

## Research on Factors Affecting the Working Motivation of Insurance Agent Employees of Baoviet Life Corporation



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**SUMMARY:** The research results of the topic have clarified the concepts related to motivation and work motivation. The classification of motivation, the role of work motivation for employees, businesses, society or ways to increase work motivation are also presented in detail in this chapter. The study also presented the background theories and research models of domestic and foreign authors from which to draw a research model for the topic. Accordingly, 6 factors were applied by the research team to build a research model, including the factor of nature of work; Salary and benefits; Train; Advancement; Immediate superior; Business image. From the proposed research model, the research team also proposes research hypotheses with these 6 factors on the working motivation of insurance agent employees.

**KEYWORDS:** Work motivation; Insurance agent; Life Insurance Corporation

### 1. THE PROBLEM

Agents are the traditional distribution channel and the main distribution channel of life insurance markets in the world and in Vietnam. Although the distribution channel through bancassurance banks and direct channels is growing strongly, insurance agents are still the main channel to bring in insurance revenue. for insurance enterprises. However, it is a fact of the life insurance market in the world and Vietnam that the life insurance agent staff lack motivation to work, the quit rate is high. Motivating and retaining insurance agents is a difficult problem, but in Vietnam, research on this content is still limited and not specifically studied at Baoviet Life Corporation. The research contents mainly focus on assessing the working situation or the current human resource status of the insurance enterprises without going into the assessment of the factors affecting the employee's work motivation. Conduct research at Bao Viet life insurance enterprise to identify and specify specific factors and levels of impact of each factor on the working motivation of life insurance agents. What solutions should be applied to improve working motivation for insurance agent employees of Baoviet Life Corporation?

### 2. BACKGROUND THEORY

#### 2.1. Some concepts

##### Motivation

Motivation is a term that refers to the process from which we initiate, direct, and sustain purposeful behaviors that help us achieve our goals. The factors constituting motivation are related to instincts, emotions, physiological and social needs. According to Vroom (1964), motivation is the state formed when employees expect that they will receive the desired results and rewards if they work hard to perform the job.

##### Motivation to work

Labor motivation is the voluntariness, desire, and oriented efforts to achieve each individual's goals. In other words, a motivated person will perceive that there is a specific goal to be achieved and will direct his or her efforts towards achieving that goal. According to Vigoda-Gadot & Angert (2007) and Latham & Yukl (1975), job goals are factors contributing to motivating employees' work motivation. This means that when goals are clearly defined, employees can rely on them to determine the necessary tasks or specific behaviors to promote efficiency and performance; Conversely, if the goal is not focused and unclear, employees can quickly lose their motivation to work.

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## Insurance agent

According to the Law on Insurance Business, "An insurance agent is a person who is paid to work for a business that sells the company's products to buyers".

## 2.2. Classification of work motivation

There are many classifications of work motivation such as classification according to positive and negative effects or classification according to internal and external influences.

### Sort by positive and negative effects

Positive motivation or reward-based incentive. Employees are encouraged to achieve desired goals. Incentives can be higher pay, promotion, recognition, etc. Employees are offered incentives and try to improve their performance voluntarily.

Negative motivation is based on fear. Fear causes employees to act a certain way. In the event that they do not act appropriately, they may be subject to dismissal or dismissal. Fear acts as a motivating mechanism. Employees are not willing to cooperate, but they do well because they want to avoid punishment.

### Classification according to internal and external impact

Extrinsic Motivation: These are external motivations that affect an individual and the origin of this type of motivation usually involves rewards or punishments.

Intrinsic Motivation: the motivations that come from within each individual, often stemming from the love, passion, enjoyment of working and the desire to contribute and contribute to the company where they are working job.

## 2.3. Some background theory

### Maslow's Hierarchy of Needs (1943)

According to Maslow, people's needs for satisfaction are divided into 5 levels, when people have satisfied a certain level, they continue to want to be satisfied at a higher level. Maslow's hierarchy of needs consists of 5 levels from low to high.

### Victor Vroom's Expectation Theory (1964)

Victor Vroom (1964) said that the main factors to motivate employees to actively work and stick with the organization include 3 factors. The first is an expectation of what is desired when there is a work effort; the second is a means to actively complete work with worthy rewards; The third is the reward value.

### Frederick Herzberg's Two Factor Theory (1959)

Through a study by Herzberg about the things that make employees excited about work, most of the respondents believe that it is related to the nature of the work, Herzberg calls these factors the factors of the job. satisfy.

