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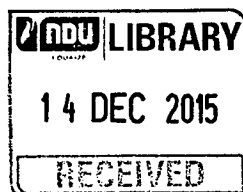
Individual Factors and Working Conditions Affecting  
Employee Retention: The Case of Lebanese Insurance  
Companies.

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**A Thesis Submitted in Partial Fulfillment of the  
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**Approval Certificate**

**Individual Factors and Working Conditions Affecting  
Employees' Retention: The Case of Lebanese Insurance  
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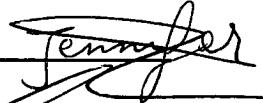
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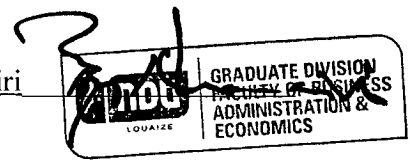
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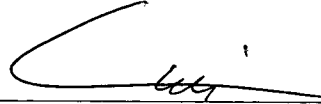


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## DECLARATION

I hereby declare that this thesis is entirely my own work and that it has not been submitted as an exercise for a degree at any other University.

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A handwritten signature in black ink, appearing to read 'Joe Nammour', is written over a horizontal line.

JOE NAMMOUR

## ABSTRACT

**Purpose** – The objective of this study was to analyze the individual and work factors that influence employee retention in the Lebanese insurance companies by reviewing the managers' and employees' perspectives.

**Design/methodology/approach** – The information of this analysis was obtained through exploratory interviews and analyzed questionnaire results using the coding system and the Statistical Package for Social Sciences.

**Findings** – The results of the study support the predicting factors (individual and job related) mentioned in the research. The analysis showed that gender, marital status, organizational commitment, job satisfaction, training programs, development and growth, compensation plans, work autonomy, and promotions increase retention.

**Research limitations/implications** – The allocated time for the study was a major limitation since there was no availability to review all the variables mentioned in the literature review.

**Practical implications** – This research aimed to help decision makers in the recruitment field to be aware of the major predictors of the decision to stay.

**Originality/value** – The research adds to the knowledge about the aspects that influence employee retention in the Lebanese insurance companies. Also, the study discusses the mentioned factors in the literature review in the Lebanese context.

**Keywords** Retention, insurance, working conditions, factors.

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## Chapter 1

### INTRODUCTION

#### 1.1 General background about the topic

Employee retention is one of the priorities that a company values since employees are considered assets that should be maintained. Benefits not only include reducing hiring and training costs, but low turnover creates an image of a successful company where its employees are satisfied with their jobs. Thus, “a high rate of employee attrition is a challenge for most companies” (2012, p.35) as Ratna and Chawla put it. These issues were studied by Van Dyk and Coetzee (2012), and Gosh et al. (2013) who discussed factors of retention and strategies to maintain it. In addition, Govaerts et al. (2011) examined the effect of working climate on the subject at hand, and finally, Sengupta and Dev (2013) explored the demographic and psychological determinants of staff retention in a company.

As mentioned earlier, a high turnover costs a company to recuperate the added values by those employees who left; therefore, “retaining staff with scarce and critical skills... has become a top priority because of skills shortages” (Van Dyk and Coetzee, 2012, p. 1). In the same context, Ghosh et. al. (2013) explained that a healthy organization is one that has high employee retention since investments and relationships are gone when an employee leaves. Although there are many retention factors that influenced employees to stay, many authors have agreed on several ones. More particularly, there is a debate on the subject of age whether it affected retention positively or negatively: Van Dyk and Coetzee (2012) and Govaerts et. al. (2011) agreed that the older people got, the more likely they were to remain in their current workplace since employment opportunities decrease with age, and that young adults were more likely to shift jobs frequently to develop their career path. However, Sengupta and Dev (2013) disagreed with the former argument and considered that age negatively correlated with retention in the case of their study on working at Business Process Outsourcing (BPO) industry because the work, according to the authors, became less challenging as employees got older. On the other hand, both studies of Sengupta and Dev (2013) and Govaerts et. al. (2011) considered the effect of education on employee retention and concluded that education did not have an effect on an employee’s willingness to stay, except in the case of a less challenging job where the less educated employees did not leave the company.

Furthermore, other factors related to the employee perception of the job were strong determinants to employee retention. For example, when employees felt satisfied with his job, they were more inclined to commit to it: “those who experienced intrinsic job satisfaction were more likely to feel emotionally attached to their organizations” (Van Dyk and Coetzee, 2012, p.7). Likewise, Sengupta and Dev (2013) agreed with the former statement and discussed the factors that could increase intrinsic job satisfaction among employees: by giving employees a defined role in the company while increasing motivation, self-esteem, and position-authority, and by providing them with the tools for career development and growth, employees would consequently perceive their jobs as self-fulfilling and would be more likely to stay. In addition to this, the exhibited appreciation by the company towards employees was a subject studied by Govaerts et. al. (2011) who claimed that companies should give attention to the employees’ strengths in order to nurture them, which would eventually result in an “appreciative learning climate” (p.48). In the same context, Ratna and Chawla (2012) considered employee appreciation as a key factor of retention and presented several strategies and tools for companies, and more specifically the HR department, to apply in order to show appreciation towards their employees.

In other studies, several factors have been discovered to influence employees’ willingness to remain in a company. One of them was financial rewards, which has been a subject of interest to HR managers, like in De Vos and Maganck’s (2009) sample, and was considered to cause employee turnover over time. However, according to the same study, HR managers did not view work-life balance as a criterion that might have influenced turnover. Moreover, Ghosh et. al (2013), focused on factors that might have been strong predictors of employees’ intention to stay, and claimed that “autonomy in thought and action and control over the pace of work has emerged as one of the factors behind an employee’s decision to stay” (p.301). This was due to the fact that autonomy in decision making gave a sense of freedom to employees who became more loyal to the company that offered it (Ghosh et. al., 2013).

## 1.2 Need for the study

In another context, though reviewing the effects of employee retention is an important matter to be studied, what is more crucial was to study the reason why employees commit to the companies they work for and the influencing factors. More importantly, the insurance sector includes public relations and demands the retention of a talented workforce; therefore it was interesting to focus on this industry in particular. Talent is required in the underwriting, sales, and claims departments, and networking is crucial for a successful broker. Therefore, when employees leave, they take that talent and their network of customers with them. Consequently, insurance companies were determined to keep their star employees satisfied to benefit from their talent and commitment.

On a personal level, it has always intrigued my curiosity to know why employees become loyal for a certain company and for long periods of time while disregarding other opportunities elsewhere. Furthermore, it is of human nature to get bored of a long-term commitment and to seek a different situation; thus, my interest was in this specific topic. Moreover, I chose the insurance sector in particular to benefit from my exposure to it, due to internship opportunities I did in insurance companies, and due to my personal interest in the industry.

## 1.3 Purpose of the study

This research attempted to assess some factors that had an influence on employee retention in Lebanese insurance companies. Based on the literature, the employees' and the management's viewpoints will be investigated in order to have a wider perspective that would help assessing the most common determinants of the subject at hand.

Therefore, the study attempted to answer the following questions:

- a. What are the individual factors that influenced the employee's willingness to stay in the company?
- b. What are the working conditions that affected employee retention in a company?

Furthermore, there were some factors that have been commonly discussed by several studies. These variables expressed the employees' point of view and were stated in the first question. Thus, age in addition to other personal factors was the most common determinant of employee retention. However, other studies have

debated whether age, for example, was positively or negatively associated with the subject at hand. This study aimed to investigate the individual aspects of the employee in the Lebanese insurance industry.

More importantly, the study attempted to understand the management's viewpoint towards employee retention expressed by the Human Resources department. Therefore, the second question intended to evaluate the conditions that are directly related to the job such as intrinsic satisfaction and autonomy, and that could increase employee retention. The answer to this question would be the result of a review of the human resources attributes which would be assessed in order to obtain a broader view of the topic.

Therefore, the positivist approach, instead of the phenomenological approach, would be adopted in the study in order to have tangible and objective results. In addition, the study would be deductive, not inductive, for reasons that will be mentioned in chapter 3, and the data and information would be collected in a qualitative and quantitative manner through interviews and questionnaires.

#### 1.4 Brief overview of all chapters

The following chapters will comprise the body of the thesis after its introduction in Chapter 1. In the next chapter (Chapter 2), the review of the literature will include a pool of related research studies that have been conducted recently, and which covers the main aspects of the subject. The conclusions drawn from the literature will help formulating the hypotheses and selecting the variables in Chapter 3 which also includes a statement of the methodology used as a framework to assess the data. The findings of the study are revealed in Chapter 4, and include descriptive statistics, in addition to the discussion of the results and hypotheses. Finally, the thesis closes with Chapter 5 will consist of the main conclusions of the study, as well as its limitations and managerial implication on the Lebanese insurance sector.

## Chapter 2

### REVIEW OF LITERATURE

#### 2.1.1 Organizational Theories

Given the importance of the issue of employee retention, it was essential to review the early organizational theories in order to gain more insight about the topic. In the same context, many researchers have identified a relation between these theories (Herzberg's motivational theory, Adams' equity theory, Vrooms' expectancy theory, and Maslow's hierarchy of needs theory) and the subject at hand.

To start with, employee retention is defined as "taking measures to encourage employees to remain in the organization for the maximum period of time" (Ratna and Chawla, 2012, p.36). Furthermore, several study conclusions attempted to explain staff retention in companies from Herzberg's view point basing on the two-factor theory. First, the theory suggests that people's needs are classified into hygiene factors which are extrinsic (working conditions, job security, salary, etc.) and which only decrease job dissatisfaction, and motivators which are intrinsic (recognition, self-esteem, responsibility, etc.) and which increase job satisfaction (Herzberg, 1966). To illustrate, Atchison and Lefferts (1972) concluded that the extrinsic factors affected employee turnover, the intrinsic motivators played a role in employee productivity. In contrast, another recent study suggested that the effect of the motivators on retention was more significant than the hygiene factors (Martin et al., 2006). Moreover, the same authors added that the increase of the hygiene factors (job environment) and motivators (job content) led to job satisfaction among employees, which in turn affected the recruitment and retention of the staff (Martin et al., 2006).

Similarly, other researchers focused on the effect of equity and fairness on the employees' decision to stay in or leave a company. To explain this further, Adams' equity theory states that employees tend to compare their perceived input such as time, effort, and ability, to the expected outcomes like salary, recognition, and praise (Adams, 1965). Thus, this comparison will affect people's motivation and behavior in the company (Adams, 1965). Further, researchers have found a relation between this theory and turnover since the perceived inequity between input and outcomes leads to deception and consequently leaving the company, as explained by Ramlall (2004). Likewise, Clark (2007) agreed on the same conclusions of the

aforementioned researcher and stated: “the balance between input and output determines employee turnover and satisfaction” (p.22). In addition, turnover in this case is the result of a gap of expectancies between managers who want a maximum level of productivity and employees who anticipate receiving a valuable compensation for their efforts (Clark, 2007).

Moreover, Vroom’s expectancy theory was used as a basis to explain the underlying perceptions that persuaded employees at a company to leave it. To begin with, the expectancy theory states that people are motivated to behave in a certain way, basing their choice on the expected result of that behavior (Vroom, 1964). Vroom suggested that the intensity of the effort that people will choose to do is related to the fulfillment of the expected rewards (1964). Clark (2007) proposed that the motivation to participate and produce was determined by the appeal of the expected return.

Finally, another significant theory to consider while mentioning the subject of staff retention is Maslow’s hierarchy of needs. Maslow (1943) believed that people’s motivation follows a certain pattern governed by 5 needs. The theory states that there are low-level needs which are physiological and safety needs, and high-level needs which are (in ascending order) social, self-esteem, and self-actualization needs (Maslow, 1943). More importantly, every need has to be fulfilled in order to move to the next higher need (Maslow, 1943). By the same token, Udechukwu (2009) stated that higher level needs were more likely to be considered as motivators rather than lower-level needs because the latter did not drive motivation anymore once satisfied. That is why Pritchard (2007) stated the following: “Whether we subscribe to Maslow’s theory or not, common sense alone suggests that our employee retention objectives would be served by answering the question: how well does our work environment meet our employees’ fundamental needs?” (p.165). In fact, Pathak and Tripathi (2010) explored the application of Maslow’s theory in insurance companies to retain its employees. First, to satisfy physiological needs the study proposed a safe compensation plan (Pathak and Tripathi, 2010). Handlon (2009) agreed with the former idea, by proposing that insurance companies should give employees a salary-based compensation rather than a commission-based one in order to fulfill their basic needs because employees who received a commission-based compensation were more likely to leave. Then, Pathak and Tripathi (2010) added that in order to satisfy employees’ security needs, an insurance company should offer them medical

insurance coverage. Further, for social needs, the authors proposed team building plans, for esteems needs, they suggested changing job titles and tasks, and finally for self-actualization needs, they advised career growth opportunities (Pathak and Tripathi, 2010).

To sum up, in the literature review, a connection between the subject of employee retention and early motivation theories was detected. This section provided a definition for each theory and attempted to associate its ideas to the employee's decision to stay in or leave a company. The next section provides ideas related to the topic of staff retention in general and its relationship to recent organizational theories.

### 2.1.2 Recent Theories

The literature presented information about the importance of retaining employees at a company (Larkin and Burgess, 2013; Govaerts et al., 2011; Masibigiri and Nienaber, 2011). This adds to other recent theories (Hobfoll's conservation of resources theory, and Cohen and Levinthal's absorptive capacity theory) that explain the employees' behaviors regarding their decision to stay or leave.

Furthermore, several researchers focused on the necessity to give more attention to the subject of employee retention due to its vital significance. For instance, according to Larkin and Burgess (2013), companies should improve their retention strategies in order to preserve the knowledge transfer and flow within the departments in the long term. In the same way, Singh (2010) also claimed that having a coherent group smoothes knowledge transfer and organizational development. Similarly, Govaerts et al. (2011) focused on the idea that retaining talent means preserving the investment made on those employees, in addition to the experience gained, and stated the following: "The evolutions cause not only a shortage of workers, but also a risk of losing knowledge and experience, for which companies have to find an answer" (p.36). On the other hand, when assessing retention plans, talented employees should be given special attention by managers because their leave means affording direct and indirect costs in terms of recruitment and training (Masibigiri and Nienaber, 2011).

In the same way as in section 2.1.1, researchers found a relationship between recent organizational theories and the subject at hand. Moreover, one of them was the



absorptive capacity theory which assumes that knowledge has to be recognized, assimilated, and applied in the service of commercial ends (Cohen and Levinthal, 1990). To illustrate, Larkin and Burgess (2013) explained that the success of the absorptive capacity lies in the ability of the employees to transfer the knowledge to the organization's business. Thus, according to the authors, it is essential for companies to work on staff retention in order to develop its capacity of knowledge preservation and transfer it among the team (Larkin and Burgess, 2013). In similar fashion, Lapointe et al. (2011) mentioned Hobfoll's conservation of resources theory in their attempt to explain an employee's loyalty to the company. To clarify, the theory states that people tend to obtain and maintain resources, and any shortage would lead to dissatisfaction (Hobfoll, 1989). However, Lapointe et al. (2011) emphasized the idea that exhausting the emotional resources had negative effects on retention and commitment, and correlated with turnover.

To conclude, a growing body of literature showed how critical it is for companies to construct effective retention strategies. Other researchers used emerging business theories in order to intensify the necessity for these retention plans. Indeed, Ghosh et al. (2013) considered that the health of a company's business is directly linked to the level of employee retention it has because knowledge, experience, and investments are lost when employees leave. To delve more on the subject matter and its components, the following section highlights the aspects that influence an employee's decision to remain at a company.

### 2.2.1 Factors Affecting Employee Retention in Diverse Industries

There are several factors that appeared to affect staff retention at companies belonging to different sectors. In addition, these factors were classified by the author of this thesis into individual aspects, and working conditions. First, the individual characteristics that were found to have a relationship with the employees' decision to stay were related to their personal characteristics, and attitudes toward the organization they worked for. Also, the work-related factors that influenced the level of employee retention in companies were connected to the working conditions that governed the workplace.

Furthermore, a relationship between employee attitudes and personal characteristics on one hand, and the decision to stay in a company on the other hand was identified in the literature review. To illustrate, employee engagement correlated

with employee retention according to Sinha and Trivedi (2014) since it was connected to loyalty and productivity as a consequence. To elaborate on the subject, employee engagement is “when people employ and express themselves physically, cognitively or emotionally during role performances” (Sinha and Trivedi, 2014, p.22). In like manner, Sengupta and Dev (2013) agreed with the former authors and explained that employee engagement created a feeling of attachment to the company and job satisfaction, which resulted in staying. However, Ghosh et al. (2013) claimed that it was the responsibility of the managers to attribute special characteristics to the job in order to make it interesting and increase the level of employee engagement as a result, which would directly affect retention consequently. On the other hand, another concept that appeared to have a relationship with the subject matter was organizational identification which was explained by Reiche (2009) as a cognitive attachment with the organization which led to integration and loyalty.

Similarly, other factors such as organizational commitment and job satisfaction influenced employee retention. Introduced by Kanter (1968), organizational commitment was explained as the employees’ willingness to give their energy and loyalty to the organization. Later on, the concept was divided into Affective, Continuance, and Normative Commitment by Meyer and Allen (1991) in their Three-Component Model. The authors proposed that Affective Commitment is when the individuals feel that they want to be in the organization due to a feeling of emotional attachment and to their affiliation with the company’s goals (Meyer and Allen, 1991). On the other hand, Continuance Commitment means that employees get attached to the organization due to their desire to minimize the costs of leaving it, and because of a certain need to stay (Meyer and Allen, 1991). Moreover, Normative Commitment appears when an employee feels obligated to stay in the company due to certain investments that were done by that company through training programs for instance (Meyer and Allen, 1991).

