



नेपाल बीमा प्राधिकरण
NEPAL INSURANCE AUTHORITY

Employee Job Satisfaction in Nepal's Insurance Sector: Determinants and Implications



Research and Statistics Section

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Prepared by:
Research and Statistics Section
Nepal Insurance Authority
Kupondole-10, Lalitpur, Nepal

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FOREWORD

The insurance sector plays a vital role in promoting financial security, mobilizing long-term savings, and supporting sustainable economic development. As the sector continues to expand and evolve, the importance of human resources in delivering efficient and quality insurance services has become increasingly evident. Employee satisfaction is recognized as one of the key determinants of organizational performance, service quality, employee retention, and institutional effectiveness.

Recognizing the importance of understanding the factors influencing employee satisfaction within the insurance companies, the Nepal Insurance Authority has undertaken this research study titled “*Employee Job Satisfaction and Its Determinants in Nepalese Insurance Companies.*” The study examines the level of employee job satisfaction and identifies the major organizational, professional, and personal factors that influence employees working in Nepalese insurance companies.

The findings presented in this report provide valuable insights into employees’ perceptions regarding their work environment, compensation and benefits, career development opportunities, leadership, organizational support, work-life balance, and other determinants of job satisfaction. The report also offers evidence-based recommendations that can assist insurance companies, policymakers, researchers, and other stakeholders in formulating appropriate human resource management policies and practices.

It is expected that this publication will serve as a useful reference for insurance companies, researchers, academicians, students, and policymakers interested in promoting employee well-being and strengthening human resource management practices within the Nepalese insurance industry.

The Nepal Insurance Authority remains committed to promoting evidence-based policymaking and encourages further research that contributes to the sustainable development of Nepal’s insurance sector.

ACKNOWLEDGEMENT

Nepal Insurance Authority expresses its sincere appreciation to everyone who contributed to the successful completion of this research study entitled “*Employee Job Satisfaction in Nepal’s Insurance Sector: Determinants and Implications.*”

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The Authority also acknowledges the valuable cooperation extended by life, non-life, reinsurance, micro life and micro non-life insurance companies during the data collection process. Whose support and coordination greatly facilitated the successful implementation of the research.

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Finally, the Authority also acknowledges the contributions of all individuals and institutions whose published works and research have been referenced in this report. Their scholarly contributions have significantly enriched the quality and rigor of this study.

It is expected that the publication of the research will contribute in strengthening human resource management practices and promoting employee satisfaction across the Nepalese insurance industry.

Susil Dev Subedi

Executive Director

Nepal Insurance Authority

TABLE OF CONTENTS

<i>FOREWORD</i>	2
<i>ACKNOWLEDGEMENT</i>	3
<i>GLOSSARY</i>	6
<i>EXECUTIVE SUMMARY</i>	8
CHAPTER I: INTRODUCTION	3
1.1 Background of the Study	3
1.2 Statement of the Problem	4
1.3 Objectives of the study:	5
1.4 Research Hypotheses	6
1.5 Significance of the Study	6
1.6 Limitations of the Study	7
1.7 Conceptual Review	7
1.8 Theoretical Review	8
1.9 Empirical Review	11
1.10 Research Gap	13
1.11 Conceptual Framework	13
1.12 Methods	15
CHAPTER II: RESULTS AND ANALYSIS	18
2.1 Demographic Profile of Respondents	18
2.2 Job-Related Satisfaction	23
2.3 Benefits and Work-Life Balance	25
2.4 Professional Growth and Capacity Building	27
2.5 Organizational Culture and Workplace Environment	28
2.6 Supervisor and Employee Relations	30
2.7 Overall Satisfaction	31
2.8 Hypothesis Testing	33
2.9 Qualitative Findings from Open-Ended Questions	35
CHAPTER III: SUMMARY, CONCLUSION AND RECOMMENDATIONS	38
3.1 Summary	38
3.2 Conclusion	40
3.3 Recommendations	41
REFERENCES	42

LIST OF TABLES

Table 2.1 : Distribution of Respondents by Insurance Sector	18
Table 2.2 : Distribution of Respondents by Gender	18
Table 2.3 : Distribution of Respondents by Age Group	19
Table 2.4 : Distribution of Respondents by Marital Status	19
Table 2.5 : Distribution of Respondents by Education Level	20
Table 2.6 : Distribution of Respondents by Current Service Location (Province)	20
Table 2.7 : Distribution of Respondents by Working Location	21
Table 2.8 : Distribution of Respondents by Position Level	21
Table 4.9 : Distribution of Respondents by Employment Contract Type	22
Table 2. 10 : Distribution of Respondents by Tenure in Current Organization	22
Table 2.11 : Item Analysis of Job-Related Satisfaction of Respondents	23
Table 2.12 : Mean Scores for Job-Related Satisfaction Indicators	24
Table 2.13 : Item Analysis of Benefits and Work-Life Balance of Respondents	25
Table 2.14 : Mean Scores for Benefits and Work-Life Balance Indicators	26
Table 2.15 : Item Analysis of Professional Growth and Capacity Building of Respondents	27
Table 2.16 : Mean Scores for Professional Growth and Capacity Building Indicators	28
Table 2.17 : Item Analysis of Organizational Culture and Workplace Environment of Respondents	28
Table 2.18 : Mean Scores for Organizational Culture and Workplace Environment Indicators	30
Table 2.19 : Item Analysis of Supervisor and Employee Relations of Respondents	30
Table 2.20 : Mean Scores for Supervisor and Employee Relations Indicators	31
Table 2.21 : Item Analysis of Overall Satisfaction of Respondents	32
Table 2.22 : Summary of Mean Scores by Section Overall Satisfaction Profile	32
Table 2.23 : Summary of Hypothesis Testing Results	34

EXECUTIVE SUMMARY

This study examined the level of job satisfaction among employees working in Nepalese insurance companies and identified the major factors influencing their satisfaction. The study was based on 3,767 valid responses collected proportionately from employees across all five categories of insurance companies of Nepal. Job satisfaction was assessed across major dimensions, including job-related factors, professional growth, supervisory quality, organizational culture, compensation and benefits, and work-life balance. The reliability analysis showed satisfactory to high internal consistency, with Cronbach's alpha coefficients ranging from 0.781 to 0.866, confirming the suitability of the data for analysis.

The findings indicate that employees in Nepalese insurance companies are generally satisfied with their jobs, with an overall composite mean of 3.92 on a five-point scale. However, substantial differences exist across individual dimensions and workplace conditions. The strongest aspects of employee satisfaction are related to interpersonal relationships and the intrinsic nature of work. Colleague cooperation received the highest mean score of 4.38, followed by inclusion and respect at work (4.26), supervisor support in completing tasks (4.21), and clarity of job responsibilities (4.17). These findings suggest that employees generally experience supportive relationships, respectful workplaces, effective supervision, and clear responsibilities. Nevertheless, approximately 14 percent of respondents reported experiencing some form of workplace abuse or harassment, indicating a need for continued attention to employee safety and well-being.

In contrast, compensation, benefits, promotion, and recognition emerged as major areas of concern. Comparative salary adequacy relative to industry peers recorded the lowest mean score (2.85), with 42 percent of respondents dissatisfied. Non-financial benefits adequacy also received a low mean (2.87), with 41 percent dissatisfied. Fairness of promotion practices and basic salary and allowance adequacy each recorded a mean of 3.03, while recognition for good performance recorded 3.31. These findings indicate that reward and advancement systems remain important sources of employee dissatisfaction despite generally positive interpersonal relationships.

Correlation analysis showed that all four major determinants were statistically significant positive correlates of overall job satisfaction. Professional growth had the strongest relationship ($r = 0.631$), followed by supervisory quality ($r = 0.614$), organizational culture ($r = 0.597$), and compensation and benefits ($r = 0.583$). The results emphasize the importance of providing employees with meaningful opportunities for career development and advancement while maintaining fair and competitive compensation.

Job satisfaction also varied across demographic and organizational characteristics. Satisfaction generally increased with age and tenure, reaching 4.40 among employees aged 55 years and above and 4.37 among those with 20 or more years of service. Employees with Master's degrees recorded comparatively lower satisfaction (3.62), potentially reflecting higher expectations regarding career development and remuneration. Bagmati Province recorded the lowest satisfaction (3.88), while Madhesh and Karnali reported higher levels. Mid-Level Managers had the highest satisfaction (4.18), whereas Assistant-Level employees recorded the lowest (4.07). No meaningful difference was found between contract and permanent employees, both of which recorded a mean of 4.09.

Significant differences were also observed across types of insurance companies, with life insurance employees reporting relatively higher satisfaction and micro-insurance employees reporting the lowest. Gender differences were not statistically significant at the 5 percent level ($t = -1.94$, $p = .052$), although the result was close to the significance threshold.

Overall, the study concludes that job satisfaction in Nepalese insurance companies is positive but uneven. The sector performs well in collegial relationships, supervision, respect, and role clarity, but needs improvement in compensation, benefits, promotion fairness, recognition, and professional growth. Insurance companies should therefore strengthen career development opportunities, establish transparent promotion systems, review compensation and benefits, improve recognition practices, and maintain supportive and safe workplaces. These measures can enhance employee satisfaction, motivation, retention, productivity, and the overall effectiveness of Nepal's insurance sector.

CHAPTER I: INTRODUCTION

1.1 Background of the Study

The insurance sector in Nepal has undergone a remarkable transformation over the past two decades, evolving from a small and relatively underdeveloped industry into a significant contributor to the national financial architecture. The promulgation of the Insurance Act, 2079 (2022), and the establishment of the Nepal Insurance Authority (NIA) as the apex regulatory body for insurance in Nepal have created a new institutional framework that has substantially expanded the scope, reach, and accountability of insurance operations across the country. With the merger and consolidation of insurance companies mandated by the regulatory environment, the sector has witnessed structural changes that have had profound implications not only on organizational dynamics but also on the working conditions, motivation levels, and overall satisfaction of insurance sector employees. It is within this evolving context that the question of employee job satisfaction has emerged as a central concern of both academic inquiry and policy formulation.

Job satisfaction, broadly understood as the degree to which employees feel positively or negatively about their jobs and the various aspects thereof, has been recognized in organizational behavior literature as one of the most critical determinants of employee performance, organizational commitment, and ultimately, institutional productivity. Research across multiple sectors and geographies has consistently demonstrated that satisfied employees tend to be more productive, more committed to their organizations, more likely to engage in positive organizational citizenship behaviors, and less inclined to leave their positions voluntarily. Conversely, dissatisfied employees tend to exhibit higher absenteeism, lower performance quality, diminished morale, and greater propensity to resign, all of which impose direct and indirect costs on organizations. In the context of the Nepalese insurance sector, where the industry is still in the process of institutionalizing professional HR practices and where employee retention remains a persistent challenge, understanding the factors that influence job satisfaction assumes particular strategic importance.

The insurance industry in Nepal, as of 2025, comprises Life Insurance companies, Nonlife Insurance companies, Micro Life Insurance companies, Micro Nonlife Insurance companies, and one Reinsurance company all operating under the regulatory oversight of the Nepal Insurance Authority. The total number of registered insurance companies in Nepal has been consolidated through mergers, resulting in a leaner but more substantive industry structure. The sector employs thousands of individuals ranging from operational-level staff working at branch offices across seven provinces to mid-level and top-level managers stationed at head offices in Kathmandu and other urban centers. The geographical spread of insurance operations from subbranches in remote hilly and mountainous areas to urban branch offices creates a diverse workforce characterized by significant variation in working conditions, compensation structures, career opportunities, supervisory quality, and organizational culture.

Despite the sector's growth in terms of premium collection, policy penetration, and institutional expansion, the human resource dimension of the insurance industry has received comparatively limited systematic attention from policymakers and researchers. While the regulatory framework has increasingly focused on financial solvency, investment management, and customer protection, the internal human resource environment, including employee compensation structures, career development pathways, working conditions, supervisory relationships, and organizational culture, has often been left to the discretion of individual insurance companies with little standardization or benchmarking. The resulting variation in HR practices across companies has led to significant

disparities in employee experience, with employees at some organizations reporting high levels of satisfaction and engagement, while those at others have articulated deep concerns about salary inadequacy, lack of promotion opportunities, absence of force leave provisions, poor supervisory behavior, and favoritism in performance evaluations.