### Adams' equity theory (1963)

This theory is based on the view that the inequality of interest becomes a motivator to satisfaction, when people are treated unfairly, an incentive will work, reduce that inequality and create a greater sense of equality.

## 2.4. Factors affecting work motivation of insurance agent employees of Baoviet Life Corporation

Because the assessment of factors affecting work motivation is affected by many factors such as economic situation or cultural factors or the performance of each study, it is possible for each topic to be different factors studied more or less. From the theory, theoretical model, and based on the Human Resource Management textbook, the research team has applied 6 factors to build a model of factors affecting the working motivation of insurance agent employees. insurance under Bao Viet Life Corporation.

### Nature of work

The suitability of the job with the employee is reflected in many aspects of the nature of the job such as: whether the job is suitable for the employee's capacity and expertise, whether the employee clearly understands about the work they perform, whether the work brings the motivations of dedication and creativity of the employees, does the work bring challenges and promote the individual capacities of the employees.

### Salary and benefits

Wages and benefits are the money an employee earns when he/she completes a job. In the context of developing countries like Vietnam, salary or other income is still an important factor affecting employee motivation (Tran Kim Dung, 2005).

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## Train

Training helps employees to change in their desires, knowledge, skills and abilities, motivation to help employees achieve efficiency at work and affirm their position in the organization. This success helps employees become more attached to the business, increase their work motivation and dedication to the business.

## Advancement

In Vietnam, studies by Tran Kim Dung (2005), Chau Van Toan (2009) in office workers in Ho Chi Minh City. Ho Chi Minh City also shows that promotion opportunities have a positive effect on job satisfaction. Promotion opportunity factors are considered under such aspects as: professional training, personal development opportunities, opportunities for capable people, fairness of personnel development policy, creating opportunities to improve the professional skills of workers.

## Immediate superior

Leader is understood as the direct superior of employees. Leadership brings satisfaction to employees through creating fair treatment, showing concern for subordinates, having competence, vision and operating ability as well as supporting employees in their work. work (Robins et al, 2002).

## Business image

According to research by Dowling (1986), corporate image is the overall characteristic impression of the business that leaves in the customer's mind. Corporate image depends on individual's beliefs, feelings and impressions about the business and is influenced by media information, as well as the attitude, behavior and philosophy of the business. To build the desired image, businesses need to combine communication with the outside and organize activities within the business."

## 2.5. Building research models and research hypotheses

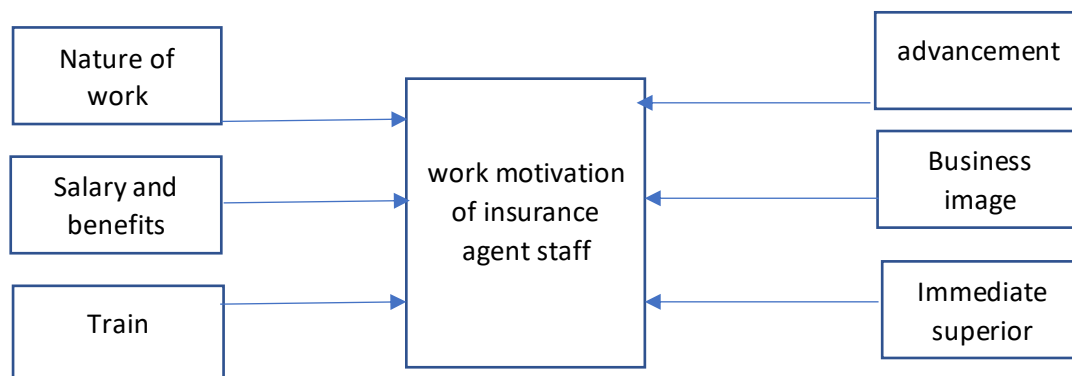


Figure 1. Conceptual framework

Source: The research team

The research hypotheses are as follows:

### Hypothesis H1: Nature of work

H1: The nature of work is a factor that has a positive impact on the working motivation of insurance agent employees of Baoviet Life Corporation. If the nature of the work is highly appreciated by the agent, the more motivated the employee will be.

### Hypothesis H2: Salary and benefits

H2: Salary and benefits are a factor that has a positive impact on the working motivation of insurance agent employees of Baoviet Life Corporation. The higher the salary and benefits are appreciated by the agent staff, the higher the employee's motivation will be.

### Hypothesis H3: Training

H3: Training is a factor that has a positive impact on the working motivation of insurance agent employees of Baoviet Life Corporation. If an organization provides good employee training, it will increase employee motivation.

