided to three sections which are Section A, Section B and Section C but the Likert scale will be used in Section B and C only. Section B will focus on the dependent variable of the study which is job satisfaction. Section C will focus on the independent variables in the study which are salary, leadership, career advancement and also job stress. All questions will be asked on 1-5 Likert scale, as shown below:

1	Strongly disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly agree

Table 3.2: Five Point of Likert Scale

3.8 Data Analysis Techniques

The analysis of data was conducted by using “Statistical Package for Social Science” version 21.0 (SPSS 21.0). It analyzed all the items and variables in the questionnaire. It helped to measure to the main objectives of the research. The research undergoes analysis such as reliability test, Pearson Correlation and also Multiple Regression.

3.8.1 Reliability test (Cronbach's Alpha)

According to Coakes, Steed and Ong (2010), Cronbach's Alpha is one of most commonly used test for reliability analysis. In Cronbach's Alpha, if the items are standardised, it is based on the average correlation of item within a test, while it be will based on the average covariance among the items when the item are not standardised. This is because, correlation of coefficient are interpreted by Cronbach's Alpha, which give value in the range of 0 to 1.

Besides, added by Coakes *et.al* (2010), value that would be obtained when all items are standardised are provided therefore by SPSS output as standardised item alpha. There will be little difference between these two alphas since items usually possess comparable variance.

While according to Sekaran (2003), the focus of the Cronbach's Alpha is to test for consistency and stability. It indicates the reliability coefficient to see how well the variables are positively correlated to one another to explain the concept. In addition, the higher the internal consistency reliability can be seen when the Cronbach's Alpha is to closer to 1 which is considered better. Scores which is less than 0.6 are considered poor, while 0.7 will be considered as acceptable and over 0.8 is good.

In addition, based on the study by Pankit (2012), common used rules of thumb interpret the internal consistency as in the table as follows:

Cronbach's Alpha	Internal Consistency
<0.5	Unacceptable
0.5-0.6	Poor
0.6-0.7	Questionable
0.7-0.8	Acceptable
0.8-0.9	Good
0.9-1.0	Excellent

Table 3.3: Cronbach's Alpha interpretation

3.8.2 Pearson Correlation

According to Sekaran (2003), the Pearson Correlation is used for interval- and ratio-scaled variables. It indicates the intercorrelations among variables. Meanwhile, according to Coakes *et. al* (2010), correlation use linear fashion in order to look on the relationship between two variables. The relationship between two variables was described by the Pearson product-moment correlation coefficient. Analyze and Correlate menus were use in order to compute the correlation.

The Pearson product-moment correlation is used which will perform bivariate correlations. The correlation between two continuous variables is referred as simple bivariate correlation. It measures linear relationship. Simple bivariate correlation is also known as zero-order correlation (Coakes *et. al*, 2010).

Thus, Sekaran (2003); Coakes *et. al* (2010) in their studies elaborated that, there could be perfect positive correlation between two variables which is 1.0 (plus 1) or a perfect negative correlation which is -1.0 (minus 1). Sekaran (2003) added, when assess correlations between any two variables expected to be different from each other is show that neither of these will be seen in reality. The sign of the positive and negative shows the direction while the value shows the strength of the relationship (Coakes *et. al*, 2010).

In addition, according to Pankit (2012), the coefficient correlation which describes the relationship of independent variables and dependent variable shows the interpretation of value of r as in the table below:

Coefficient Correlation	Interpretation
<0.2	Slight correlation
0.2-0.4	Low correlation
0.4-0.7	Moderate correlation
0.7-0.9	High correlation
0.9-1.0	Very high correlation

Table 3.4: Interpretation of Coefficient Correlation

3.8.3 Multiple Regression

According to Coakes *et. al* (2010), an extension of bivariate correlation is known as multiple regression. In addition, the best prediction of dependent variable derived from

several independent variables presented an equation which is known as the result of regression. Independent variables which are correlated with each other and with the dependent variable use regression analysis.

The Multiple Regression is used to analyze the relationship of variables. In the meantime, according to Sekaran (2003), the multiple r or multiple correlation is when the variables jointly regressed against dependent variable in effort to explain the variance in it, the individual correlations collapse into. The R^2 or known as R -square or the square of multiple r , is to be the amount of variance explained in the dependent variable by the predictors. Multiple regression analysis is where more than one predictor is jointly regressed against the criterion variable. We can interpret the results when the R -square value, the F statistic and its significance level are known.

3.9 Conclusion

In this chapter, the test used by researcher was the measurement of central of tendency, reliability test, Pearson's Coefficient and multiple regression. Researcher will use SPSS program version 21.0 to analyze data and the result will be presented in chapter four.

CHAPTER FOUR

FINDINGS

4.0 Introduction

In this chapter, the researcher elaborates the findings of the research. There are few sections elaborated such as the respondent's demographic characteristic and the relationship of independent variables and dependent variable. The researcher use Pearson correlation, Cronbach's Alpha and Multiple Regression.

4.1 Findings

The findings further elaborate the result of the study. There are few insurance companies in Alor Setar, Kedah that the data are collected from such as Prudential Assurance Malaysia Berhad, Allianz Malaysia Berhad, Multi-Purpose Insurance Berhad, Tokio Marine Insurance (Malaysia) Berhad, Lonpac Insurance Berhad, Great Eastern Life Assurance (M) Berhad, ING Insurance Berhad, American International Assurance Berhad, Takaful Ikhlas Berhad, Etiqa Insurance Berhad, MCIS Zurich Insurance Berhad, ACE Jerneh Insurance Berhad, Uni Asia Insurance Berhad, Syarikat Takaful Malaysia Berhad, MSIG Insurance (M) Berhad and Manulife Insurance (M) Berhad. The total of questionnaire that the researcher was able to collect back is 102.

4.1.1 Measurement of Central of Tendency

There are altogether 102 respondents in the sample collected. The frequency distribution explained more detail for demographic characteristic by using the Statistical for Package Social Science (SPSS) version 21.0.

A. Frequency Distribution (Gender)

The frequency distribution represents the 102 respondents according to the gender. Out of 102 respondents, around 67.6% are female while the rest which are 32.4% are male who are working in the insurance companies in Alor Setar, Kedah. The table below shows clearly using pie chart.