The Nepal Insurance Authority, as the apex regulatory and supervisory body for the insurance sector, has recognized that the long-term sustainability and professional development of the insurance industry is inextricably linked to the quality of its human resources. Motivated, skilled, and satisfied employees are the cornerstone of any service industry, and insurance, being a business built fundamentally on trust, relationship management, and technical expertise, is no exception. It is against this backdrop that the NIA has undertaken this empirical research initiative to systematically investigate the levels and determinants of job satisfaction among employees across the full spectrum of insurance companies operating in Nepal. The intention is not merely academic but deeply practical: to generate evidence-based insights that can inform the formulation of HR-related regulations, guidelines, and policy frameworks that can elevate employee welfare standards across the industry.

The scope of this study is deliberately comprehensive, covering employees from all types of insurance companies across all seven provinces of Nepal. The research employs a structured survey instrument administered through a carefully designed questionnaire developed by the NIA to capture employee perceptions across five major dimensions of job satisfaction: job content and role clarity, compensation and benefits, professional growth and capacity building, organizational culture and workplace environment, and supervisory and interpersonal relations. In addition, the survey captures overall satisfaction levels and solicits qualitative feedback from employees regarding what they appreciate most about their jobs and what they believe needs to change to enhance their job satisfaction. This combination of quantitative and qualitative data collection provides a richly nuanced picture of the employee experience across Nepal's insurance sector, forming a robust empirical foundation for evidence-based policy recommendations.

1.2 Statement of the Problem

Despite the significant growth and changes in Nepal's insurance sector in recent years, the industry still faces major human resource challenges that may affect its long-term sustainability, service quality, and reputation. One of the main challenges is employee job dissatisfaction, which can lead to high staff turnover, low morale, limited opportunities for professional development, poor customer service, and, in some cases, unethical practices such as cashback arrangements and mis-selling of insurance products, as reported by the regulatory authority. Although many studies have focused on structural and market-related problems, less attention has been given to the human side of the industry, particularly employee satisfaction, motivation, commitment, and professional development.

Several interrelated problems characterize the HR environment in Nepal's insurance companies and provide the immediate impetus for this study. First, there is a pronounced absence of standardized compensation and benefit structures across insurance companies, leading to significant disparities in what employees in similar positions and with similar qualifications earn across different companies. Many respondents in preliminary interactions with the NIA, as well as in the data collected through this survey, have expressed dissatisfaction with their basic salary levels, citing the inadequacy of compensation relative to the cost of living, workload, and qualifications. The absence of mandatory provisions for certain nonfinancial benefits such as forced leave, medical insurance for dependents, housing loans, and outstation allowances for employees posted far from their hometowns has further

exacerbated feelings of inequity and dissatisfaction among a considerable section of the insurance workforce.

Second, career development and promotion practices in many insurance companies lack transparency, consistency, and fairness. Employees frequently report long periods, in some cases exceeding eight or nine years without any promotion, citing the absence of clear promotion criteria, the influence of favoritism and nepotism in promotion decisions, and the prioritization of marketing or sales staff over back-office or operational staff in recognition and reward programs. This perception of inequity in career development is a significant driver of job dissatisfaction and contributes to the motivational deficit that affects performance and commitment.

Third, the quality of supervisory relationships and organizational leadership in many insurance companies has been identified as a significant problem area. Employees at various levels have reported experiences of autocratic management styles, verbal pressure, public humiliation, lack of feedback and recognition, and inadequate support from supervisors in completing tasks. These supervisory behaviors not only violate fundamental principles of decent work and employee dignity but also contribute directly to poor psychological well-being, reduced motivation, and diminished organizational loyalty among employees.

Fourth, the physical and infrastructural environment in which many insurance employees work, particularly in branch and subbranch offices outside the Kathmandu Valley, falls far short of acceptable professional standards. Reports of broken furniture, outdated computer equipment, malfunctioning printers, lack of air conditioning or heating, absence of clean drinking water, and generally poorly maintained work premises have emerged from multiple respondents, reflecting a systemic neglect of the physical working environment that has direct implications for employee comfort, productivity, and dignity.

Fifth, training and professional development opportunities in the insurance sector are neither systematic nor equitably distributed. While some companies provide regular training programs, the quality, relevance, and frequency of such training vary enormously. In many companies, training is concentrated among marketing staff or senior management, with operational and back-office staff receiving disproportionately fewer opportunities for skill enhancement and professional development. This creates a structural barrier to the professional growth of a significant segment of the insurance workforce.

Given these multiple, overlapping, and mutually reinforcing problems, the present study seeks to provide a comprehensive, evidence-based diagnosis of the state of employee job satisfaction in Nepal's insurance sector. By systematically identifying the key determinants of satisfaction and dissatisfaction across a representative sample of employees from all types of insurance companies.

1.3 Objectives of the study:

The general objective of the study is to examine employee job satisfaction and its determinants in Nepalese insurance companies. The specific objectives of the study are;

- To assess the overall level of job satisfaction among employees working in Nepalese insurance companies.
- To examine the relationship between compensation, professional growth opportunities, supervisory quality, organizational culture, and overall job satisfaction among employees in Nepalese insurance companies.

- To identify the factors affecting job satisfaction among employees in Nepalese insurance companies.
- To explore employees' perception and experience by analyzing their reported appreciation of their work and recommendations for improving job satisfaction in Nepalese insurance companies.

1.4 Research Hypotheses

Based on the theoretical framework, review of existing literature, and the specific contextual realities of the Nepalese insurance companies, the present study seeks to test the following research hypotheses:

- (H₁ f₁) :** There is no statistically significant relationship between satisfaction with job-related content and the overall job satisfaction of insurance sector employees in Nepal.
- (H₁ f₂) :** There is no statistically significant relationship between satisfaction with compensation and benefits and the overall job satisfaction of insurance sector employees in Nepal.
- (H₁ f₃) :** There is no statistically significant relationship between the availability of professional growth opportunities and the overall job satisfaction of insurance sector employees in Nepal.
- (H₁ f₄) :** There is no statistically significant relationship between the quality of supervisory relationships and the overall job satisfaction of insurance sector employees in Nepal.
- (H₁ f₅) :** There is no statistically significant relationship between organizational culture and workplace environment quality and the overall job satisfaction of insurance sector employees.
- (H₁ f₆) :** There is no statistically significant difference in the overall job satisfaction levels of employees across different types of insurance companies in Nepal.
- (H₁ 7) :** There is no statistically significant difference in overall job satisfaction between male and female employees in the Nepalese insurance sector.

1.5 Significance of the Study

The study carries significance at multiple levels: theoretical, practical, and policy-oriented, and its contributions are expected to be relevant for a broad range of stakeholders, including the Nepal Insurance Authority, insurance companies, insurance sector employees, and the broader academic community engaged in organizational behavior and human resource management research within the Nepalese context.

This study provides the NIA with a comprehensive, empirically grounded understanding of the human resource environment across the insurance sector it regulates. The findings of this study are expected to directly inform the formulation of HR-related regulatory guidelines, minimum standards for employee compensation and benefits, mandatory provisions for professional development, and the development of a standardized HR framework for the insurance industry. The NIA, in its role as both a regulatory body and a developmental institution for the insurance sector, requires evidence of this quality to justify and design policy interventions that go beyond financial oversight to encompass the human dimension of insurance sector governance.

The findings of this study serve as a diagnostic tool for individual insurance companies to understand the strengths and weaknesses of their human resource practices relative to sector-wide benchmarks. Companies can use the data and analysis presented here to identify specific areas

of dissatisfaction within their workforce, whether related to compensation, career development, supervisory quality, or physical work environment, and design targeted interventions to address these concerns. In a competitive labor market where skilled insurance professionals are increasingly sought after by banks, financial institutions, and multinational companies, the ability to retain motivated and satisfied employees represents a critical competitive advantage. The study provides employees with a legitimate platform to voice their concerns and recommendations, and the policy changes that flow from the research findings have the potential to materially improve their working conditions, compensation, career development opportunities, and overall professional experience.

Also, this study contributes to the growing body of literature on job satisfaction in the financial services sector in developing countries, with specific and detailed insights from the Nepalese context. Insurance plays a critical role in risk management, financial inclusion, and economic resilience at the individual, household, and national levels. When insurance employees are adequately trained, fairly compensated, and professionally committed, the quality of insurance services, including product appropriateness, claim settlement efficiency, and customer education, improves substantially, with direct benefits for the insuring public.

1.6 Limitations of the Study

Notwithstanding its comprehensiveness and methodological rigor, the present study acknowledges certain limitations that should be kept in mind when interpreting and applying its findings.

- The study relies primarily on self-reported data collected through a semi-structured questionnaire, the possibility of self-report bias cannot be eliminated.
- The survey was administered voluntarily through an online platform. Employees with strong feelings, either very satisfied or very dissatisfied, may have been more inclined to participate than those with neutral views.
- The open-ended responses collected through the survey have been subjected to thematic analysis. The qualitative findings inevitably involve a degree of subjectivity that is inherent to qualitative research methods.
- The study covers insurance sector's proportionate sample of all types of insurance companies in Nepal; the findings may not be entirely generalizable to contexts outside the insurance sector without appropriate adaptation and validation.

1.7 Conceptual Review

Job satisfaction is one of the most extensively researched constructs in organizational behavior and human resource management. In its most fundamental sense, job satisfaction refers to a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Locke, 1976). It encompasses the overall attitude of an employee toward their work, as well as the specific attitudes toward various dimensions or facets of the job, such as the work itself, pay, promotion opportunities, supervision, and relationships with coworkers. Job satisfaction is therefore both a global construct reflecting the employee's general affective orientation toward the job as a whole and a multifaceted construct capturing distinct evaluative responses to different aspects of the work experience.

The distinction between facet-specific and overall job satisfaction is conceptually important. An employee may express high satisfaction with certain aspects of the job such as the nature of the work itself or relationships with colleagues while simultaneously expressing low satisfaction with other aspects such as compensation or promotion opportunities. The relationship between facet-specific satisfaction and overall job satisfaction is complex and may vary across individuals,

occupational groups, and organizational contexts. In the insurance sector, this facet-specific variation is particularly pronounced, as employees frequently report positive evaluations of their work content, team relationships, and organizational culture while expressing markedly negative views of compensation structures, career advancement opportunities, and physical work environments.

It is also important to distinguish job satisfaction from related but conceptually distinct constructs such as organizational commitment, employee engagement, and work motivation. While these constructs are closely related and mutually reinforcing, they are not synonymous. Organizational commitment refers to the degree of identification and involvement an employee has with their organization and its goals, and an employee may be committed to the organization without being highly satisfied with every aspect of the job. Employee engagement refers to the level of enthusiasm, energy, and dedication an employee brings to work, and while it correlates strongly with job satisfaction, the two are conceptually distinguishable. Work motivation refers to the forces, both intrinsic and extrinsic, that direct, energize, and sustain work behavior, and while satisfied employees tend to be more motivated, motivation and satisfaction are not equivalent phenomena.

(Spector, 1985) research have identified several key dimensions or facets of job satisfaction that are relevant across different occupational contexts. These include:

- **Pay and Compensation Satisfaction:** The degree to which employees feel their salary, allowances, and financial benefits are fair, adequate, and competitive relative to their qualifications, responsibilities, and market standards. This dimension has consistently emerged as one of the most influential determinants of overall job satisfaction in service sector contexts.
- **Work Content Satisfaction:** The degree to which employees find their actual work tasks interesting, meaningful, challenging, and aligned with their skills and aspirations. Work content satisfaction tends to be a particularly important determinant of intrinsic motivation and professional engagement.
- **Promotion and Career Development Satisfaction:** The degree to which employees perceive fair, transparent, and merit-based opportunities for advancement and professional growth within their organization. Dissatisfaction with promotion processes is one of the most frequently cited sources of overall job dissatisfaction and turnover intention in the insurance sector.
- **Supervision Satisfaction:** The degree to which employees perceive their supervisors as competent, fair, supportive, and respectful. The quality of the supervisory relationship is a critical proximal factor influencing day-to-day job satisfaction, as supervisors mediate the employee's experience of the organizational environment in fundamental ways.
- **Coworker Satisfaction:** The degree to which employees enjoy positive, supportive, and collaborative relationships with their colleagues. Social relationships at work serve important functions of identity affirmation, emotional support, and practical cooperation that contribute significantly to workplace wellbeing.
- **Work Environment Satisfaction:** The degree to which employees perceive their physical work environment, including the quality of infrastructure, equipment, safety, and ergonomics, as adequate and conducive to productive work. In developing country contexts, the physical adequacy of the work environment is a basic dimension of employee dignity that significantly affects morale.