Correspondingly, Van Dyk and Coetzee (2012) found a strong relationship between each of the three aforementioned components and the employees’ decision to stay. In contrast, Ghosh et al. (2013) claimed that individuals who expressed affective and normative commitment towards the organizations they worked for were less inclined to leave it. However, Masibigiri and Nienaber (2011) argued that commitment in general was negatively related to turnover. Likewise, Udechukwu (2009) agreed with the former idea and added that along with commitment, job

satisfaction was one of the most prominent factors which were directly related to retention. To clarify, according to Locke (1976), job satisfaction is “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (p.1304).

Furthermore, other features such as age and education were added to the list of noticeable factors that were linked to employee retention. First, the results of the study by Govaerts et al. (2011) showed a certain pattern of a positive relationship between age and the willingness to stay in a company: as the employees grew older, they became more inclined to keep working at the same organization due to the decreasing chances of finding another place to work for. To clarify, Govaerts et al. (2011) added that younger people tended to switch between jobs and companies to build their careers before settling in one corporation. Likewise, Van Dyk and Coetzee (2012) agreed with the former researcher that people of younger age exhibited less willingness to stay, but not for the same reason that was mentioned earlier. According to the same study, younger employees tended to feel constrained by the requirements of a new job that they preferred to join another company with fewer restrictions (Van Dyk and Coetzee, 2012).

However, Sengupta and Dev (2013) did not agree with the former studies and claimed that younger people showed an intention to remain at the job they worked for more than older employees. The reason behind this finding was that the work tasks became less challenging to the older employees that they tended to search for more interesting jobs elsewhere (Sengupta and Dev, 2013). Based on the same assumption, such jobs attracted fresh graduates and people with a lower educational level, and thus education correlated negatively with staff retention (Sengupta and Dev, 2013). This finding was in agreement with another study by Kyndt et al. (2009) which revealed that people with a higher education level were more likely to leave the company. On the other hand, Govaerts et al. (2011) did not find any noticeable relationship between education and retention.

In the same way, the employees’ personal characteristics influenced their tendencies to stay or leave. First, what is meant by employee characteristics is the potential to work under stress, in addition to the ability to be creative and flexible as Kyndt et al. (2009) put it. Moreover, the findings of the study revealed that employees with high potential exhibited intentions to stay, but employees who were eager to learn were more inclined to switch companies (Kyndt, et al., 2009).

However, Govaerts et al. (2011) did not agree with this idea and argued that eagerness to learn helped the employee in finding creative solutions and thus led to staying rather than leaving.

Furthermore, another variable that was commonly studied to see its effect on employee retention is the employee's job position (tenure and seniority). In the subject of tenure, Van Dyk and Coetzee (2012) found that the employee who had longer tenures were not inclined to leave the organization they work for because they were attached to the companies they worked for and had better financial benefits than other employees. Similarly, Kyndt et al. (2009) agreed with the former finding and stated that "respondents with a longer career within the company feel more strongly connected to the company and tend not to leave" (p.208). Conversely, Govaerts et al. (2011) did not have the same results as the former two studies and found no considerable relationship between seniority and retention.

At the same time, other HR practices were found to affect staff retention in the long run such as appreciation and training. Some studies showed that appreciating employees when they did a good job increased their self-esteem and their attachment to the company (Ratna and Chawla, 2012). Masibigiri and Nienaber (2011) and Kraimer et al., (2011) agreed with the former study that recognition affected the employee's decision to stay and added training as another influencing component. Other studies echoed with this finding such as Martin et al. (2006) who claimed that employees placed a high priority on the subject of training in order to remain in the company. Similarly, the same idea was found in DiPietro and Milman (2008) and Mahal's (2012) research results, where the employees put training over other factors as an influence to their decision to stay in or leave.

By the same token, many studies predicted that job conditions and the availability of job opportunities persuaded employees to stay. However, Sengupta and Dev (2013) added that if the job conditions were enhanced, this would result in employee commitment and "the attraction and retention of a superior workforce" (p. 265). Likewise, DiPietro and Milman (2008) agreed on the notion that good job conditions which include a comfortable environment with challenging job tasks affected positively the employees' decision to keep working at the organization. Nonetheless, Martin et al. (2006) considered that the absence of encouraging job conditions in addition to good corporate image could negatively affect employee retention plans. On the other hand, both Van Dyk and Coetzee (2012) and De Vos

and Meganck (2009) agreed that the presence of career opportunities within the company was one of the prime predictors of employee retention but based their assumptions on different explanations. To clarify, Van Dyk and Coetzee (2012) considered that the availability of job opportunities increased affective and continuance commitment and resulted in a better job performance and an increased intention to stay. In contrast, De Vos and Meganck (2009) found that the discussed factor created a sense of loyalty among employees and thus encouraged them to stay.

In addition to the aforementioned factors, the issue of development opportunity was widely observed as a strong predictor of retention. In particular, DiPietro and Milman (2008), Martin et al. (2006), Sengupta and Dev (2013), Saliba (2006), and Masibigiri and Nienaber (2011) agreed that having a growth and development opportunity at a company encourages its employees to sustain. In addition, Ghosh et al. (2013) also agreed with the former claim and explained that growth opportunities was one of the factors that determined employee engagement which positively affected staff retention.

In addition to investments in people, companies should give attention to work characteristics such as working hours and work-life balance. This is because in both studies, Martin et al. (2006) and DiPietro and Milman (2008), the employees ranked having flexible working hours as one of the most important factors that influenced their decision to remain in a company. However, there was no agreement on the effect of work-life balance on the subject matter: while Masibigiri and Nienaber (2011) found that the issue of work-life balance affected employee retention positively, Van Dyk and Coetzee (2012) and De Vos and Meganck (2009) did not find a direct relationship between the two, though the latter mentioned that work-life balance might be related to turnover in specific situations.

Another work attribute that affected staff retention is work content which was valued by employees of different companies. For instance, Masibigiri and Nienaber (2011) found that the employees based their decision to stay on work content in addition to two other related factors (employment of skills at work and career growth). In like fashion, De Vos and Meganck (2009) mentioned that job content was considered one of the most significant motives to remain in a company according to the employees. To explain this, the formerly mentioned authors stated the following: “the evaluation of promises related to job content and social

atmosphere also have a consistent and significant impact on employee loyalty” (De Vos and Meganck, 2009, p.56-57).

More importantly, many researchers focused on the effect of compensation plans on the issue at hand. Particularly, Masibigiri and Nienaber (2011), De Vos and Meganck (2009), and Saliba (2006) mentioned that the financial reward system at a company was one of the most significant factors that affected employee retention. Conversely, Ghosh et al. (2013) expatiated on the subject and claimed that compensation should be fair between employees and equal to the market rate in order to keep the employees from thinking about leaving the company. Further, Ghosh et al. (2013) explained by stating: “the compensation and reward system must meet the expectations of employees and should also be directly related to performance” (p.301). The authors added that the organizations must always review their compensation system, so that employees would not be attracted to another company offering a higher salary and would rather stay (Ghosh et. al., 2013).

Finally, the last influencing factor on employee retention to be discussed is the subject of autonomy. To elucidate, autonomy is “the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out” (Hackman and Oldham, 1980, p. 79). Based on this definition, Sengupta and Dev (2013) suggested that giving employees a larger span of control over their work would positively influence their decision to stay at the company. Additionally, Ghosh et al. (2013) focused on the importance that employees should have a certain margin of control over their own actions and work, and he stated: “autonomy in thought and action and control over the pace of work has emerged as one of the factors behind an employee’s decision to stay” (p. 301). Moreover, the authors also claimed that autonomy at work created a sense of belonging and loyalty to the company and thus increased staff retention (Ghosh et al., 2013).

In conclusion, researchers agreed on several variables that influenced the employees’ decisions to stay at a company. The most prominent ones which were mentioned in this section could be classified into two categories: personal factors and work-related factors. The individual factors could be the following: employee engagement, organizational identification, organizational commitment, age, education level, employee characteristics, and job position. On the other hand, the work-related factors would be the following: job satisfaction, recognition and

appreciation, training programs, job conditions, availability of job opportunities, growth, flexibility in working hours, work-life balance, work content, compensation and benefits, and autonomy at work. However, Ratna and Chawla (2012) analyzed the influence on some of the abovementioned variables and found that employee satisfaction and retention was higher when companies focused on training and improving job conditions than compensation and appreciation. The following section presents the variables that predicted employee retention in insurance companies.

### 2.2.2 Factors Affecting Employee Retention in Insurance Industries

In the literature review, several aspects were found to influence staff retention specifically in the insurance industry. In addition, these factors, which were specific to the employees of insurance companies, could also be divided into personal aspects which were related to the individual employee, and working conditions which are work-related factors.

Moreover, issues such as the relationship with colleagues and gender seemed to affect the employees' perceptions of their future in companies. For instance, in her study, Tamara (2007) revealed that the employees of insurance companies placed a high importance on peer relationships when it came to deciding whether to stay at or leave the company; Tamara (2007) further explained that "employees remain employed due to relationships and socialization with peers in the workplace" (p. 88). However, Handlon (2009) did not find any significant relationship between peer satisfaction and intention to leave or stay since insurance employees placed more importance on other factors. As for the subject of gender, Tamara (2007) claimed that male employees tended to quit earlier than females because males were found to have more advantages in term of compensation level and job opportunities. In addition, Tamara (2007) clarified that due to their limited opportunities at work, women decided to stay longer in order to benefit in the long term, whereas male employees tended to shift to the next better opportunity.

Two other equally important subjects that were linked to employee retention in the insurance industry were marital status and organizational commitment. First, regarding the demographic variable, unattached employees (single, divorced, and widowed) were inclined to leave more than married employees (Clark, 2007). Therefore, the relationship between marital status and staff retention was detected since there appeared to be a positive relationship between marriage and the

employee's decision to stay "due to high organizational commitment, in order to maintain family responsibilities and years invested for retirement" (Clark, 2007, p.95). Second, Handlon (2009) highlighted the effect of organizational commitment on employee retention and showed that affective commitment was the strongest predictor among the other two sub-variables of the organizational commitment model. However, there was no detection of a relationship between normative commitment and the employees' intention to leave since they did not feel obligated to stay (Handlon, 2009). On the other hand, there appeared to be a moderate correlation between continuance commitment and the decision to stay based on the notion that there were no other options outside the organization (Handlon, 2009).

In the same way, there were other work-related issues such as flexible work hours and job environment which contributed to the increase of the level of staff retention. First, Sharma et al. (2012) singled flexibility in work hours as one of the major initiatives which needed to be done to retain employees. In addition, the same study emphasized the importance of having a cooperative, communicative, and appreciative environment that encourages its employees to be creative, and which ultimately helps sustaining employees (Sharma et al., 2012). Comparatively, another study found that an insurance company should have a conducive and motivational environment in order to minimize turnover (Pathak and Tripathi, 2010). The authors also concluded that flexibility in work hours was one of the features that insurance employees seek in a steady job (Pathak and Tripathi, 2010).

Equally important, another factor that encouraged employees to stay at an insurance company is development. Sharma et al. (2012) highlighted the essentiality of providing employees an opportunity to grow within the company because they would not stay, if there were no initiatives for career development. Again, employees in the study of Pathak and Tripathi (2010) favored career advancement over other job factors as a major component to be considered when deciding to stay at an insurance company. Furthermore, the researchers recommended that insurance companies should adopt initiatives that allow their employees to grow within it, by financially supporting post-graduate programs, and thus increasing their employees' skills and knowledge (Pathak and Tripathi, 2010).

In the same fashion, promotion was one of the prominent aspects that affected staff retention. In fact, Sharma et al. (2012) mentioned that offering a promotion was one of the initiatives that could be taken in order to preserve employees.



Correspondingly, Handlon (2009) found that employees of the insurance industry considered that the availability of promotion opportunities was the second most influencing factor (after compensation) on the decision to stay or leave. Consequently, employees would shift companies if they could not anticipate a promotion opportunity two years after joining work (Handlon, 2009). Similarly, Clark (2007) agreed with the former researchers and explained that the reason why promotion opportunities affected the decision to stay was because of individuals' interest in better salaries, career paths, and a higher experience.

Furthermore, studies showed that compensation had a major influence on employee retention. To exemplify, Howard (2013) and Sharma et al. (2012) agreed that compensation was a primary reason to leave especially after the first year if it was not satisfactory. Similarly, Handlon (2009) considered that unsatisfactory compensation and fringe benefits significantly affected the intent to leave in the short run, and suggested that insurance companies should pay their employees beyond the latter's basic needs. Also, Handlon (2009) added contingent rewards as an influencing factor to the decision to leave in the short run too.

In addition, other job related issues such as job satisfaction and job characteristics were related to staff retention as per several studies. First, Clark (2007) found that job satisfaction was related to the subject at hand through several sub-variables such as peer relationship, salary, and promotions as mentioned above. Moreover, Handlon (2009) claimed that job satisfaction was the strongest predictor of employee retention among other major variables. By the same token, Singh (2010) stated that: "enhanced job satisfaction leads to higher level of employee retention" (p.83). Second, on a related subject, Handlon (2009) found that the employees' decision to leave the company was highly influenced by the satisfaction with the assigned job tasks in the long term.

Lastly, the effect of training on employee retention was discussed by several researchers. One of them was Sharma et al. (2012) who recommended that providing training programs was one of the strategic initiatives that would boost the level of staff retention. Another was Howard (2013) who also claimed that training would influence the employees' decision to leave especially during the first year, and recommended that the training programs should be less rigid and more applicable in daily work.

As a final point, the literature showed that researchers agreed on different variables that correlated to employee retention and that could again be grouped into two categories: individual factors and work factors. The employee-related aspects would be the following: gender, marital status, peer relationship, and organizational commitment. Comparatively, the work-related variables would be: flexible work hours, job environment, development and growth, promotion opportunities, compensation and contingent awards, job satisfaction, job characteristics, and training programs. Consequently, following the 80-20 rule which states that 80% of productivity is achieved by 20% of the workforce, Pathak and Tripathi (2010) suggested that companies should put more efforts to retain those few employees using particular retention plans. The next section is a conclusion of the second chapter where the main ideas are presented.

### 2.3.1. Conclusion

The literature showed that older organizational theories were related to the issue of staff retention. In addition, the subject at hand was also connected to more recent organizational theories and was found to be affected by several factors (individual and work-related) in diverse industries and in the insurance sector in particular. Many conclusions could be drawn from this chapter.

First with the older theories in business such as Herzberg's motivational theory (1966): it was found that retention was more affected by the intrinsic motivators (self-esteem and recognition) rather than by hygiene factors (salary and job security) (Martin et al., 2006). Second, regarding Adam's equity theory (1965), it was claimed that if there appeared to be an imbalance between input and output in terms of salary unfairness, the employees would feel dissatisfied and would leave the company (Clark, 2007). Third, in relation to Vroom's expectancy theory (1964), it was shown that employees who expected a certain appealing return for their work were motivated to be more productive and engaging (Clark, 2007). Finally, as to Maslow's hierarchy of needs theory (1943) it was explained that lower-level needs (physiology and safety) do not persist as motivators once satisfied, but rather high-level needs (social, self-esteem, self-actualization needs) work as real motivators (Udechukwu, 2009). In addition, it was suggested that in order to preserve its employees, a company should create an environment that relates to their high-level needs (Pritchard, 2007).

Besides the old theories, more recent organizational theories were used as a basis to interpret ideas related to employee staffing. First, employee retention was found to be important for knowledge transfer and work flow within the organization (Larkin and Burgess, 2013). Second, talented employees, on whom investments were made, needed to be preserved in order not to squander their valuable productivity and experience (Govaerts et al, 2011; Masibigiri and Nienaber, 2011). On the other hand, it was deduced that in order for knowledge to be applied within the organization, as the absorptive capacity theory suggested (Cohen and Levinthal, 1990), companies should be able to create successful retention plans (Larkin and Burgess, 2013). Likewise, conclusions on Hobfoll's conservation of resources theory (1989) proposed that exhausting the emotional energy of an employee (such as burnout) would consequently result in an intention to leave the company (Lapointe et al., 2011).

Furthermore, in the literature review, there appeared to be a common theme with certain variables which seemed to affect staff retention within diverse industries and specifically in the insurance sector. Also, in both sections (2.2.1- diverse industries variables and 2.2.2- insurance sector variables), the factors were found to be dividable into two large categories: individual aspects (such as gender, age, and peer relationships) and work-related factors (such as growth, work-life balance, and autonomy) (Govaert et al., 2011; Tamara, 2007; Ghosh et al., 2013; Masibigiri and Nienaber, 2011; Sengupta and Dev, 2013).

Moreover, by comparing the two sections (2.2.1 and 2.2.2) common variables in each category (individual and work-related) were found: in the employee-related category, organizational commitment (with its 3 sub-variables) was a common factor to have an influence on employee retention in diverse industries and in the insurance sector specifically (Van Dyk and Coetzee, 2012; Handlon, 2009). Similarly, in the work-related category, the following variables were found common: flexible working hours (DiPietro and Milman, 2008; Sharma et al., 2012), job satisfaction (Udechukwu, 2009; Handlon, 2009), availability of job opportunities and promotions (De Vos and Meganck, 2009; Sharma et al., 2012), development and growth opportunities (Sengupta and Dev, 2013; Pathak and Tripathi, 2010), training programs (Mahal, 2012; Howard, 2013), job conditions and job environment (Sengupta and Dev, 2013; Pathak and Tripathi, 2010), and compensation plans and benefits (Masibigiri and Nienaber, 2011; Howard, 2013).