Gender		
	Frequency	Percent
Male	33	32.4
Female	69	67.6
Total	102	100.0

Table 4.1: Frequency Distribution (Gender)

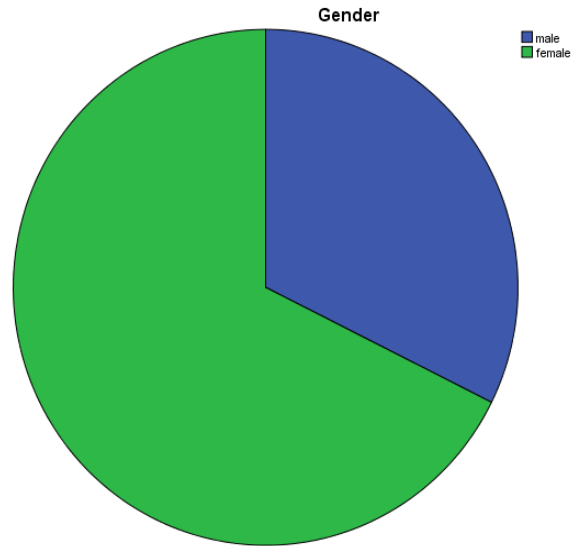


Figure 4.1: Gender

B. Frequency Distribution (Age)

The result obtained from the data collected for age distribution out of 102 respondents shows that, for the age of 18 years to 24 years is 10.8%, while for 25 years to 34 years is 44.1%, then for the age 35 years to 44 years is 27.5%, followed by respondents age from 45 years to 54 years is 13.7% and finally is age which is 55 years and above is 3.9%.

Age

	Frequency	Percent
18-24	11	10.8
25-34	45	44.1
35-44	28	27.5
45-54	14	13.7
55 and above	4	3.9
Total	102	100.0

Table 4.2: Frequency Distribution (Age)

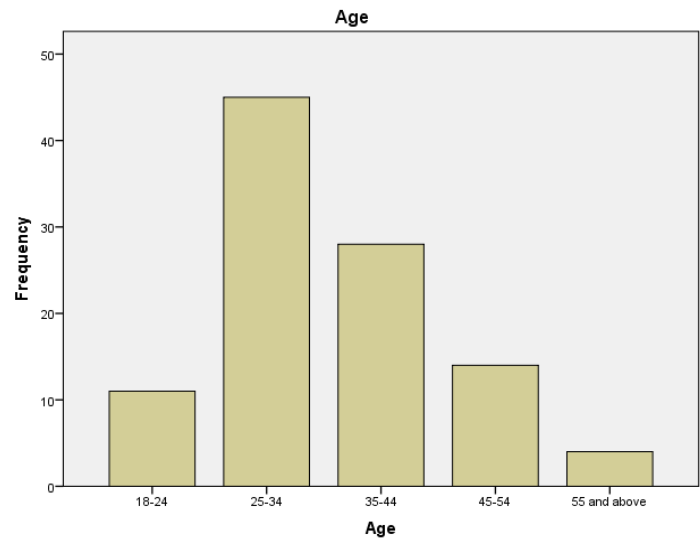


Figure 4.2: Age

C. Frequency Distribution (Marital Status)

The table 4.3 below shows the frequency distribution of marital status of altogether of 102 respondents. The respondents that are married are 65.7% while 32.3% is single and the rest falls under others such as widows is 2.0%.

Status		
	Frequency	Percent
Married	67	65.7
Single	33	32.4
Others	2	2.0
Total	102	100.0

Table 4.3: Frequency Distribution (Marital Status)

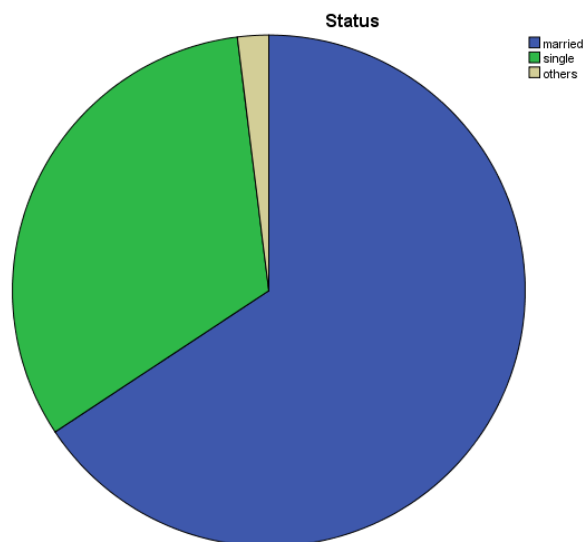


Figure 4.3 Marital Status

D. Frequency Distribution (Race)

The results of the data collected of 102 respondents, the race distribution is 60.7% falls under Malay, while 36.3% under Chinese, then 2% for Indian and 1% for others. This distribution can be clearly seen under the table below.

Race		
	Frequency	Percent
Malay	62	60.8
Chinese	37	36.3
Indian	2	2.0
Others	1	1.0
Total	102	100.0

Table 4.4: Frequency Distribution (Race)

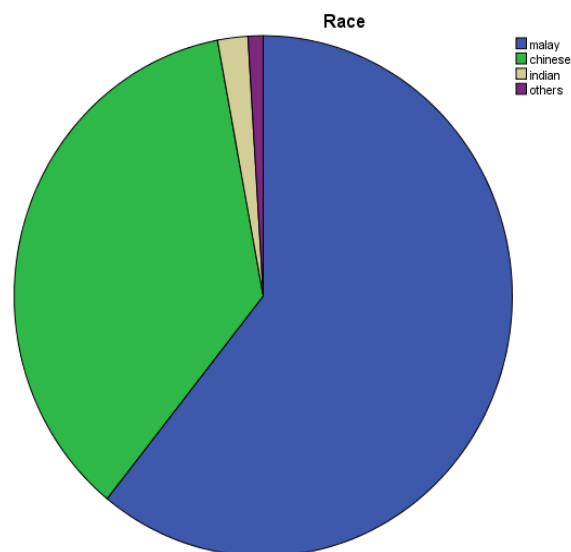


Figure 4.4: Race

E. Frequency Distribution (Position Hold)

The table below represents the frequency distribution of the 102 respondents which focus on the position holds by them. Out of 102 respondents, 9.8% holds manager position, 24.5% holds executive position, while 5.9% holds supervisor, then 22.5% holds clerical position while the rest 37.3% is under others.

Position		
	Frequency	Percent
Manager	10	9.8
Executive	25	24.5
Supervisor	6	5.9
Clerical	23	22.5
Others	38	37.3
Total	102	100.0

Table 4.5 Frequency Distribution (Position Hold)

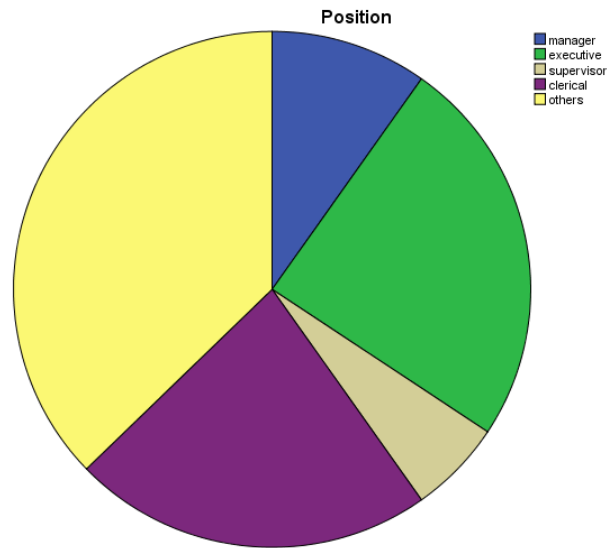


Figure 4.5: Position Hold

F. Frequency Distribution (Years of Current Job)

The table below will focus on the frequency distribution of years of current job from out of 102 respondents. From the total of 102 respondents, 11.8% works less than 1 year, while 49% works for 1 year to 4 years, then 19.6% works for 5 years to 9 years, while 8.8% works for 10 years to 14 years, followed by 6.9% works for 15 years to 19 years, then 2.9% works for 20 years to 24 years and 1% works for more than 25 years.

