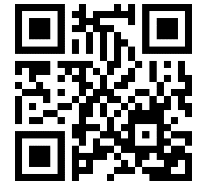


Research of Factors Affecting the Intention of Life Insurance Agents in Vietnam



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SUMMARY: The article presented the intention to leave the organization and related concepts. Through qualitative and quantitative research methods, the authors have built models and hypotheses to study the factors affecting the intention to leave the organization of life insurance agents in Vietnam. The research results confirm the impact of 6 factors on the intention to leave the organization of Vietnamese life insurance agents, including commitment to the business, job satisfaction, fairness in the business, ethical values, etc. Corporate ethics, career orientation, training. Combining the results of the analysis of the agent's assessment of the variables, the results of the analysis of the real situation of agent development and the current situation of the life insurance market in Vietnam, can serve as a basis for identifying limitations, proposed recommendations for life insurance businesses, the Vietnam Insurance Association and the State Administration to increase the proportion of full-time agents, thereby lowering the rate of leaving the organization Vietnam life insurance agent.

KEYWORDS: Intent to leave, Insurance Agent, life insurance, Vietnam

1. PREAMBLE

Russell L. Handlon, through an overview study, confirmed that the problem of leaving the agency's business is a difficult problem for many insurance businesses. According to him, the average level of agent retention in four years is only 15 - 19% [8]. Leaving the enterprise creates great costs for enterprises such as increasing recruitment and training costs, reducing and destabilizing consulting quality, reducing revenue and profit. At the same time, leaving the business can also create pressure on management that is a successive consequence of the remaining people who also intend to leave the enterprise. The intention to leave the business and the exit from the business is proven to be the main obstacle to the success of the insurance business as well as any business globally.

According to the international research organization LL global (Stock Biz, 2010), in Vietnam about 80% of recruited agents quit within 12 months, the leaving rate of agents (within 4 years) is over 90% [9]. The low rate of agent retention has had a significant impact on the performance of life insurers doing business in Vietnam in many respects: instability of a major distribution channel, increased recruitment and training costs, insurance service quality is not guaranteed, causing pressure on management problems, causing instability and reducing business efficiency. Therefore, this study will clarify the issues. What factors affect the intention to leave the business of Vietnam Life Insurance Agents? What is the level of impact of factors on the intention to leave the business of the life insurance agent in Vietnam today?

2. THEORETICAL FOUNDATIONS, RESEARCH MODELS AND HYPOTHESES

2.1. Concepts

Intent to leave the organization

Intention to leave the enterprise is understood as the employee's plan to leave the current job and look for another job in the near future [8].

Insurance Agent

According to Article 84 of the Law on Insurance Business (2000): "Insurance agent is an organization or individual authorized by an insurance enterprise on the basis of an insurance agency contract to perform insurance agency activities

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according to the provisions of Article 84 of the Law on Insurance Business (2000): provisions of this Law and other provisions of relevant laws" [7].

Organizational Commitment

Organizational commitment is a psychological state (wants, needs, responsibilities) that show an employee's relationship with the organization and have an impact on the desire to stay in the organization. Commitment to the organization has 3 basic components: affective, continuance, normative [4].

Job Satisfaction

Job satisfaction is how people feel about their jobs and different aspects of their jobs, it is the extent to which people like (satisfied) or dislike (dissatisfied) their jobs [10].

Equity in the organization

Organizational equity is a term used to describe an individual's perceptions of the fairness of decisions and decision-making processes within an organization and the effect those perceptions have on behavior [3].

Corporate ethical values

Ethical corporate values are not only the foundation of all other values associated with quality products and services, but also help establish and maintain standards that describe the 'rights' of what to do and what to expect "worth doing" thing [2].

Career orientation

Career orientation is a formal socialization process in which the organization influences the attitudes and values of newcomers to match those within the organization; New employee orientation is designed to prepare a new person to claim a certain position in the organization [11].

