

Organizational Culture and Commitment and Job Satisfaction among Employees in Insurance Companies

Ma Jing¹ and Carmen N. Hernandez²

¹School of Graduate Studies, Central Philippine University

²Department of Business Administration, Central Philippine University

Abstract

This study, which aimed to determine the organizational culture, commitment and job satisfaction among employees in insurance companies, utilized the descriptive-correlational research design. The respondents in the study were 383 who were randomly selected from a population of 144,000 employees of the top three insurance companies in Henan province in China. The stratified random sampling method was also used to ensure that respondents were proportionately represented. The results revealed that employees in insurance companies highly agree with the organizational culture and agree most with customer orientation. Employees in insurance companies have a high level of organizational commitment and have the highest level of affective commitment. Employees in insurance companies have a high level of job satisfaction and have the highest level of extrinsic satisfaction. There is a significant relationship between the organizational culture and job satisfaction among employees in insurance companies. There is a significant relationship between the organizational commitment and job satisfaction among employees in insurance companies.

Keywords: *Organizational Culture, Organizational Commitment, Job Satisfaction*

INTRODUCTION

Background and Rationale of the Study

In 1980, China resumed its insurance business. Since then, China's insurance industry has developed rapidly and healthily. As of December 31, 2020, China had a total of 238 insurance companies, 2,640 insurance intermediaries, and more than 8 million insurance employees (China Banking and Insurance Regulatory Commission, CBIRC, 2020).

However, competition among insurance companies has intensified in recent years. Performance appraisal and other pressures affect the organizational commitment and satisfaction of employees of insurance companies, which eventually leads to a large number of employees leaving the insurance company, and affects the stable development and market competitiveness of insurance companies. In 2018, the number of insurance marketing staff in China was 9.73 million, but by 2021, the number has plummeted to 6.419 million, a decrease of 3.311 million (China Banking and Insurance Regulatory Commission, 2021).

The core of organizational culture of insurance enterprises is a unique spirit reflected in the operation and management activities of insurance enterprises (Liu Yana, 2021). Organizational commitment shows a person's active emotion towards his organization. Ren Li (2022) proposed that employee organizational commitment in insurance companies has a positive effect on the

propensity to leave and insurance companies should optimize their human resource management programs to address the problem of talent loss. Job satisfaction is employees' feeling or emotional response to their job (Qi Yaqing, 2014). Many researches showed that there is a significant relationship among the organizational culture, commitment and job satisfaction among employees in insurance companies (Nie Lin, 2014; Li Shu, 2016; He Qiaodan etc., 2020; Jigiddorj Sarantuya et al., 2021).

Through the study, the empirical reference for the correlation among organizational culture, employees' commitment and job satisfaction in insurance companies was proposed, and theoretical support and relevant suggestions for insurance companies to retain talents and promote the mutual growth of enterprises and employees was provided.

Objectives of the Study

The general objective of the study was to determine the organizational culture, commitment and job satisfaction among employees in insurance companies.

Specifically, this study was conducted to:

1. To describe the organizational culture in terms of employee development, harmony, customer orientation, social responsibility and innovation.
2. To describe the organizational commitment of

employees in terms of affective commitment, continuance commitment and normative commitment.

3. To describe the job satisfaction of employees in terms of intrinsic satisfaction, extrinsic satisfaction and general satisfaction.

4. To determine the relationship between the organizational culture and job satisfaction among employees in insurance companies.

5. To determine the relationship between the organizational commitment and job satisfaction among employees in insurance companies.

Hypotheses

H₀₁: There is no significant relationship between the organizational culture and job satisfaction among employees in insurance companies.

H₀₂: There is no significant relationship between the organizational commitment and job satisfaction among employees in insurance companies.

Theoretical Framework and Conceptual Framework of the Study

The theory of organizational culture emerged in the 1980s. William Ouchi's Z Theory lay stress on the human factors in the organization's management. It was considered that an organization needs to appraise not only production metrics, but also pay attention to cultural factors. Theory Z started the study of corporate culture theory and played a leyguiding role in promoting corporate culture (William Ouchi, 1981).

The theory of Latent Social Roles had a great influence on the research involving the organizational commitment. Gouldner (1958) found that in addition to formal and obvious roles in the organization, individuals also have potential social roles. According to their organizational commitment and occupational skills and abilities, and orientation of reference groups, potential roles are divided into six categories, two of which are called Cosmopolitans. The fourth category, known as Locals, is less loyal to the organization that employs them, more committed to

skills for a particular role, and more likely to be externally reference-oriented than Locals.