Years

	Frequency	Percent
Less than 1 year	12	11.8
1-4	50	49.0
5-9	20	19.6
10-14	9	8.8
15-19	7	6.9
20-24	3	2.9
25 and above	1	1.0
Total	102	100.0

Table 4.6: Frequency Distribution (Years of Current Job)

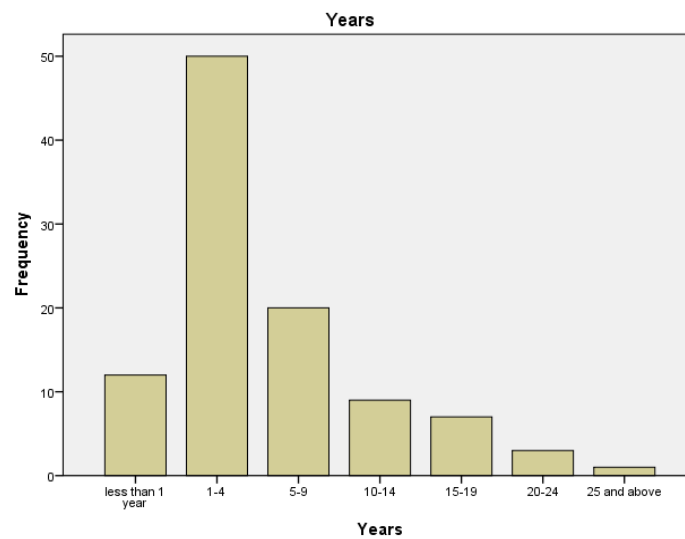


Figure 4.6: Years of Current Job

G. Frequency Distribution (Academic Qualification)

In the frequency distribution for academic qualification, out of 102 respondents, 31.4% are qualified from SPM (Sijil Pelajaran Malaysia), while 45.1% qualified from Diploma, then the rest are Undergraduate qualified while there are none from Master and PHD qualification. The table are as below for the distribution of academic qualification.

Academic

	Frequency	Percent
SPM	32	31.4
Diploma	46	45.1
Undergraduate	24	23.5
Total	102	100.0

Table 4.7: Frequency Distribution (Academic Qualification)

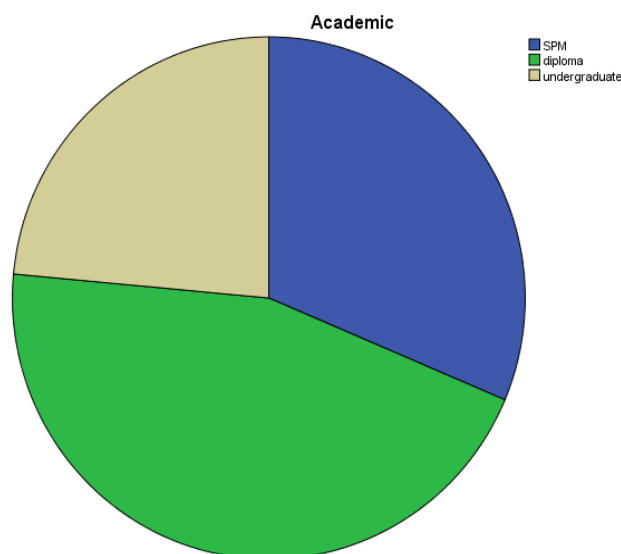


Figure 4.7: Academic Qualification

H. Descriptive Statistic

Based on the table 4.8 descriptive statistic below, the total sample size (N) is 102 respondents. The job satisfaction mean appears to be 3.92 and standard deviation of 0.49 (M=3.92, SD=0.49). The minimum shows the value of 2.20 and the maximum value is 5.00. The variance of job satisfaction is 0.24. In addition, salary shows mean of 3.56 and standard deviation of 0.78 (M=3.56, SD=0.78). The minimum value shows 1.00 while the maximum value is 5.00. The variance is 0.61.

Besides that, leadership shows mean of 3.99 and standard deviation of 0.55 (M=3.99, SD=0.55). The minimum value is 2.67 and maximum value is 5.00. The variance shows value of 0.30. Career advancement has mean of 3.98 and standard deviation of 0.67 (M=3.98, SD=0.6). The minimum value is 2.50 and the maximum value is 5.00. The variance appears to be 0.45. Finally, for job stress, the mean is 3.24 and standard deviation of 0.79 (M=3.24, SD=0.79). The minimum value is 1.00 and the maximum value is 5.00. The variance shows value of 0.62.

Statistics

	Job satisfaction	Salary	Leadership	Career advancemen t	Job stress
N	102	102	102	102	102
Mean	3.9235	3.5686	3.9967	3.9837	3.2402
Std. Deviation	.49716	.78185	.55500	.67140	.79207
Variance	.247	.611	.308	.451	.627
Minimum	2.20	1.00	2.67	2.50	1.00
Maximum	5.00	5.00	5.00	5.00	5.00