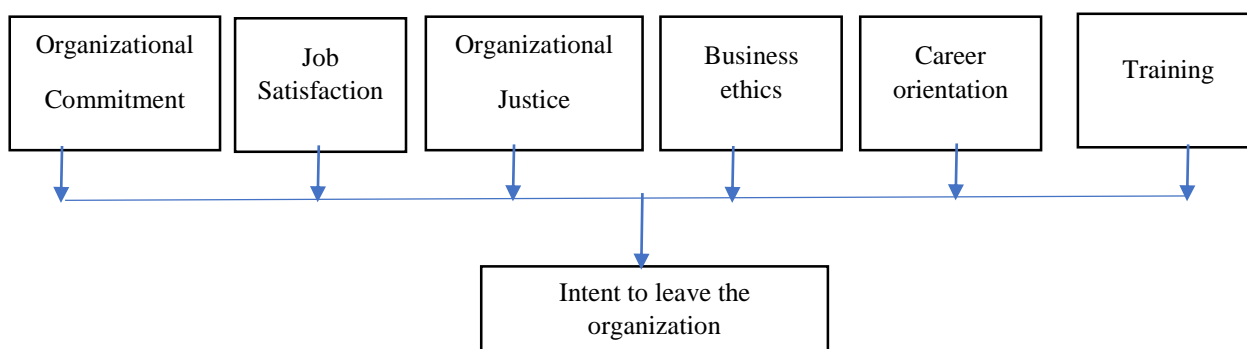
Train

This definition refers to "Activities that provide the knowledge, skills and attitudes required for productive and effective performance within an occupation or group of occupations. Training includes initial training, retraining, advanced training, updating and in-depth career-related training"[5].

2.2. Research model and hypothesis

The proposed research model is established based on the identification of factors that can affect the intention to leave the enterprise of the life insurer. Although there is no mainstream theory, however, inheriting the overview research results from previous studies, the thesis proposes a research model consisting of 6 independent variables: (1) Organizational Commitment, (2) job satisfaction, (3) Organizational Justice, (4) business ethics, (5) career orientation, (6) training; 1 dependent variable: intention to leave the organization. The proposed research model and hypothesis are as follows:

Figure 2.1: Research model of the topic



Source: Proposal of the research team

(H1) Commitment to the business has a negative effect on the intention to leave the business of the life insurance agent.

(H2) Job satisfaction has a negative effect on the intention to leave the business of life insurance agents.

(H3) Equity in the organization has a negative effect on the intention to leave the business of life insurance agents.

(H4) Ethical values have a negative effect on the intention to leave the business of life insurance agents.

(H5) Career orientation has a negative effect on the intention to leave the business of life insurance agents

(H6) Training of insurers has a negative effect on intention to leave the business of life insurance agents

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3. RESEARCH METHODS

The authors conducted a review of case studies in the world and Vietnam on the factors affecting the intention to leave the business of life insurance agents. However, new studies only stop at testing the impact of one or a few factors, comprehensively testing the factors affecting the intention to leave the business of life insurance agents; In particular, Vietnam has not had any exploratory and experimental studies to assess the impact of factors on the intention to leave the business of Vietnamese life insurance agents. Therefore, in order to achieve the objectives and carry out the research tasks, the thesis uses a combination of qualitative research and quantitative research; in which, qualitative research done first is appropriate.

Qualitative research was carried out in-depth interviews with experts and agents. Information collected from in-depth interviews in order to supplement and complete the research model to suit the reality of Vietnam; calibrate the scale and find the most suitable criteria to build the questionnaire.

Descriptive statistics method is used to process secondary data from available domestic and international sources (data from the Department of Insurance Management and Supervision, Vietnam Insurance Association, reports on summary of Vietnamese life insurance agents, life insurance agent development strategies of Vietnamese life insurers...) to assess the current situation of the life insurance market, the situation life insurance agent development model, analyzing the current situation and determining the reasons for leaving the business of Vietnamese life insurance agents.

The survey method is used to test the factors and determine the degree of impact of the factors on the intention to leave the business of life insurance agents in Vietnam.

