From pre-entry expectation to turnover intention among life insurance agents in Qingdao, China: Social support change as moderator and organizational commitment as mediator

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Abstract. Understanding how China’s life insurance agents’ pre-entry expectation affecting turnover intention, is the purpose of the study. The study employed statistical environment R version 3.4.3 for running Partial least squares structural equation modelling (PLS-SEM) analysis. Compare to pre-entry expectation, perceived performance is more deterministic of defining confirmation of expectation. Employees likely to consider organizational commitment more than post-entry satisfaction when they decide whether to stay.

1. Introduction

In China, Employee turnover starts affecting its economic growth. Traditionally, China, as a labour-abundant country with its 1.3 billion of population, the labour supply was thought to be “unlimited”. However, Guangzhou city's job opening-to-applicant ratio for 2013’s first quarter, was only 1.23; and 19 percent of jobs in China's labour market were waiting for their applicants. It indicates that the labour force (15-59 year-old population) has already started declining [1,2].

Two issues are seemed to be the causes for the situation. They are the recruitment and retention issue, and employee turnover issue. Recruitment process, at the organizational level, the goal is to influence the behaviour of prospective employees to make final decision and agreement on joining a company [3,4,5,6]. Turnover means an employee voluntarily resign from a company.

After a comprehensive literature review, it has been found that the idea of joying satisfaction can be used to answer the question of whether an individual is satisfied with a new job. However, in today's dynamic global economy, employees may be more committed to their careers than to the organization [7]. Employees' commitment is more occupationally and less organizationally motivated [8]. On the other hand, the idea of recruitment satisfaction is an evaluation process of how a job seeker is treated during the recruitment process. It is unable to measure whether an individual is satisfied with the decision that he or she had made to join a company. Therefore, comparing life insurance agents between pre-entry expectation and post-entry experience is the research gap that is developed by the literature review.

This study tested the following seven hypotheses.

Hypothesis 1 (H1): There is a negative relationship between pre-entry expectation (PE) and confirmation of expectation (CE).

Hypothesis 2 (H2): There is a positive relationship between perceived performance (PP) and confirmation of expectation (CE).
Hypothesis 3 (H3): There is a positive relationship between confirmation of satisfaction (CS) and post-entry satisfaction (PS).

Hypothesis 4 (H4): There is a positive relationship between post-entry satisfaction (PS) and organizational commitment (OC).

Hypothesis 5 (H5): There is a negative relationship between organizational commitment (OC) and turnover intention (TI).

Hypothesis 6 (H6): Organizational commitment (OC) mediates the relationship between post-entry satisfaction (PS) and turnover intention (TI).

Hypothesis 7 (H7): Social support change (SSC) moderates the relationship between post-entry satisfaction (PS) and organizational commitment (OC).

The research framework can be presented as follows (figure 1)

2. Methodology

The target sample size was 500, and 457 usable questionnaires have been collected. Partial Least Squares Structural Equation Modelling (PLS-SEM) was used for the data analysis. It is due to that SEM as the second generation of analysis technique, can handle more complexity. The research is more towards to exploratory, therefore we choose PLS-SEM over CB-SEM [9].

The questionnaire was designed following Ex Ante and Ex Post Approaches, for ensuring it is free from Common Method Variance (CMV) issue. Furthermore, Card Sorting Exercise was processed for confirming there is CMV free and verifying the questionnaire’s translation accuracy.

The entire research can be summarized up into a specification (figure 2).
3. Findings

The findings of the study can be concluded in to the following table.

Table 1. Summary of hypothesis testing.

<table>
<thead>
<tr>
<th></th>
<th>Std. Beta</th>
<th>Mean. Boot</th>
<th>Std. Error</th>
<th>Std. Deviation</th>
<th>Perc .025</th>
<th>Perc .975</th>
<th>t-value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 PE -&gt; CE</td>
<td>-0.07</td>
<td>-0.08</td>
<td>0.03</td>
<td>0.95</td>
<td>-0.14</td>
<td>-0.01</td>
<td>-2.66***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2 PP -&gt; CE</td>
<td>0.82</td>
<td>0.82</td>
<td>0.02</td>
<td>0.63</td>
<td>0.78</td>
<td>0.85</td>
<td>41.16***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3 CE -&gt; PS</td>
<td>0.87</td>
<td>0.87</td>
<td>0.01</td>
<td>0.32</td>
<td>0.85</td>
<td>0.89</td>
<td>85.97***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4 PS -&gt; OC</td>
<td>0.61</td>
<td>0.61</td>
<td>0.03</td>
<td>0.95</td>
<td>0.56</td>
<td>0.66</td>
<td>20.31***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5 OC -&gt; TI</td>
<td>-0.92</td>
<td>-0.92</td>
<td>0.01</td>
<td>0.32</td>
<td>-0.93</td>
<td>-0.90</td>
<td>90.92***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6 PS -&gt; TI (Indirect mediation effect)</td>
<td>-0.56</td>
<td>-0.56</td>
<td>0.06</td>
<td>1.90</td>
<td>-0.61</td>
<td>-0.51</td>
<td>-19.68***</td>
<td>Accepted</td>
</tr>
<tr>
<td>H7 Mod -&gt; OC (Moderation effect)</td>
<td>-0.12</td>
<td>-0.11</td>
<td>0.06</td>
<td>1.90</td>
<td>-0.22</td>
<td>-0.01</td>
<td>-1.83**</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

P < = 0.1, t >= 1.28: *
P < = 0.05, t >= 1.65: **
P < = 0.01, t >= 2.33: ***
0.95 confidence interval: between perc.025 and perc.975 should not contain 0
SD=SE*sqrtBootstrappingN
Bootstrapping N=1,000
4. Summary

The empirical study attempted to understand the relationships between pre-entry expectation and turnover intention among life insurance agents in Qingdao, China. ECT theory was deployed for answering the research question. The study found that in terms of make employees to stay, organizational commitment is over post-entry satisfaction. Thus, for real world practice, the study can advise the industry that perceived performance is more determinative than pre-entry expectation of defining confirmation of expectation.

References