Table 4.8: Descriptive Statistic

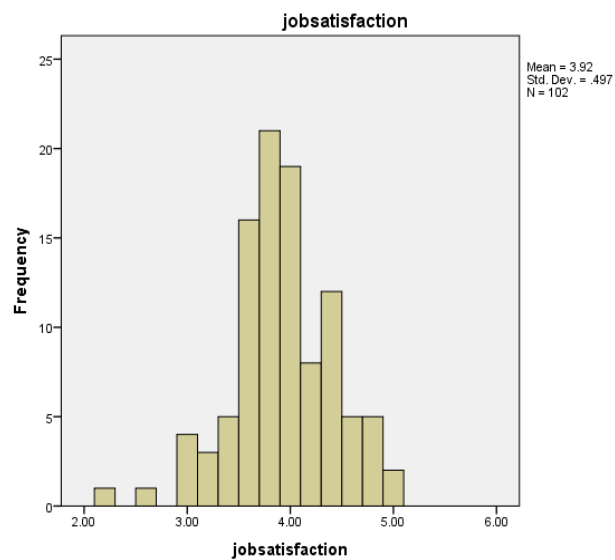


Figure 4.8: Job Satisfaction

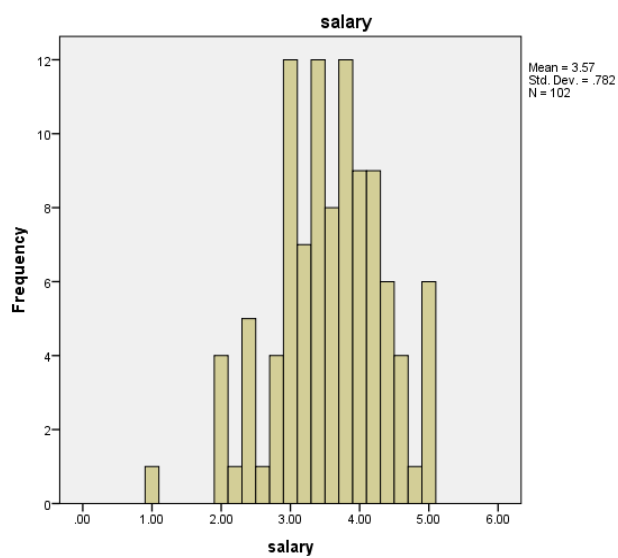


Figure 4.9: Salary

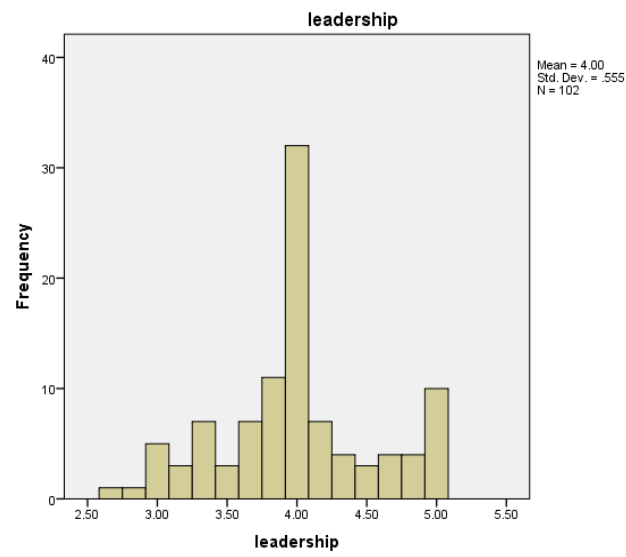


Figure 4.10: Leadership

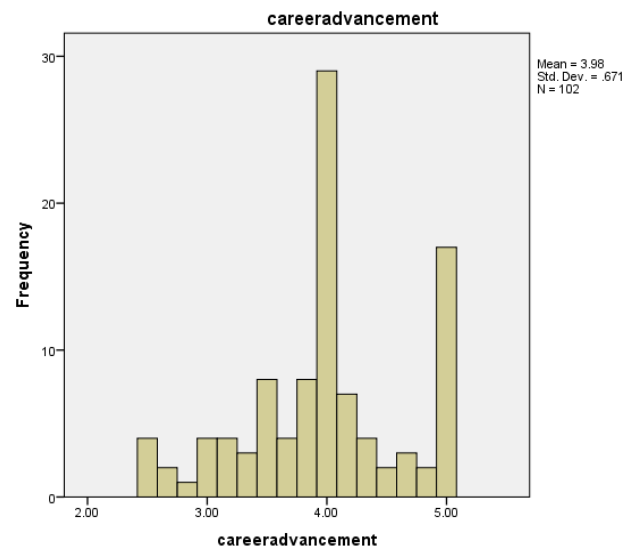


Figure 4.11: Career Advancement

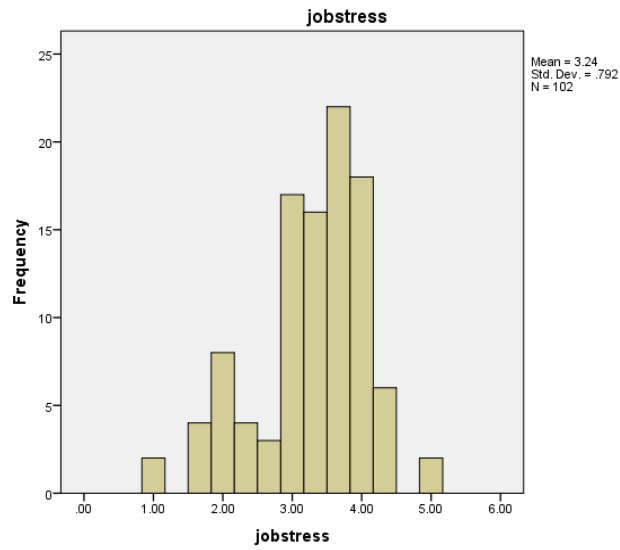


Figure 4.12: Job Stress

4.1.2 Reliability Test (Cronbach's Alpha)

Once the data collected, the reliability of the data was tested. The result of the reliability test for the variables shows that all the variables are reliable where the Cronbach's Alpha appeared to be greater than 0.714. In this regard, the value for salary is 0.840, the value for leadership is 0.881, the value for career advancement is 0.906, while the value for job stress is 0.768 and the value for job satisfaction is 0.714. The table below will show clearly the reliability of the variables.

Variables	Number of items	Cronbach's Alpha
Salary	5	0.840
Leadership	6	0.881
Career advancement	6	0.906
Job stress	6	0.768
Job satisfaction	5	0.714

Table 4.9: Reliability test result

4.1.3 Pearson Correlation

The Pearson correlation basically explains the relationship between two variables. The coefficient of correlation is ranged between -1 to +1 where the value shows the strength of the relationship (Coakes *et. al*, 2010). The table 4.10 shows the result of the test for relationship between salary and job satisfaction among the employees in insurance companies. The correlation coefficient for the tested relationship indicates that there is a significant, moderate relationship ($r = 0.523$, $p < 0.01$) between the two variables.

While the result of the test for relationship between leadership and job satisfaction among the employees in the insurance companies indicates that the correlation coefficient is significant, moderate relationship ($r = 0.510$, $p < 0.01$).

In addition, the result of the test for relationship between career advancement and job satisfaction among the employees in insurance companies indicates that the correlation coefficient is significant, moderate relationship ($r = 0.498$, $p < 0.01$).

As for the result of the test for relationship between job stress and job satisfaction among the employees in insurance companies, the correlation coefficient for the tested relationship indicates that there is insignificant relationship ($r = 0.112$, $p > 0.01$) between the two variables.

Independent Variables	Pearson (r)	Level of significance (p)
Salary	0.523	0.000
Leadership	0.510	0.000
Career advancement	0.498	0.000
Job stress	0.112	0.260

**Correlation is significance at the 0.01 level (2-tailed).

Table 4.10: Pearson correlation

4.1.4 Multiple Regression

The table 4.11 below shows the details on the multiple regression which explains that the value of r-square is 0.403 or 40.3% of all the variables which is salary, leadership, career advancement and job stress. The result shows the variance which is the r-square is 40.3% in dependent variable which significantly explain dimensions of independent variables.