The study uses two methods including Cronbach's Alpha coefficient analysis to evaluate the correlation between observed and total variables, and EFA factor analysis method to test the unidirectionality of each scale to eliminate remove inappropriate measurement criteria. Based on the results of Cronbach's Alpha coefficient analysis and EFA factor analysis, the thesis only retains highly reliable scales for subsequent analysis.

Building a regression equation to determine the impact of factors and the degree of impact of the factors on the intention to leave the business of Vietnamese life insurance agents.

4. RESEARCH RESULTS

The total number of agents present at the beginning of 2018 of the whole market was 621,151 people, in the year 321,616 people were recruited, the number of agents recruited increased by 51.8% compared to the number at the beginning of the year. However, the number of agents at the end of the year was only 723,316 people, the number of agents leaving the business or being fired (mostly leaving) 219,451 people; Therefore, the average number of agents in the year was only 672,234 people, the rate of agents leaving and dismissing in the year was very high, accounting for about 68.23% compared to the number of new recruiting agents, 32.6% compared to the number of agents. average for the year. Therefore, although recruiting a lot, but due to the large number of departures, the growth rate of the total number of agents at the end of the year compared to the beginning of the year was only 25%. On the other hand, revenue from fees for new exploitation of main products in 2018 reached VND 29,607 billion, so the average revenue of new exploitation of main products per agent is very low, only about VND 44.04 million. The results of this analysis show that the number of recruitment agents is very large, leading to businesses having to spend a lot of money on recruitment and training, but the return is not high.

Thus, the current development of life insurance agents in Vietnam shows that the recruitment volume is large but the turnover rate is very high, leading to low average exploitation productivity. The problem of recruiting, maintaining and developing life insurance companies is really a dilemma for the Vietnamese life insurance market, even for the big life insurance companies in the market. This situation significantly affects the quality and effectiveness of consulting, increases recruitment and training costs, and causes difficulties for the insurance business.

4.1. Reliability test

The study has performed the analysis of the scale using Cronbach's alpha reliability coefficient for each scale in turn and synthesized all the data required for the reliability coefficient analysis to be able to evaluate the overall performance for each scale. entire scale. The test results have confirmed that all 7 groups of factors have Cronbach's Alpha coefficient greater than 0.7 and correlation coefficient greater than 0.4. The test results of Cronbach's Alpha coefficient have confirmed the high reliability of the system of measurement criteria (measuring the factor to be measured) and the observed variables in each group of factors have a relationship with each other. The test results show that the scales are good and ensure the reliability for the research and later analysis. Data on Cronbach's alpha coefficient if the variable type (the largest) is smaller than the reliability coefficient, and satisfy both conditions for keeping the observed variable for the following analyses.

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Table 4.1: Results of evaluating the reliability of the scale of research components

Label	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Cronbach's Alpha "Organizational Commitment" = 0.920 N=6		
I will be happy to spend the rest of my career working at the Company	0.808	0.901
I really feel emotionally attached as "part of the family" to the Company	0.782	0.904
Currently, staying and working with the Company is necessary as I wish	0.686	0.917
One of the negative consequences of leaving the Company was that I had very little chance of finding another job	0.798	0.904
I really feel obliged to stay with the Company	0.746	0.909
Even with favorable conditions, I really feel it is not right to leave the Company right now	0.829	0.897
Cronbach's Alpha "Job Satisfaction" = 0.889 N=9		
I feel satisfied with the Company's commission policy	0.618	0.879
In the Company, good people are entitled to equal promotion opportunities and in accordance with their contribution to the Company.	0.609	0.880
My immediate superior is a talented, fair-minded person who cares about the feelings of his subordinates	0.683	0.874
I am really satisfied with the benefits that I receive from the Company, the welfare packages we receive from the Company are fair	0.487	0.888
I successfully complete a job, the Company has a well-deserved recognition reward for me	0.649	0.876
The Company's regulations and procedures are convenient for me to do my job	0.696	0.872
I love the people who work with me at the Company	0.729	0.869
I love to do and take pride in the work I do at the Company	0.697	0.873
The working environment in my Company is professional: the Company's goals are clear to me, the work is fully explained and help is provided when needed.	0.616	0.879
Cronbach's Alpha "Organizational Justice" = 0.925 N=4		
The Company's work processes are consistently and unbiased, in compliance with ethical standards	0.853	0.894
My income at the Company reflects my work efforts and my contributions to the Company	0.814	0.914
Company leaders treat me politely, respectfully, frankly	0.868	0.888
Company leaders often inform detailed and timely information to employees	0.802	0.910
Cronbach's Alpha "business ethics" = 0.885 N=4		
To be successful in my Company requires certain ethical compromises.	0.795	0.835
Senior leaders in my company have an unwritten rule that unethical behavior will not be tolerated	0.784	0.838
If a leader in my Company is found to have unethical behavior for personal gain, they will be immediately reprimanded.	0.709	0.867
If a leader in my Company is found to have unethical behavior to benefit the Company, they will be immediately reprimanded.	0.712	0.867
Cronbach's Alpha "career orientation" = 0.767 N=4		
The Company's career orientation helps me realize the interesting and humane career of a life insurance agent	0.519	0.736