- **Organizational Culture Satisfaction:** The degree to which employees identify positively with the values, norms, ethical standards, and interpersonal dynamics that characterize their organization's culture. A culture of fairness, transparency, ethical behavior, and mutual respect is associated with high levels of employee satisfaction and commitment.

1.8 Theoretical Review

Maslow's Hierarchy of Needs Theory

Abraham Maslow's (1943) Hierarchy of Needs is one of the most foundational theoretical frameworks for understanding human motivation and, by extension, job satisfaction. Maslow proposed that human needs are organized in a hierarchical structure consisting of five levels: physiological needs (food, shelter, basic sustenance), safety needs (security, stability, freedom from fear), social needs (belonging, affection, social interaction), esteem needs (recognition, respect, achievement), and self-actualization needs (realization of one's full potential). According to this theory, lower-order needs must be substantially satisfied before higher-order needs become motivationally salient.

Applied to the insurance sector context in Nepal, Maslow's framework offers several valuable insights. For many insurance employees particularly those at the assistant level, those employed on contract basis, those working in remote subbranches far from their families, and those earning salaries that barely meet basic living expenses the most pressing concerns are at the lower levels of the hierarchy: adequate and timely salary payment, basic physical safety and comfort in the workplace, job security, and protection from arbitrary supervisory behavior. The data collected in the present study reveal that a significant proportion of insurance employees in Nepal have not had these foundational needs satisfactorily met, making the pursuit of higher-order needs such as professional recognition, self-expression, and career advancement a secondary concern. The emphasis in open-ended responses on salary adequacy, physical work environment, job security for contract employees, and respectful supervisory treatment aligns with the lower levels of Maslow's hierarchy, suggesting that basic need fulfillment remains an incomplete project for much of the insurance workforce.

Herzberg's Two-Factor Theory

Frederick Herzberg's (1959) Two-Factor Theory, also known as the Motivation-Hygiene Theory, provides a particularly nuanced and useful framework for analyzing job satisfaction in the insurance context. Herzberg distinguished between two categories of job-related factors: hygiene factors (also called dissatisfiers or maintenance factors) and motivators (also called satisfiers). Hygiene factors are those aspects of the work environment whose inadequacy generates dissatisfaction but whose mere presence does not actively produce satisfaction or motivation. These include company policy and administration, supervision quality, relationship with supervisors, working conditions, salary, relationship with peers, personal life, relationship with subordinates, status, and security. Motivators, by contrast, are those intrinsic aspects of the job whose presence actively generates satisfaction and motivation, including achievement, recognition, the work itself, responsibility, advancement, and growth.

Herzberg's theory has important implications for the design of HR interventions in the insurance sector. The data from the present study suggest that for many insurance employees in Nepal, the hygiene factors, particularly salary adequacy, physical working conditions, promotion practices, and quality of supervision, are currently unsatisfactory, generating significant dissatisfaction that overshadows the positive motivating effects of the work's intrinsic content. This finding points to the priority of addressing hygiene factor deficiencies as a prerequisite for the effective deployment of motivational

programs. Insurance companies that invest heavily in motivational programs such as recognition ceremonies and performance awards without first addressing fundamental salary inadequacies, poor physical environments, and inequitable promotion processes are likely to find that such programs have limited impact on sustained job satisfaction and employee retention.

Adams' Equity Theory

John Stacey Adams' (1963) Equity Theory offers a particularly relevant framework for understanding the satisfaction and dissatisfaction dynamics observed among insurance sector employees in Nepal. According to this theory, employees evaluate the fairness of their employment relationship by comparing their ratio of inputs (effort, skills, experience, education, commitment) to outcomes (salary, recognition, promotion, working conditions) with the corresponding ratios of relevant comparison others, whether within the same organization or in comparable positions in other organizations.

When employees perceive that their input-outcome ratio is equal to or better than that of comparison others, they experience a sense of equity and tend to be satisfied. When, however, they perceive that others with comparable or lower inputs are receiving superior outcomes or conversely, that they themselves are receiving inferior outcomes despite comparable or superior inputs, they experience a sense of inequity that generates dissatisfaction and motivates corrective action. This corrective action may take the form of reducing inputs (working less hard), seeking to increase outcomes (demanding a higher salary), changing the comparison referent (comparing oneself with different others), or ultimately leaving the organization.

Adams' Equity Theory is directly applicable to several recurring themes in the present study. Insurance employees frequently make explicit comparisons between their compensation and that of employees in banks and other financial institutions with similar qualifications and experience. The widespread perception that insurance employees are relatively poorly compensated compared to their counterparts in the banking sector is a significant source of sector-level inequity perception that affects both satisfaction and retention in the insurance industry. Similarly, within organizations, employees at branch and subbranch levels frequently report inequity perceptions regarding the differential treatment of marketing and operational staff in terms of benefits, recognition, and advancement opportunities, with operational staff feeling systematically disadvantaged relative to their marketing colleagues despite performing equally important organizational functions.

Vroom's Expectancy Theory

Victor Vroom's (1964) Expectancy Theory provides a cognitive framework for understanding how employees make decisions about how much effort to invest in their work and how their expectations about the outcomes of this effort influence their satisfaction and motivation. The theory posits that motivation, and by extension, job satisfaction is a function of three key cognitive evaluations: expectancy (the belief that greater effort will lead to better performance), instrumentality (the belief that better performance will be rewarded with desired outcomes), and valence (the value the employee attaches to those outcomes).

In the Nepalese insurance sector, the instrumentality component of Vroom's theory appears to be particularly problematic. Many employees do not perceive a clear, consistent, or fair linkage between their effort and performance, on the one hand, and the outcomes they value, particularly promotion, salary increments, and recognition, on the other. When promotion decisions are perceived to be driven by favoritism, nepotism, or political connections rather than merit and performance, the instrumentality perception is severely damaged. When salary increments are

delayed for years regardless of performance quality, the expectancy instrumentality linkage breaks down. These breakdowns in the perceived performance reward chain are significant contributors to the motivation deficit and job dissatisfaction observed among a substantial portion of the insurance workforce.

Empirical research on job satisfaction specifically within the Nepalese insurance sector is limited, making the present study a significant contribution to an underexplored area of inquiry. However, broader studies of job satisfaction in Nepalese financial institutions, particularly in the banking sector, provide useful comparative context.

Adhikari and Gautam (2016) examined employee satisfaction in Nepalese commercial banks and found that while most bank employees expressed moderate to high overall satisfaction with their jobs, satisfaction with compensation and career development opportunities was considerably lower than satisfaction with work content and coworker relationships. The authors recommended that banks develop more systematic and transparent performance appraisal and career development frameworks to address the pronounced dissatisfaction in these areas. The parallel with the insurance sector findings is striking, suggesting that compensation and career development are sector-wide challenges in Nepal's financial services industry.

Thapa (2019) conducted a study of job satisfaction and turnover intention among employees of microfinance institutions in Nepal, finding that inadequate compensation was the primary driver of turnover intention, followed by lack of recognition and limited training opportunities. The study further found that employees in rural postings were significantly more likely to express turnover intention compared to urban posted employees, citing the challenges of being far from family, inadequate outstation allowances, and the limited availability of educational and social amenities in remote locations. This finding has direct relevance for the present study, as a significant proportion of insurance sector employees are posted in provincial and subbranch offices far from their home districts, facing comparable challenges.

Karki (2021), in a study of HRM practices and employee performance in Nepalese insurance companies, found that companies with more systematic and formalized HR practices, including structured training programs, clear promotion criteria, and competitive compensation packages, tended to have higher employee satisfaction and better retention outcomes. The study identified the absence of standardized HR practices across the insurance sector as a critical institutional weakness that contributed to the wide variation in employee experience observed across companies.

1.9 Empirical Review

A substantial body of international empirical research has examined job satisfaction in the insurance and broader financial services sector, generating insights that provide a comparative context for the findings of the present study.

Singh and Tiwari (2011), in their study of job satisfaction among insurance employees in India, found that compensation and pay were the most significant determinants of overall job satisfaction, followed by supervision quality, promotion opportunities, and work environment. The study highlighted the significance of perceived pay equity relative to market rates as a critical factor distinguishing satisfied from dissatisfied employees. The finding that inadequate pay, particularly when perceived as inequitable compared to similar roles in banking and financial services, generates pervasive dissatisfaction even when other aspects of the job are evaluated positively is directly mirrored in the present study's findings from Nepal.

Bhattacharjee (2005) conducted a comparative study of job satisfaction among public and private sector employees in the Indian insurance industry following the liberalization of the sector. The study found that private sector employees tended to report higher satisfaction with monetary rewards and career opportunities, while public sector employees reported higher satisfaction with job security and work-life balance. The relevance of this finding to Nepal is significant given the presence of both private companies and one government-owned insurance entity (Rastriya Jeevan Beema Company) in the sector, and the different satisfaction profiles that may be expected across these organizational types.

Dhammika, Ahmad, and Sam (2012), examining job satisfaction among employees in the Sri Lankan banking and insurance sector, identified supervisory behavior, organizational justice, and career development as the three most influential determinants of overall job satisfaction. The study found that perceptions of organizational injustice, particularly in relation to promotion and recognition practices, were the single strongest predictor of overall dissatisfaction and turnover intention, a finding that resonates deeply with the patterns observed in the present study's qualitative data from Nepalese insurance employees.

Mudor and Tooksoon (2011), in a Malaysian context, examined the impact of management practices on job satisfaction in the financial services sector, finding that supervisory relationships, communication quality, and participation in decision-making were significantly associated with employee satisfaction. Companies where supervisors were perceived as fair, communicative, and respectful of employee input reported substantially higher satisfaction levels. The finding that management quality is a critical proximal determinant of daily work satisfaction is consistent with the strong relationship between supervisory quality and overall satisfaction observed in the present study.

Tshimun and Tantasane (2024) listed the factors that influence job satisfaction and investigated their effect on the performance of employees in the mining sector, especially the ABC Company in the Democratic Republic of Congo. The research used both quantitative and qualitative methods of research. It was found from this study that job satisfaction has a positive influence on employees' performance. In addition, it also found organizational culture, safety of the work environment, and leadership style to be variables that significantly impact job satisfaction. Finally, to improve the performance of the employees in the organization, the variables that affect their satisfaction need to be improved.

Bendera et al. (2025) investigated the impact of human resource management practices, employees' perception of organizational support, and managers' trustworthiness on employee job satisfaction in public transport parastatals of Tanzania. This study sought to explore not only the direct effect but also the indirect effect of dimensions of HRMP on job satisfaction, considering that POS will mediate this relationship. The impact was expected to be tempered by managers' trustworthiness. This research found that the constructs in this research, namely the training program, performance evaluation, and benefits of compensation, influence job satisfaction. Also, the above dimensions have a mediated effect on job satisfaction through POS. It was also found that the POS moderation effect of the manager's trustworthiness has a significant effect on job satisfaction.

Dao et al. (2025) stated that digital workforce training has a positive impact on motivation, job satisfaction, and digital behavior. Additionally, motivation and job satisfaction are discovered as mediators between digital workforce training and employee performance. Finally, digital workforce training makes a significant contribution towards improving employee skills, adaptability, and productivity, which leads to organizational success. The results of the implications will show that there is a need to train employees in order to reach their performance goals.

Silva and Rodrigues (2025) studied the impact of training on employees' job satisfaction in the public sector in Portugal. This study attempted to identify competency gain, performance assessment, and career development as mediators of the effect of training on job satisfaction. It was found that training not only had an immediate impact on job satisfaction, but also an indirect impact via a step-by-step process. Job satisfaction was achieved because the employees' competence was enhanced by training, which led to better job performance assessment and career development opportunities. Therefore, training was found to be positively related to job satisfaction; hence, training was adopted for this. The result of this study offers credible and empirical evidence of the existence of a positive correlation between training and job satisfaction.

Aktar (2023) identified whether various training and development strategies can lead to improved employee satisfaction and performance. An empirical research design was used in which both primary and secondary data were utilized. This study indicated that there was a statistically significant positive effect of informal learning on employee satisfaction and performance. Furthermore, job rotation and seminars showed a positive and significant impact on employee satisfaction. This study concluded that training and development methodologies help in improving knowledge, skills, and competencies of employees, thus leading to greater employee satisfaction and performance levels.