The table below shows that the predictors which are salary and leadership are significantly related to job satisfaction. The variable mention has reach the statistical significance of 0.000 which is $p < 0.05$.

Salary

H1_O : There is no relationship between salary and job satisfaction among the employees

H1_A : There is relationship between salary and job satisfaction among the employees

The Beta value for each of the variables is mention in the table where the Beta value for salary is (Beta= 0.357, $p \leq 0.05$), therefore, the finding rejects the null hypothesis, and accepts the alternate hypothesis.

Leadership

H2_O : There is no relationship between leadership and job satisfaction among the employees

H2_A : There is relationship between leadership and job satisfaction among the employees

In addition, the Beta value for leadership is (Beta= 0.274, $p \leq 0.05$), therefore, the finding rejects the null hypothesis, and accepts the alternate hypothesis.

Career Advancement

H3_O : There is no relationship between career advancement and job satisfaction among the employees

H3_A : There is relationship between career advancement and job satisfaction among the employees

The Beta value for career advancement is (Beta= 0.139, $p \geq 0.05$), therefore, the finding accepts the null hypothesis, and rejects the alternate hypothesis.

Job Stress

H_{4O} :There is no relationship between job stress and job satisfaction among the employees

H_{4A} : There is relationship between job stress and job satisfaction among the employees

The Beta value for job stress is (Beta= 0.069, $p \geq 0.05$), therefore, the finding accepts the null hypothesis, and rejects the alternate hypothesis.

In that context, salary has more effect towards job satisfaction compared to others. This shows that, salary is the dominant factor influencing job satisfaction in insurance companies. Hence, the multiple regression equation can be stated as follows:

$$Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

$$Y = 0.357s + 0.274l + 0.137ca + 0.069jbs + e$$

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.635 ^a	.403	.379	.39188

a. Predictors: (Constant), Job stress, Salary, Leadership, Career advancement

Table 4.11: Model Summary

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.067	4	2.517	16.389	.000 ^b
	Residual	14.896	97	.154		
	Total	24.964	101			

a. Dependent Variable: Job satisfaction

b. Predictors: (Constant), Job stress, Salary, Leadership, Career advancement

Table 4.12: ANOVA^b

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.582	.322		4.915	.000
	Salary	.227	.057	.357	3.967	.000
	Leadership	.245	.095	.274	2.586	.011
	Career advancement	.103	.082	.139	1.257	.212
	Job stress	.043	.050	.069	.864	.390

a. Dependent Variable: Job satisfaction

Table 4.13: Coefficients^a

4.2 Summary of Hypothesis Testing

In this chapter, each of the hypotheses is analyzed and the results as in the table below:

H ₀ (Null Hypothesis)	Result
H ₀ : There is no relationship between salary and job satisfaction among the employees	Rejected
H ₀ : There is no relationship between leadership and job satisfaction among the employees	Rejected
H ₀ : There is no relationship between career advancement and job satisfaction among the employees	Accepted
H ₀ : There is no relationship between job stress and job satisfaction among employees	Accepted

Table 4.14: Summary of Hypotheses Testing

4.3 Conclusion

This chapter concluded the respondents' characteristics. The Pearson Correlation Coefficient and Multiple Regression summarized that:

- There is significant moderate relationship between salary, leadership, career advancement and job satisfaction.
- There is no significant relationship between job stress and job satisfaction
- Salary is the dominant dimension in influencing the job satisfaction among the employees in the insurance companies.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter explained and concluded the findings of the research and discusses the findings in detail. It also elaborated practical implications, the recommendations for future research and conclusion of the study.

5.1 Overview of the Findings

The research focuses on measuring the factors that influence job satisfaction among the employees of insurance companies. The selected scope is the insurance companies in Alor Setar, Kedah. Out of 113 samples distributed, the researcher managed to collect back 102 questionnaires from altogether sixteen insurance companies in Alor Setar, Kedah.

In addition, this study recognized the dimension under the needs factors that have the highest influence or dominant factors towards job satisfaction. This was done by using questionnaire containing three sections: section (A) regarding the demographic characteristics of the respondents, section (B) regarding the dimensions of job satisfaction and section (C) regarding the dimensions of factors that influence job satisfaction. The section provides scale of all factors in order to know exactly the needs of the employees. All the data will be analyzed using the SPSS data software.

5.2 Discussions

Generally, the research is conducted in order to predict the factors that influence job satisfaction among the employees of insurance companies in Alor Setar, Kedah. The primary goal of the research is to determine the relationship of the factors with the job satisfaction. Based on the analysis above, out of four of the factors, two of them supported this research hypothesis. Therefore, in this research also indicates which factors that has the highest effect or dominant factors towards job satisfaction. The hypotheses related to the research objective are showed specifically below.

5.1.1 Objective one: To determine the relationship of salary to job satisfaction?

Based on the research done, it showed that salary has a positive relationship with job satisfaction. Based on research by Tomazevic, Seljak and Aristovnik (2014), the term 'employee satisfaction' is used since it shows the impression of satisfaction with the work itself which also encompasses salary. In addition, the organizational factors which include the salary and incentive, known to be the powerful determinant of employee satisfaction when compared to others.

Moreover, based on study by Carraher (2011), organizational performance and profit can be enhanced by focusing on the employee benefit and compensation packages for small, medium and also large business. The major cost factor of production is compensation as viewed by employers. Therefore, salary can be seen as motivating factor for employees to perform well at their jobs. It plays a strategic role towards job satisfaction.

5.2.2 Objective two: To determine the relationship of leadership to job satisfaction?

According to study by Bartolo and Furlonger (2000), high employee satisfaction with their supervisor and coworkers are related with leadership behavior, which is a positive team member interaction known as effective teamwork. According to previous studies as mention by Katerberg and Horne (1981), the studies evaluated that leadership is related to employee job satisfaction.

Based on the research result, it shows that leadership has a moderate relationship to job satisfaction. Hence, this can be proved that there is correlation between leadership and job satisfaction based on the research result.

5.2.3 Objective three: To determine the relationship of career advancement to job satisfaction?

According to Carmeli *et. al* (2007), the objective assessment of an employee career movement are the organizational career advancement. Employees tend to enjoy high organizational career advancement when they feel appreciated on the achievement of their work (Carmeli *et. al*, 2007). Therefore, based on the result obtained from the research done, it shows there is no relationship between career advancement and job satisfaction among the employees in insurance companies. It is proved that career advancement is uncorrelated with job satisfaction.