### 2.3.2 Objectives of the Study and Model

The objective of this study was to understand and analyze the factors that influenced employee retention in the Lebanese insurance companies. Based on the literature review, both individual and work-related factors would be taken into account in order to investigate the subject of employee retention in the insurance sector in Lebanon.

Figure 1 below represents a model (created by the author of this study) of the various variables that were found in the literature review and which affected employee retention in several industries and in the insurance sector altogether (sections 2.2.1 and 2.2.2). The model shows that the variables are classified into individual factors and working conditions. The individual variables collected from the literature review were the following: gender, age, marital status, education level, job position, employee characteristics, employee engagement, peer relationship, organizational identification, and organizational commitment (affective, continuance, normative). On the other hand, the variables classified as working conditions were the following: job satisfaction, work-life balance, work content, training programs, development and growth, job environment, compensation and benefits, work autonomy, flexible working hours, job characteristics, recognition and appreciation, and the availability of job opportunities and promotions.

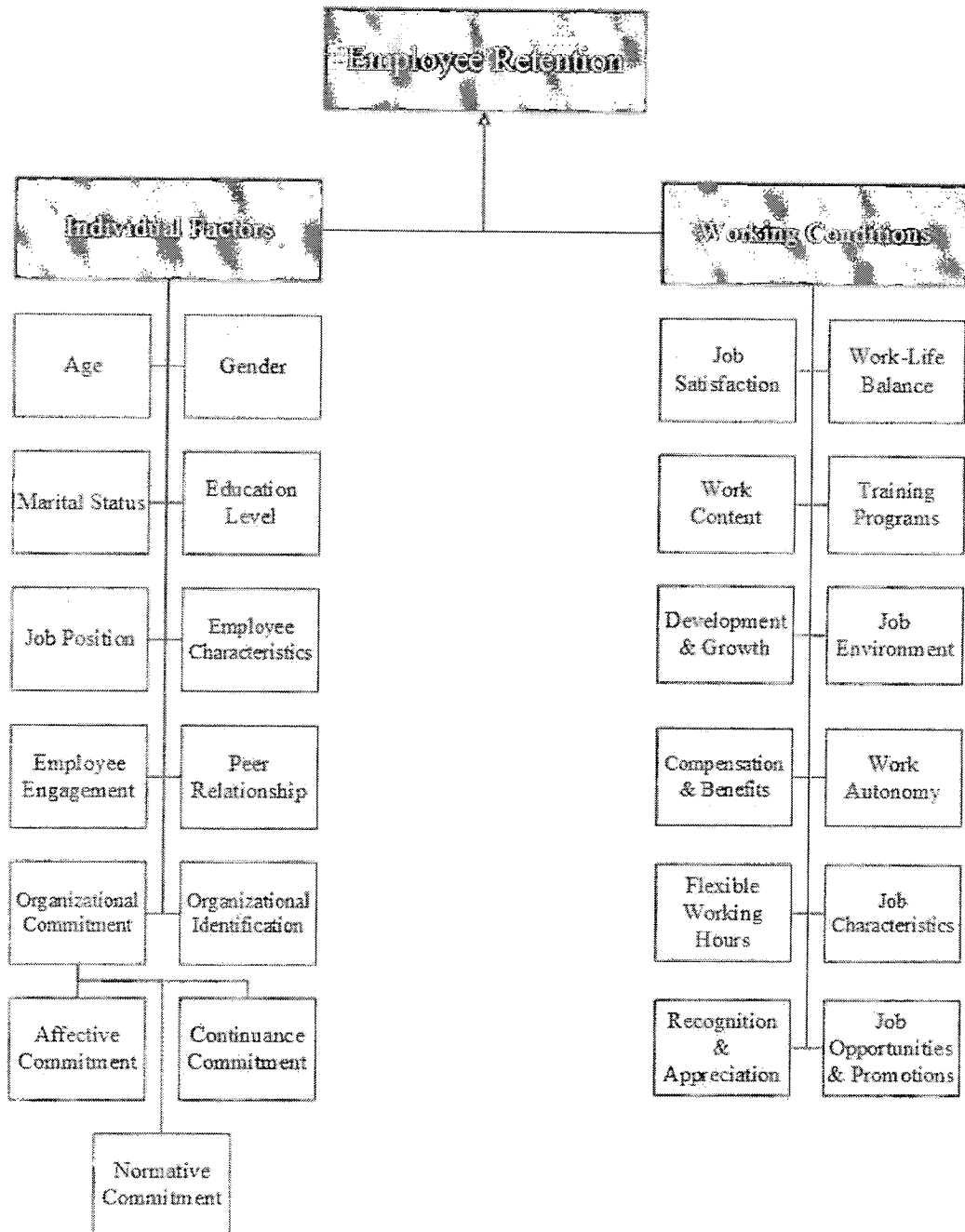


Figure 1: Factors Affecting Employee Retention

## Chapter 3

### PROCEDURES AND METHODOLOGY

#### 3.1 Introduction

This chapter describes the suggested methodology that was implemented for the research. In this section we will first introduce the philosophical position and strategic approach of the study, and then will conclude with the research objectives and questions.

First, to conduct the research, we adopted the positivist approach which is “the philosophical position that the only meaningful inferences are ones that can be verified through experience or direct measurement” (Trochim and Donnelly, 2006, p.18). This is because the study was based on the observation and measurement of employees’ attitudes towards the companies they work for. Furthermore, several objective interviews were conducted with managers of Lebanese insurance companies, and data were collected through questionnaires filled by the employees through unobtrusive measurement, which connects to the roots of the positivist approach instead of phenomenology. To clarify, unobtrusive measurement is when the examiner does not get involved in the participants’ interaction with the measure that is being used (Webb et al., 1981). However, since there was a separation between observer and observee, and the ideas in the research were studied objectively and not in context, the phenomenological approach was not convenient to the study, and therefore was not applied. To elucidate, Phenomenology is “a research study of inquiry in which the researcher identifies the essence of human experiences about a phenomenon as described by participants” (Creswell, 2009, p. 13).

In another context, the adopted research strategy was the survey which is “a method of gathering information from a sample of individuals” (Scheuren, 2004, p.9). The adoption of this research strategy enabled us to gather data through a sample of individuals, which was convenient to the study’s requirements that involved the opinion of the employees and the companies’ managers in order to figure out the reasons why employees decided to stay. Thus, the results that could be concluded from a case study, for instance, would not be valuable since the context of one company in the insurance industry could not show the various factors that influence employee retention. The following definition by Denscombe intensifies the former idea: “case studies focus on one instance (or a few instances) of a particular

phenomenon with a view to providing an in-depth account of events, relationships, experiences or processes occurring in that particular instance” (2003, p. 32). In the same line of thought, the study could not be based on an experiment or a proposition, for the reason that they both assume that an outcome occurs if a certain treatment was given (and reciprocally) (Trochim and Donnelly, 2006), and this was not the case of the research study. Plus, these two research strategies do not take into consideration external factors to the subject, such as the issue of chance or environmental change and so on (Trochim and Donnelly, 2006). Similarly, an action study could not be used as a strategy for the research because it requires an active participation of the researcher such as being an employee of the company, and for the fact that change is regarded as part of the research (Denscombe, 2008), which did not comply with the conditions of the study. Finally, ethnography which involves immersing oneself in the culture before doing the research (Creswell, 2009) could not be adopted as a strategy due to the fact that the study was conducted in Lebanon rather than abroad.

In the same context, the research approach was deductive, “a top-down reasoning that works from the more general to the more specific” (Trochim and Donnelly, 2006, p.16) since the study was based on old and recent organizational theories such as Herzberg’s two-factor theory and Hobfoll’s conservation of resources theory. Therefore, the inductive approach, which is “a bottom-up reasoning that begins with specific observations and measures and ends up as general conclusion or theory” (Trochim and Donnelly, 2006, p.17) was not adopted because the conditions of the study did not conform to it. Furthermore, the hypotheses were tested in the Lebanese insurance industry (the population) because, as mentioned in chapter 1 - section 1.2, it is crucial for insurance companies, in general, to retain their employees more than other sectors since the success of the business requires long term maintenance of talent and public relations. In addition, the sample was taken out of a population which was the Lebanese insurance industry, and the aim was to generalize the results to the population.

Primarily, the study aimed to investigate the individual factors and working conditions that affected employee retention in the Lebanese insurance companies. In addition, the study’s initial questions were obtained after rigorous research in the literature data base where it has appeared that most of the variables could be divided into these two parts: individual factors and working conditions.

### 3.2 Research Questions and Hypotheses

The following research questions and their related hypotheses and sub-hypotheses were suggested to be tested in this study:

- a. What are the individual factors that affected the insurance employees' intention to stay?
  - H1. Gender is related to the retention of insurance employees.
  - H2. Age is positively related to the retention of insurance employees.
  - H3. Marital Status is related to the retention of insurance employees.
  - H4. Education level is related to the retention of insurance employees.
  - H5. Job position is related to the retention of insurance employees.
  - H6. Organizational Commitment is positively related to the retention of insurance employees.
    - H6a. Affective Commitment is positively related to the retention of insurance employees.
    - H6b. Normative Commitment is positively related to the retention of insurance employees.
    - H6c. Continuance Commitment is positively related to the retention of insurance employees.
  
- b. What are the working conditions that influenced the level of employee retention in the Lebanese insurance companies?
  - H7. Job satisfaction is positively related to the retention of insurance employees.
  - H8. Training is positively related to the retention of insurance employees.
  - H9. Development opportunity is positively related to the retention of insurance employees.
  - H10. Compensation is positively related to the retention of insurance employees.
  - H11. Work autonomy is positively related to the retention of insurance employees.
  - H12. The availability of internal job opportunities is positively related to the retention of insurance employees.



### 3.3 Selected Variables

This section presents the dependent variable and the independent variables chosen from the pool of variables found in the literature review, in addition to the representative model of the selected variables.

#### 3.3.1 The Dependent Variable

By definition, the dependent variable is affected by the independent variable (Trochim and Donnelly, 2006). Therefore, the dependent variable of this study is employee retention in insurance companies represented by the employees' intent to stay in the organization they work for.

#### 3.3.2 The Independent Variables

Originally, an independent variable is the one that is manipulated (Trochim and Donnelly, 2006). Therefore, the chosen 12 independent variables included: gender, age, marital status, education level, job position, organizational commitment (with its 3 sub-variables affective, continuance, and normative commitment), job satisfaction, training programs, development opportunities, compensation plans, work autonomy, and the availability of job opportunities.

It is important to note that these variables were exhaustive since all their possible responses were included (Trochim and Donnelly, 2006) such as in the case of marital status and education level, and they were mutually exclusive because two attributes could not be assigned simultaneously to the same variable (Trochim and Donnelly, 2006) such as in the case of gender. Furthermore, the mentioned variables could be categorized into two groups which were individual factors and working conditions.

Consecutively, the model in figure 2 (created by the author of this study) represents the chosen independent variables which will be used and tested. In this model, the dependent variable (employee retention) is stated at the top of the diagram, and the independent variables are classified into two categories which are individual factors and working conditions. The arrows coming from these two categories are directed towards employee retention since the included variables are predicted to influence this dependent variable. As for the categories, the individual factors included these variables: gender, age, marital status, education level, job position, organizational commitment (with its sub-variables affective,

continuance, and normative commitment), and the working conditions included: job satisfaction, training programs, development opportunities, compensation plans, work autonomy, and the availability of job opportunities and promotions.

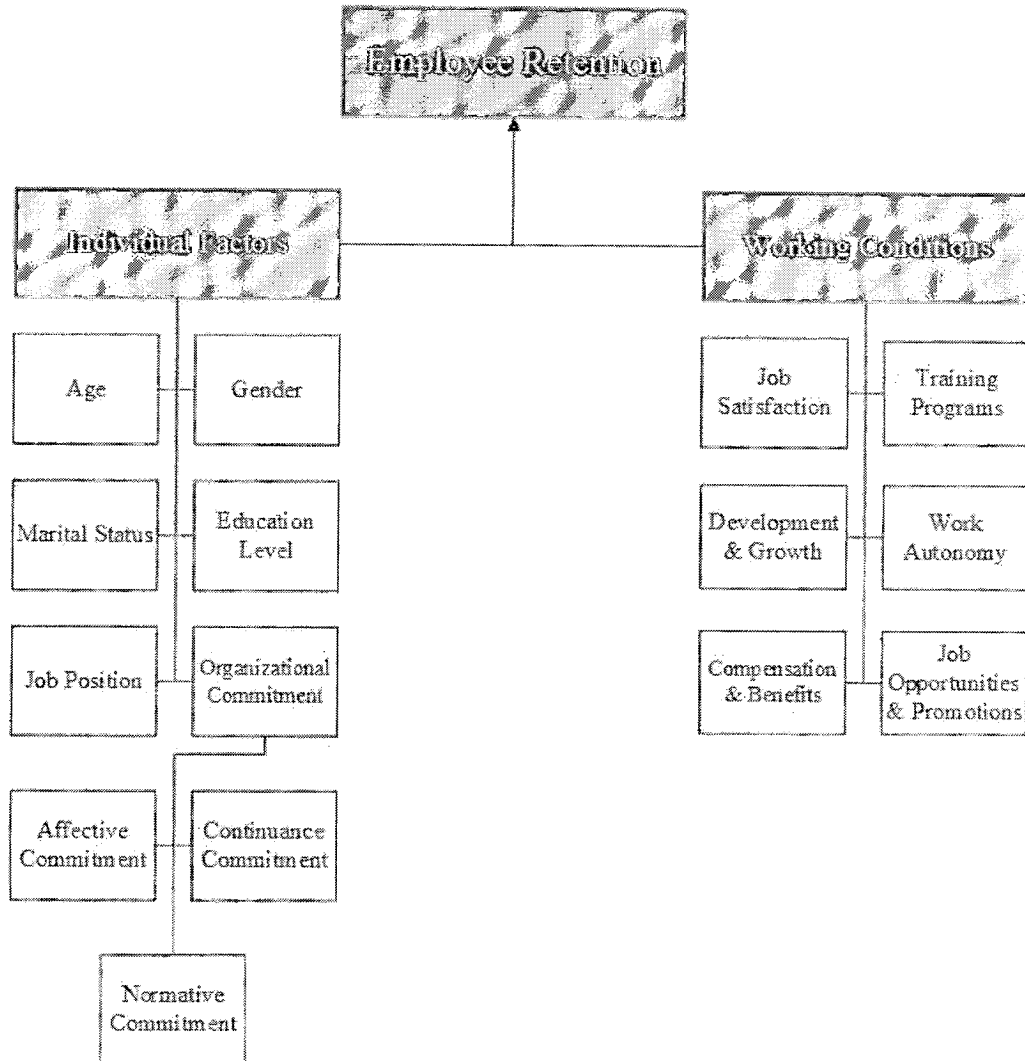


Figure 2: Selected Independent Variables

### 3.4 Methodology Used

#### 3.4.1 Interviews and Questionnaires

In order to test the aforementioned hypotheses, we decided to conduct interviews and make questionnaires, in this sequence, for reasons that will be mentioned later in this section.

First, interviews were decided to be used in order to have in depth and detailed information about the subject, regarding the strategies used by managers in insurance companies to retain their employees. Therefore, the interviews were used as an exploratory method in order to see whether the variables that were chosen from the literature review were applicable to the Lebanese case or not. Further, the interviews were also a means to discover other potential variables which were not chosen or were not mentioned in the literature review in the first place. Also, we intended to acquire the average turnover rates in the Lebanese industry through these interviews in order to compare it to the ones found in the literature review. In addition, we wanted to investigate the general strategies that were used to retain the employees in order to recommend them at the end of this paper.

Second, we predicted that the usage of a questionnaire would produce data that could be utilized to confirm the influence of the variables (and other potential ones) on Lebanese employees' decision to stay. Additionally, the aim was to generalize the results of the study on the Lebanese insurance sector. Therefore, based on the individuals' attitudes towards the companies' policies and plans, we could predict whether the variables were related to the intention to stay and consequently to employee retention in general.

Thus, the qualitative method of participant observation, which is "that method in which the observer participates in the daily life of the people under study, either openly in the role of research or covertly in some disguised role" (Becker and Geer, 1957, p.28), could not be used in this case because of the problem of not being able to gain privileged access to the firms, in addition to the time constraint. Moreover, content analysis may not have been adopted as a method since the subject by nature did not require the study of the texts' contents. To clarify, content analysis is the analysis of words and sentences within large amounts of texts (Trochim and Donnelly, 2006).

More importantly, the interviews were conducted within the premises of the insurance companies with managers who held human resources management duties, in order to understand the initiatives taken by them and to examine the effect of the proposed variables on the retention of employees. Afterwards, the questionnaires were collected from the employees from different demographic and work backgrounds to explore the influence of these variables on their intention to stay.

#### 3.4.2 Primary Data

The nature of the study involved the use of primary data without referring to secondary data since there was no use of information related to the organizations but rather to their policies and their relationship with their employees.

First, to explain, primary data is when the practical search of information is the basis of the study, and secondary data is the published and non-published material such as bulletins, brochures, online reports etc. which could be used as supplementary documents (Sharma et al., 2012). Therefore, the decision was to use primary data in order to gather detailed information and acquire results that could be generalized to the population, through qualitative and quantitative methods. Thus, there was no use of secondary data, since the study focused on the employees' personal aspects and attitudes towards the company's policies, which could not be found in the mentioned types of documents but through interviews and questionnaires.