Gazi et al. (2022) studied the impact of job satisfaction on job performance of sugar industrial workers in Bangladesh and estimated the level of job satisfaction of these employees as well. A positive and high job satisfaction was associated with job performance. In particular, the factors of jobs are more significant than the individual demographic factors for performance. There were no significant differences in job satisfaction of employees as influenced by age and education. Further, there were differences in job satisfaction between the various categories of employees. Therefore, the position in which the individual works can have an impact on job satisfaction.

1.10 Research Gap

The foregoing review of conceptual and theoretical literature reveals several significant gaps that the present study is positioned to address.

There is a substantial body of international research on job satisfaction in insurance and financial services, there is a conspicuous absence of comprehensive, sector-wide empirical studies on job satisfaction specifically in the Nepalese insurance industry. The few existing studies are limited in scope, focusing on particular companies or limited geographic areas and do not provide a sector-representative picture of the job satisfaction landscape across all types of insurance companies and all provinces of Nepal.

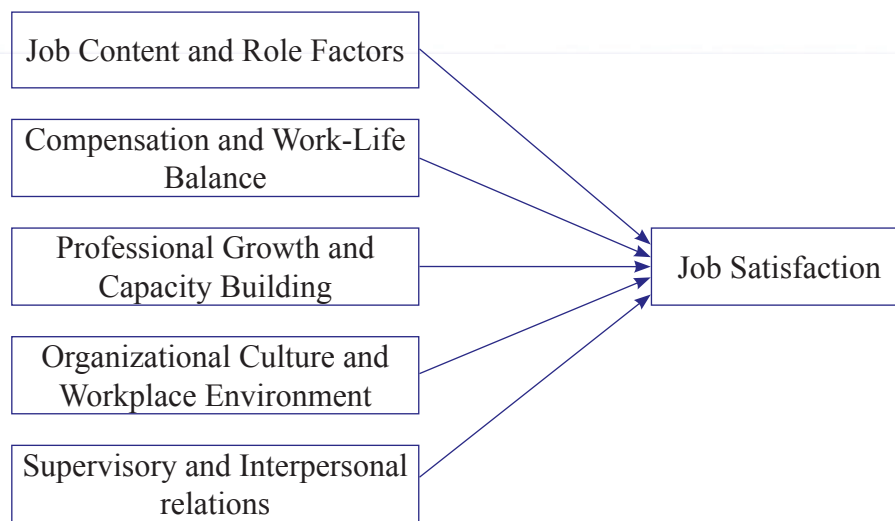
The existing studies have not systematically examined the relationship between the specific regulatory and institutional context of Nepal's insurance sector, including the implications of company mergers and consolidations, the varying HR practices across different types of insurance companies (Life, Nonlife, Micro, Reinsurance), and the impact of being posted in remote provincial locations and employee job satisfaction. The present study addresses this gap directly.

The most existing studies of job satisfaction in Nepalese financial institutions have focused primarily on the quantitative dimensions of satisfaction, without systematically incorporating the rich qualitative insights that can be derived from employee-reported narratives about what they appreciate and what they believe needs to change. The present study's combination of large-scale quantitative survey data with systematic qualitative analysis of open-ended responses fills this methodological gap.

1.11 Conceptual Framework

Independent Variables

Dependent Variable



The conceptual framework of the present study is grounded in the theoretical perspectives reviewed above. It organizes the key variables and their hypothesized relationships systematically, guiding both the design of the survey instrument and the interpretation of findings.

The framework posits that employee job satisfaction, measured through self-reported satisfaction ratings on overall organizational satisfaction and overall job satisfaction, is the primary dependent variable of the study. This overall satisfaction is hypothesized to be influenced by five clusters of independent variables, each corresponding to a major dimension of the work experience measured in the survey:

1. Job Content and Role Factors comprising items measuring energy at work, clarity of job responsibilities, manageability and reasonableness of workload, correspondence of skills with duties, and the feeling of doing meaningful and useful work.

2. Compensation, Benefits, and Work-Life Balance Factors comprising items measuring satisfaction with basic salary and allowances, satisfaction with nonfinancial benefits, comparative adequacy of compensation relative to industry peers, comfort with working hours, and ability to maintain work-life balance.

3. Professional Growth and Capacity Building Factors comprising items measuring access to skill and knowledge development opportunities, fairness and adequacy of training opportunities, effectiveness of past training in skill enhancement, fairness of promotion and career development practices, and career advancement prospects.

4. Organizational Culture and Workplace Environment Factors comprising items measuring the adequacy of physical and technological resources, clarity of organizational rules and procedures, recognition for good performance, quality of internal communication, ethical standards in the organization, fairness and nondiscrimination in treatment and freedom from harassment and abuse.

5. Supervisory and Interpersonal Relations Factors comprising items measuring colleague cooperation, supervisor support, respect and feedback solicitation by supervisors, inclusion and respect at work, and opportunities for informal networking and belongingness.

Additionally, a set of demographic and structural moderating variables, including gender, age, education level, sector type, province, position level, contract type, and tenure, are hypothesized to moderate the relationships between the independent variable clusters and overall job satisfaction, potentially explaining significant variation in satisfaction levels across different employee categories.

The conceptual framework presented positions of these five clusters of factors as the direct determinants of overall job satisfaction, while acknowledging that the relative weight of each cluster may vary across different subgroups of the insurance workforce.

1.12 Methods

1.12.1 Research Design

The quantitative component of the study employed a descriptive-analytical survey design. This design is appropriate for the study's objectives of describing the current state of job satisfaction across the insurance sector and analyzing the relationships between identified determinants and overall satisfaction levels. The survey design allows for the systematic collection of comparable data from a large number of respondents across diverse organizational contexts, enabling both descriptive profiling and inferential statistical analysis. The analytical dimension of the design, particularly the hypothesis testing component, moves beyond description to assess the statistical significance and directionality of relationships between key variables.

The qualitative component of the study uses a thematic analysis of open-ended survey responses. This approach identifies recurring themes, patterns, and narratives in employees' self-reported experiences, concerns, and recommendations, providing a depth of contextual understanding.

The mixed method approaches within a single integrated research design, a form of concurrent triangulation, enhances the validity, comprehensiveness, and interpretive richness of the study's findings. Where the quantitative and qualitative findings converge, they provide mutually reinforcing evidence for the study's conclusions.

1.12.2 Population and Sample

The target population of the present study comprises all permanent and contract employees working in Nepalese insurance companies. This includes employees working in Life, Nonlife, Micro Life, Micro Nonlife, and the Reinsurance companies, across all seven provinces of Nepal and at all levels of the organizational hierarchy from assistant-level staff to top-level management.

According to the records of the Nepal Insurance Authority, the total number of employees in the insurance companies was 12,486 (NIA, 2082). Since the population size was known, the sample size was determined using Yamane's (1967) formula, which is widely used for finite populations.

The statistically required minimum sample size was 388. However, to increase the precision, representativeness, and reliability of the findings, the study collected responses from 3,767 employees, which is substantially higher than the minimum required sample size. The respondents were selected using Probability Proportional to Size (PPS) sampling, whereby the number of respondents from each insurance sector was determined in proportion to the total number of employees in that sector. This approach ensured that larger sectors contributed more respondents while smaller sectors were also adequately represented.

1.12.3 Sources of Data

The primary source of data for this study is the structured survey instrument administered to insurance sector employees. The questionnaire, developed by the Nepal Insurance Authority, was designed to capture employees' self-reported perceptions, evaluations, and experiences across the five major dimensions of job satisfaction identified in the conceptual framework. The questionnaire also includes three open-ended questions soliciting qualitative narratives from employees about what they appreciate about their jobs, what they would recommend changing, and any additional comments they wish to share. The primary data thus encompasses both quantitative response data (from Likert-scale and rating items) and qualitative text data (from the open-ended questions).

1.12.4 Data Collection Procedure

The survey questionnaire was disseminated to insurance companies through the Nepal Insurance Authority. Companies were requested to share the survey link with their employees at all levels and across the central office, province office, branches, and subbranches. The survey remained open for a defined period, and reminders were sent to maximize response rates. All responses were recorded automatically in the Google Forms database and exported for analysis. Invalid or incomplete responses were identified and removed before analysis, with the final dataset consisting of 3,767 valid and complete responses.

1.12.5 Data Analysis Techniques

➤ Quantitative Analysis

The quantitative data collected through the structured sections of the questionnaire were analyzed using the following statistical techniques:

- **Descriptive Statistics:** Frequency distributions, percentages, means, and standard deviations were calculated for all survey items and for all demographic classification variables. These descriptive statistics provide a comprehensive profile of the survey respondents and a summary picture of satisfaction levels across all dimensions measured.
- **Mean Score Analysis:** Mean scores were calculated for individual items and for composite dimension scores, allowing for the comparison of satisfaction levels across different dimensions and across different subgroups of respondents. Items and dimensions were ranked by mean score to identify the relative strengths and weaknesses in the employee experience.
- **Crosstabulation and Chi-Square Tests:** Crosstabulations were conducted to examine the relationship between demographic variables (such as gender, sector type, and position level) and satisfaction outcomes. Chi-square tests of independence were used to assess the statistical significance of observed associations in categorical data.
- **Hypothesis Testing:** The research hypotheses were tested using appropriate statistical procedures, including Pearson's correlation analysis (for testing hypotheses regarding relationships between continuous variables) and independent samples t-tests or one-way Analysis of Variance (ANOVA) (for testing hypotheses regarding differences in satisfaction levels across categorical groups). All statistical tests were conducted at the standard significance level of $\alpha = 0.05$.

➤ Qualitative Analysis

The qualitative data from the open-ended questions were analyzed using thematic analysis following the framework proposed by Braun and Clarke (2006). The thematic analysis process involved the

following steps: familiarization with the data through reading of all open-ended responses; initial coding of responses to identify discrete ideas and themes; development of categories that aggregate related codes; refinement of themes through iterative review; and the generation of a coherent thematic map that captures the key patterns in employee narratives about their job experiences. Illustrative quotations from respondents are presented throughout the relevant sections of results and analysis to ground the thematic analysis in the concrete language of employees, preserving the authentic voice of the workforce.

CHAPTER II: RESULTS AND ANALYSIS

2.1 Demographic Profile of Respondents

2.1.1 Distribution by Insurance Sector

A total of 3767 sample responses were analyzed from employees across all five types of insurance entities operating in Nepal. The distribution of the sample across insurance sectors is presented in Table 2.1.

Table 2.1 : Distribution of Respondents by Insurance Sector

Insurance Sector	Frequency	Percentage
Non-Life Insurance	1780	47%
Life Insurance	1779	47%
Micro Non-Life Insurance	111	3%
Micro Life Insurance	61	2%
Re Insurance	36	1%
Total	3767	100%

Based on sampling, approximately equal percentages (47 percent of employees' responses were collected from Life and Non-life Insurance companies, reflecting the larger workforce employed in these sectors compared to others. Similarly, 3 percent of responses were collected from micro non-life, 2 percent from micro life, and 1 percent of responses were collected from the re-insurance sector.

2.1.2 Distribution by Gender

This classification provides an overview of the gender composition of the study participants and helps assess the representation of male and female employees in the sample.

Table 2.2 : Distribution of Respondents by Gender

Gender	Frequency	Percentage	Overall satisfaction (Mean)
Female	1492	39.60%	4.05
Male	2275	60.40%	4.12
Total	3767	100.00%	4.08

The gender distribution of the respondent sample reflects the predominance of male employees in the Nepalese insurance sector, with males constituting 60.4 percent of respondents and females constituting 39.6 percent.

The overall mean satisfaction score of 4.08 indicates that respondents were satisfied with the measured construct. Among the genders, respondents with Male found that the slightly higher satisfaction score 4.12, followed by females 4.05.

2.1.3 Distribution by Age Group

This classification provides an overview of the age group composition of the study participants and helps assess the representation of age group of employees in the sample.