5.2.4 Objective four: To determine relationship of job stress to job satisfaction?

According to Elangovan (2001), high stress leads to lower satisfaction where the result of a study shows that there are strong causal which links stress with satisfaction. Stress would cause employees to quit the job. Besides that, Holdsworth and Cartwright (2003), stated that an introduction of empowerment in workplace are anticipated by the outcomes of two main things which are decrease in job-related stress and increase in job satisfaction.

In addition, based on the research, job stress give no relationship to job satisfaction and it is consider as insignificant by the Pearson Correlation test. Therefore, job stress is uncorrelated with job satisfaction. It is considered as an insignificant variable compare to others.

5.2.5 Dominant Factors Influencing Job Satisfaction

The findings indicated that salary is the dominant dimension that has the highest influence towards job satisfaction. The result shows moderate relationship with the job satisfaction and appears to be the most dimensions that influence job satisfaction among the employees in insurance companies. According to Shittu (2008), in order to avoid dissatisfaction from taking place, an organization must take into consideration on pay and other hygiene factors at such levels if it desires to motivate its employees. While according to Stringer *et. al* (2011), expectancy theory shows that the influence of job satisfaction is the pay-for-performance system. In addition, the strongest association with job satisfaction is the pay satisfaction.

5.3 Modified Model

The modified model shows the new proposed framework with regards to the results derived from the research conducted and hypothesis testing. One out of four variables were removed from the framework which is job stress since the variable does not have the significant relationship with the job satisfaction. The other three variables which are salary, leadership and career advancement were remained since they have the significant relationship with the job satisfaction.

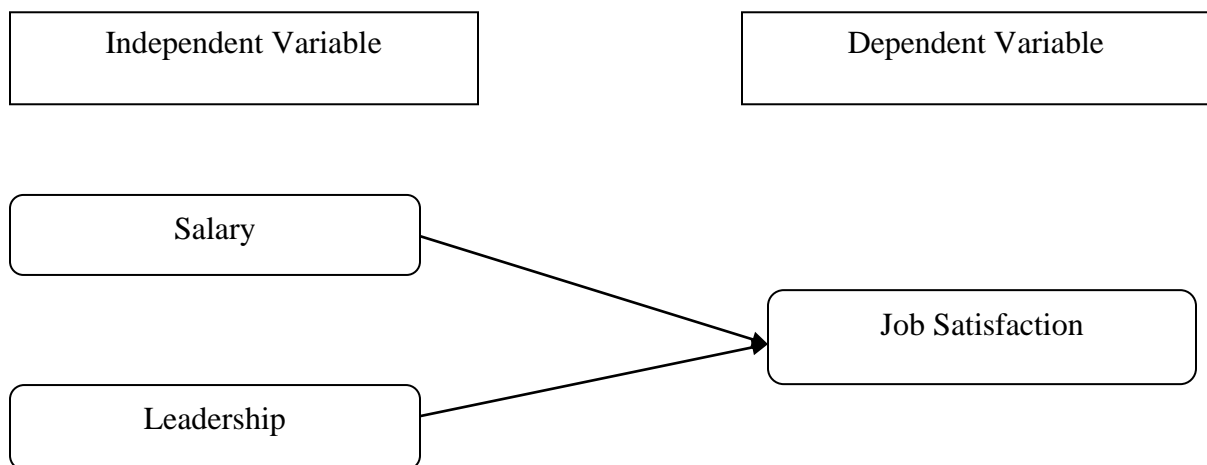


Figure 5.1: Modified Model

5.4 Practical Implications

The result of the study shows that two factors are related to job satisfaction among the employees which are salary and leadership. The management should be concerned on those three factors as key motivators towards satisfying the employees in insurance companies. Therefore, this could avoid and reduce the intention of the employees from quitting the job and reduce high employee turnover.

The result that shows salary as the dominant factors towards influencing job satisfaction among the employees give the organization a guideline on how to satisfy their employees and together with maintaining the present working conditions. The organization may think of conducting further research on the factor of salary specifically that could contribute towards employee satisfaction.

5.5 Overview Summary of the Result Finding

No	Research Objective	Research Question	Hypothesis	Findings
1.	To identify the relationship of salary to job satisfaction?	Is there any relationship between salary and job satisfaction in insurance companies?	H1: There is Relationship between salary and job satisfaction among the employees	Substantiate
2.	To identify the relationship of leadership to job satisfaction?	Is there any relationship between leadership and job satisfaction in insurance companies?	H1: There is relationship between leadership and job satisfaction among the employees	Substantiate
3.	To determine the relationship of career advancement to job satisfaction?	Is there any relationship between career advancement job satisfaction in insurance companies?	H1: There is relationship between career advancement and job satisfaction among the employees	Not Substantiate
4.	To identify the relationship of job stress to job satisfaction?	Is there any relationship between job stress and job satisfaction in insurance companies?	H1: There is relationship between job stress and job satisfaction among the employees	Not Substantiate

Table 5.1: Overview Summary of the Result Finding

5.6 Recommendation for Future Research

In order for the future research to be conducted, researcher might think of adding new variable for example organisational commitment which could lead towards job satisfaction among the employees.

In addition, according to study by Lok and Crawford (2004), there has been significant attention received in studies of organisational commitment and job satisfaction in workplace. Organisational commitment and job satisfaction have been reported to give strong correlations with turnover based on some studies. Employees who are less committed with their work are the employees who are dissatisfied with their job and will find ways to quit the job. There has been suggestion in the earlier studies that there were numerous antecedents of job satisfaction and organisational commitment.

5.7 Conclusion

In conclusion to the study done, the study examined the factors that influence job satisfaction among the employees in the insurance companies which focus in Alor Setar, Kedah. There are sixteen insurance companies which were selected in order to conduct the research.

Therefore the dominant factor has been predicted using few tests. The findings showed that there is relationship between salary, leadership and job satisfaction whereas there is no relationship between career advancement, job stress and job satisfaction.

In addition, research found that salary is the dominant factor that influences job satisfaction among the employees in insurance companies in Alor Setar, Kedah. In this chapter, researcher also highlighted the modified model for the theoretical framework, practical implication and researcher also included in this chapter the recommendations for future research.

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**UNIVERSITI UTARA MALAYSIA
06010 UUM SINTOK, KEDAH DARUL AMAN
MALAYSIA**

9th February 2014

Dear Respondent,

**ASKING FOR COOPERATION IN RESEARCH PROJECT ON FACTORS
THAT INFLUENCE JOB SATISFATION AMONG EMPLOYEES OF
INSURANCE COMPANIES IN ALOR SETAR, KEDAH**

We recognize that your time is valuable and many demands are made upon it by your heavy workload. However, your participation in this survey that will require only about 10 – 15 minutes of your time is vital to the success of this study.

As an employee who involve directly in the insurance business you are very much aware of the current scenario, which is related with factor that influences the job satisfaction. The study is particularly to examine the job satisfaction among the employees in the insurance company.