Consequently, qualitative data, where variables are not in numerical form (Trochim and Donnelly, 2006), and quantitative data, where variables are in numerical form (Trochim and Donnelly, 2006), were used in order to have a thorough understanding of employee retention. In addition, the benefit of using this mixed methods technique is the maximization of their advantages and the attenuation of their disadvantages (Trochim and Donnelly, 2006).

Similarly important, in order to strengthen the study's results, we decided to use the notion of triangulation. To explain, triangulation is the adoption of several methods or sources which allows the researcher to view things from different viewpoints and to have a better knowledge about the subject (Becker and Geer, 1957). Furthermore, the benefit of using this technique is to minimize

any potential weakening errors (Yin, 2003). In the same manner, qualitative and quantitative methods were used in terms of interviews and questionnaires in order to serve the purpose of triangulation in the study.

### 3.4.3 Pilot Test

To get in depth information about the subject, interviews were conducted with managers who are in daily contact with the employees, and at the same time apply the directors' regulations and policies that affect them. Afterwards, an online questionnaire was sent by e-mail to these employees to get results regarding several variables to be studied.

Furthermore, the hypotheses were the main theme of the interview guide (Appendix 2) that was written once the variables were chosen. The guide consisted of 10 open-ended questions which included inquiries about the demographics and whether they were connected to their employees' willingness to stay, in addition to subjects like commitment, job satisfaction, and training programs, and the companies' policies regarding work autonomy, growth, internal recruitment, and their influence on employee retention. First, the interview guide was rigid and non-coherent and adjustments were done before the interviews were conducted. The wording of the questions, thus, became clear, general, and neutral. Additionally, the questions started with easy and non-threatening questions (demographics and general strategies adopted), and sensitive questions were placed around the middle. In order to see whether the interview questions needed additional amendments, the questions were piloted with 10 employees of insurance companies and no adjustments were made after the pilot since the questions were perceived as clear and comprehensible.

Afterwards, human resources managers and managers who held HR duties of insurance companies in Lebanon were contacted by phone, and a cover letter (Appendix 1) was sent by email to those who were interested to be part of the study. In the cover letter, managers were informed about the study, along with the request to conduct an interview with the manager who held HR duties and to distribute an online questionnaire among the employees. Also, in the letter they were asked to prepare the average percentage of employee turnover in order to compare it to the literature if we were able to acquire enough data about this subject.

In principle, the interviews were conducted for exploratory purposes: first to find out whether the selected variables were applicable to the Lebanese context and the insurance industry in the Lebanon, and second to find out other variables that also affected employee retention but were not chosen from or found in the literature. Therefore, the population needed to be identifiable, literate, cooperative, and with no geographic restrictions. The former conditions were applicable since the population could be easily indentified through lists of insurance companies over the internet along with their contact information, and the corporate managers' and employees' literacy level complied with the requirements of the survey. In addition, the population was cooperative since the needed information for the survey were successfully acquired through the conducted interviews and questionnaires, and there were no geographical restrictions because the companies' geographical range of dispersion was not too broad and companies could be easily reached.

Furthermore, there were no sampling problems because there was an adequate number of interviewees and questionnaire respondents to fulfill the conditions of the study. More importantly, there were no content problems because the respondents were expected to know about the topics that were inquired about in the interview and questionnaire, and the respondents did not have to consult any records to answer.

Moreover, after the pilot test of the interview guide was successful, we took appointments with those managers who were interested in participating in the study in order to conduct interviews and follow up with the questionnaire at a later stage. The interviews were decided to be conducted in a semi-structured manner to be able to explore other variables as mentioned earlier. Thus, we conducted interviews with 16 managers from 16 different companies within a period of 6 weeks in the corporate offices of the managers. Although the aim was to do the interviews with human resources managers to acquire adequate information about the subject of employee retention, not all companies had a human resource department or responsible; therefore, the interviews were done with managers who did not have a human resource title but held HR duties.

Consequently, the sample of interviewees consisted of 5 males, and 11 females holding the following titles: assistant general manager (2), human resource coordinator, human resources specialist, human resources and quality

manager, technical manager, reinsurance manager, human resources manager (2), senior executive assistant in the HR department, IT manager, head of human resources (2), human resources assistant, director of strategy and controls, and personal assistant to CEO.

Subsequently, the duration of the first interview was 47 minutes which was considered a long period for an interview, and therefore, we decided to limit the periods of the following interviews without affecting the purpose of the interview which is to discover new variables and confirming the chosen ones. Besides this, all questions were answered without any reservations being made on any question, and the body language of the interviewees was observed in order to evaluate the precision of what was being said. However, there were many interruptions that might have distracted the flow of some interviews or the ideas of the interviewees. The interruption varied between phone calls and other people coming in but these cases were limited to 4 interviews.

Accordingly, after concluding each interview, we wrote its transcript immediately in order to recall the information that was provided by the written notes during the interview in order to limit bias. Afterwards, each transcript was sent to the respective interviewee in order to confirm the answers provided by them, and no objections were detected regarding the transcripts.

The interviews were decided to be done before writing the questionnaire guide because we needed to confirm first the applicability of the variables and to amend some variables or add other ones. First, it is important to note that the list of variables that were originally selected before conducting the interviews was the following: gender, age, marital status, education level, job position, organizational commitment, job satisfaction, training programs, development opportunities, *work content*, work autonomy, and the availability of job opportunities and promotions.

Furthermore, the interviewees considered that all the chosen variables had an influence on the employees' decision to stay at a Lebanese insurance company, except one selected variable which was work content. The mentioned variable was not considered to be an influencing factor; instead, a majority of the interviewees believed that the compensation and benefits plan or package was a major influencing factor on employee retention. Consequently, after evaluating the transcripts, we decided to remove work content since its applicability on the

Lebanese industry was not confirmed, and to replace it with compensation as a factor that affects the employees' decision to stay. Finally, when the interviews were completed after 6 weeks, the transcripts were coded by interviewee and by variable (Appendix 3), and the coding, "the process of categorizing qualitative data" (Trochim and Donnelly, 2006, p.144), confirmed that compensation and benefits plans were an influencing variable in addition to the other 11 variables that were chosen in the first place.

At a later stage, after coding the interviews transcripts in a thematic manner, by variable, we constructed the questionnaire guide in order to start with the submission. The guide was developed from questionnaire appendices of the collected studies that were used in the literature review. To clarify, in these appendices, statements that were related to the variables that we chose were identified and adopted in the questionnaire guide (Appendix 4). Thus, the guide was created to study the factors that were expected to affect employee retention, using the following studies: Sinha and Trivedi (2014), Govaerts et al. (2011), Ghosh et al. (2013), Singh (2010), Handlon (2009), Artley (2008), Döckel (2003). The instrument consisted of 3 sections. The first one gathered information about the personal profiles of the respondents which included: gender, age, marital status, education level, job position, and seniority. The second (36 items) aimed at knowing the employees' attitudes toward certain aspects of their jobs including the following: affective, continuance, and normative commitment, job satisfaction, training programs, development opportunities, compensation plans, work autonomy, and the availability of job opportunities. Finally, the third section concluded with a statement about the respondents' willingness to stay at the companies they work for.

Although the statements were picked from questionnaire appendices that were already tested by their respective researchers, the sentences' wording was checked in order not to have personal, time specific, unclear, difficult, objectionable, or loaded statements. In the second place, there were no filter or contingency questions which are questions that verify whether the respondents could answer the following question (Trochim and Donnelly, 2006). Additionally, the items of the first part included check-the-answer questions for gender, job position, and education level information, and fill-in-the-blank questions for inquiries about age, marital status, and years of service. Therefore,



there were no unstructured response formats where the answer is open-ended (Trochim and Donnelly, 2006); instead all the statements were put on a seven point metric scale in which, the left edge was entitled “strongly disagree” and the right one was “strongly agree”.

Then, after the draft of the instrument was constructed within one week, we created an online survey in order to circulate it among the employees. Before submission, in order to test the convenience of the questionnaire, we piloted it to 10 random insurance employees and the feedback was positive. The pilot showed that the questionnaire needed 7 minutes on average to be filled online. Afterwards, the managers that were previously interviewed were contacted again so that they send the link of the online questionnaire to the employees that worked in the respective companies. More importantly, the managers and employees were ensured anonymity in the introduction of the online survey. Later on, we contacted the managers one last time to make sure that the link was sent to all employees (to ensure randomness), and to gain feedback on the survey. We waited 3 weeks before we started collecting results.

#### 3.4.4 Instrumentation

This section provides information about the issues of the feasibility of the study, in addition to its validity (external, statistical, internal, and construct validity), and reliability.

First, the feasibility of the study lied in the practicality of doing the interviews and questionnaires (Trochim and Donnelly, 2006). Further, the timing of the interviews was adjusted after the pilot and was limited to target direct answers and gather informative ideas. Additionally, the location of the companies where the interviews were conducted was reachable, and we did not encounter any problems regarding this matter. More importantly, the quality of the interviews was convenient to the study since they were done with managers who held human resource duties and were knowledgeable about the subject being studied. More importantly, the number of interviewees and questionnaire respondents was predicted to be adequate since the required cooperation was attained. Moreover, the ethical constrains were considered while preparing the interview and questionnaire guides. Finally, the costs and period of the survey

were studied and were suitable to the budget and time that were allocated to complete the research.

In the second place, external validity which is “the degree to which the conclusions of the study would hold for other persons in other places and other times” (Trochim and Donnelly, 2006, p. 34) is related to generalizing the results. In the case of our study, the conclusions could be generalized since the sample was aimed to be homogeneous, metric, and representative of the population. The sample was composed of 187 respondents, of which 15 started completing the survey but did not answer all the questions of the online questionnaire. Thus, the number of participants is 173. Further, in order to increase external validity, the threats of people, places, and times were decreased (Trochim and Donnelly, 2006) since these three were not unusual by nature. However, external validity is limited because we cannot generalize it to all industries in Lebanon, which is why we tried to generalize it to the Lebanese insurance sector.

Regarding statistical validity, we have some concerns because the sample was not random since we chose the respondents to be members of the Lebanese insurance industry.

Furthermore, internal validity<sup>1</sup> was established since the observed changes were predicted to be attributed to the set program without the intervention of other possible causes (Trochim and Donnelly, 2006). In order to increase internal validity, the threats needed to be diminished. Campbell and Stanley (1966) identified several threats to internal validity, including the following: history, maturation, testing, mortality, instrumentation, and regression threats.

In this study, the history threat did not have any influence since no unanticipated shocks or events occurred while the experiment was in progress, and consequently the behavior of the independent and dependent variables was not altered. In the case of maturation threat, there did not occur any physical or mental change over time, and the respondents' performance was not affected, so the maturation threat did not exist. Regarding the testing threat, the study was not longitudinal, and the individuals that were interviewed and filled the questionnaire did not do the same test but once. Similarly, the mortality threat did

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<sup>1</sup> Internal validity is “the approximate truth of inferences regarding cause-effect or causal relationships” (Trochim and Donnelly, 2006, p.158).

not exist for the same mentioned reason regarding the nature of the survey and because the respondents did not drop out of the study at any time. Also, the instrumentation threat did not have effect because the used instruments were adequately applied, and the influence of this threat on the participants' performance was limited since biased observations were removed. Even more, the regression threat did not exist since the scores were not extreme as shown in the following sections.

Another important type is construct validity which is when the discussed concepts and theories are reflected by the actual chosen measures (Trochim and Donnelly, 2006). Two factors affected construct validity in the case of our study. First, the early organizational theories were shown to have a relation with employee retention in chapter 2. Thus, the chosen independent variables to be tested were inspired from the early theories especially Herzberg's theory and the pool of research studies in the literature review, which enhances construct validity. More effectively, the interview guide was inspired by ideas provided by the literature review and was used as a complementary tool to enhance the credibility of the questionnaire results. In a similar manner, the questionnaire guide was constructed using the questionnaire appendices of the studies used in the literature review. These two factors enhance construct validity since the data collection tools were directly linked to the theories of the study.

As for the issue of reliability, which refers to the consistency of measurement (Trochim and Donnelly, 2006), the analysis shows that the results could be reliable. In theory, there are 4 methods to estimate reliability: inter-rater, test-retest, parallel-forms, and internal consistency reliability (Trochim and Donnelly, 2006). In the case of the latter, reliability is measured by judging how well the results are consistent with the same measurement used (Trochim and Donnelly, 2006). Apparently, the internal consistency is observable in the interview answers (view coding in Appendix 3) since the given responses were in the same context to some extent. In addition to this, the reliability of the questionnaire results was tested in the Statistical Package for Social Sciences (SPSS, version 22.0, 2013) where the Cronbach's alpha of the answers (table 1) was 0.954 which is a reliable value since it is higher than 0.7.

Cronbach's Alpha	N of Items
.954	39

Table 1: Reliability Statistics of the Metric Questions  
(Source: Statistical Package of Social Sciences, version 22.0, 2013)

#### 3.4.5 Conceptual Framework for Analyzing the Data

Using the SPSS model, we conducted several statistical tests in order to analyze data and have reliable conclusions about the studied variables. Furthermore, the following tests were done on the sample: descriptive statistics, inferential statistics, variation and T-tests, correlation, and regression. In addition, in reference to the Questionnaire guide (Appendix 4), the independent variables are represented by question 1 to question 42 and the dependent variable by question 43.

#### 3.5 Conclusion

In this section, we defined the thesis main question, the hypotheses, and the independent and dependent variable. Also, we explained why primary data was used including interviews and questionnaires. In addition, we mentioned the exploratory purpose of the interviews which was effective in choosing the applicable variables in the Lebanese industry. Further, we expatiated on the details of the practices that were done using the instruments in order to have reliable results. In the end, several validity tests were represented to secure the validity of the survey as much as possible. In the next section, we will represent the statistical results following the conceptual framework, and discuss them in conjunction with the interviews results and the literature review in order to see whether the hypotheses were rejected or not.

## Chapter 4

### FINDINGS

#### 4.1 Introduction

In this study, the objective was to find and evaluate the factors that affected employee retention in the Lebanese insurance companies. After reviewing several articles in the literature review, we found that there are many factors, from which we selected the most prominent ones, and which could be categorized into two main themes: individual factors and working conditions. Thus, the two central questions of the study revolved around these two main categories which included 6 variables each. Consequently, the effect of these 12 variables on employee retention was studied using qualitative and quantitative methods (16 interviews and 173 questionnaires). To restate, the interviews were used as an exploratory tool to assess the applicability of the chosen variable on the Lebanese insurance sector.

Moreover, when the variables were found applicable through interviewees with managers who held human resources duties, the questionnaires were conducted in order to appraise the point of view of the employees regarding their decision to stay at the respective companies. To expatiate, the questionnaire consisted of 3 parts which included demographic questions that were used to evaluate the individual variables (first category), other statements of agreement to value the effect of the working conditions (second category), and a final part that consisted of one statement about the tendency to stay, and which would be compared to all the variables of both categories.

Furthermore, this chapter discusses the results of the conducted interviews and questionnaires using SPSS to evaluate the influence of the chosen variables on the employees of the Lebanese insurance industry. In the next section, we will show the statistical methods, retrieved from SPSS, including both descriptive analysis and inferential statistics to validate the frequency distribution, standard deviations and means.

#### 4.2 Descriptive Statistics

As mentioned above, the SPSS was used to analyze data as such: descriptive analysis, inferential statistics, and correlation studies were calculated. The independent variables were represented in question 1 to question 36, and the

dependent variable was embodied in question 37 (view Appendix 4). Table 2 represents the descriptive calculated for the metric statements: maximum, minimum, mean, standard deviation, Skewness, and Kurtosis. The table shows that the majority of the participants are below 40 (Mean= 1.36; Standard Deviation= 0.69). Likewise, the employees' years of service did not exceed 5 years (M= 0.733).

Furthermore, the respondents felt moderate affective commitment towards the respective companies (M= 5.15; SD= 1.605), felt moderate continuance commitment (M= 4.57; SD= 1.92), and felt moderate normative commitment (M= 4.94; SD= 1.696). Similarly, the participants felt moderately satisfied with their jobs (M= 5.65; SD= 1.470). However, the respondents were slightly satisfied with the training programs that they received at the respective companies (M= 3.85; SD= 2.051).

On the other hand, the participants felt that the development opportunities were moderately satisfying (M= 4.64; SD= 1.779), but the compensation and benefits they received were less satisfying (M= 3.32; SD= 1.867). Moreover, the respondents felt moderately autonomous in their jobs (M= 5.01; SD= 1.592), but they were less comfortable with the chances of promotion at the respective companies (M= 3.86; SD= 1.858). All in all, the participants were moderately inclined to stay in the organization (M= 4.17; SD= 1.947).