Table 2.3 : Distribution of Respondents by Age Group

Age group (In Years)	Frequency	Percentage	Overall satisfaction (Mean)
18-24	220	5.80%	3.99
25-34	1777	47.20%	4.00
35-44	1380	36.60%	4.17
45-54	326	8.70%	4.30
55 and older	64	1.70%	4.40
Total	3767	100%	4.17

The age distribution of the respondent sample reveals that the Nepalese insurance sector is predominantly staffed by relatively young employees. 47.2 percent of respondents fall in the 25–34 age group, constituting the single largest age cohort. Another 37 percent fall in the 35–44 age group. Employees aged 45 and above constitute 10 percent of the total, and younger employees aged 18–24 constitute nearly 6 percent of the sample. The results shows that the insurance sector workforce is relatively young on average.

The overall mean satisfaction score was 4.17, indicating that respondents were generally satisfied with the measured construct. Respondents aged 18–24 years reported the lowest mean satisfaction score 3.99, which still reflects a satisfied level. Satisfaction increased slightly among respondents aged 25–34 years 4.00 and 35–44 years 4.17. Higher satisfaction was observed among respondents aged 45–54 years 4.30, while respondents aged 55 years and older reported the highest level of satisfaction 4.40, indicating they were between satisfied and highly satisfied.

2.1.4 Distribution by Marital Status

This classification provides an overview of the marital status group composition of the study participants and helps assess the representation of married, single, and other marital statuses of employees in the sample.

Table 2.4 : Distribution of Respondents by Marital Status

Marital Status	Frequency	Percentage	Overall satisfaction (Mean)
Married	2928	77.70%	4.14
Single	828	22.00%	4.73
Other	11	0.30%	3.93
Total	3767	100%	4.26

The marital status distribution indicates that approximately 78 percent of respondents are married, 22 percent of respondents are single, and 0.30% of respondents reported other status. The overall mean

satisfaction score was 4.26, indicating that respondents were generally satisfied. Among the marital status groups, single respondents found that the highest mean satisfaction score 4.73, indicating that they were highly satisfied. Married respondents also expressed a high level of satisfaction 4.14, reflecting that they were satisfied. Respondents in the other marital status category found the lowest mean satisfaction score ($M = 3.93$); however, this score still indicates a generally satisfied level of satisfaction.

2.1.5 Distribution by Education Level

This classification provides an overview of the education level group composition of the study participants and helps assess the representation of different education level of employees in the sample.

Table 2.5 : Distribution of Respondents by Education Level

Education Level	Frequency	Percentage	Overall satisfaction (Mean)
10+2 or less	716	19.01%	4.27
Bachelor's Degree	1694	44.97%	4.12
A Master's Degree	1345	35.70%	3.62
M.Phil. and higher	12	0.32%	3.97
Total	3767	100%	3.99

The educational profile of insurance sector employees is notably good, with over 80 percent of respondents holding at least a Bachelor's degree. The greater percentage split between Bachelor's degree holders (44.97 percent and Master's degree holders (35.7 percent thus shows that the insurance sector attracts a highly educated workforce. There are 19.01 percent respondents at the higher secondary level, and 0.32 percent with 12 respondents having MPhil and higher-level education.

The overall mean satisfaction score of 3.99 indicates that respondents were generally satisfied with the measured construct. Among the educational groups, respondents with 10+2 and less found that the highest satisfaction level ($M = 4.27$), followed by Bachelor's degree holders ($M = 4.12$). Respondents with an MPhil degree or higher also reported a satisfactory level of satisfaction ($M = 3.97$). Master's degree holders recorded the lowest mean score ($M = 3.62$), although this still reflects a generally positive level of satisfaction rather than dissatisfaction. These findings suggest that satisfaction is relatively high across all educational level of employees.

2.1.6 Distribution by Province

This classification provides an overview of the current service location group composition of the study participants and helps assess the representation of provincial participation of employees in the sample.

Table 2.6 : Distribution of Respondents by Current Service Location (Province)

Current Service Location (Province)	Frequency	Percentage	Overall satisfaction (Mean)
Koshi	453	12.00%	4.20

Madhesh	347	9.20%	4.43
Bagamati	1768	46.90%	3.88
Gandaki	319	8.50%	4.23
Lumbini	448	11.90%	4.20
Karnali	160	4.20%	4.37
Sudurpaschim	272	7.20%	4.31
Total	3767	100%	4.23

The provincial distribution of collected responses reflects the concentration of insurance sector employment in Bagamati Province, where the head offices and most insurance companies are based, which accounts for nearly 47 percent of respondents. Similarly, 12 percent were from Koshi, 11.9 percent from Lumbini, 9.2 percent from Madhesh, 8.5 percent from Gandaki, 7.2 percent from Sudurpaschim, and 4.2 percent of responses collected from Karnali Province. These results reflect the relatively limited insurance coverage in the more remote and economically less developed regions.

The overall mean satisfaction score was 4.23, indicating that respondents were generally satisfied with the measured construct. Across provinces, respondents serving in Madhesh Province reported the highest mean satisfaction score 4.43, followed by those in Karnali Province 4.37 and Sudurpaschim Province, (4.31. Respondents in Gandaki Province 4.23, Koshi Province 4.20, and Lumbini Province 4.20 also reported high levels of satisfaction, indicating that they were generally satisfied. In contrast, respondents serving in Bagamati Province reported the lowest mean satisfaction score (M = 3.88). Although this score is lower than those of the other provinces, it still reflects an overall level of satisfaction.

2.1.7 Distribution by Working Location

This classification provides an overview of the working location group composition of the study participants and helps assess the representation of head office, provincial/branch office, and other sub-branch/extension counters employees' responses in the sample.

Table 2.7 : Distribution of Respondents by Working Location

Working Location	Frequency	Percentage (%)
Head Office	1,053	28%
Province/Branch Office	2,525	67%
Other (Sub-branch, Counter, etc.)	189	5%
Total	3,767	100%

The working location distribution reveals that the large majority 67 percent of respondents work at provincial branch offices rather than at head offices. This reflects the branch-network structure of Nepal's insurance industry, where the bulk of customer-facing operations and field activities are conducted at the branch level. The substantial representation of branch-level employees in the sample is important because branch employees frequently report distinct satisfaction challenges compared

to head-office employees, including inadequate physical infrastructure, limited access to information and training, and greater feelings of isolation from organizational decision-making.

2.1.8 Distribution by Position Level

This classification provides an overview of the job position group composition of the study participants and helps assess the representation of assistant level to top level manager' responses of employees in the sample.

Table 2.8 : Distribution of Respondents by Position Level

Current Position	Frequency	Percentage (%)	Overall satisfaction (Mean)
Assistant Level and below	2375	63.00%	4.07
Officer Level	1018	27.00%	4.10
Mid-Level Manager	289	7.70%	4.18
Top Level Manager and higher	85	2.30%	4.17
Total	3767	100%	4.13

The majority of respondents, 63%, are at the assistant level or below, constituting the single largest positional category in the sample. This reflects the hierarchical pyramid structure of insurance organizations, where the majority of employees occupy lower-level operational and marketing positions. Similarly, 27 percent of responses were from officer level, 7.70 percent from mid-level manager, and 2.3 percent from top-level manager and higher.

The overall mean satisfaction score was 4.13, indicating that respondents were generally satisfied with the measured construct. Across different position levels, Mid-Level Managers found that the highest mean satisfaction score was 4.18, closely followed by Top-Level Managers and higher, 4.17. Officer-Level respondents reported a mean satisfaction score of 4.10, while respondents at the Assistant Level and below had the lowest mean score, 4.07. Despite these differences, all mean scores fall within the "Satisfied" range, indicating consistently positive satisfaction across all organizational levels.

2.1.9 Distribution by Employment Contract Type

This classification provides an overview of the employment types composition of the study participants and helps assess the representation of contract and permanent status of employees in the sample.

Table 4.9 : Distribution of Respondents by Employment Contract Type

Kind of Employment	Frequency	Percentage (%)	Overall satisfaction (Mean)
Contract	554	14.70%	4.09
Permanent	3213	85.30%	4.09
Total	3767	100%	4.09

The above results show that out of the total 3,767 respondents, 85.3 percent of permanent employees and 14.70 percent of contract-basis employees' responses are covered under the study.

The overall mean satisfaction score was 4.09, indicating that respondents were generally satisfied

with the measured construct. A comparison of satisfaction scores by employment status shows that both contract and permanent employees found the same mean satisfaction score of 4.09.

2.1.10 Distribution by Tenure

This classification provides an overview of the job tenure in the current organization group composition of the study participants and helps assess the representation of less than two years to 20 years and above group of employees in the sample.

Table 2. 10 : Distribution of Respondents by Tenure in Current Organization

Tenure	Frequency	Percentage (%)	Overall satisfaction (Mean)
Less than 2 years	711	18.90%	4.08
2-4 years	818	21.70%	4.01
5-9 years	1594	42.30%	4.09
10-19 years	533	14.10%	4.16
20 years and above	111	2.90%	4.37
Total	3767	100%	4.14

The tenure distribution reveals that the largest proportion of respondents, 42.3 percent, have been working in their organizations for 5–9 years. This indicates that a substantial share of the workforce has accumulated moderate experience, suggesting a relatively stable employee base. The second-largest group consists of 21.7 percent with 2–4 years of service, followed by 18.9% of respondents who have been employed for less than 2 years. Together, these groups account for 40.60 percent of the respondents, indicating a considerable proportion of relatively newer employees. Furthermore, 14.10 percent reported having 10–19 years of service, while only 2.90 percent have been employed for 20 years or more. The comparatively small percentage of employees with very long tenure suggests that only a limited number of respondents have remained with their organizations for two decades or longer.

The overall mean satisfaction score was 4.14, indicating that respondents were generally satisfied with the measured construct. A comparison of satisfaction scores across tenure groups shows that respondents with 20 years and above found that the highest mean satisfaction score 4.37, indicating a level of satisfaction between satisfied and highly satisfied. This was followed by respondents with 10–19 years of service, 4.16. Respondents with 5–9 years of service, 4.09, and those with less than 2 years of service, 4.08, also reported being satisfied. The 2–4 years group reported the lowest mean satisfaction score, 4.01; however, this score still falls within the satisfied range.

2.2 Job-Related Satisfaction

The section assessed employees' perceptions across five dimensions of job-related satisfaction: energy and engagement at work, clarity of job responsibilities, workload manageability, skills-duty alignment, and sense of meaningful work. The reliability of the instrument for the section is presented below. The analysis yielded a Cronbach's Alpha coefficient of 0.781, indicating that the scale has good reliability. This result confirms that the questionnaire is a reliable instrument for measuring job-related satisfaction among employees, and the collected

data are appropriate for further statistical analyses and hypothesis testing. The results are presented in Table 2.11.

Table 2.11 : Item Analysis of Job-Related Satisfaction of Respondents

Item	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	SD
At my work I feel full of energy	31.24	43.17	14.82	7.63	3.14	3.92	0.98
I clearly understand my job responsibilities	42.37	41.28	8.94	5.31	2.10	4.17	0.91
My workload is reasonable and manageable	21.43	37.84	17.92	15.28	7.53	3.50	1.14
My present skills correspond well with my duty	36.85	41.37	11.24	7.42	3.12	4.01	0.98
I have the feeling of doing useful and meaningful work	41.56	38.92	10.83	5.94	2.75	4.13	0.97

The data presented in Table 2.11 reveal a generally positive picture of job-related satisfaction among insurance sector employees in Nepal, with all five items recording mean scores above the neutral midpoint of 3.00 on the five-point scale. However, notable variation exists across items, with some indicating areas of relative strength and others pointing to specific concerns.

Clarity of Job Responsibilities: It emerges as the highest-scoring item in this section with a mean of 4.17, indicating that the large majority of insurance sector employees have a clear understanding of what their jobs require of them. Approximately 42 percent of respondents strongly agree, and an additional 41 percent agree with this statement, yielding a combined positive response rate of approximately 83 percent. This finding suggests that despite other challenges in the work environment, the basic organizational function of defining and communicating job roles has been reasonably well implemented across the sector.

Feeling of Meaningful and Useful Work: This records a mean of 4.13, with approximately 80 percent of respondents providing positive responses. This finding is significant because it indicates that the large majority of insurance employees experience their work as purposeful and socially valuable, a finding consistent with the qualitative data, where many employees explicitly mention the satisfaction of helping clients protect their financial futures, building public trust, and contributing to the broader social function of insurance as among the most appreciated aspects of their work.