Please complete the questionnaire based on your honest and frank opinion. There is no right or wrong answer. We will ensure complete anonymity and confidentiality of the information provided by you. All return questionnaire will be the property of the researcher and will not be given or shown to anyone else.

Should you have any queries or if you are interested to know the outcomes of the research kindly contact us. We thank all of you for taking a short time from off your busy schedule to complete this survey.

Yours sincerely

Nor Shazween Binti Nizamuddin
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Othman Yeop Abdullah
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APPENDIX A: QUESTIONNAIRE

MASTER OF SCIENCE (MANAGEMENT)

FACTORS THAT INFLUENCE JOB SATISFATION AMONG THE EMPLOYEES OF INSURANCE COMPANY IN ALOR SETAR, KEDAH

Please tick the appropriate answers for each question without leaving any questions unfilled.

Sila tandakan jawapan yang sesuai bagi setiap soalan tanpa meninggalkan tempat kosong pada soalan-soalan.

SECTION A (DEMOGRAPHIC CHARACTERISRICS)

BAHAGIAN A (MAKLUMAT PERIBADI)

1. Gender/ *Jantina*

() Male/ *Lelaki* () Female/ *Perempuan*

2. Age/ *Umur*

() 18-24

() 25-34

() 35-44

() 45-54

() 55 and above/ *55 dan ke atas*

3. Marital status/ *Status Perkahwinan*

() Married/ *Berkahwin*

() Single/ *Bujang*

() Others, please state/ *Lain-lain, sila nyatakan:*

4. Race/ *Bangsa*

- ☐ Malay/ *Melayu*
- ☐ Chinese/ *Cina*
- ☐ Indian/ *India*
- ☐ Others, please state/ *Lain-lain, sila nyatakan:*

5. Position hold/ Jawatan yan dipegang

- ☐ Manager/ *Pengurus*
- ☐ Executive/ *Eksekutif*
- ☐ Supervisor/ *Penyelia*
- ☐ Clerical/ *Kerani*
- ☐ Others, please state/ *Lain-lain, sila nyatakan:*

6. Years of current job/ *Tempoh pekerjaan semasa*

- ☐ Less than 1 year/ *Kurang dari 1 tahun*
- ☐ 1-4
- ☐ 5-9
- ☐ 10-14
- ☐ 15-19
- ☐ 20-24
- ☐ 25 and above/ *25 tahun ke atas*

7. Academic qualification/ *Kelayakan akademik*

- ☐ SPM
- ☐ Diploma
- ☐ Undergraduate/ *Sarjana muda*
- ☐ Master/ *Sarjana*
- ☐ PHD

SECTION B (JOB SATISFACTION)**BAHAGIAN B (KEPUASAN PEKERJAN)**

Please tick (✓) the appropriate answers in the table below indicating your opinion from ***STRONGLY DISAGREE*** to ***STRONGLY AGREE***.

Sila tandakan (✓) jawapan yang sesuai di dalam jadual dibawah menunjukkan pendapat anda dari ***SANGAT TIDAK BERSETUJU*** sehingga ***SANGAT BERSETUJU***.

1	2	3	4	5
Strongly Disagree/ <i>Sangat tidak bersetuju</i>	Disagree/ <i>Tidak Bersetuju</i>	Neutral/ <i>Tidak Pasti</i>	Agree/ Setuju	Strongly Agree/ <i>Sangat Bersetuju</i>

No	Statement/ Pernyataan	1	2	3	4	5
1.	My job is enjoyable <i>Tugas saya adalah menyenangkan</i>					
2.	I feel enthusiastic with my current job everyday <i>Setiap hari, saya berasa semangat dengan tugas semasa saya</i>					
3.	I feel bored with my current job <i>Saya berasa bosan dengan tugas semasa saya</i>					
4.	I am able to feel proud of the job that I done well <i>Saya berasa bangga dengan tugas yang saya lakukan</i>					
5.	I got an opportunity to try on my own ideas for the job given <i>Saya mendapat peluang untuk mencuba idea-idea saya sendiri untuk kerjayang diberikan</i>					

SECTION C (SALARY, LEADERSHIP, CAREER ADVANCEMENT AND JOB STRESS)

BAHAGIAN C (GAJI, KEPIMPINAN, KEMAJUAN KERJA DAN STRESS KERJA)

1) SALARY/ GAJI

1	2	3	4	5
Strongly Disagree/ <i>Sangat tidak bersetuju</i>	Disagree/ <i>Tidak Bersetuju</i>	Neutral/ <i>Tidak Pasti</i>	Agree/ Setuju	Strongly Agree/ <i>Sangat Bersetuju</i>

No	Statement/ Pernyataan	1	2	3	4	5
1.	My salary is equivalent with the job that I do <i>Gaji saya adalah setimpal dengan tugas saya</i>					
2.	My salary for the same job is similar compared with other companies <i>Gaji saya untuk pekerjaan yang sama adalah sama dengan syarikat-syarikat lain</i>					
3.	My salary is highest than others <i>Gaji saya adalah yang paling tertinggi daripada pekerja lain</i>					
4.	My salary gives chance to make more money similar to my friends <i>Gaji saya memberi peluang untuk menghasilkan wang yang lebih, sama seperti kawan-kawan saya</i>					

5.	My salary secure me for future <i>Gaji saya memberi jaminan untuk masa hadapan saya</i>					
----	--	--	--	--	--	--

2) LEADERSHIP/ KEPIMPINAN

1	2	3	4	5
Strongly Disagree/ <i>Sangat tidak bersetuju</i>	Disagree/ <i>Tidak Bersetuju</i>	Neutral/ <i>Tidak Pasti</i>	Agree/ <i>Setuju</i>	Strongly Agree/ <i>Sangat Bersetuju</i>

No	Statement/ Pernyataan	1	2	3	4	5
1.	The chance of my supervisor delegates jobs to employees <i>Peluang oleh penyelia saya mewakilkan tugas-tugas kepada pekerja-pekerja</i>					
2.	The chance of employees to be someone in a community <i>Peluang oleh pekerja-pekerja untuk menjadi seseorang dalam komuniti</i>					
3.	My supervisor is concern on employees regarding any complaints <i>Penyelia saya mengambil berat terhadap sebarang aduan yang dikemukakan oleh pekerja-pekerja</i>					
4.	My supervisor always gives guidance in solving a difficult problems <i>Penyelia saya sentiasa memberi tunjuk ajar dalam menyelesaikan masalah yang sukar</i>					

5.	My supervisor expert on the technical ‘know-how’ <i>Penyelia saya pakar dalam ‘pengetahuan’ teknikal</i>					
6.	My supervisor is the person I look upon when I have problems on my job <i>Penyelia saya adalah orang yang saya rujuk jika terdapat masalah dalam tugas saya</i>					