Herzberg (1959) put forward the theory of hygiene-motivational theory. Motivating factors made employees feel satisfied, including sense of achievement, task challenges, and so on. Hygiene factors contributed to employee dissatisfaction, including leadership skills, interpersonal relationships, work environment, and so on. Only those motivating factors can be conducive to making people feel satisfied, and hygiene factors have no role in making people feel satisfied, only in eliminating their dissatisfaction. The improvement of incentive factors is conducive to employees' satisfaction, so as to greatly stimulate employees' work enthusiasm.

Based on above theories, there may be a correlation among the organizational culture, commitment and job satisfaction in insurance companies. Studying their interrelationship is very important to help policy makers to propose appropriate policies for the development of the insurance companies. However, there is no study determining the interrelationship between culture, employees' commitment and satisfaction in insurance companies.

The antecedent variable consists of the profile of employees in insurance companies in Henan province in terms of sex, age, educational attainment, marital status, and working years. The independent variables are organizational culture and commitment in insurance companies. Based on above theories, there are five typical cultural types, including: Employee Development, Harmony, Customer Orientation, Social Responsibility, and Innovation. There are three typical commitment types, including: Affective, Continuance and Normative commitment. Dependent variable is employees' job satisfaction of in insurance companies. Based on above theories, there are three typical satisfaction types: Intrinsic, Extrinsic and General satisfaction.

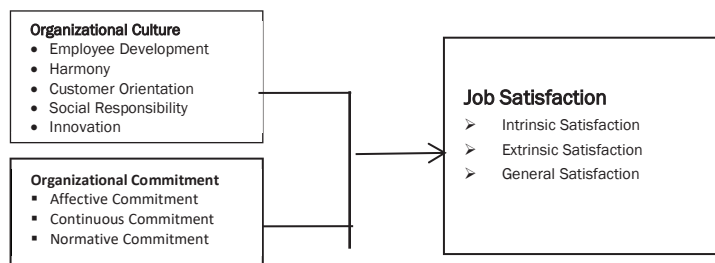


Figure 1. Conceptual Framework of the Study

Definition of Terms

Organizational culture is the underlying assumption an organization learns as it deals with outside adaptation and internal integration issues, which is created and developed by the organization itself and imparted to the organization's newcomers as a matter of understanding, thinking and feeling (Schein, 1983). It was measured by the Organizational Culture Scale in the context of Chinese enterprises developed by Tsui et al., which contains five dimensions: Employee Development, Harmony, Customer Orientation, Social Responsibility, and Innovation (Tsui et al., 2006).

Organizational commitment is a bond representing the relation between employees and an organizations, which means that an employee decide on whether staying in this organization (Meyer and Allen, 1990). It was evaluated by Three Component Model (TCM) developed by Meyer and Allen (1993), which is the most widely used scale in research in this area and has received wide academic support and acceptance. The TCM scale consists of a total of 18 items and is divided into three sections: Affective Commitment (AC), Continuance Commitment (CC) and Normative Commitment (NC), with six items in each section.

Job satisfaction refers to employee' satisfaction with work content and environment. This satisfaction comes not only from physiology, but also from psychology (Hoppock, 1935). It was measured by Minnesota

Satisfaction Questionnaire (MSQ) developed by Weiss et al. (1967), including 20 items, divided into three groups to measure job satisfaction: Internal Satisfaction, External Satisfaction and General Satisfaction.

Significance of the Study

The following would benefit from the study:

Henan provincial government could build action plans conducive to the development of insurance industry in Henan province.

Insurance companies and their managers would take better management measures to improve the corporate culture of the company and employees' commitment level and job satisfaction, thus promote the development of insurance companies in Henan province.

Researchers in related fields and future researchers. This study would help researchers to obtain useful knowledge of management at the provincial level.

Scope of the Study

This study aimed to determine the correlation among organizational culture, commitment, job satisfaction among employees in insurance companies. This study was limited to the top three insurance companies in Henan Province and involved 383 employees of insurance companies. Primary data was collected in January, 2023.

METHODOLOGY

Research Design

The descriptive-correlational research design were used in this study. Research was conducted using stratified sampling techniques. This study utilized one-shot survey to gather primary data from the respondents.

Respondents of the Study

The respondents were the 383 employees selected from the total population of 144000 employees of top three insurance companies in Henan province. The sample size was determined using a sampling formula.

Research Instrument

This study will use a questionnaire survey. The questionnaire is composed of five parts: a) Organizational Culture Scale in China (OCSIC); b) Three Component Model (TCM) of commitment scale; c) Minnesota Satisfaction Questionnaire (MSQ). All the questionnaires used in this study are

standardized questionnaires and permission from the authors of these instruments secured before use it.

Data Gathering Procedure

Information was collected through questionnaires. A total of 466 questionnaires were collected in this study, 383 of which were valid. During that time important data was gathered from those 383 participants.

