

Determine the motivation factors tourism essay



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1. 0 Introduction

This chapter is an introductory chapter. It intend to discuss on background of the study, highlight the problem statement, depict research objectives and questions and explain significance of the study, provide outline of the study and sum up a conclusion of this chapter.

1. 1 Background of the Study

Before year 1997, the insurance companies in Malaysia are operating as private company complied by the Insurance Act 1963. Yet, followed by the enactment of Insurance Act 1996 which started into force on 1st January 1997, all the insurance companies are converted to public company which licensed by the Ministry of Finance under the Companies Act 1965 (Bank Negara Malaysia [BNM], 2005). The growth of the insurance industry is closely related to the domestic economy of Malaysia.

Based on the financial performance, the revenue of insurance industry in Malaysia is increasing gradually year by year. It had shown that an increase of RM 1, 110, 806 or 7. 87% in the income of insurance industry in Malaysia in year 2010 as compared to year 2009. Income of RM 14, 114, 618 and RM 15, 225, 424 are recorded respectively for year 2009 and 2010 (Malaysia Insurance Institute, 2010). Meanwhile, the number of registered agents is also growing up year by year. There was a growth from 116, 008 agents in year 2009 to 122, 399 agents in year 2010, which was increased by 6, 391 agents (BNM, 2010).

Motivation is the part of commitment and results in achieving the organizational objectives at the appropriate way. Job satisfaction of

employees can be motivated by different motivation factors (Balachandar, Panchanatham & Subramanian, 2010). According to Tripathi (2001) most of the companies usually motivate their employees by offering economic reward, recognition, promotion, job security, training and authority.

When customer comes to buy insurance, very few people contact an insurance company directly, the insurance agent play the role to solicit and sell insurance policies to the general public. No doubt, the revenue of insurance industry is very much depending on the sales gained by the insurance agents. Hence, motivation plays a great role to encourage insurance agents to work professionally in delivering their services to customers. Insurance agents will feel satisfied with their job when companies apply the motivation factors correctly on them. Insurance companies motivate their insurance agents by giving rewards such as extra bonus or company trip to appreciate their effort in getting sales for the insurance company.

1.3 Problem Statement

Nowadays, more people want to become insurance agents, which led to the increased of challenges. The statistical report of Bank Negara Malaysia stated that the number of registered insurance agents had increased 5.51% from 2009 to 2010 (BNM, 2010). Normally, insurance agents do not have any basic salary but their pay is based on commission. Insurance agents try to retain and increase their target productivity in order to satisfy their jobs, save their jobs and increase their well-being because the wages of insurance agent depends on a commission basis (Christopher, 2007). According to Bakos (2008) insurance agents retain in the company is highly influenced by <https://assignbuster.com/determine-the-motivation-factors-tourism-essay/>

commission as remuneration. If the commission to the insurance agents is low, it will de-motivate them and leads to resignation.

Past studies showed that motivation and job satisfaction have direct relationship to influence employee retention and performance among various types of organization (Goleman, 1998). According to Cravens, Ingram, LaForge and Young (2010) giving a right tool of training and development can motivate insurance agents more successful in selling life insurance products. Training and development can improve the job skills and knowledge of insurance agents at each level. Therefore, employees should be given more opportunities for advancement to motivate them in order to enhance their job satisfaction level (Feinstein, 2000). Besides, Tripathi (2001) stated that employees can be motivated by job security, recognition, promotion and training to enhance job satisfaction.

There are several past researchers Hassan (2010), Salleh, Dzulkifli, Abdullah and Ariffin (2011), Golshan, Kaswuri, Aghashahi, Amin and Ismail (2011) studies on the relationship between motivation factors and job satisfaction among nurses, state Government employees and Gen-Y administrative and diplomatic officers in Malaysia but lack of studies on insurance agents in Malaysia. The objective of this research is to investigate the relationship between motivation factors and job satisfaction among insurance agents in Malaysia.

1. 4 Research Questions and Objectives

1. 4. 1 General Objective

The major objective of this research is to identify and determine the motivation factors that influence job satisfaction of insurance agents in Malaysia.

1. 4. 2 General Question

What are the motivation factors that influence job satisfaction of insurance agents in Malaysia?

1. 4. 3 Specific Objectives

To investigate whether commission pay influence insurance agents' job satisfaction in Malaysia.

To investigate whether job security influence insurance agents' job satisfaction in Malaysia.

To investigate whether opportunities for advancement and development influence insurance agents' job satisfaction in Malaysia.

To investigate whether work itself influence insurance agents' job satisfaction in Malaysia.

1. 4. 4 Research Questions

Will commission pay influence insurance agents' job satisfaction in Malaysia?

Will job security influence insurance agents' job satisfaction in Malaysia?

Will opportunities for advancement and development influence insurance agents' job satisfaction in Malaysia?

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Will work itself influence insurance agents' job satisfaction in Malaysia?

1. 5 Significance of the Study

This research is tending to contribute to the individual and companies. To through this research, the insurance companies will know the importance of the insurance agents' job satisfaction and knowing the level of job satisfaction of insurance agents. Meanwhile, individual can also gain a better understanding on motivation factors that can lead them to job satisfaction.

The second aim of this research is to narrow the gap with regards to understanding job satisfaction of insurance agents by studying the motivation factors that influence insurance agents' job satisfaction.

Insurance companies will get to know more about the motivation factors that influence the insurance agents' job satisfaction by offer some rewards system to satisfy insurance agents. This enables them to build long-term profitability and retain continuous growth in their businesses to gain competitive advantages in the insurance industry.

This research will also expose a new knowledge to the public who has interest on the job of an insurance agent. It assists the public on raising knowledge and awareness of motivation factors that influence the job satisfaction of the insurance agents.

1. 6 Outline of the Study

Chapter two shows the related literature review that provides the foundation for developing the theoretical framework to proceed with further investigation and hypotheses testing.

Chapter three presents the research methodology used to test the research questions. It includes research design, population, sample and sampling procedures, data collection method, variables and measurement, and data analysis techniques.

Chapter four is the description of the data analysis. It presents the overall result and findings from the data collection. Statistical Package for Social Science (SPSS) is used to generate results in this research.

Chapter five is summaries the research finding and also discusses the major finding. Besides, it also discusses the limitation of the study as well as provides the recommendation for future researchers.

1. 7 Conclusion

This chapter is about the overview of this study stated on the above. This study aims to determine the motivation factors affecting toward insurance agents' job satisfaction so as to contribute for insurance companies and the public. In the following chapter two, it will provide the literature review of this study.