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The company's career orientation helps me realize that life insurance agent profession is challenging and requires long-term commitment.	0.719	0.602
The Company's career orientation helps me to be aware of my career path when sticking with the Company	0.507	0.742
The Company's career orientation helps me to realize that the Company is a place worth my dedication more than other companies	0.535	0.728
Cronbach's Alpha "training" = 0.932 N=8		
Company training trains me to always have a positive attitude to avoid negative emotions and depression	0.722	0.927
Company training helps me master the necessary sales skills	0.838	0.918
Company training helps me understand the terms and conditions of each insurance product of the Company	0.818	0.919
Company training helps me understand the outstanding features of the Company's products compared to competitors	0.801	0.921
The Company's training helps me understand the Company's growth, strengths, weaknesses and position in the market.	0.743	0.925
Company training made me aware of the Company's goals and expectations	0.679	0.929
Company training is a good combination of focused training and on-the-job training	0.797	0.921
Company training is arranged in a reasonable time and duration	0.789	0.922
Cronbach's Alpha "Intent to leave the organization" = 0.957 N=4		
I will probably quit my job in the Company within the next 3 months	0.874	0.956
I will probably quit my job in the Company within the next 6 months	0.912	0.938
I will probably leave the Company within the next 12 months	0.912	0.938
I will probably leave the Company within the next 24 months	0.925	0.937

Source: Data processing results of the research team

4.2. Exploratory factor analysis

The analysis of Cronbach's Alpha reliability coefficient in the previous section helped confirm that the reliability of these scales is completely consistent with the research topic. However, the analysis of Cronbach's Alpha reliability coefficient is only performed according to each scale. This result is not certain that the scales are not related to each other. In order to assess the suitability of the scale system, Exploratory Factor Analysis (EFA) was performed for all 39 observed variables of 7 factor groups.

Table 4.2. Extract the EFA exploratory factor analysis table common to all independent variable scales

KMO				0.892					
Sig.				0.000					
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.660	24.743	24.743	8.660	24.743	24.743	5.657	16.163	16.163
2	5.311	15.175	39.918	5.311	15.175	39.918	4.898	13.995	30.157
3	3.145	8.987	48.904	3.145	8.987	48.904	4.507	12.876	43.033
4	2.854	8.155	57.059	2.854	8.155	57.059	3.398	9.708	52.741
5	2.533	7.238	64.298	2.533	7.238	64.298	3.269	9.340	62.081
6	1.627	4.649	68.946	1.627	4.649	68.946	2.403	6.866	68.946
7	.822	2.350	71.296						
...						
35	.006	.017	100.000						

Extraction Method: Principal Component Analysis.

Source: Data processing results of the research team

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The results of exploratory factor analysis showed that the whole component of the scale of independent variables had a total variance extracted from 68.946% > 50%. The KMO index is 0.892 to ensure the requirements, in addition, sig also gives the result of 0.000 < 0.05. The results of the factor rotation matrix of 35 observed variables converge on 6 factors including the group of factors on training, job satisfaction, commitment to the business, fairness in the enterprise, career orientation with The factor weights are all 0.5. Thus, from the above analysis results, it is confirmed that the research scale system is appropriate.