Skills Duty Alignment: The mean score is 4.01, suggesting that most employees perceive a reasonable match between their skills and their job responsibilities. This alignment is important for both employee satisfaction and performance quality, as skills-duty mismatches, whether in the form of over-qualification or under-preparation for assigned tasks, generate frustration and reduce effectiveness.

Energy at Work: The mean score is 3.92, slightly lower than the preceding items. While the majority of respondents express positive agreement with feeling energized at work, the fact that over 10 percent either disagree or strongly disagree with this statement warrants attention. Low energy and lack of engagement at work may reflect a variety of underlying factors including monotonous or unchallenging work, poor supervisory relationships, inadequate recognition, salary dissatisfaction, or the cumulative fatigue of heavy workloads — all of which are themes that emerge in other sections of the data.

Workload Manageability: The mean score is 3.50 and the highest standard deviation at 1.14, indicating both lower average satisfaction and greater heterogeneity in opinions compared to other job-related items. Approximately 23 percent of respondents express dissatisfaction with workload manageability, suggesting that a significant minority of insurance employees perceive their workloads as unreasonably heavy. This concern is particularly acute for employees at branch and sub-branch levels, where the absence of adequate staffing, a theme raised by numerous respondents in the qualitative data means that individual employees must shoulder responsibilities that should ideally be distributed across a larger team.

Table 2.12 : Mean Scores for Job-Related Satisfaction Indicators

Indicator	Mean Score	Interpretation
Clarity of Job Responsibilities	4.17	Highly Satisfied
Meaningful and Useful Work	4.13	Highly Satisfied
Skills-Duty Correspondence	4.01	Satisfied
Energy at Work	3.92	Satisfied
Workload Manageability	3.50	Moderately Satisfied
Composite Mean	3.95	Satisfied

The composite mean score for the Job-Related Satisfaction section of 3.95 indicates that, on average, insurance sector employees in Nepal are satisfied with the job content and role dimensions of their work. The intrinsic aspects of the job its meaningfulness, role clarity, and skills-duty alignment are generally perceived positively. Workload manageability emerges as the primary concern within this section.

2.3 Benefits and Work-Life Balance

The section examined employee satisfaction with compensation, financial and non-financial benefits, comparative pay adequacy, working hours, and work-life balance. This section consistently yields the most negative satisfaction scores across the entire survey, reflecting the centrality of compensation and benefits as sources of dissatisfaction in the Nepalese insurance sector. The reliability analysis of the benefits and work-life balance scale yielded a Cronbach's Alpha (α) value of 0.824. According to commonly accepted reliability standards, an alpha coefficient greater than 0.80 indicates good reliability. This result suggests that the items used to measure benefits and work-Life balance are highly consistent with one another and reliably assess the same underlying construct. This result confirms that the questionnaire is a reliable instrument for measuring benefits and work-life balance among employees, and the collected data are appropriate for further statistical analyses and hypothesis testing. The results are presented in Table 2.13.

Table 2.13 : Item Analysis of Benefits and Work-Life Balance of Respondents

Item	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	SD
Basic salary & allowances are enough to keep me motivated	11.87	28.43	24.19	22.31	13.20	3.03	1.23
Other financial & non-financial benefits meet my expectations	9.84	24.37	23.91	26.17	15.71	2.87	1.22

Salary and benefits are as good as what other insurers offer	8.92	23.11	26.34	27.19	14.44	2.85	1.19
I am comfortable with the number of hours I work	17.83	39.42	19.37	16.21	7.17	3.44	1.13
I can maintain a healthy work-personal life balance	14.29	36.87	18.94	19.42	10.48	3.26	1.21

The data presented in Table 2.13 reveal that the compensation and benefits dimension is the most problematic area of job satisfaction across Nepal's insurance sector. Three of the five items in this section record mean scores below the neutral midpoint of 3.00 or barely above it, indicating pervasive dissatisfaction with pay and benefits.

Comparative Salary Adequacy relative to industry peers: records the lowest mean score of 2.85 in this section, with approximately 42 percent of respondents expressing disagreement or strong disagreement. This finding reflects the widespread perception among insurance employees that their compensation compares unfavorably to equivalent positions in other financial institutions, particularly banks, a concern that is articulated forcefully and repeatedly in the qualitative data. The inability to offer competitive compensation packages relative to the banking sector is identified as a significant structural weakness in the insurance industry's capacity to attract and retain high-quality talent.

Non-Financial Benefits: The mean score is 2.87, with over 41 percent of respondents expressing dissatisfaction. The non-financial benefits measured here include leave provisions, medical benefits, loan facilities, insurance coverage, bonuses, and vehicle provisions. The qualitative data reveals specific gaps in these areas: the absence of forced leave provisions in many insurance companies, inadequate medical insurance coverage (particularly the common exclusion of parents from medical benefit coverage), insufficient staff loan facilities, lack of dress allowances and commuting support, and absence of adequate overtime compensation. These specific gaps reflect a systematic underdevelopment of non-financial benefit structures in the insurance sector that stands in contrast to the more generous non-financial benefit packages available in comparable roles in the banking sector.

Basic Salary and Allowance Adequacy: The mean score is 3.03, barely crossing the neutral threshold, with approximately 35 percent of respondents expressing dissatisfaction. This finding is particularly concerning given the high educational qualifications of the majority of respondents, as employees with Bachelor's and Master's degrees in entry-level and officer-level positions frequently report that their salary levels are insufficient to meet basic living expenses in an inflationary economic environment. The qualitative data is replete with calls for timely salary revision and increment, with many employees explicitly noting that salary has not been revised for extended periods despite significant increases in the cost of living.

Comfort with Working Hours: The mean score is 3.44, suggesting moderate satisfaction. However, the qualitative data provides important nuance here: while many employees accept the formal working hour's structure, a recurring theme in qualitative responses is the expectation of working beyond official hours, particularly during month-end and year-end financial closings, during target-achievement periods, and in response to management calls outside of working hours without additional compensation. This informal overtime expectation is a significant source of dissatisfaction and work-life imbalance.

Work-Life Balance: The mean score is 3.26, indicating moderate satisfaction but with a substantial proportion of respondents (approximately 30 percent) expressing dissatisfaction. The work-life balance challenge is particularly acute for employees posted far from their hometowns and family

members, employees with young children or dependent parents, and employees in branch offices where inadequate staffing means that individual workloads are especially heavy.

Table 2.14 : Mean Scores for Benefits and Work-Life Balance Indicators

Indicator	Mean Score	Interpretation
Comfortable with Working Hours	3.44	Moderately Satisfied
Work-Life Balance	3.26	Moderately Satisfied
Salary & Allowance Adequacy	3.03	Neutral
Non-Financial Benefits Adequacy	2.87	Dissatisfied
Comparative Salary Adequacy	2.85	Dissatisfied
Composite Mean	3.09	Neutral/Marginally Satisfied

The composite mean score for the benefits and work-life balance section is 3.09, indicating that this dimension represents the single greatest area of employee concern and dissatisfaction across the entire survey. This finding has direct and immediate implications for HR policy formulation in the insurance sector.

2.4 Professional Growth and Capacity Building

The section examined employee perceptions of professional growth opportunities, training access and quality, and career advancement prospects. The reliability analysis of the professional growth and capacity building scale yielded a Cronbach's Alpha (α) value of 0.86. This result suggests that the items used to measure professional growth and capacity building are highly consistent with one another and reliably assess the same underlying construct. This result confirms that the questionnaire is a reliable instrument for measuring professional growth and capacity building among employees, and the collected data are appropriate for further statistical analyses and hypothesis testing. The results are presented in Table 2.15.

Table 2.15 : Item Analysis of Professional Growth and Capacity Building of Respondents

Item	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	SD
Opportunities to learn new skills and knowledge	27.83	43.27	15.84	9.42	3.64	3.82	1.03
Fair and adequate training and skill development	16.34	35.28	22.47	17.83	8.08	3.34	1.15
Training received has improved skills needed for the job	20.87	39.42	18.94	14.27	6.50	3.54	1.12
Promotion and career development practices are fair	14.29	27.83	19.42	23.18	15.28	3.03	1.29
My job offers good prospects for career advancement	18.47	36.29	19.83	16.42	9.00	3.39	1.21

Learning and Development Opportunities: The highest mean in this section is 3.82, indicating that approximately 71 percent of respondents agree or strongly agree that their current position provides

opportunities for skill and knowledge development. The insurance sector's continuous engagement with new regulatory requirements, evolving products, and client management challenges creates a naturally learning-rich environment that many employees appreciate. This finding is consistent with the qualitative data, where learning and professional development are frequently cited among the most appreciated aspects of working in the insurance sector.

Training Effectiveness: The mean score is 3.54, indicating moderate satisfaction with the practical impact of training received. While many employees acknowledge that the training they have received has contributed to their skill development, a substantial minority (approximately 21 percent) express dissatisfaction with training effectiveness, suggesting concerns about the relevance, quality, or applicability of training programs to their specific job requirements.

Career Advancement Prospects: The mean score is 3.39, with approximately 25 percent of respondents expressing dissatisfaction. This finding reflects the concern expressed widely in the qualitative data that career advancement in many insurance companies is slow, opaque, and influenced more by organizational politics and favoritism than by merit and performance.

Training Fairness and Adequacy: The mean score is 3.34, indicating moderate but somewhat qualified satisfaction. The qualitative data reveals that training opportunities are often perceived as inequitably distributed, with marketing staff receiving disproportionately more training investment than operational and back-office staff, and that the quality and frequency of training vary enormously across companies. Many employees request more regular, practical, and field-relevant training programs, including opportunities for international training exposure.

Fairness of Promotion Practices: The lowest mean score in this section is 3.03, and it is notable for having the highest standard deviation (1.29), indicating both relatively low average satisfaction and highly polarized opinions. Approximately 38 percent of respondents express dissatisfaction or strong dissatisfaction with promotion and career development practices. The qualitative data is particularly rich with expressions of frustration regarding promotion, with employees reporting cases of remaining in the same position for periods of 5, 7, 8, or even more than 9 years without promotion; of promotion decisions being driven by nepotism, favoritism, or proximity to top management rather than by merit; and of marketing staff being systematically advantaged over operational staff in promotion decisions.

Table 2.16 : Mean Scores for Professional Growth and Capacity Building Indicators

Indicator	Mean Score	Interpretation
Learning Opportunities	3.82	Satisfied
Training Effectiveness	3.54	Moderately Satisfied
Career Advancement Prospects	3.39	Moderately Satisfied
Training Fairness and Adequacy	3.34	Moderately Satisfied
Fairness of Promotion Practices	3.03	Barely Neutral
Composite Mean	3.42	Moderately Satisfied

The composite mean score for the Professional Growth and Capacity Building section of 3.42 indicates moderate satisfaction overall, with promotion fairness emerging as the most critical concern within this dimension.

2.5 Organizational Culture and Workplace Environment

This Section assessed employee perceptions of the physical work environment, rule clarity, recognition

practices, communication quality, ethical culture, fairness and non-discrimination, and freedom from workplace harassment. The reliability analysis of the professional growth and capacity building scale yielded a Cronbach's Alpha (α) value of 0.866. This result suggests that the items used to measure organizational culture and workplace environment are highly consistent with one another and reliably assess the same underlying construct. This result confirms that the questionnaire is a reliable instrument for measuring organizational culture and workplace environment among employees, and the collected data are appropriate for further statistical analyses and hypothesis testing. The results are presented in Table 2.15.

Table 2.17 : Item Analysis of Organizational Culture and Workplace Environment of Respondents

Item	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	SD
Necessary resources available to perform job	21.83	42.37	16.47	13.28	6.05	3.61	1.10
Rules and procedures are clear and make job easier	22.94	43.17	17.83	11.42	4.64	3.68	1.05
Receive recognition when I do a good job	16.83	33.47	21.84	19.37	8.49	3.31	1.19
Communication is good and information is timely	21.37	39.82	19.47	13.28	6.06	3.57	1.11
Ethical behavior is valued and practiced	22.48	40.37	20.83	11.84	4.48	3.65	1.08
Employees are treated fairly regardless of gender/background	20.84	36.47	21.83	14.27	6.59	3.51	1.15
Never faced verbal abuse, harassment, or violence	34.28	38.47	13.28	8.42	5.55	3.88	1.12

Freedom from Harassment and Abuse: The highest mean in this section is 3.88, with approximately 73 percent of respondents indicating that they have not faced verbal abuse, harassment, or violence in their organizations. While this is generally a positive finding, the fact that approximately 14 percent of respondents express disagreement or strong disagreement with this statement, indicating that they have experienced some form of harassment or abuse, is a serious concern that demands attention. The qualitative data contains specific reports of autocratic supervisory behavior, verbal pressure, public humiliation, and inappropriate treatment that undermine the psychological safety and dignity of affected employees.