	Minim	Maxim	Mean	Std.	Skewness		Kurtosis	
	um	um		Deviatio	Statistic	Std. Error	Statistic	Std. Error
	Statistic	Statistic	n					
2- Age (metric)	1	4	1.36	.690	2.083	.185	4.075	.367
6- Years of service (metric)	1	4	1.37	.733	2.165	.185	4.275	.367
7- I love working for this company (Affective Commitment)	1	7	5.19	1.464	-.729	.185	.190	.367
8- I really feel as if this organization's problems are my own (Affective Commitment)	1	7	4.87	1.839	-.664	.185	-.627	.367
9- I am proud that I am a part of this company (Affective Commitment)	1	7	5.29	1.521	-.761	.185	-.128	.367

10- I feel like I am part of the family at my organization (Affective Commitment)	1	7	5.23	1.597	-.792	.185	-.113	.367
11- I would feel guilty if I left my organization now (Continuance Commitment)	1	7	4.27	2.029	-.177	.185	-1.231	.367
12- It would be very hard for me to leave my organization right now, even if I wanted to (Continuance Commitment)	1	7	4.78	1.946	-.471	.185	-1.090	.367
13- Right now, staying with my organization is a matter of necessity (Continuance Commitment)	1	7	4.75	1.770	-.505	.185	-.587	.367
14- Too much of my life would be disrupted if I decided I wanted to leave my organization right now (Continuance Commitment)	1	7	4.46	1.918	-.279	.185	-1.052	.367
15- This organization deserves my loyalty (Normative Commitment)	1	7	5.17	1.757	-.665	.185	-.587	.367
16- I am willing to put in a great deal of effort beyond what is normally expected in order to help the organization be successful (Normative Commitment)	1	7	5.38	1.511	-.875	.185	.149	.367
17- I would not leave my organization right now because I have a sense of obligation to its people (Normative Commitment)	1	7	4.78	1.794	-.478	.185	-.835	.367
18- I owe a great deal to my organization (Normative Commitment)	1	7	4.44	1.723	-.207	.185	-.792	.367

19- I like doing the things I do at work (Job Satisfaction)	1	7	5.23	1.651	-.854	.185	-.012	.367
20- When I do my work well, it gives me a feeling of accomplishment (Job Satisfaction)	1	7	6.05	1.355	-2.072	.185	4.617	.367
21- Doing my job well increases my feeling of self-esteem (Job Satisfaction)	1	7	6.07	1.379	-2.103	.185	4.559	.367
22- Within this company my work gives me satisfaction (Job Satisfaction)	1	7	5.24	1.494	-.762	.185	.058	.367
23- I receive frequent training for skill enhancement (Training)	1	7	3.87	1.947	.118	.185	-1.221	.367
24- My company gives me the opportunity to get training in subjects that interest me (Training)	1	7	3.71	2.054	.119	.185	-1.258	.367
25- This company is providing me with job-specific training (Training)	1	7	3.84	2.078	-.021	.185	-1.323	.367
26- This company is providing me with training I can apply in my work (Training)	1	7	3.99	2.125	-.070	.185	-1.334	.367
27- I get opportunities to learn new skills and grow (Development)	1	7	4.99	1.572	-.654	.185	-.336	.367
28- My superior encourages my career development (Development)	1	7	4.77	1.818	-.514	.185	-.837	.367
29- There are enough development opportunities for me in my company (Development)	1	7	4.25	1.850	-.145	.185	-1.055	.367



30- I have the opportunity to be involved in activities that promote my professional development (Development)	1	7	4.53	1.876	-.336	.185	-1.058	.367
31- When I do my work well, I receive a pay raise (Compensation)	1	7	3.03	1.815	.600	.185	-.604	.367
32- When I do my work well, I receive a bonus (Compensation)	1	7	3.21	2.010	.398	.185	-1.153	.367
33- I am fairly paid for what I contribute to my organization (Compensation)	1	7	3.80	1.761	-.084	.185	-.862	.367
34- I believe that my salary is higher than the market rate (Compensation)	1	7	3.23	1.880	.253	.185	-1.121	.367
35- I have control over the pace of my work (Autonomy)	1	7	5.08	1.590	-.608	.185	-.384	.367
36- My supervisor considers my suggestions for change (Autonomy)	1	7	5.06	1.550	-.741	.185	-.016	.367
37- My criticisms at work are heard (Autonomy)	1	7	5.01	1.510	-.769	.185	.249	.367
38- My company gives me the chance to use my personal initiative in carrying out the work (Autonomy)	1	7	4.92	1.719	-.758	.185	-.199	.367
39- I am satisfied with my chances of promotion within my company (Promotion Opportunities)	1	7	3.98	1.900	-.047	.185	-1.194	.367
40- When I do my work well, my promotion opportunities increase (Promotion Opportunities)	1	7	3.97	1.860	-.067	.185	-1.237	.367
41- There are enough career opportunities for me in this organization (Promotion Opportunities)	1	7	3.79	1.906	.041	.185	-1.265	.367

42- People in this company get ahead as fast as they do in other places (Promotion Opportunities)	1	7	3.68	1.765	.047	.185	-.912	.367
43- I see a future for myself within this company (Decision to Stay)	1	7	4.17	1.947	-.158	.185	-1.155	.367

Table 2: Descriptives

(Source: Statistical Package of Social Sciences, version 22.0, 2013)

On the other hand, the research drew an initial sample N= 173. The sample was skewed towards women (57.8%) as shown in table 3 for gender frequencies. Additionally, most of the participants were younger than 31 (74%), as shown in table 4 for age frequencies, and single (72%) as it appears in table 5 for marital status frequencies.

With regard to education level, the majority of the participants held bachelor degrees (49.7%) or master degrees (43.4%) with reference to table 6. As for the position level of the participants, table 7 shows that most of them held non-managerial positions (65.3%). Finally, the participants' length of employment (table 8) was mainly below 6 years (75.1%).

		Frequency	Percent	Cumulative Percent
Valid	Male	73	42.2	42.2
	Female	100	57.8	100.0
	Total	173	100.0	

Table 3: Gender Frequencies

(Source: Statistical Package of Social Sciences, version 22.0, 2013)

		Frequency	Percent	Cumulative Percent
Valid	20	1	.6	.6
	21	2	1.2	1.7
	22	10	5.8	7.5
	23	5	2.9	10.4
	24	17	9.8	20.2
	25	44	25.4	45.7
	26	13	7.5	53.2

27	13	7.5	60.7
28	10	5.8	66.5
29	7	4.0	70.5
30	6	3.5	74.0
31	5	2.9	76.9
32	8	4.6	81.5
33	2	1.2	82.7
34	2	1.2	83.8
35	3	1.7	85.5
36	5	2.9	88.4
37	2	1.2	89.6
38	3	1.7	91.3
40	2	1.2	92.5
42	1	.6	93.1
43	3	1.7	94.8
44	2	1.2	96.0
46	1	.6	96.5
47	1	.6	97.1
48	1	.6	97.7
51	1	.6	98.3
52	1	.6	98.8
57	1	.6	99.4
58	1	.6	100.0
Total	173	100.0	

Table 4: Age Frequencies  
(Source: Statistical Package of Social Sciences, version 22.0, 2013)

		Frequency	Percent	Cumulative Percent
Valid	Single	125	72.3	72.3
	Engaged	9	5.2	77.5
	Married	39	22.5	100.0
	Total	173	100.0	

Table 5: Marital Status Frequencies  
(Source: Statistical Package of Social Sciences, version 22.0, 2013)

		Frequency	Percent	Cumulative Percent
Valid	Technical/Highschool	8	4.6	4.6

Bachelor	86	49.7	54.3
Master	75	43.4	97.7
Doctorate	4	2.3	100.0
Total	173	100.0	

Table 6: Education Level Frequencies

(Source: Statistical Package of Social Sciences, version 22.0, 2013)

		Frequency	Percent	Cumulative Percent
Valid	Non-Managerial	113	65.3	65.3
	Managerial	60	34.7	100.0
	Total	173	100.0	

Table 7: Position Level Frequencies

(Source: Statistical Package of Social Sciences, version 22.0, 2013)

		Frequency	Percent	Cumulative Percent
Valid	.0	1	.6	.6
	.5	10	5.8	6.4
	1.0	37	21.4	27.7
	1.5	11	6.4	34.1
	2.0	32	18.5	52.6
	2.5	1	.6	53.2
	3.0	18	10.4	63.6
	3.5	1	.6	64.2
	4.0	12	6.9	71.1
	4.5	1	.6	71.7
	5.0	5	2.9	74.6
	5.5	1	.6	75.1
	6.0	13	7.5	82.7
	7.0	3	1.7	84.4
	8.0	4	2.3	86.7
	9.0	2	1.2	87.9
	10.0	7	4.0	91.9
	11.0	1	.6	92.5
	12.0	3	1.7	94.2
	13.0	1	.6	94.8

15.0	3	1.7	96.5
18.0	1	.6	97.1
19.0	2	1.2	98.3
20.0	2	1.2	99.4
24.0	1	.6	100.0
Total	173	100.0	

Table 8: Seniority Frequencies

(Source: Statistical Package of Social Sciences, version 22.0, 2013)

Furthermore, the statistical analysis showed that the answers of the participants were normally distributed; therefore, we decided to study the sample using ANOVA (analysis of variance), T-tests, correlation, and regression analyses as represented in the following section.

#### 4.3 Main Results

This section provides the SPSS results of the analysis of variance (ANOVA) and the T-tests performed to test the significance of means, in addition to the tests of correlation and regression that show which variables had a significant effect on the decision to stay and consequently employee retention.

##### 4.3.1 ANOVA and T-Test Results

The Analysis of Variance was performed on questions 7 to 43 (metric) which embody the variables organizational commitment (affective, continuance, and normative), job satisfaction, training programs, development and growth opportunities, compensation plans, work autonomy, and the availability of job opportunities and promotions. Table 9 represents the ANOVA test of the mentioned variable in relation to Gender. The results show there is a statistically significant difference between groups for the questions related to normative commitment ( $p=0.012$  for question 15 in table 9), development and growth in question 28 ( $p=0.033$ ), and the decision to stay in question 43 ( $p=0.031$ ). Therefore, Independent-Samples T-Tests were performed for these three questions and the results showed that the mean score between the groups was significantly different.

		Sum of Squares	df	Mean Square	F	Sig.
7- I love working for this company (Affective Commitment)	Between Groups	1.488	1	1.488	.693	.406

	Within Groups	367.217	171	2.147		
	Total	368.705	172			
8- I really feel as if this organization's problems are my own (Affective Commitment)	Between Groups	4.189	1	4.189	1.240	.267
	Within Groups	577.753	171	3.379		
	Total	581.942	172			
9- I am proud that I am a part of this company (Affective Commitment)	Between Groups	.722	1	.722	.311	.578
	Within Groups	397.243	171	2.323		
	Total	397.965	172			
10- I feel like I am part of the family at my organization (Affective Commitment)	Between Groups	.357	1	.357	.139	.710
	Within Groups	438.395	171	2.564		
	Total	438.751	172			
11- I would feel guilty if I left my organization now (Continuance Commitment)	Between Groups	12.355	1	12.355	3.036	.083
	Within Groups	695.877	171	4.069		
	Total	708.231	172			
12- It would be very hard for me to leave my organization right now, even if I wanted to (Continuance Commitment)	Between Groups	11.434	1	11.434	3.054	.082
	Within Groups	640.219	171	3.744		
	Total	651.653	172			
13- Right now, staying with my organization is a matter of necessity (Continuance Commitment)	Between Groups	3.170	1	3.170	1.012	.316
	Within Groups	535.639	171	3.132		
	Total	538.809	172			
14- Too much of my life would be disrupted if I decided I wanted to leave my organization right now (Continuance Commitment)	Between Groups	4.156	1	4.156	1.130	.289
	Within Groups	628.850	171	3.677		
	Total	633.006	172			
15- This organization deserves my loyalty (Normative Commitment)	Between Groups	19.465	1	19.465	6.509	.012
	Within Groups	511.333	171	2.990		
	Total					

	Total	530.798	172			
16- I am willing to put in a great deal of effort beyond what is normally expected in order to help the organization be successful (Normative Commitment)	Between Groups	.811	1	.811	.354	.553
	Within Groups	392.010	171	2.292		
	Total	392.821	172			
17- I would not leave my organization right now because I have a sense of obligation to its people (Normative Commitment)	Between Groups	1.504	1	1.504	.466	.496
	Within Groups	552.150	171	3.229		
	Total	553.653	172			
18- I owe a great deal to my organization (Normative Commitment)	Between Groups	3.452	1	3.452	1.164	.282
	Within Groups	507.161	171	2.966		
	Total	510.613	172			
19- I like doing the things I do at work (Job Satisfaction)	Between Groups	.819	1	.819	.299	.585
	Within Groups	467.932	171	2.736		
	Total	468.751	172			
20- When I do my work well, it gives me a feeling of accomplishment (Job Satisfaction)	Between Groups	.270	1	.270	.146	.702
	Within Groups	315.360	171	1.844		
	Total	315.630	172			
21- Doing my job well increases my feeling of self-esteem (Job Satisfaction)	Between Groups	.391	1	.391	.205	.651
	Within Groups	326.776	171	1.911		
	Total	327.168	172			
22- Within this company my work gives me satisfaction (Job Satisfaction)	Between Groups	.002	1	.002	.001	.977
	Within Groups	383.802	171	2.244		
	Total	383.803	172			
23- I receive frequent training for skill enhancement (Training)	Between Groups	2.512	1	2.512	.661	.417
	Within Groups	649.431	171	3.798		
	Total	651.942	172			

24- My company gives me the opportunity to get training in subjects that interest me (Training)	Between Groups	5.263	1	5.263	1.249	.265
	Within Groups	720.287	171	4.212		
	Total	725.549	172			
25- This company is providing me with job-specific training (Training)	Between Groups	2.666	1	2.666	.616	.434
	Within Groups	740.120	171	4.328		
	Total	742.786	172			
26- This company is providing me with training I can apply in my work (Training)	Between Groups	5.036	1	5.036	1.116	.292
	Within Groups	771.958	171	4.514		
	Total	776.994	172			
27- I get opportunities to learn new skills and grow (Development)	Between Groups	4.369	1	4.369	1.776	.184
	Within Groups	420.625	171	2.460		
	Total	424.994	172			
28- My superior encourages my career development (Development)	Between Groups	14.956	1	14.956	4.618	.033
	Within Groups	553.796	171	3.239		
	Total	568.751	172			
29- There are enough development opportunities for me in my company (Development)	Between Groups	3.742	1	3.742	1.094	.297
	Within Groups	585.067	171	3.421		
	Total	588.809	172			
30- I have the opportunity to be involved in activities that promote my professional development (Development)	Between Groups	.346	1	.346	.098	.755
	Within Groups	604.729	171	3.536		
	Total	605.075	172			
31- When I do my work well, I receive a pay raise (Compensation)	Between Groups	.085	1	.085	.026	.873
	Within Groups	566.771	171	3.314		
	Total	566.855	172			
32- When I do my work well, I receive a bonus (Compensation)	Between Groups	.504	1	.504	.124	.725
	Within Groups					



	Within Groups	694.582	171	4.062		
	Total	695.087	172			
33- I am fairly paid for what I contribute to my organization (Compensation)	Between Groups	.316	1	.316	.101	.750
	Within Groups	533.002	171	3.117		
	Total	533.318	172			
34- I believe that my salary is higher than the market rate (Compensation)	Between Groups	4.347	1	4.347	1.231	.269
	Within Groups	603.861	171	3.531		
	Total	608.208	172			
35- I have control over the pace of my work (Autonomy)	Between Groups	1.880	1	1.880	.743	.390
	Within Groups	432.987	171	2.532		
	Total	434.867	172			
36- My supervisor considers my suggestions for change (Autonomy)	Between Groups	.117	1	.117	.048	.826
	Within Groups	413.305	171	2.417		
	Total	413.422	172			
37- My criticisms at work are heard (Autonomy)	Between Groups	.898	1	.898	.393	.532
	Within Groups	391.079	171	2.287		
	Total	391.977	172			
38- My company gives me the chance to use my personal initiative in carrying out the work (Autonomy)	Between Groups	4.973	1	4.973	1.690	.195
	Within Groups	503.050	171	2.942		
	Total	508.023	172			
39- I am satisfied with my chances of promotion within my company (Promotion Opportunities)	Between Groups	2.731	1	2.731	.755	.386
	Within Groups	618.217	171	3.615		
	Total	620.948	172			
40- When I do my work well, my promotion opportunities increase (Promotion Opportunities)	Between Groups	.085	1	.085	.024	.876
	Within Groups	594.771	171	3.478		
	Total					

	Total	594.855	172			
41- There are enough career opportunities for me in this organization (Promotion Opportunities)	Between Groups	.456	1	.456	.125	.724
	Within Groups	624.631	171	3.653		
	Total	625.087	172			
42- People in this company get ahead as fast as they do in other places (Promotion Opportunities)	Between Groups	1.287	1	1.287	.412	.522
	Within Groups	534.586	171	3.126		
	Total	535.873	172			
43- I see a future for myself within this company (Decision to Stay)	Between Groups	17.581	1	17.581	4.738	.031
	Within Groups	634.558	171	3.711		
	Total	652.139	172			

Table 9: ANOVA Test/Gender

(Source: Statistical Package of Social Sciences, version 22.0, 2013)

With regard to the age factor, the ANOVA results revealed a significant difference between groups for affective commitment embodied in question 8 ( $p=0.003$ ), continuance commitment in question 12 ( $p=0.011$ ), and development opportunities in question 27 ( $p=0.013$ ). The T-Tests showed that the mean score between all the age groups was significantly different for the three questions. As for the variable “marital status”, the results showed a statistically significant difference between groups for the questions which embodied affective and normative commitment, job satisfaction, work autonomy, and the decision to stay. Furthermore, the T-tests, however, showed that mostly, the mean score between single employees and married employees was significantly different for the mentioned variables. On the other hand, in the case of the variable “education level”, there was no statistically significant difference between the groups for any question. Therefore, no T-tests were performed for this variable.

