

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

By

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Thesis Submitted To

Othman Yeop Abdullah Graduate School of Business,

Universiti Utara Malaysia

in Partial Fulfillment of the Requirement for the Master of Science (Management)

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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 Kebolehpercayaan 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

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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

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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/ Sangat tidak bersetuju	Disagree/ Tidak Bersetuju	Neutral/ Tidak Pasti	Agree/ Setuju	Strongly Agree/ Sangat Bersetuju

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/ Sangat tidak bersetuju	Disagree/ Tidak Bersetuju	Neutral/ Tidak Pasti	Agree/ Setuju	Strongly Agree/ Sangat Bersetuju

No	Statement/ <i>Pernyataan</i>	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/ Setuju	Strongly Agree/ <i>Sangat Bersetuju</i>

No	Statement/ <i>Pernyataan</i>	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/ Sangat Bersetuju

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

		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

		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