4.3. Regression analysis

In order to determine the level of impact of each group of factors on the intention to leave an enterprise, the research uses multivariate regression method. The multivariable regression has the following form:

Intent to leave = $a_0 + a_1$ Organizational Commitment + a_2 Job Satisfaction + a_3 Organizational Justice + a_4 Business ethics + a_5 Career orientation + a_6 Training

In there: $a_0, a_1, a_2, a_3, a_4, a_5, a_6$: Are regression coefficients

Hypothesize:

Ho: The factors have not relationship with each other.

H1: The factors have a relationship with each other.

Choose significance level = 0.05 corresponding to 95% confidence level.

The results of the ANOVA test show that the F-test value reaches the value of 134.296 at the significance level sig = 0.000 < $\alpha = 0.1$. Thus, hypothesis H0 is rejected, hypothesis is accepted, that is, 6 components of independent variable Organizational Commitment, Job Satisfaction, Organizational Justice, Business ethics, Career orientation, Training and dependent variable Intent to leave have each correlation relationship. So the model fits the data set and can be generalized to the population.

Table 4.3. Results of multivariate regression model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	9.371	.273		34.273	.000		
Organizational Commitment	-.512	.044	-.401	-11.710	.000	.677	1.478
Job Satisfaction	-.575	.047	-.367	-12.308	.000	.891	1.122
Organizational Justice	-.226	.034	-.203	-6.651	.000	.852	1.174
Training	-.151	.042	-.115	-3.617	.000	.780	1.281
Business ethics	-.150	.034	-.132	-4.440	.000	.903	1.108
Career orientation	-.112	.054	-.068	-2.081	.038	.752	1.330

Source: Data processing results of the research team

The regression coefficients of the factors of commitment to the business, job satisfaction, fairness in the enterprise, corporate ethical values, career orientation, and training are all marked. Negative and $R = 0.799 > 0$ shows that these components have a negative impact on the intention to leave the business. Thus, the hypothesis of the research model is accepted that the variables of commitment to the business, job satisfaction, fairness in the business, corporate ethical values, career orientation, training have negative correlation with intention to leave the business. So the hypotheses H1, H2, H3, H4, H5, H6 are tested.

The results of the investigation data processing confirm that the regression equation for the standardized Beta coefficients is as follows:

Intent to leave = (-0.401) Organizational Commitment + (-0.367) Job Satisfaction + (-0.132) Organizational Justice + (-0.203) Business ethics + (-0.068) Career orientation + (-0.115) Training

5. DISCUSS THE RESULTS

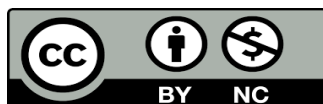
The results of multivariable regression analysis confirmed that 6 groups of factors such as commitment to the business, satisfaction with the business, fairness in the enterprise, corporate ethical values, career orientation, and training all have an impact. negative for exit intention. Table of regression results show that all factors have statistical significance less than 5%. Among the 6 groups of factors, the commitment to the enterprise with the largest Beta coefficient is -0.401(t= -11,710 and Sig < 0.05); job satisfaction with Beta coefficient of -0.367(t= -12,308 and Sig < 0.05); equity in the enterprise with a Beta coefficient of -0.132(t=-4.440 and

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Sig < 0.05); ethical value with Beta coefficient of -0.203 (t= -6.651 and Sig <0.05); ethical value with Beta coefficient of -0.203 (t= -6.651 and Sig <0.05); career orientation with Beta coefficient of -0.068 (t= -2.081 and Sig < 0.05); training with a Beta coefficient of -0.115 (t= -3,617 and Sig < 0.05). The results of this study are in agreement with the results confirmed in the qualitative research and the review study. In the context of research in Vietnam, the results of the analysis of survey data show that commitment to the business, job satisfaction, and corporate ethical values are confirmed by the test results to have the greatest impact and then are the elements of equity in the business, training and career orientation, respectively.

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