After obtaining the consent of the department manager, the questionnaires were distributed to the respondents online, and every interviewee was thanked when the questionnaires were collected.

Data Processing and Analysis

After receiving the questionnaires, the information of each questionnaire was reviewed to ensure the completeness of questionnaire filling. SPSS 25.0 software was used for processing and analysis.

RESULTS AND DISCUSSION

Descriptive Data Analysis of Organizational Culture

Table 1 shows the descriptive data of the organizational culture in insurance companies.

The mean values of Employee Development, Harmony, Customer Orientation, Social responsibility and Innovation were 4.093, 4.130, 4.367, 4.302 and 4.262 respectively, indicating that the

respondents highly agreed with all dimensions of organizational culture. The score of Customer orientation was highest (4.367) and Employee Development was lowest (4.093). The score of Customer orientation (4.367) was higher than other dimensions, indicating that respondents agreed more with customer orientation than other aspects.

Table 1
Descriptive Data Analysis of Organizational Culture

Organizational Culture		f	%
Employee Development			
Low (1.0-2.33)		9	2.35
Moderate (2.34-3.66)		85	22.19
High (3.67-5.0)		289	75.46
	Mean=4.093 SD=0.814		
Harmony			
Low (1.0-2.33)		13	3.39
Moderate (2.34-3.66)		77	20.11
High (3.67-5.0)		293	76.5
	Mean=4.130 SD=0.817		
Customer Orientation			
Low (1.0-2.33)		7	1.83
Moderate (2.34-3.66)		46	12.01
High (3.67-5.0)		330	86.16
	Mean=4.367 SD=0.715		
Social Responsibility			
Low (1.0-2.33)		10	2.61
Moderate (2.34-3.66)		53	13.84
High (3.67-5.0)		320	83.55
	Mean=4.302 SD=0.793		
Innovation			
Low (1.0-2.33)		12	3.13
Moderate (2.34-3.66)		47	12.27
High (3.67-5.0)		324	84.6
	Mean=4.262 SD=0.770		
Total		383	100

Descriptive Data Analysis of Organizational Commitment of employees

Table 2 shows the descriptive data of the organizational commitment of employees in insurance companies.

The mean values of affective commitment, continuous commitment and normative commitment were 3.990, 3.721 and 3.784 respectively, indicating a high level of organizational commitment

among employees. The score of affective commitment is highest (3.990) and continuous commitment was lowest (3.721). The score of affective commitment is higher than normative commitment and continuous commitment shows that employees have feelings for the organization and do not want to leave the organization. This is consistent with the study of Wei Jinxin (2007).

Table 2
Descriptive Data Analysis of Organizational Commitment

Organizational Commitment		f	%
Affective Commitment			
Low (1.0-2.33)		16	4.18
Moderate (2.34-3.66)		99	25.85
High (3.67-5.0)		268	69.97
	Mean=3.990 SD=0.844		
Continuance Commitment			
Low (1.0-2.33)		32	8.36
Moderate (2.34-3.66)		136	35.5
High (3.67-5.0)		215	56.14
	Mean=3.721 SD=0.909		
Normative Commitment			
Low (1.0-2.33)		35	9.14
Moderate (2.34-3.66)		116	27.29
High (3.67-5.0)		232	60.57
	Mean=3.784 SD=0.950		
Total		383	100

Descriptive Data Analysis of Job Satisfaction of employees

Table 3 shows the descriptive data of the job satisfaction of employees in insurance companies.

The mean values of intrinsic satisfaction, extrinsic satisfaction and general satisfaction were 4.000, 4.003 and 4.001 respectively, indicating that

the respondents were satisfied with all aspects of their work. The score of extrinsic satisfaction is highest (4.003) and intrinsic satisfaction was lowest (4.000). This is consistent with the study of Cha Yufeng (2016), who believed that the overall satisfaction level of employees in X property insurance company is high.

Table 3
Descriptive Data Analysis of Job Satisfaction

Job Satisfaction	f	%
Intrinsic Satisfaction		
Low (1.0-2.33)	7	1.83
Moderate (2.34-3.66)	96	25.06
High (3.67-5.0)	280	73.11
Mean=4.000 SD=0.707		
Extrinsic Satisfaction		
Low (1.0-2.33)	10	2.61
Moderate (2.34-3.66)	99	25.85
High (3.67-5.0)	274	71.54
Mean=4.003 SD=0.752		
General Satisfaction		
Low (1.0-2.33)	6	1.57
Moderate (2.34-3.66)	102	26.63
High (3.67-5.0)	275	71.8

Relationship between Organizational Culture and Job Satisfaction

Table 4 presents the relationship between organizational culture and employees' job satisfaction in insurance companies. .