This was not the case of the level of position which showed a statistically significant difference between the groups for the questions of affective and continuance commitment, job satisfaction, compensation, work autonomy, and promotion opportunities. Thus, the T-tests showed that the mean score between

managerial and non-managerial employees' groups was significantly different for all the mentioned questions.

#### 4.3.2 Correlation and Regression Tests

This section presents the results of correlation and regression tests which will be used in the next section to discuss the data results. First, to clarify, the aim of the study was to analyze the relationship between the chosen variables (individual factors and working conditions) on one hand, and the decision to stay and consequently employee retention on the other hand. The latter was embodied in question 43 as it appears in table 10 for correlations.

Thus, the table shows which variables correlated with the question and which ones did not. Table 10 shows that gender and marital status variables significantly correlated with the dependent variable. In addition, affective, continuance, and normative commitment, correlated positively with the decision to stay. Table 10 shows that organizational commitment as a whole, in addition to all the remaining variables (job satisfaction, training, development opportunities, compensation and benefits, work autonomy, and promotion opportunities) highly and positively correlated with employee retention.

On the other hand, age, education level, position, and years of service (seniority) did not correlate with the dependent variable as it appears in table 10. Therefore, in the category of individual factors, only gender and organizational commitment with its sub-variables correlated with question 43 (decision to stay), and all the variables in the category of working conditions correlated with employee retention.

		43- I see a future for myself within this company (Decision to Stay)
1- Gender	Pearson Correlation	.164 <sup>*</sup>
	Sig. (2-tailed)	.031
	N	173
2- Age	Pearson Correlation	.076
	Sig. (2-tailed)	.322
	N	173
3- Marital Status	Pearson Correlation	.172 <sup>*</sup>

	Sig. (2-tailed)	.024
	N	173
4- Educations Level	Pearson Correlation	-.075
	Sig. (2-tailed)	.328
	N	173
5- Position at work	Pearson Correlation	.125
	Sig. (2-tailed)	.102
	N	173
6- Years of service	Pearson Correlation	.126
	Sig. (2-tailed)	.100
	N	173
7- I love working for this company (Affective Commitment)	Pearson Correlation	.592**
	Sig. (2-tailed)	.000
	N	173
8- I really feel as if this organization's problems are my own (Affective Commitment)	Pearson Correlation	.493**
	Sig. (2-tailed)	.000
	N	173
9- I am proud that I am a part of this company (Affective Commitment)	Pearson Correlation	.533**
	Sig. (2-tailed)	.000
	N	173
10- I feel like I am part of the family at my organization (Affective Commitment)	Pearson Correlation	.470**
	Sig. (2-tailed)	.000
	N	173
11- I would feel guilty if I left my organization now (Continuance Commitment)	Pearson Correlation	.564**
	Sig. (2-tailed)	.000
	N	173
12- It would be very hard for me to leave my organization right now, even if I wanted to (Continuance Commitment)	Pearson Correlation	.465**
	Sig. (2-tailed)	.000
	N	173
13- Right now, staying with my organization is a matter of necessity (Continuance Commitment)	Pearson Correlation	-.028
	Sig. (2-tailed)	.714
	N	173
14- Too much of my life would be disrupted if I decided I wanted to leave my organization right now (Continuance Commitment)	Pearson Correlation	.178
	Sig. (2-tailed)	.019
	N	173
15- This organization deserves my loyalty (Normative Commitment)	Pearson Correlation	.551**
	Sig. (2-tailed)	.000
	N	173
16- I am willing to put in a great deal of effort beyond what is normally expected in order to help the organization be successful (Normative Commitment)	Pearson Correlation	.500**
	Sig. (2-tailed)	.000
	N	173
17- I would not leave my organization right now because I	Pearson Correlation	.488**

have a sense of obligation to its people (Normative Commitment)	Sig. (2-tailed) N	.000 173
18- I owe a great deal to my organization (Normative Commitment)	Pearson Correlation Sig. (2-tailed) N	.548** .000 173
19- I like doing the things I do at work (Job Satisfaction)	Pearson Correlation Sig. (2-tailed) N	.540** .000 173
20- When I do my work well, it gives me a feeling of accomplishment (Job Satisfaction)	Pearson Correlation Sig. (2-tailed) N	.314** .000 173
21- Doing my job well increases my feeling of self-esteem (Job Satisfaction)	Pearson Correlation Sig. (2-tailed) N	.260** .001 173
22- Within this company my work gives me satisfaction (Job Satisfaction)	Pearson Correlation Sig. (2-tailed) N	.552** .000 173
23- I receive frequent training for skill enhancement (Training)	Pearson Correlation Sig. (2-tailed) N	.500** .000 173
24- My company gives me the opportunity to get training in subjects that interest me (Training)	Pearson Correlation Sig. (2-tailed) N	.504** .000 173
25- This company is providing me with job-specific training (Training)	Pearson Correlation Sig. (2-tailed) N	.462** .000 173
26- This company is providing me with training I can apply in my work (Training)	Pearson Correlation Sig. (2-tailed) N	.469** .000 173
27- I get opportunities to learn new skills and grow (Development)	Pearson Correlation Sig. (2-tailed) N	.483** .000 173
28- My superior encourages my career development (Development)	Pearson Correlation Sig. (2-tailed) N	.617** .000 173
29- There are enough development opportunities for me in my company (Development)	Pearson Correlation Sig. (2-tailed) N	.690** .000 173
30- I have the opportunity to be involved in activities that promote my professional development (Development)	Pearson Correlation Sig. (2-tailed) N	.564** .000 173
31- When I do my work well, I receive a pay raise (Compensation)	Pearson Correlation Sig. (2-tailed) N	.441** .000 173
32- When I do my work well, I receive a bonus (Compensation)	Pearson Correlation Sig. (2-tailed)	.430** .000

	N	173
33- I am fairly paid for what I contribute to my organization (Compensation)	Pearson Correlation	.467**
	Sig. (2-tailed)	.000
	N	173
34- I believe that my salary is higher than the market rate (Compensation)	Pearson Correlation	.409**
	Sig. (2-tailed)	.000
	N	173
35- I have control over the pace of my work (Autonomy)	Pearson Correlation	.521**
	Sig. (2-tailed)	.000
	N	173
36- My supervisor considers my suggestions for change (Autonomy)	Pearson Correlation	.361**
	Sig. (2-tailed)	.000
	N	173
37- My criticisms at work are heard (Autonomy)	Pearson Correlation	.296**
	Sig. (2-tailed)	.000
	N	173
38- My company gives me the chance to use my personal initiative in carrying out the work (Autonomy)	Pearson Correlation	.381**
	Sig. (2-tailed)	.000
	N	173
39- I am satisfied with my chances of promotion within my company (Promotion Opportunities)	Pearson Correlation	.711**
	Sig. (2-tailed)	.000
	N	173
40- When I do my work well, my promotion opportunities increase (Promotion Opportunities)	Pearson Correlation	.647**
	Sig. (2-tailed)	.000
	N	173
41- There are enough career opportunities for me in this organization (Promotion Opportunities)	Pearson Correlation	.679**
	Sig. (2-tailed)	.000
	N	173
42- People in this company get ahead as fast as they do in other places (Promotion Opportunities)	Pearson Correlation	.616**
	Sig. (2-tailed)	.000
	N	173

\*. Correlation is significant at the 0.05 level.

\*\*.. Correlation is significant at the 0.01 level.

Table 10: Correlations

(Source: Statistical Package of Social Sciences, version 22.0, 2013)

As for the regression analysis, it should be noted that analysis of frequencies showed that participants were normally distributed among all variables including both categories. Thus, we were able to conduct a stepwise linear regression study for all the variables with regard to the dependent variable embodied in question 43 (decision to stay). Table 11 shows that in model 8, several variables influenced the decision to stay in the organization including: promotion opportunities, affective commitment, continuance commitment, training programs, normative commitment, and job satisfaction. Also, it should be noted that the variables promotion

opportunities and job satisfaction affected the dependent variable with two statements each, unlike the other variables (mentioned above) which influenced it with one statement each as it appears in table 11.

Thus, the equation of the linear regression model was the following:

$$\text{Employee Retention} = -0.605 + 0.217 \text{ Promotion Opportunities} + 0.140 \text{ Continuance Commitment} + 0.097 \text{ Training Programs} + 0.162 \text{ Normative Commitment} - 0.224 \text{ Continuance Commitment} + 0.156 \text{ Job Satisfaction.}$$

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
8 (Constant)	-.605	.409		-1.481	.140
39- I am satisfied with my chances of promotion within my company (Promotion Opportunities)	.217	.076	.212	2.869	.005
7- I love working for this company (Affective Commitment)	.281	.091	.211	3.076	.002
41- There are enough career opportunities for me in this organization (Promotion Opportunities)	.298	.072	.292	4.147	.000
12- It would be very hard for me to leave my organization right now, even if I wanted to (Continuance Commitment)	.140	.051	.140	2.740	.007
24- My company gives me the opportunity to get training in subjects that interest me (Training)	.097	.048	.102	2.008	.046
15- This organization deserves my loyalty (Normative Commitment)	.162	.066	.146	2.460	.015
21- I would feel guilty if I left my organization now (Continuance Commitment)	-.224	.081	-.159	-2.765	.006

19- I like doing the things I do at work (Job Satisfaction)	.156	.075	.132	2.094	.038
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Table 11: Regression

(Source: Statistical Package of Social Sciences, version 22.0, 2013)

#### 4.4 Discussion of the Findings

In this section, a discussion of the findings will be presented in two parts: the first part includes the relationship of the individual factors with the dependent variable, and the second part discusses the influence of working conditions on employee retention in the Lebanese insurance companies.

##### 4.4.1 The Significance of Individual Factors

First of all, the individual factors which were chosen from the literature review were selected from sections 2.2.1 which includes the aspects that affect employee retention in diverse industries and 2.2.2 which comprises the ones that influence the decision to stay specifically in insurance companies. This section discusses the relationship between the results that were analyzed in section 4.3.2 on one hand, and the information pool of the literature review on the other hand, in addition to the ideas that were provided by the interviewees and which are presented in the coding section (Appendix 3).

In the previous section (4.3.2), all the variables were examined but only 3 (gender, marital status, organizational commitment with its sub-variables) out of 6 (in the category of individual factors) had a significant positive correlation with the decision to stay. The other 3 (age, education level, and position level) did not show any relationship with the dependent variable.

First, in the subject of gender, interviewees 4, 5, and 6 found a relationship between the gender factor and deciding to stay or leave. In fact, some of them were in agreement with the literature review that males tended to quit earlier than females due to higher chances of receiving better opportunities than females (Tamara, 2007). As for marital status, there were explanations on how the marital status affected the decision to stay in the coding section and the literature review: married people were more inclined to stay due to the responsibilities that they hold (interviewee 6) and are given a higher financial package than employees who are single (interviewee 5). Regarding organizational commitment, we noticed that the interviewees 2, 4, 6, and



13 focused more on affective commitment (appreciation and recognition) than normative commitment (obligation to stay) and continuance commitment (staying to minimize the costs of leaving). This fact was in line with the results of the questionnaire and the review of the literature where continuance commitment had the least effect on the decision to stay.

On the other hand, age did not prove to have a relationship with employee retention according to the SPSS results in tables 10 and 11 although the researchers and the interviewees 2, 4, and 5 agreed that as people grow older they become less encouraged to leave the company (Govaerts et al., 2011). The same condition applied to the factor of education level where, contrary to the questionnaire results, some of the managers and researchers consistently noted that higher education leads to the decision to leave the company as put by Kyndt et al. (2009) and as noted by interviewee 6. Similarly, the effect of position level and seniority were not significant in the study which coincided with some researchers' findings (Govaerts et al., 2011).

#### 4.4.2 The Significance of Factors of Working Conditions

The factors of the second category (working conditions) were all positively related to employee retention. First with job satisfaction, the SPSS results along with the interviewees 6, 9, and 11 were agreed with the researchers that job satisfaction was the most prominent factor that affected the decision to stay (Udechukwu, 2009; Clark, 2007; Handlon, 2009; Singh, 2010). In addition, most of the 16 managers except two were consistent with the literature review (Martin et al., 2006; DiPietro and Milman, 2008; Mahal, 2012; Sharma et al., 2012; Howard, 2013) on the importance of training and its effect on retention as a strategic goal: interviewees 8, 9, and 10 considered that employees would appreciate the investment on them, and on the fulfillment of their need to learn and evolve. This was also mentioned by Kraimer et al. (2011) who claimed that employees appreciate it when companies make investments on them through training programs.

Furthermore, development also is an important factor that strategically affects employee retention since the researchers (DiPietro and Milman, 2008; Martin et al., 2006; Sengupta and Dev, 2013; Saliba, 2006; Masibigiri and Nienaber, 2011; Sharma et al., 2012; Pathak and Tripathi, 2010) and the interviewees' ideas coincided with the results in tables 10 and 11. It was also noticed through the managers'

statements that half of the sample of Lebanese insurance companies supported their employees' post-graduate programs either financially or with schedule flexibility which strengthened the employees' loyalty as they stated (interviewees 3, 4, 5, 7, 8, 13, and 14). On the other hand, as stated in section 3.4.3 (pilot test), compensation was noticed as an influencing factor after several managers mentioned it during the interviews. It is also important to note that most of the managers highlighted the benefit plans they give to their employees (interviewees 1, 3, 4, 7, 8, and 10). On top of that, a number of researchers (Masibigiri and Nienaber, 2011; De Vos and Meganck, 2009; Saliba, 2006; Ghosh et al., 2013; Howard, 2013; Sharma et al., 2012; Handlon, 2009) expatiated on the importance of the connection between a satisfactory compensation and benefits plan, and employee retention as a whole.

In a similar manner, there was a consensus among the interviewees about the importance of autonomy and its effect on employee retention if a policy of work autonomy was adopted (interviewees 3, 4, 5, 10, 11, 13, 14, and 16). Interestingly, the researchers concluded that having control over work created a sense of belonging to the company among employees (Sengupta and Dev, 2013; Ghosh et al., 2013). Comparatively, the majority of the managers stated that they recruited internally first in case of a job vacancy and added that it created a feeling of safety among the employees (interviewees 1, 3, 4, 6, 7, 8, 10, and 13). This idea was in conjunction with Van Dyk and Coetzee (2012) and De Vos and Meganck (2009) who stated that the availability of job opportunities increased productivity, loyalty, and the intention to stay.

On another note, there were other factors that were found in the literature review and which were mentioned by the managers when asked the last question in the interview guide (Appendix 2). One of these aspects was flexibility in the work schedule, as stated by interviewees 1 and 13, which was connected to the decision to remain in a company by several researchers (Martin et al., 2006; DiPietro and Milman, 2008; Sharma et al., 2012). Another important factor on which the managers 1, 2, 7, 10, 11, 13, 14, and 16 emphasized is the job environment which increased employee commitment if it was comfortable and communicative as stated by Sengupta and Dev (2013), DiPietro and Milman (2008), Martin et al. (2006), Sharma et al., (2012), and Pathak and Tripathi, (2010). By the same Token, the last feature that was mentioned by the interviewees 3, 5, 6, 7, 8, 9, 11, 12, 15, and 16, and the researchers was appreciation and recognition which created a sense of attachment

to the company and thus increased employee retention in the long term (Ratna and Chawla, 2012; Masibigiri and Nienaber, 2011).

#### 4.5 Discussion of the Hypotheses

Twelve hypotheses were developed to study the factors that influence employee retention in the Lebanese insurance companies. Hypotheses 1 to 6 were categorized as individual factors, and hypotheses 7 to 12 were categorized as working conditions. Furthermore, we deduce whether the hypotheses were rejected or failed to reject by referring to the conclusions in section 4.3.2.

First, we stated in section 4.3.2 that not all the variables of the first category (individual factor) proved to be show a relationship with the dependent variable. To expatiate, three (gender, marital status, and organizational commitment with its sub-variables) out of six variables in this category showed a correlation with the decision to stay. The other three variables (age, education level, and position level) did not show this relationship. Therefore, the respective hypotheses will have the same results. Thus, we conclude that H1, H3, and H6 (H6a, H6b, H6c) failed to reject, and H2, H4, and H5 were rejected.

On the other hand, all the variables of the second category of variables (working conditions) showed a positive correlation with the dependent variable as shown in tables 10 and 11. These variables were job satisfaction, training programs, development opportunities, compensation and benefits plan, work autonomy, and the availability of internal job opportunities and promotions. Thus the respective hypotheses H7, H8, H9, H10, H11, and H12 failed to reject.

#### 4.6 Conclusion

All in all, after presenting the descriptive statistics, in addition to the ANOVA, T-tests, correlation and regression tests, we found that most of the variables correlated with the dependent variable especially those of the second category (working conditions). Also, the literature review and the ideas supplied by the interviewees were complementary to the SPSS results. In addition, these two references (the researchers and the interviewees) provided explanations to the relationships that were found in SPSS. Finally, the hypotheses were rejected and failed to reject based on the SPSS results especially correlation and regression tests.

## **Chapter 5**

### **CONCLUSIONS**

#### **5.1 Introduction**

This study identified the factors that influenced employee retention in the Lebanese insurance companies. These findings were consistent with the literature review and the interviews conducted. The results showed that majority of the chosen variables had a relationship with the decision to stay without providing explanations such in the case of gender and marital status. For instance, a correlation was found between gender and the dependent variable, but we could not know whether males were more inclined to stay or females. Therefore, the interviews and the literature review were used as a reference in order to have a profound explanation for the reason behind this relationship. The same was done with the other variables which were found to have positive correlations with the dependent variable. This triangulation method was adopted in order to have different views and to gain more knowledge about certain subjects as mentioned in section 3.4.2.