Hypothesis

### H4: Advancement

H4: Promotion is a factor that has a positive impact on the working motivation of insurance agent employees of Baoviet Life Corporation. If the insurance agent evaluates the promotion factor well, it will increase the agent's work motivation.

Hypothesis

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## H5: Direct superiors

H5: Direct superiors are a factor that has a positive impact on the working motivation of insurance agent employees of Baoviet Life Corporation. If the insurance agent evaluates the direct superior factor well, it will increase the agent's work motivation.

Hypothesis

## H6: Corporate image

H6: Corporate image is a factor that has a positive impact on the working motivation of insurance agent employees of Baoviet Life Corporation. If the insurance agent evaluates the corporate image factor better, the motivation of the agent's employees will be increased.

### 3. RESEARCH METHODS

The study used a combination of general methods such as: information collection, analysis, synthesis, statistics, comparison comparison to analyze:

Document research method: Collect and research relevant research works that have been carried out in the country and abroad to draw and develop the theoretical basis for the topic. The theoretical content is selectively inherited from the research results of published scientific works on the contents related to work motivation from which the research team draws unique theoretical problems. scientific arguments on assessing the work motivation of insurance agent employees of Baoviet Life Corporation.

Descriptive statistical method: Using primary and secondary information to make assessment and data system of recruitment, training, agent support process... at Baoviet Life Corporation.

Interview method: Conduct survey with agent staff of Baoviet Life Corporation. From primary data, the research team used data processing software in SPSS to determine the factors affecting the work motivation of insurance agent employees of Baoviet Life Corporation.

Methods of analysis and synthesis: Analyze and synthesize data collected from primary and secondary data sources. Processing data to calculate relative numerical indicators to indicate the working motivation of insurance agent employees of Baoviet Life Corporation.

### 4. DISCUSSING RESEARCH RESULTS

Through the above analysis with suitable methods and sample size, the research objectives were 191 samples and 25 observed variables. The study conducted to test the reliability of the scales, analyze the EFA exploratory factors to evaluate the influence of factors affecting the working motivation of insurance agent employees of Baoviet Life Corporation. Through analysis of Cronbach's alpha coefficient, the discovery factor without observed variables was removed. All 25 observed variables measuring 6 factors (Nature of work, salary and benefits, training, promotion, immediate superiors, corporate image) are the subject of multivariate regression analysis. The results of multivariate regression and ANOVA test show that all 6 components above affect the working motivation of insurance agent employees of Baoviet Life Corporation. Through the analysis results, the research team has also identified the factors that have a positive impact on the working motivation of insurance agent employees of Baoviet Life Corporation.

Specifically, the first is the Corporate Image component that has the most influence, the second is the Nature of Work component, and the third is the Training component. The promotion component has the 4th greatest influence on work motivation, the fifth is the direct superior and the last is the salary and benefits component, this is also the component that has the lowest influence on work motivation. agent work. Next, the research team tested the impact of sample characteristics on employee motivation. The results of these tests show that two characteristics, gender and seniority, have an impact on the work motivation of agent staff.

The rate of leaving the insurance business of agent employees is a dilemma for insurance companies not only Baoviet Life Corporation. Leaving agents leads to many consequences for businesses, not only costly in terms of recruitment and new training, but also can affect the reputation of the business because customers are not supported and cared for in a timely manner. Therefore, improving the working motivation of insurance agent employees will help the business develop sustainably and in the long term. The research team based on the research results and proposed a number of solutions to improve working motivation with insurance agent employees of Baoviet Life Corporation. From the existing aspects in the work of motivating agent staff, the research team has come up with groups of solutions to support increasing work motivation for agent staff. In each group of solutions, each specific solution will help increase work motivation for insurance agent employees.

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The solution group focuses on the element of corporate image: Enhancing the position and reputation of the business; Build organizational culture.

The solution group focuses on the nature of work: Provide clear job descriptions and responsibilities for employees; Show trust, empower employees; Receive feedback from agents on sales policies and make appropriate adjustments

The solution group focuses on the Training factor: Training skills suitable to the reality of each agent; Strengthen the organization of training and professional development for on-site staff; Dealer orientation follows the agency's standards.

The solution group focuses on the promotion factor: Building a professional working environment with fair and suitable promotion opportunities; Update information timely and clearly; Building a fair reward and punishment system; Carry out supervision and management of insurance agents.

The solution group focuses on the element of direct superiors: Create interactions between business leaders and agents; Listen to and respect the needs of employees; Motivate and motivate employees.

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