3) CAREER ADVANCEMENT/ KEMAJUAN KERJAYA

1	2	3	4	5
Strongly Disagree/ <i>Sangat tidak bersetuju</i>	Disagree/ <i>Tidak Bersetuju</i>	Neutral/ <i>Tidak Pasti</i>	Agree/ Setuju	Strongly Agree/ <i>Sangat Bersetuju</i>

No	Statement/ Pernyataan	1	2	3	4	5
1.	I have chance to work in my own way <i>Saya mempunyai peluang untuk bekerja dengan cara saya sendiri</i>					
2.	I have chance of advancement on my current job <i>Saya berpeluang untuk maju dalam tugas semasa saya</i>					
3.	I have chance of advancement because of the variety in my job <i>Saya berpeluang untuk maju kerana kepelbagaian dalam tugas saya</i>					

4.	I have opportunity to do different thing day to day on the job <i>Saya berpeluang untuk melakukan sesuatu yang berbeza dari hari ke hari dalam tugas saya</i>					
5.	I have the opportunity to be responsible for the planning of my job <i>Saya berpeluang untuk bertanggungjawab untuk merancang tugas saya</i>					
6.	I have an opportunity to be active most of the time <i>Kebanyakan masa, saya ada peluang untuk menjadi aktif</i>					

4) JOB STRESS/ STRESS KERJA

1	2	3	4	5
Strongly Disagree/ <i>Sangat tidak bersetuju</i>	Disagree/ <i>Tidak Bersetuju</i>	Neutral/ <i>Tidak Pasti</i>	Agree/ Setuju	Strongly Agree/ <i>Sangat Bersetuju</i>

No	Statement/ Pernyataan	1	2	3	4	5
1.	My work have to be done very fast <i>Kerja saya hendaklah disiapkan dengan cepat sekali</i>					

2.	Lack of time to get done all the work finished <i>Kekurangan masa untuk menyiapkan semua kerja</i>					
3.	The heavy of workload on my job <i>Bebanan kerja yang berat dalam tugas saya</i>					
4.	I prefer to stay busy on my job <i>Saya lebih suka untuk berada dalam keadaan sibuk dalam tugas saya</i>					
5.	I have conflict on job requests from my colleague <i>Saya mengalami konflik dari segi permintaan pelaksanaan kerja dari rakan sekerja saya</i>					
6.	My job is a routine work <i>Tugas saya adalah tugas yang rutin</i>					

APPENDIX B: SPSS OUTPUT

1) Reliability Test

a) Job Satisfaction

Reliability Statistics	
Cronbach's Alpha	N of Items
.714	5

Item Statistics			
	Mean	Std. Deviation	N
JS1	4.06	.715	102
JS2	4.03	.789	102
JS3	3.14	.732	102
JS5	4.32	.583	102
JS6	4.07	.799	102

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
JS1	15.56	3.655	.736	.554
JS2	15.59	3.651	.632	.594
JS3	16.48	5.638	.002	.834
JS5	15.29	4.467	.557	.644
JS6	15.55	3.775	.568	.624

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
19.62	6.179	2.486	5

b) Salary

Reliability Statistics

Cronbach's Alpha	N of Items
.840	5

Item Statistics

	Mean	Std. Deviation	N
SY1	3.81	.952	102
SY2	3.55	.981	102
SY3	3.11	1.080	102
SY5	3.55	1.050	102
SY6	3.82	.938	102

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
SY1	14.03	10.405	.647	.807
SY2	14.29	11.101	.492	.847
SY3	14.74	9.503	.693	.793
SY5	14.29	9.457	.732	.781
SY6	14.02	10.396	.663	.803

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
17.84	15.282	3.909	5

c) Leadership

Reliability Statistics

Cronbach's Alpha	N of Items
.881	6

Item Statistics

	Mean	Std. Deviation	N
L1	3.89	.612	102
L2	3.93	.721	102
L3	3.97	.751	102
L4	4.14	.645	102
L5	4.01	.764	102
L6	4.04	.702	102

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
L1	20.09	8.794	.529	.884
L2	20.05	7.849	.673	.863
L3	20.01	7.317	.790	.842
L4	19.84	7.936	.753	.851
L5	19.97	7.573	.697	.859
L6	19.94	7.838	.701	.858

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
23.98	11.089	3.330	6

d) Career Advancement

Reliability Statistics

Cronbach's Alpha	N of Items
.906	6

Item Statistics

	Mean	Std. Deviation	N
CA1	3.98	.820	102
CA2	3.98	.820	102
CA3	3.91	.834	102
CA4	3.90	.939	102
CA5	4.11	.688	102
CA6	4.02	.758	102

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
CA1	19.92	11.637	.700	.896
CA2	19.92	11.261	.780	.884
CA3	19.99	11.178	.781	.884
CA4	20.00	10.673	.762	.888
CA5	19.79	12.185	.743	.891
CA6	19.88	11.946	.708	.895

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
23.90	16.228	4.028	6

e) Job Stress

Reliability Statistics

Cronbach's Alpha	N of Items
.768	6

Item Statistics

	Mean	Std. Deviation	N
JBS1	3.92	.930	102
JBS2	3.31	1.274	102
JBS3	3.10	1.139	102
JBS4	3.25	1.138	102
JBS5	2.38	1.135	102
JBS6	3.48	1.326	102

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
JBS1	15.52	17.599	.528	.734
JBS2	16.13	14.291	.693	.681
JBS3	16.34	15.733	.615	.707
JBS4	16.20	18.931	.238	.799
JBS5	17.06	17.224	.432	.754
JBS6	15.96	14.692	.604	.708

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
19.44	22.586	4.752	6

2) Pearson Correlation

a) Salary

Correlations		Salary	jobsatisfaction
salary	Pearson Correlation	1	.523**
	Sig. (2-tailed)		.000
	N	102	102
jobsatisfaction	Pearson Correlation	.523**	1
	Sig. (2-tailed)	.000	
	N	102	102

**. Correlation is significant at the 0.01 level (2-tailed).

b) Leadership

Correlations		leadership	jobsatisfaction
leadership	Pearson Correlation	1	.510**
	Sig. (2-tailed)		.000
	N	102	102
jobsatisfaction	Pearson Correlation	.510**	1
	Sig. (2-tailed)	.000	
	N	102	102

**. Correlation is significant at the 0.01 level (2-tailed).

c) Career Advancement

Correlations		careeradvanceme nt	jobsatisfaction
careeradvancement	Pearson Correlation	1	.498**
	Sig. (2-tailed)		.000
	N	102	102
Jobsatisfaction	Pearson Correlation	.498**	1
	Sig. (2-tailed)	.000	
	N	102	102

** . Correlation is significant at the 0.01 level (2-tailed).

d) Job Stress

Correlations		jobstress	jobsatisfaction
Jobstress	Pearson Correlation	1	.112
	Sig. (2-tailed)		.260
	N	102	102
jobsatisfaction	Pearson Correlation	.112	1
	Sig. (2-tailed)	.260	
	N	102	102