Also, this research contributes to the existing body of knowledge on the retention plans of organizations of the insurance sector. Thus, managers holding human resources duties would focus on demographic issues such as gender and marital status and internal policies such as work autonomy and training programs. This is because turnover incurs loss of financial investment which would be more beneficial if put in the creation and execution of retention plans. However, these plans could not be produced without the knowledge of the factors that affect the decision to stay.

Finally, it is important to mention that the study had conclusion validity since the conclusions reached about the correlations were reasonable due to their congruence with the literature review and the Lebanese sector. In addition, we did find relationships that were mentioned in the literature review, and we did not reach conclusions that did not exist in the pool of research studies.

#### **5.2 Main Findings**

The thesis was based on two main questions which focused on individual factors and working conditions that affected employee retention in Lebanese insurance companies. Although only three selected individual factors turned out to

have an influence on the employee's decision to stay (gender, marital status organizational commitment), all the chosen variables categorized as working conditions correlated with employee retention (job satisfaction, training, growth opportunities, compensation plans, work autonomy, and availability of internal job opportunities). Thus, both questions were answered, and the purpose of the thesis was partially fulfilled due to the limitations of the study which will be discussed next.

### 5.3 Limitations of the Research

Although the research has its strengths and brings new information that could be used to increase employee retention in the Lebanese insurance sector, it had its limitations.

Furthermore, one area of concern was the list of factors that was chosen to be analyzed. Though we chose many variables from the literature review, we understood that we might have disregarded other influencing factors. Another was the issue of turnover rate, as most of the interviewees gave a description of the turnover at the respective companies (low, average etc...) instead of providing an accurate number. In addition, although the managers did not have reservations about any question asked during the interviews, they may have not provided details about some sensitive subjects. More prominently, many interruptions occurred during several interviews which may have affected the flow of ideas.

In general, regarding the feasibility of the study, time, budget, and access to data were limited which may have influenced the research. Thus, if there was more time or access to data, we may have expanded the study and had more elaborate results. On the other hand, a bigger budget would have opened other possibilities to get more involved in the dimensions of the research. For instance, we may have been able to explore the subjects of training, commission, autonomy and their effects on employee retention.

### 5.4 Managerial Implications

Despite the mentioned limitations, this study brings new information to the existing literature and additional knowledge to the modern concepts. There are two types of managerial implications that the research presented: theoretical and practical. First, on the theoretical level, the study would provide additional insight to

business researchers in their understanding of the employees' tendency to stay in an insurance firm. Also, the interviews that were conducted with human resources managers might have given new insights on the subject of employee retention. In addition, the questionnaire that was used would add to other questionnaires of employee retention studies in the mentioned industry. Therefore, awareness would increase about the subject among researchers, and formerly discussed theories would be confirmed and applied in the Lebanese context. In general, the study contributes with new information and knowledge to the human resources domain in particular and business field as a whole.

Furthermore, on the practical level, this research would call for the attention of the recruitment managers to the important factors that influence employee retention. The results would be of relevant value to the managers who are interested in retaining their staff. This way, they would also be able to identify any staffing problems before they occur since this paper presents predictors to employees' intentions, and they would also invest the company's resources in the right employees. Finally, the study would eventually contribute to the industry's growth and profitability which are major goals pursued by companies.

Moreover, managers of insurance companies would take into consideration the importance of various factors that were discussed in this study and apply new practices which could enhance the retention level at the organizations they work for. More importantly, management would not only focus on increasing salaries and incentives as a strategic retention plan but would pay attention to other nonmaterial components such as appreciation and recognition.

In general, management would apply policies that are consistent with what employees value for more effective retention plans: the research gives the opportunity of comparing the managers' point of view (through interviews) and the employees' interests (through the questionnaire results) to come up with suitable strategic plans.

### 5.5 Suggestions for Future Research

Employee retention is an issue that concerns both managers and employees, and this study recognized the most prominent factors that influence it. However, limitations such as the generalization of the results need to be reviewed. For instance, data should be collected from larger sample in order to solve this issue. Also, a

longitudinal study would solve the problem of time. In addition, a larger budget needs to be allocated for the research which would add more validity to the results.

Also, future research should investigate more on the influence of intrinsic aspects that affect job satisfaction and retention as a whole such as flexible working hours and work-life balance. On the other hand, research should focus on employees who remained more than 5 years in the respective insurance companies in order to examine and analyze which factors affected this retention.

Moreover, there were other factors (such as having a flexible schedule, work-life balance, organizational identification, and job environment) that were not included in the study but were mentioned in the literature review. These factors should be taken into consideration since they might have had high correlations with the intention to stay. Thus, a larger study would have investigated the causes of these correlations in relation to more in-depth interviews and questionnaires.

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## APPENDIX 1

### COVER LETTER

Dear Manager,

In order to investigate the factors affecting employee retention in the Lebanese insurance companies, I am conducting a survey as partial fulfillment of the requirements for the MBA degree at Notre Dame University (NDU-Louaize).

The survey is composed of an interview (around 20 minutes) which would be done by me with the HR manager and an online questionnaire which would be filled at a later stage (after one month) by your company's employees.

Your input in the interview and the questionnaire results are essential for the success of the thesis.

The interview will cover the subject of employee retention at your esteemed company and the factors that predict it. In addition, you and the company's employees will gain insight on your corporate retention strategies and their motivation to stay.

The findings will be kept confidential and your name will not be disclosed to anyone except my project supervisor Dr. Jennifer Abou Hamad ([jabouhamad@ndu.edu.lb](mailto:jabouhamad@ndu.edu.lb))

I would appreciate it if you could return your reply at your earliest convenience within one week.

Thank you in advance for your cooperation,

Regards,

Jo Nammour

## APPENDIX 2

### INTERVIEW GUIDE

As you know this interview is to explore the employee retention at your company in order to investigate the factors and strategies that affect it. As a HR manager you may have direct contact with your employees, which enables you to acknowledge the facts that lead to retention and turnover.

- Therefore, first we are going to talk about the retention of your employees and whether you follow certain strategies to retain them. What is your point of view about this matter?
  
- May is ask about the employee turnover ratio at you company?  
(if it's high/low) why do you think it's so? Do you think it's related to job satisfaction or other factors?
  
- Do you consider that there are specific personal aspects that affect the employee's decisions whether to stay in a company or leave it? (we go over the demographics in detail such as age, gender and marital status; in addition to education and job position)
  
- In another context, how do you think you can get your employee to get committed to your company? Are there any policies you developed to increase it?
  
- Now we will go over some of the regulations adopted by your company and which affect employee retention. But first of all, I would like to know whether there are specific work characteristics that may affect an insurance employee's tendency to continue working at your company.
  
- In the same context, do corporate policies at (name of the company) encourage its employees to have autonomy over their work?  
(If it does) Do you think that it's a good strategy to retain them?

(If it does not) Do you consider it as an influencing factor that may influence your employees' decision to stay?

- We return to the corporate policies at your company and its strategy to retain its employees. First of all, I would like to ask about the frequency of employee training at (name of the company).

Do you think that this investment in your employees affects their decision to stay at your company or no?

- Speaking of investments, do you have any policies that encourage employee development or growth?

(if yes) what are they? And do you think they help retaining employees?

- In addition to training, there are companies that adopt internal job recruitment as a corporate regulation for employment. Do you frequently have job opportunities at your company for your employees to apply for?

(Whether yes or no) Do you think it may affect their sense of belonging to an insurance company?

- Do you have anything to add about other strategies that we did not mention and which may help retaining employees at your insurance companies?



**APPENDIX 3**  
**TRANSCRIPTS CODING**

<b>Variable</b>	<b>Code</b>
Age	Age
Gender	GD
Marital Status	MS
Education	ED
Position	POS
Organizational Commitment	OC
Job Satisfaction	JS
Training Programs	TP
Development and Growth Opportunities	DG
Compensation and Benefits	CB
Autonomy at Work	AW
Job opportunities and promotions	JP
Turn Over Rate	TOR
Work Schedule	WS
Appreciation and Recognition	AR
Job Environment	JE

Interviewee	Code	Statements
1	JS	<ul style="list-style-type: none"> <li>• I consider my employees to be completely satisfied with their jobs.</li> </ul>
1	TP	<ul style="list-style-type: none"> <li>• We stopped giving training programs because people were not interested at all in progressing on a personal level, and this is due to the Lebanese culture maybe. Therefore, I do not find a relation between training and employee retention.</li> </ul>
1	DG	<ul style="list-style-type: none"> <li>• We are recruiting employees who are ready to be managers at some time of their employment. In addition, even if an employee surpasses the legal age of 65, we do not ask him to retire.</li> </ul>
1	CB	<ul style="list-style-type: none"> <li>• We have several types of motivators we have fringe benefits for his family (offered by the company's services), we have bonuses, and yearly incentives.</li> </ul>
1	AW	<ul style="list-style-type: none"> <li>• We prefer that the employees stick to their given tasks, but we also encourage them if they thought of a better way to be more productive to a certain extent of course.</li> </ul>
1	JP	<ul style="list-style-type: none"> <li>• We consider our employees a priority in terms of recruitment and we prefer to recruit internally than externally. Therefore, there are many employees whom I consider granted to stay in our company due to the opportunities we gave them.</li> </ul>
1	TOR	<ul style="list-style-type: none"> <li>• The turnover rate is 5.83%.</li> </ul>
1	WS	<ul style="list-style-type: none"> <li>• We have flexibility with our young employees who go</li> </ul>

		to universities and also with paid leaves and such.
1	JE	<ul style="list-style-type: none"> <li>• We have a culture that encourages our employees to do their best and to show commitment to hard work and productivity... and they are always rewarded in this case.</li> </ul>
2	Age	<ul style="list-style-type: none"> <li>• We used to have most our employees of an old generation; recently we rebalanced the age of our employees as most of them are in their 20s and 30s and we are working on keeping them.</li> </ul>
2	OC	<ul style="list-style-type: none"> <li>• We see our employees loyal to us than the case of other companies because I know that half of the employees (if not more) would not go to other companies for a higher salary.</li> </ul>
2	TP	<ul style="list-style-type: none"> <li>• Training does break the routine of the office work, even if it's once every six months, it gives a kind of fresh start that makes the employee happy.</li> </ul>
2	AW	<ul style="list-style-type: none"> <li>• There is a certain freedom at work but to a certain extent. If for example the accident was for 10,000\$ as payment, someone with a higher position will have to take care of the matter.</li> </ul>
2	JE	<ul style="list-style-type: none"> <li>• We have a familial ambiance and a lot of flexibility with our employees and we are not strict.</li> </ul>
3	Age	<ul style="list-style-type: none"> <li>• As for age, we have older employees who have retired and still they are working for us on a contractual basis.</li> </ul>
3	ED	<ul style="list-style-type: none"> <li>• Fresh graduates usually have a tendency to shift companies for a higher salary in small amounts.</li> </ul>
3	TP	<ul style="list-style-type: none"> <li>• We do a lot of internal training (more than other companies)... Our managers give internal trainings to</li> </ul>

		our employees in their fields. We also have external trainings (English courses for example- IT training). We give coaching (higher training) for a higher level of managers.
3	DG	<ul style="list-style-type: none"> <li>We invest a lot in our employees. Sometimes we also have special employees who do not have the financial resources to pursue higher education. Therefore, we support these few employees who would like to stay at our company and whom we need because they will give higher revenue.</li> </ul>
3	CB	<ul style="list-style-type: none"> <li>We have bonuses and financial rewards for those who have stayed with us over 15 or 20 or 25 years.</li> </ul>
3	AW	<ul style="list-style-type: none"> <li>On the level of daily tasks, yes we allow such autonomy and work initiative. If it exceeded the authorized limits, he should go to his manager for bigger decisions. And the managers have only to refer to the GM for strategic stuff only.</li> </ul>
3	JP	<ul style="list-style-type: none"> <li>I offer some employees the opportunity to shift to another department if he gained the experience needed in one department... therefore, I first think about my employees when I someone tells me that we have a vacancy in a certain position.</li> </ul>
3	AR	<ul style="list-style-type: none"> <li>I give a lot of attention to my employees. For example, I make a semi-annual survey about job satisfaction, for employees to fill it and express their feelings about their jobs anonymously.</li> </ul>
4	Age	<ul style="list-style-type: none"> <li>I think it's easier to retain a senior manager (as in age) and you will use a different strategy to retain a young employee.</li> </ul>

4	GD	<ul style="list-style-type: none"> <li>As for gender, we do have a high ratio of females; however, you know there are some factors that affect a working woman like marriage and pregnancy... you might lose a very good female employee because of work-life balance for example.</li> </ul>
4	MS	<ul style="list-style-type: none"> <li>Marital status is not related in my opinion, and I don't have an incident that's related to turnover.</li> </ul>
4	OC	<ul style="list-style-type: none"> <li>It's more related to setting a professional environment with a professional senior management dealing with the employee. Working conditions also affect commitment, so if you show them the opportunities of growth as we do in day one, you can be able to get them committed.</li> </ul>
4	DG	<ul style="list-style-type: none"> <li>We have a set career path for most positions and we have a succession plan. So the employee who is performing well, knows the growth opportunities horizontally and vertically in the company. This is one of the important strategies to retain employees. Other than that, we have the learning and development plan which includes technical training, insurance training, and especially the CII certificate from the UK. So we fund the courses and exams and this effects the career development and retention in the long term since we are investing in them.</li> </ul>
4	CB	<ul style="list-style-type: none"> <li>We offer competitive financial packages since there are some employees who might leave for a higher salary, so we match the market and lead it for some positions in addition to benefits bonuses.</li> </ul>
4	AW	<ul style="list-style-type: none"> <li>You see, everyone has a limited authority which cannot be surpassed at any position. However, in his current duties assigned, he is autonomous because he</li> </ul>

		<p>can take control of the decision making and of course he will be accountable for these decisions. And when you give this exposure, the employee will appreciate it but it still depends on the people because some employees might not like this margin of freedom and need detailed instructions. However, we do encourage autonomous work.</p>
4	JP	<ul style="list-style-type: none"> <li>• Those who were recruited internally, they will appreciate the fact that they are important and that they are given a wider exposure by the company.</li> </ul>
4	TOR	<ul style="list-style-type: none"> <li>• We have an average turnover; however this is justified by the high turnover in the entry level positions. This is because we have a challenging work environment because we are a regional company so I don't consider that we have a high turnover.</li> </ul>
5	Age	<ul style="list-style-type: none"> <li>• Young people are usually more likely to leave because older employees do not need they (at a certain age) feel more secure where he already is, and thus the challenge or change is less with young people. This is because there are security and habit factors but when you are young you have the courage to move between jobs and companies without high consequences.</li> </ul>
5	GD	<ul style="list-style-type: none"> <li>• Male employees tend to leave more than females! Because a man in his character is usually the one to build up his build up his career and get married and has expenses higher than woman who is more willing to stay in case she gets the support from work and family.</li> </ul>
5	MS	<ul style="list-style-type: none"> <li>• The package given to a married man or woman is higher than the financial benefits given to an employee who is single. That's why marital status</li> </ul>

		may affect retention to a certain extent.
5	OC	<ul style="list-style-type: none"> <li>• The minute an employee finishes his probation period we always upgrade him, we also encourage employees who want to pursue a higher degree.</li> </ul>
5	TP	<ul style="list-style-type: none"> <li>• We do train our staff and our sales people who are fixed employees but they are subject to daily training from their sales manager in order to keep them loyal to our products and in order to make them feel they belong.</li> </ul>
5	DG	<ul style="list-style-type: none"> <li>• For employees pursuing a master's degree for example we allow them so go two hours earlier and we support them financially 100% with the chartered insurance courses (because they are insurance related) but if someone in the claims department wants to study law for example we don't support him financially.</li> </ul>
5	AW	<ul style="list-style-type: none"> <li>• We do give authority to a certain extent and we do delegate jobs. For example, the trainees who became now underwriters are given a small signature because it gives power and self-confidence in addition to loyalty and continuity in the company.</li> </ul>
5	AR	<ul style="list-style-type: none"> <li>• When someone sends his resignation letter we do not accept it automatically, we always sit with him and check out basically what's wrong.</li> </ul>
6	GD	<ul style="list-style-type: none"> <li>• Male employees stay longer because they have a responsibility more than female employees, especially in the case of Lebanon.</li> </ul>
6	MS	<ul style="list-style-type: none"> <li>• Married people in particular give a higher priority to their families so they take less risks and stay at work.</li> </ul>
6	ED	<ul style="list-style-type: none"> <li>• People with higher education are more prone to leave</li> </ul>

		because they might become overqualified at some point.
6	POS	<ul style="list-style-type: none"> <li>• Also if you want to talk about their jobs, sometimes we change their titles, depending on the company's growth and this can boost their ego at work.</li> </ul>
6	OC	<ul style="list-style-type: none"> <li>• We work on the psychology of the employee by creating a nice atmosphere when he starts feeling like he's home and the manager is close to the employees.</li> </ul>
6	JS	<ul style="list-style-type: none"> <li>• The level of motivation they get, in terms of money and morale, since we make them feel that they are an added value to the company.</li> </ul>
6	TP	<ul style="list-style-type: none"> <li>• The training that we do is an added value for them and the work they do. They are learning new stuff with this training, even with their personal life. And they are the ones who ask for training, we have this kind of awareness in the company.</li> </ul>
6	JP	<ul style="list-style-type: none"> <li>• First we go internally and if we see that none of our employees is fit we go for external recruitment. This helps because these employees will motivate others since you are giving them importance and other employees who will see that there is a possibility to grow in the company.</li> </ul>
6	AR	<ul style="list-style-type: none"> <li>• Communication creates a more engaging atmosphere.</li> </ul>
7	MS	<ul style="list-style-type: none"> <li>• Married people have more tendencies to stay of course.</li> </ul>
7	DG	<ul style="list-style-type: none"> <li>• We do help our employees with the factor of time since we are not strict on those who want to do their MBA for example. But we do not give financial support. However, we do give a raise once someone</li> </ul>