The Pearson's r test results show that Intrinsic satisfaction is significant to Innovation, Social responsibility, Customer orientation, Harmony, Employee development, and the correlation coefficient are 0.727, 0.689, 0.659, 0.717, 0.703. It means there is a positive correlation between Intrinsic satisfaction and Innovation, Social responsibility, Customer orientation, Harmony, and Employee development.

Extrinsic satisfaction and all dimensions of Organizational Culture (Innovation, Social

responsibility, Customer orientation, Harmony, Employee development), and the correlation coefficient are 0.721, 0.683, 0.662, 0.720, 0.706. It means there is a positive correlation between General satisfaction and Innovation, Social responsibility, Customer orientation, Harmony, Employee development.

General satisfaction and is significant to Innovation, Social responsibility, Customer orientation, Harmony, Employee development, and their relative correlation coefficient are 0.735, 0.697, 0.670, 0.729, 0.715. It means that there is a positive correlation between job satisfaction and Innovation, Social responsibility, Customer orientation, Harmony and Employee development. This is in line with the study of Li Shu (2016).

Table 4
Relationship between Organizational Culture and Job Satisfaction

Organizational Culture	Job Satisfaction		
	Intrinsic Satisfaction	Extrinsic Satisfaction	General Satisfaction
Innovation	0.727	0.721	0.735
	0.000	0.000	0.000
Social Responsibility	0.689	0.683	0.697
	0.000	0.000	0.000
Customer Orientation	0.659	0.662	0.670
	0.000	0.000	0.000
Harmony	0.717	0.720	0.729
	0.000	0.000	0.000
Employee Development	0.703	0.706	0.715
	0.000	0.000	0.000

Relationship between Organizational Commitment and Job Satisfaction

Table 5 presents the relationship between organizational commitment and job satisfaction of employees in insurance companies.

The Pearson's r test results show that Intrinsic satisfaction is significant to Affective commitment, Normative commitment, and Continuance commitment with Pearson's r are 0.823, 0.803 and 0.734 respectively.

Extrinsic satisfaction is significant to Affective commitment, Normative commitment, Continuance

commitment, with Pearson's r are 0.843, 0.792 and 0.725 respectively.

General satisfaction is significant to Affective commitment, Normative commitment, Continuance commitment, with Pearson's r are 0.845, 0.810 and 0.740 respectively.

This is in line with the study of He Qiaodan & Huo Jiazhen (2020), who proposed that employee satisfaction is positively correlated with organizational commitment.

Table 5
Relationship between Organizational Commitment and Job Satisfaction

Organizational Commitment	Job Satisfaction		
	Intrinsic Satisfaction	Extrinsic Satisfaction	General Satisfaction
Affective Commitment	0.823	0.843	0.845
Normative Commitment	0.000	0.000	0.000
	0.803	0.792	0.810
Continuance Commitment	0.000	0.000	0.000
	0.734	0.725	0.740
	0.000	0.000	0.000

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

On the basis of the findings presented, these are the conclusions:

1. Employees in insurance companies high agree with all dimensions of the organizational culture, which means that the employees are satisfied with the organizational culture of the insurance company especially in customer orientation.

2. Employees in insurance companies have a high level of organizational commitment and have the highest level of affective commitment, which means they are willing to stay in the organization. Meanwhile, employees have feelings for the organization and do not want to leave the organization.

3. Employees in insurance companies have a high level of job satisfaction and have the highest level of extrinsic satisfaction, which means they were satisfied with their work.

4. There is a significant relationship between the organizational culture and organizational commitment among employees in insurance companies. This implies that the employees' higher level of organizational commitment is significantly related to organizational culture.

5. There is a significant relationship between the organizational culture and job satisfaction among employees in insurance companies. This implies that the employees' higher level of job satisfaction is significantly related to organizational

culture.

6. There is a significant relationship between the organizational commitment and job satisfaction among employees in insurance companies. This implies that the employees' higher level of job satisfaction is significantly related to organizational commitment.

Recommendations

Premised on the findings and conclusions above, the following are the recommendations:

Insurance companies and their managers should establish a good organizational culture and improve organizational commitment and job satisfaction of employees. Take effective incentive measures to improve employee recognition of organizational culture especially in the area of employee development through trainings and seminars. Attract and retain more talented employees who recognize the organization culture through recruitment and incentive measures. Increase the level of organizational commitment of employees especially in the area of continuous commitment and retain outstanding employees. Improve management level to improve employee' job satisfaction through effective incentive measures.

Government departments should formulate action plans conducive to the development of the insurance industry, strengthen supervision and management of insurance companies, and enable

employees to work in a better organizational culture and environment.

Researchers in related fields should use this research as a springboard to continue to carry out

relevant research, and provide theoretical support and relevant suggestions for insurance companies to promote the common growth of enterprises and employees.

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