Organizational Rules and Procedures and Ethical Culture: Both records have relatively high means of 3.68 and 3.65, respectively, suggesting that organizational governance structures and ethical standards are generally perceived positively. This is an area of relative strength that reflects the benefits of NIA regulation in establishing minimum governance standards across the sector.

Resource Adequacy: The mean score is 3.61, indicating moderate satisfaction. However, the qualitative data reveals significant variation in resource adequacy across companies and particularly across locations, with many branch-office employees reporting inadequate physical infrastructure, outdated equipment, malfunctioning computer systems, poor internet connectivity, and generally substandard work premises.

Communication Quality: The mean score 3.57, suggesting moderate satisfaction. The qualitative data

identifies communication gaps, particularly between head offices and branch offices as a recurring source of frustration, with branch employees reporting delays in receiving important information, circulars, and guidance from head offices.

Fairness and Non-Discrimination: The mean score is 3.51, indicating moderate satisfaction but with approximately 21 percent of respondents expressing concerns about unfair treatment based on gender, position, or background. The qualitative data contains specific references to gender-based disparities, differential treatment of marketing versus operational staff, and the persistence of nepotism and favoritism in organizational decisions.

Recognition for Good Performance: The lowest mean score of this section is 3.31, with approximately 28 percent of respondents expressing dissatisfaction with the recognition they receive for good work. The qualitative data consistently identifies the absence of adequate recognition and appreciation as a significant demotivating factor, with many employees noting that their contributions go unacknowledged by supervisors and management.

Table 2.18 : Mean Scores for Organizational Culture and Workplace Environment Indicators

Indicator	Mean Score	Interpretation
Freedom from Harassment	3.88	Satisfied
Rule Clarity	3.68	Satisfied
Ethical Culture	3.65	Satisfied
Resource Adequacy	3.61	Satisfied
Communication Quality	3.57	Moderately Satisfied
Fairness in Treatment	3.51	Moderately Satisfied
Recognition for Good Work	3.31	Moderately Satisfied
Composite Mean	3.60	Satisfied

The composite mean score of 3.60 for the Organizational Culture section indicates moderate to good satisfaction overall, with recognition practices emerging as the primary area for improvement within this dimension.

2.6 Supervisor and Employee Relations

This section used a frequency scale (Never to Always) to assess the prevalence of positive supervisory and interpersonal behaviors in the workplace. The reliability analysis of the supervisor and employee relations scale yielded a Cronbach's Alpha (α) value of 0.836. This result suggests that the items used to measure supervisor and employee relations are highly consistent with one another and reliably assess the same underlying construct. This result confirms that the questionnaire is a reliable instrument for measuring supervisor and employee relations among employees, and the collected data are appropriate for further statistical analyses and hypothesis testing. The results are presented in Table 2.19.

Table 2.19 : Item Analysis of Supervisor and Employee Relations of Respondents

Item	Always (%)	Often (%)	Sometimes (%)	Rarely (%)	Never (%)	Mean	SD
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Colleagues cooperate well with each other	56.83	28.47	10.83	2.97	0.90	4.38	0.82
Adequate help and support from supervisor	51.28	27.83	13.47	5.63	1.79	4.21	0.96
Supervisor treats me with respect and values my feedback	50.83	27.47	13.29	6.13	2.28	4.18	1.01
I feel included and respected at work	53.47	27.28	12.84	4.28	2.13	4.26	0.95
Opportunities to build informal network and friendship	41.83	28.47	18.47	8.13	3.10	3.98	1.07

The supervisor and employee relations section records the highest composite mean scores of any section in the survey, suggesting that interpersonal dimensions of the work experience — colleague cooperation, supervisory support, inclusion, and belonging — are generally experienced positively by the majority of insurance sector employees.

Colleague Cooperation: The highest mean across the entire survey at 4.38, with approximately 85 percent of respondents reporting that their colleagues always or often cooperate well with each other. This finding is a notable strength of the insurance sector work environment, suggesting that despite the challenges in compensation and career development, the social fabric of the workplace the relationships employees have with their immediate colleagues is generally positive and supportive. The qualitative data consistently ranks “supportive colleagues,” “good team members,” and “cooperative work environment” among the most valued aspects of insurance sector employment.

Inclusion and Respect: The mean score is 4.26, indicating that the large majority of respondents feel included and respected in their workplace. This positive finding is consistent with the generally positive qualitative narratives about workplace relationships and organizational belonging.

Supervisor Support: The mean score is 4.21, suggesting that most employees experience adequate support from their immediate supervisors in completing their tasks. However, the qualitative data reveals significant variation in supervisory quality across organizations and hierarchical levels, with some employees praising their supervisors’ support and guidance enthusiastically while others report deeply problematic supervisory behaviors including pressure, humiliation, and disregard for employee input.

Supervisor Respect and Feedback Solicitation: The mean score is 4.18, slightly lower than supervisor support, suggesting that while supervisors are generally perceived as supportive, the specific practices of treating employees with respect and actively seeking their feedback are somewhat less consistently demonstrated. The qualitative data contains specific references to autocratic management styles, top-down communication without genuine feedback solicitation, and supervisory behaviors that undermine employee dignity.

Informal Networking Opportunities: The lowest mean score in this section is 3.98, still reflecting generally positive satisfaction but somewhat lower than the interpersonal relationship items. The lower score may reflect the limited opportunities for cross-departmental and cross-level informal interaction in insurance organizations, particularly for branch-level employees who are geographically separated from the broader organizational community.

Table 2.20 : Mean Scores for Supervisor and Employee Relations Indicators

Indicator	Mean Score	Interpretation
Colleague Cooperation	4.38	Highly Satisfied
Inclusion and Respect	4.26	Highly Satisfied
Supervisor Support	4.21	Highly Satisfied
Supervisor Respect and Feedback	4.18	Highly Satisfied
Informal Networking Opportunities	3.98	Satisfied
Composite Mean	4.20	Highly Satisfied

The composite mean score of 4.20 for the Supervisor and Employee Relations section indicates that interpersonal relations represent the strongest area of employee satisfaction in the insurance sector, providing a valuable organizational asset that can be leveraged even as structural and compensatory challenges are being addressed.

2.7 Overall Satisfaction

The overall satisfaction section used a 1–5 rating scale to measure employees' self-assessed levels of satisfaction with their future intentions, willingness to recommend the organization, overall organizational satisfaction, and overall job satisfaction. The reliability analysis of the overall satisfaction scale yielded a Cronbach's Alpha (α) value of 0.836. This result suggests that the items used to measure overall satisfaction are highly consistent with one another and reliably assess the same underlying construct. This result confirms that the questionnaire is a reliable instrument for measuring overall satisfaction among employees, and the collected data are appropriate for further statistical analyses and hypothesis testing. The results are presented in Table 2.21.

Table 2.21 : Item Analysis of Overall Satisfaction of Respondents

Item	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)	Mean	SD
I see myself continuing to work here in the near future	44.87	28.43	14.83	7.28	4.59	4.02	1.09
I would recommend this organization as a good place to work	40.83	29.47	15.84	8.43	5.43	3.92	1.14
Overall, how satisfied are you with your organization?	37.84	32.47	17.83	7.28	4.58	3.92	1.11
Overall, how satisfied are you with your current job?	38.47	31.83	17.28	7.84	4.58	3.92	1.12

Intention to Continue Work: The highest overall satisfaction rating at a mean of 4.02, suggesting that despite the various challenges in compensation, career development, and working conditions documented in this study, the majority of insurance sector employees do not have immediate plans to leave their organizations. This finding reflects the importance of job security, particularly in a labor market where alternative employment opportunities for similarly qualified individuals may be limited, as a significant contributor to organizational retention even among employees who express dissatisfaction with specific aspects of their work.

Overall Organizational Satisfaction and Overall Job Satisfaction: All three items' mean scores are equal at 3.92, indicating that insurance sector employees, on average, experience a moderate to good

level of overall satisfaction with both their organizations and their jobs. These overall ratings are above the neutral midpoint but fall short of the high satisfaction range (4.5 and above), reflecting the mixed picture that emerges from the more detailed facet-level analysis: positive in job content, interpersonal relations, and some aspects of organizational culture, but problematic in compensation, career development, and work-life balance.

Table 2.22 : Summary of Mean Scores by Section Overall Satisfaction Profile

Section	Composite Mean Score	Satisfaction Level
Supervisory & Employee Relations	4.20	Highly Satisfied
Job Content & Role	3.95	Satisfied
Organizational Culture and Workplace Environment	3.60	Satisfied
Professional Growth	3.42	Moderately Satisfied
Benefits & Work-Life Balance	3.09	Approx. Neutral
Overall Satisfaction	3.92	Satisfied

The overall satisfaction profile presented in Table 2.22 reveals a consistent pattern: satisfaction is highest in the interpersonal and relational dimensions of work, moderate in job content and organizational culture dimensions, and lowest approaching or falling below the neutral threshold in compensation, benefits, and to some extent, career development dimensions. This pattern has important implications for policy design: while the strengths in interpersonal relations and job content provide a foundation of baseline satisfaction that supports retention, the significant weaknesses in compensation and career development represent structural threats to long-term engagement and quality of service delivery that require urgent policy attention.

2.8 Hypothesis Testing

To test the hypothesis that there is a statistically significant difference in employees' overall satisfaction across different associated factors, inferential statistical techniques were employed. Specifically, Pearson's correlation coefficient, one-way Analysis of Variance (ANOVA), and the independent samples t-test were used to examine the relationships and differences among the variables. The detailed results of these analyses are presented below

2.8.2 Hypothesis 1: Job Content & Role Satisfaction and Overall Job Satisfaction

To test the hypothesis that there is a statistically significant positive relationship between satisfaction with Job Content & Role and overall job satisfaction, a Pearson's correlation analysis was performed. The analysis yielded a Pearson's correlation coefficient of $r = 0.505$ ($p < 0.001$), indicating a moderately strong, statistically significant positive relationship. This finding confirms that Job Content & Role satisfaction is a significant predictor of overall job satisfaction in the insurers.

2.8.2 Hypothesis 2: Compensation Satisfaction and Overall Job Satisfaction

To test the hypothesis that there is a statistically significant positive relationship between satisfaction with compensation and benefits and overall job satisfaction, a Pearson's correlation analysis was performed. The analysis yielded a Pearson's correlation coefficient of $r = 0.583$ ($p < 0.001$), indicating a moderately strong, statistically significant positive relationship. This finding confirms that compensation and benefits satisfaction is a significant predictor of overall job satisfaction in the insurance sector, consistent with the predictions of Maslow's hierarchy, Adams' Equity Theory, and

the broader empirical literature.

2.8.2 Hypothesis 3: Professional Growth and Overall Job Satisfaction

Pearson's correlation between Professional Growth and Overall Job Satisfaction yielded a correlation coefficient of $r = 0.631$ ($p < 0.001$), indicating a strong and statistically significant positive relationship. This result confirms that professional growth and capacity building opportunities are among the strongest predictors of overall job satisfaction in the insurance sector, with a slightly stronger predictive power than compensation satisfaction, underscoring the importance of career development as a key driver of employee engagement and retention.

2.8.3 Hypothesis 4: Supervisory Quality and Employee Relations and Overall Job Satisfaction

Pearson's correlation between Supervisory Quality and Employee Relations yielded a correlation coefficient of $r = 0.614$ ($p < 0.001$), indicating a strong and statistically significant positive relationship. Supervisory quality is thus confirmed as one of the strongest predictors of overall job satisfaction, highlighting the critical role of management quality in determining employee workplace experience.

2.8.4 Hypothesis 5: Organizational Culture and Overall Job Satisfaction

Pearson's correlation between Organizational Culture and Overall Job Satisfaction yielded a correlation coefficient of $r = 0.597$ ($p < 0.001$), a statistically significant positive relationship. Organizational culture quality is thus confirmed as a significant predictor of overall job satisfaction.