		had a higher degree.
7	CB	<ul style="list-style-type: none"> <li>We give 13-months-salary in addition to the bonus and medical insurance.</li> </ul>
7	JP	<ul style="list-style-type: none"> <li>Usually we go first internally for recruitment when we have a vacancy and we compare requirements to those who want to change departments and stuff. This gives motivation to the employees since you are giving him a higher title and bigger responsibilities and you trust him with it.</li> </ul>
7	TOR	<ul style="list-style-type: none"> <li>The turnover here is near to zero because all the employees that were recruited did not leave the company since its inception.</li> </ul>
7	TOR	<ul style="list-style-type: none"> <li>The turnover here is near to zero because all the employees that were recruited did not leave the company since its inception.</li> </ul>
7	AR	<ul style="list-style-type: none"> <li>We have Christmas lunch and gift contest. We do have this strong relationship with our employees based on respect.</li> </ul>
7	JE	<ul style="list-style-type: none"> <li>We have Christmas lunch and gift contest. We do have this strong relationship with our employees based on respect.</li> </ul>
8	MS	<ul style="list-style-type: none"> <li>I don't think it's just the age matter... it's the whole family situation. Of course a graduate person is more volatile than another person who is married with kids who will be more reluctant to change jobs.</li> </ul>
8	TP	<ul style="list-style-type: none"> <li>Each person thinks about his vital needs in the first place and when those needs are met, he starts thinking about his personal development which is brought through training. The employee starts asking himself</li> </ul>

		how can I improve my potential and advance? So if you do not offer him training, he will conclude that he is not learning anything new and he would leave.
8	DG	<ul style="list-style-type: none"> <li>We have a policy that we want educated people as much as possible so we give them facilities especially to those who have big potential. So we give incentives of up to 1000\$ a year and we help him with educational leaves (up to 10 days) even if the law doesn't allow him to take leaves yet.</li> </ul>
8	CB	<ul style="list-style-type: none"> <li>We have the compensation expenses strategy, and we have the financial and non-financial benefits plan. Of course every time we try to make a salary raise when needed. The benefits we have also are the medical insurance.</li> </ul>
8	JP	<ul style="list-style-type: none"> <li>We always consider the possibility of hiring someone from within, and we've done that a lot... This would add to people's empathy and engagement because the employees would understand what others are working on, and this would create a tendency of becoming a team.</li> </ul>
8	TOR	<ul style="list-style-type: none"> <li>In the last matrix done, it's 6% which is average.</li> </ul>
8	AR	<ul style="list-style-type: none"> <li>We also have a leadership training program: this is a module we delivered to all the levels of managerial hierarchy in our company because we believe that any employee can be a leader and leadership can exist in any corporate level.</li> </ul>
9	MS	<ul style="list-style-type: none"> <li>The married man with children is more responsible and determined.</li> </ul>
9	ED	<ul style="list-style-type: none"> <li>Sometimes there are job positions that do not need a</li> </ul>

		college degree, but need someone just young and energetic with the ability to read for example.
9	POS	<ul style="list-style-type: none"> <li>• It depends on the position: you need to recruit the right age to the right position, plus education is also important.</li> </ul>
9	JS	<ul style="list-style-type: none"> <li>• Normally we work on motivational skills to get involved in the employee.</li> </ul>
9	TP	<ul style="list-style-type: none"> <li>• The IT employees do more external training (cost of 13000\$) and this would affect their attachment to the company more than other employees since it is very motivational as it gives more expertise and opportunities to learn more. In the internal training I'm not paying and the employees are having fun and it does create a sense of belonging also. But with external training, it does create a sense of attachment.</li> </ul>
9	CB	<ul style="list-style-type: none"> <li>• Money is not a motivator alone anymore.</li> </ul>
9	TOR	<ul style="list-style-type: none"> <li>• We have a yearly turnover between 6-7%... the ideal would be 5% and we are working on it.</li> </ul>
9	AR	<ul style="list-style-type: none"> <li>• It's not always about money; appreciation is important.</li> </ul>
10	MS	<ul style="list-style-type: none"> <li>• Married people do not want to risk leaving as in the case of single employees because married people have more responsibilities.</li> </ul>
10	TP	<ul style="list-style-type: none"> <li>• We pay for all the expenses of the training on behalf of the employees. This is an investment we make in order to benefit from it on the long term, plus it encourages him to learn and evolve. So we are developing our own workforce. The second type of training, is education within the company, for example</li> </ul>

		<p>the IT department teaches the accounting department what it does. Our head office is composed of 8 floors so we don't want this separation of work within departments (each department on each floor) so for example the IT security (in the IT department) which affects every employee in the company because security should matter to all employees. During that session the employees learned that the reasons behind certain security regulations like closing certain websites and having passwords for stuff. This created a sense of understanding between employees which evolves into better employee relationship and better communication and knowledge.</p>
10	DG	<ul style="list-style-type: none"> <li>• We tell our employees to inform us about the new degrees they achieve while working at our company so that we may add them to our data. So these people have higher opportunities of promotion in addition to high performance.</li> </ul>
10	CB	<ul style="list-style-type: none"> <li>• we have a higher rate in addition to other benefits we give such as 100% medical coverage, life insurance... these benefits affect the employees' well being and strategic decision.</li> </ul>
10	AW	<ul style="list-style-type: none"> <li>• Managers encourage their subordinates if they have a way to work smarter and faster. First, the manager suggests a certain method of work the ABCs, and says if you have another way to do it, another method with less time and same effectiveness, then do it.</li> </ul>
10	JP	<ul style="list-style-type: none"> <li>• We prefer to recruit internally. The employees who are recruited internally usually feel secure because they know that their skills and performance will always lead them into a higher level if they are</li> </ul>

		determined.
10	JE	<ul style="list-style-type: none"> <li>• We have a diversity and inclusion program which prevents discrimination in the matter of age or anything else.</li> </ul>
11	MS	<ul style="list-style-type: none"> <li>• Married women are more prone to leave the company after taking their maternity leave because of the complexity of the family situation.</li> </ul>
11	POS	<ul style="list-style-type: none"> <li>• Usually those with a managerial position tend to stay more than their subordinates.</li> </ul>
11	JS	<ul style="list-style-type: none"> <li>• Well first the employee comfortable and enjoying his job so if he likes the work he does, he will devote himself to it. So what's really important is that the environment of the company makes the employees feel comfortable and the retention plans would be easier to apply then.</li> </ul>
11	CB	<ul style="list-style-type: none"> <li>• The employee usually is affected positively by the financial reward he gets more than appreciation per se because he usually asks "what's in it for me?".</li> </ul>
11	AW	<ul style="list-style-type: none"> <li>• We allow autonomy for a purpose: because the employees will not take their work seriously if they don't have a certain responsibility and they won't enjoy it. Also, employees will feel that they are not advancing with their career path if the level of responsibility does not increase over time. This will keep them eventually from leaving the company.</li> </ul>
11	AR	<ul style="list-style-type: none"> <li>• We believe in appreciating the work that our employees do, and sometimes the CEO praises the employee's work if it was remarkable.</li> </ul>
11	JE	<ul style="list-style-type: none"> <li>• If the employees in a company are not comfortable,</li> </ul>

		they won't stay. So our employees receive bonuses, their progress is monitored with their managers, and at the end of the year they might get a raise.
12	POS	<ul style="list-style-type: none"> <li>• Mostly, those who leave more have non-managerial positions because we are focusing on managers since they are responsible for their subordinates' work and they influence them.</li> </ul>
12	TP	<ul style="list-style-type: none"> <li>• Training needs a budget and we are working on this matter because it's important for the employee's motivation.</li> </ul>
12	CB	<ul style="list-style-type: none"> <li>• We are creating new career paths and incentives in order to encourage a better performance.</li> </ul>
12	AR	<ul style="list-style-type: none"> <li>• We are building trust again with our employees and an environment where he feels appreciated because it's important for their motivation.</li> </ul>
13	OC	<ul style="list-style-type: none"> <li>• We have a fancy cafeteria room which we use so frequently for business meetings and such. So our relationship with employees is very intimate.</li> </ul>
13	TP	<ul style="list-style-type: none"> <li>• We have the CII certificate which is offered from an international party to our employees each year. So this international certificate will increase the employee's potential and opportunities.</li> </ul>
13	DG	<ul style="list-style-type: none"> <li>• For a master's degree for example, as long as the person is achieving his classes, we pay 90% of the tuition.</li> </ul>
13	CB	<ul style="list-style-type: none"> <li>• We have a commission plan to every employee which encourages him more to build relations with people and bring more customers as much as he can.</li> </ul>

13	AW	<ul style="list-style-type: none"> <li>• Yes of course we push our employees to do better and take control and this helps in retaining them.</li> </ul>
13	JP	<ul style="list-style-type: none"> <li>• Our policy gives priority to our employees in case a vacancy happens, with the consent of the department's manager, in addition to testing his ability to fill the position. This is very helpful to the cohesion between the departments and employees.</li> </ul>
13	WS	<ul style="list-style-type: none"> <li>• We have a very flexible approach in the attendance matter as we are not that strict with the 8-4 attendance.</li> </ul>
13	JE	<ul style="list-style-type: none"> <li>• The biggest advantage in our company is that the CEO likes to empower our employees who are willing to thrive and advance. He is ready to adopt any innovative idea if it works and is beneficial to the company, even if it means creating new sections or whatever.</li> </ul>
14	DG	<ul style="list-style-type: none"> <li>• We give financial and non financial rewards to our employees who pursue higher education degrees: with ranking and salary increase (maybe he'll become a department management). We reward this kind of motivation because the remedy of this additional knowledge is an increase to his skills in insurance, so giving him a higher rank is beneficial to our productivity and work. And these people who are rewarded will definitely stay at our company.</li> </ul>
14	CB	<ul style="list-style-type: none"> <li>• Our strategy is to pay our employees a good salary in order to live in a proper way.</li> </ul>
14	AW	<ul style="list-style-type: none"> <li>• If you don't give the employee the authority to take a certain decision by himself, if u don't he will feel captivated by the management. The management has given the normal experienced employees certain</li> </ul>

		privileges to attract the client. The employee has the ability to make reductions on policies within certain limits, and if he needed to exceed the limits he should refer to his manager.
14	JE	<ul style="list-style-type: none"> <li>The atmosphere of the company is very nice. We are like a family. The ambiance of the company has a very wide effect on the relationship between the employees and the management.</li> </ul>
15	Age	<ul style="list-style-type: none"> <li>I do not find any relation with age and retention position because our youngest manager is 33-years-old.</li> </ul>
15	ED	<ul style="list-style-type: none"> <li>Educated employees would appreciate more the opportunities of learning and development that we give to our employees so highly educated people tend to stay at our company, so if you don't give this educated person a reason to stay in terms of learning more, he will decide to leave.</li> </ul>
15	DG	<ul style="list-style-type: none"> <li>We actually have career path plans for our employees who are willing to advance: if they have a bachelor and complete their master's degree while working with us in addition to training and attending seminars and with experience, they may become heads of sections.</li> </ul>
15	CB	<ul style="list-style-type: none"> <li>So I believe money is a big motivator but it's not the only one.</li> </ul>
15	AR	<ul style="list-style-type: none"> <li>It depends on the departments. We encourage people to be polyvalent and to teach each other and to cover for each other. But it depends on departments: we have many specific guidelines with some issues that we abide by like reinsurance (claims of millions of</li> </ul>



		dollars). In other departments of course we are interested in innovation and a higher learning curve.
16	GD	<ul style="list-style-type: none"> <li>• I did not find a relation with gender.</li> </ul>
16	TP	<ul style="list-style-type: none"> <li>• We do not have training sessions since we are not a large group of employees.</li> </ul>
16	AW	<ul style="list-style-type: none"> <li>• If an employee told us about new methods which may be more effective than the one we use then we do allow it. Also an employee can take his own decisions without referring to his manager.</li> </ul>
16	TOR	<ul style="list-style-type: none"> <li>• We have a low turnover ratio because most of the employees who passed the probation period and the critical 3 years period have stayed for more than 5 years in the company. And more than 50% of the company's employees have started with the company since 17 years which is very reassuring.</li> </ul>
16	AR	<ul style="list-style-type: none"> <li>• We have an exit interview for every employee who wants to leave.</li> </ul>
16	JE	<ul style="list-style-type: none"> <li>• The GM is friendly and has an open-door policy and the ambiance is very intimate since it is a family business.</li> </ul>

## **APPENDIX 4**

### **QUESTIONNAIRE GUIDE**

You are cordially invited to be part of a research study concerning employee retention in insurance companies, as part of a master thesis at Notre Dame University.

Thank you for taking few minutes of your time to complete this online questionnaire (estimated time: 5 minutes).

This questionnaire aims at reviewing your views about the factors that influence your decision to stay at your company. It will also give you insight on your personal characteristics and working conditions.

You can trust us. No data about you as an individual will be disclosed in any published results.

Your opinion is vital for the success of this research and will be treated in the strictest confidence.

Please do not hesitate to contact us if you have any inquiries at [jnammour@ndu.edu.lb](mailto:jnammour@ndu.edu.lb).

Thanking you in advance.

Jo Nammour

## I- Background Information

- 1- Gender: Male                      Female
- 2- Age?
- 3- Marital Status?
- 4- Education: High school – Technical – Diploma – Bachelor – Master – Doctoral -  
Other
- 5- Position: Managerial - Non Managerial
- 6- Years of service in your current company?

## II- Work-Related Questions

- 1- I love working for this company (Govaerts et al., 2011, p.53) (*Affective commitment*)
- 2- I really feel as if this organization's problems are my own (Ghosh et al., 2013, p.311)
- 3- I am proud that I am a part of this company (Ghosh et al., 2013, p.311)
- 4- I feel like I am part of the family at my organization (Handlon, 2009, p.159)
  
- 5- I would feel guilty if I left my organization now (Handlon, 2009, p.161)  
(*Continuance commitment*)
- 6- It would be very hard for me to leave my organization right now, even if I wanted to (Handlon, 2009, p.160)
- 7- Right now, staying with my organization is a matter of necessity (Handlon, 2009, p.160)
- 8- Too much of my life would be disrupted if I decided I wanted to leave my organization right now (Handlon, 2009, p.160)
  
- 9- This organization deserves my loyalty (Ghosh et al., 2013, p.311) (*Normative commitment*)
- 10- I am willing to put in a great deal of effort beyond what is normally expected in order to help the organization be successful (Artley, 2008, p.102)

- 11- I would not leave my organization right now because I have a sense of obligation to its people (Handlon, 2009 p.161)
- 12- I owe a great deal to my organization (Ghosh et al., 2013, p.311)
- 13- I like doing the things I do at work (Handlon, 2009, p.162) (*Job Satisfaction*)
- 14- When I do my work well, it gives me a feeling of accomplishment (Sinha and Trivedi, 2014, p.27)
- 15- Doing my job well increases my feeling of self-esteem (Sinha and Trivedi, 2014, p.27)
- 16- Within this company my work gives me satisfaction (Govaerts et al., 2011, p.53)
- 17- I receive frequent training for skill enhancement (Singh, 2010, p.88) (*Training*)
- 18- My company gives me the opportunity to get training in subjects that interest me (Govaerts et al., 2011, p.54)
- 19- This company is providing me with job-specific training (Döckel, 2003, p.142)
- 20- This company is providing me with training I can apply in my work (Döckel, 2003, p.142)
- 21- I get opportunities to learn new skills and grow (Singh, 2010, p.88) (*Development*)
- 22- My superior encourages my career development (Singh, 2010, p.88)
- 23- There are enough development opportunities for me in my company (Döckel, 2003, p.142)
- 24- I have the opportunity to be involved in activities that promote my professional development (Döckel, 2003, p.143)
- 25- When I do my work well, I receive a pay raise (Sinha and Trivedi, 2014, p.27) (*Compensation and benefits*)

- 26- When I do my work well, I receive a bonus (Sinha and Trivedi, 2014, p.27)
- 27- I am fairly paid for what I contribute to my organization (Ghosh et al., 2013, p.311)
- 28- I believe that my salary is higher than the market rate (Ghosh et al., 2013, p.311)
- 29- I have control over the pace of my work (Ghosh et al., 2013, p.311) (*Autonomy*)
- 30- My supervisor considers my suggestions for change (Sinha and Trivedi, 2014, p.28)
- 31- My criticisms at work are heard (Govaerts et al., 2011, p.54)
- 32- My company gives me the chance to use my personal initiative in carrying out the work (Döckel, 2003, p.141)
- 33- I am satisfied with my chances of promotion within my company (Handlon, 2009, p.164) (*Job Opportunities*)
- 34- When I do my work well, my promotion opportunities increase (Sinha and Trivedi, 2014, p.27)
- 35- There are enough career opportunities for me in this organization (Döckel, 2003, p.146)
- 36- People in this company get ahead as fast as they do in other places (Handlon, 2009, p.163)

### **III- Intention to Stay:**

- 37- I see a future for myself within this company (Govaerts et al., 2011, p.53)