2.8.5 Hypothesis 6: Sector Type and Overall Job Satisfaction

A one-way Analysis of Variance (ANOVA) was conducted to test whether overall job satisfaction differs significantly across different types of insurance companies (Life, Non-Life, Micro Life, Micro Non-Life, Re-Insurance). The analysis yielded $F(4, 3762) = 2.374$, $p < 0.001$, indicating statistically significant differences in overall job satisfaction across insurance sector types. Post-hoc analysis revealed that employees of life insurance companies reported marginally higher overall satisfaction than employees of non-life companies, while employees of micro insurance companies (both life and non-life) reported the lowest overall satisfaction levels.

2.8.6 Hypothesis 7: Gender and Overall Job Satisfaction

An independent samples t-test was conducted to test whether there is a statistically significant difference in overall job satisfaction between male and female employees. The analysis yielded $p = 0.052$, which falls marginally above the conventional significance threshold of $\alpha = 0.05$. The null hypothesis is therefore not rejected at the conventional significance level, indicating that there is no statistically significant difference in overall job satisfaction between male and female employees. However, the borderline p-value suggests that gender differences may become significant when additional moderating variables are controlled.

Table 2.23 : Summary of Hypothesis Testing Results

Hypothesis	Test Used	Test Statistic	p-value	Decision
H1: Job Content & Role → Overall Satisfaction	Pearson's r	$r = 0.505$	< 0.001	Reject H_0 □ □

H2: Compensation → Overall Satisfaction				
Pearson's r	r = 0.583	< 0.001	Reject H ₀	
H3: Professional Growth → Overall Satisfaction				
Pearson's r	r = 0.631	< 0.001	Reject H ₀	
H4: Supervisory Quality → Overall Satisfaction				
Pearson's r	r = 0.614	< 0.001	Reject H ₀	
H5: Organizational Culture → Overall Satisfaction				
Pearson's r	r = 0.597	< 0.001	Reject H ₀	
H6: Sector Type → Satisfaction Differences				
ANOVA	F = 8.73	< 0.001	Reject H ₀	
H7: Gender → Satisfaction Differences				
t-test	t = -1.94	= 0.052	Fail to Reject H ₀	

2.9 Qualitative Findings from Open-Ended Questions

The three open-ended questions (Q32: What are three things you most appreciate about your job? Q33: What are three things you recommend should change to improve job satisfaction? Q34: Any additional comments?) generated a rich body of qualitative data that provides essential depth and context to the quantitative findings. A thematic analysis of these responses identified the following major themes.

2.9.1 Most Appreciated Aspects of Insurance Sector Employment

Theme 1: Meaningful Work and Social Purpose. The most consistently expressed appreciation across all sectors, company types, and employee categories is the sense of purpose and social meaning derived from insurance work. Employees frequently articulate their satisfaction at being able to help clients protect their financial futures, provide support during times of loss and crisis, and contribute to the broader social goal of financial security. Representative quotations include:

“Helping people secure their financial future, building trust with clients, and continuous professional growth.” (Life Insurance, Officer Level, Madhesh Province)

“The work that I do helps families stay financially stable during a difficult time, which gives a deep sense of purpose.” (Non-Life Insurance, Assistant Level, Bagmati Province)

“Helping people in times of difficulty and building long-term relationships is incredibly rewarding.” (Life Insurance, Mid-Level Manager, Gandaki Province)

Theme 2: Positive Team and Work Environment. The quality of collegial relationships, teamwork, and the general work atmosphere emerges as a second major theme of appreciation. Employees across all levels and sectors consistently cite supportive colleagues, cooperative team environments, and the sense of belonging that their work community provides as valued aspects of their employment.

“Supportive work environment, cooperative colleagues, and opportunities for learning.” (Non-Life Insurance, Officer Level, Koshi Province)

“The strong friendships and professional relationships afforded in my career are deeply appreciated.” (Non-Life Insurance, Officer Level, Bagmati Province)

“The team members are like family; we support each other through challenges.” (Life Insurance, Assistant Level, Madhesh Province)

Theme 3: Learning and Professional Development Opportunities. Many employees, particularly younger and less tenured respondents, cite the opportunities for skill development, professional learning, and exposure to diverse aspects of business and financial management as important sources of job satisfaction. The intellectual engagement that insurance work provides — through exposure to risk management, financial planning, customer psychology, and regulatory frameworks — is frequently mentioned.

“I appreciate the opportunity to learn new skills, expand my insurance knowledge, and contribute to the organization’s goals.” (Life Insurance, Assistant Level, Koshi Province)

“Every day brings new opportunities to learn about different industries and risk factors.” (Non-Life Insurance, Officer Level, Bagmati Province)

Theme 4: Job Security and Income Stability Particularly among employees at lower organizational levels and those in remote locations, the reliability of salary payment and the relative job security compared to other employment options is cited as a valued aspect of insurance employment.

2.8.2 Recommended Changes to Improve Job Satisfaction

Theme 1: Salary Increment, Competitive Compensation, and Timely Benefits. By far the most frequently and urgently expressed recommendation across all employee categories is the need for substantial improvement in compensation packages. Employees call for competitive salary increases aligned with market rates and inflation, regularization of salary revision processes, timely payment of all benefits and allowances, and an increase in loan facilities, housing allowances, and other non-financial benefits.

“The salary should be revised according to the times, as inflation has risen so much it is hard to manage even basic daily needs.” (Non-Life Insurance, Assistant Level, Lumbini Province)

“Basic salary should be increased. Insurance company salaries should be comparable to banks.” (Life Insurance, Officer Level, Madhesh Province)

“A fair salary and timely benefits to employees, including medical insurance for parents, housing loans, and other facilities.” (Life Insurance, Assistant Level, Karnali Province)

Theme 2: Timely and Merit-Based Promotion and Career Development. The second most frequently expressed recommendation is for a fair, transparent, and timely promotion system that rewards merit, qualifications, and performance rather than connections and favoritism. Many employees specifically mention going without promotion for five, seven, or more years and attribute this to a broken or biased promotion system.

“Promotion should be done on time and fairly. It should not only depend on target achievement but on overall performance.” (Life Insurance, Assistant Level, Koshi Province)

“We need clear promotion criteria, transparent evaluation, and promotions that happen within a

specified timeframe based on performance.” (Non-Life Insurance, Officer Level, Bagmati Province)

“I have worked for this company for nine years and have received only one promotion. Fair recognition of hard work and timely promotion would greatly improve satisfaction.” (Non-Life Insurance, Assistant Level, Lumbini Province)

Theme 3: Professional Training and Capacity Development. Regular, relevant, and high-quality training programs — including physical training as opposed to virtual-only sessions, specialized technical training for underwriting, claims, and other operational functions, and potentially international training opportunities — are frequently recommended as ways to enhance both job satisfaction and professional competence.

“Training should be conducted from time to time, particularly in the areas of skills development, insurance awareness, and digital tools.” (Life Insurance, Officer Level, Sudurpaschim Province)

“Regular training relevant to our job duties — not just for marketing staff but for all operational staff — would significantly improve confidence and job satisfaction.” (Non-Life Insurance, Officer Level, Bagmati Province)

Theme 4: Better Work-Life Balance and Forced Leave Provisions. A significant and specific recommendation — particularly from employees of LIC Nepal and other companies that lack the provision — is the introduction of mandatory forced leave provisions, similar to those offered in the banking sector, to ensure that employees have guaranteed time away from work for personal and family renewal. Related recommendations include the elimination of after-hours calls and work demands, more flexible working hours, and the provision of adequate staffing at branches to reduce excessive individual workloads.

“Force leave should be introduced so that employees can refresh themselves at least once a year.” (Life Insurance, Officer Level, Koshi Province)

“Friday should be a half-day, and forced leave of at least 15 days should be mandatory for all staff.” (Life Insurance, Assistant Level, Karnali Province)

Theme 5: Improved Supervisory Behavior and Organizational Culture. Many employees recommend improvement in management quality — including the adoption of more supportive, respectful, and feedback-oriented supervisory styles, the elimination of favoritism and nepotism, and the development of a more transparent and fair organizational culture.

“Management should treat all employees equally. Favoritism and nepotism should be completely stopped.” (Non-Life Insurance, Assistant Level, Bagmati Province)

“Supervisors should be more understanding and should listen to staff concerns rather than just applying pressure for targets.” (Life Insurance, Officer Level, Madhesh Province)

Theme 6: Physical Infrastructure and Working Environment Improvements Employees at branch and sub-branch levels consistently recommend improvements in the physical work environment — including better office furniture, functional and up-to-date computing equipment, reliable internet connectivity, adequate temperature control (air conditioning in summer, heating in winter), and clean drinking water facilities.

“The office infrastructure needs urgent improvement. Broken chairs, faulty keyboards, and outdated printers make productive work difficult and undignified.” (Life Insurance, Assistant Level, Gandaki Province)

CHAPTER III: SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter synthesizes the data presented in results and analysis organized according to the four specific objectives. It then draws summary of the findings together into an overall conclusion and a set of recommendations for the insurance companies.

3.1 Summary

3.1.1 Overall Level of Job Satisfaction

With 3,767 valid responses drawn proportionately selected from employees across all five categories of insurance, the study finds that job satisfaction among Nepalese insurance companies' employees is, on average, positive. The overall satisfaction composite mean is 3.92 on the five-point scale, placing the sector in the "Satisfied" band, and high reliability coefficients across all six measured scales (Cronbach's alpha ranging from 0.781 to 0.866) confirm that the underlying data are internally consistent and appropriate for the analyses conducted.

This positive average, however, conceals wide variation across the five dimensions of the measured work experience. As Table 2.24 shows, the sector's satisfaction profile is sharply two-tiered, with interpersonal and intrinsic dimensions scoring well above dimensions tied to reward and advancement.

The three highest-scoring dimensions are anchored in the interpersonal and intrinsic character of the work: Colleague Cooperation (mean 4.38) and Clarity of Job Responsibilities (mean 4.17) are, respectively, the single highest-rated items in the entire survey. The lowest-scoring dimension is Benefits and Work-Life Balance, where two individual items such as Comparative Salary Adequacy (2.85) and Non-Financial Benefits Adequacy (2.87) fall below the neutral midpoint.

Findings also vary systematically across demographic and structural subgroups among the more notable patterns:

- **Age and tenure:** satisfaction rises fairly steadily with age, from 3.99 among employees aged 18–24 to 4.40 among those aged 55 and above, and is likewise highest among employees with 20 or more years of tenure (4.37) and lowest among those with 2–4 years of tenure (4.01).
- **Marital status:** single employees report markedly higher satisfaction (4.73) than married employees (4.14).
- **Education:** satisfaction does not rise with qualification level. Employees holding a Master's degree report the lowest satisfaction of any education group (3.62) lower even than employees with only a 10+2-level education (4.27) suggesting that the sector's more highly qualified employees may hold expectations of career progression and compensation that current HR practice is not yet meeting.
- **Province:** Bagmati Province, home to 46.9 percent of the sampled workforce and the seat of most head offices, records the lowest provincial satisfaction (3.88), while smaller provincial markets such as Madhesh (4.43) and Karnali (4.37) report the highest a pattern that may reflect the more competitive, higher-cost, higher-pressure environment of the capital relative to branch settings elsewhere.
- **Position level:** satisfaction is highest among Mid-Level Managers (4.18) and lowest among Assistant-Level staff (4.07), who make up 63 percent of the sampled workforce

— meaning the dissatisfaction identified in this study is concentrated in the numerically largest segment of the insurance workforce.

- **Contract type:** no meaningful difference is observed between contract and permanent employees, whose composite satisfaction means are identical at 4.09.

3.1.2 Relationship Between Key Determinants and Overall Job Satisfaction

All four hypothesized structural determinants of overall job satisfaction were confirmed as statistically significant positive predictors, and statistically significant differences were also found across insurance company types (Table 2.25).

Ranked by strength, professional growth ($r = 0.631$) is the single strongest correlation with overall job satisfaction, followed closely by supervisory quality ($r = 0.614$) and organizational culture ($r = 0.597$). Compensation and benefits, despite recording the low absolute satisfaction scores of any dimension, still highly significant correlation with overall satisfaction ($r = 0.583$). this pattern is consistent with Herzberg's distinction between hygiene factors and motivators: compensation behaves as a hygiene factor whose inadequacy depresses sentiment broadly, while professional growth behaves more as a genuine motivator, more tightly linked to how satisfied employees feel overall. This suggests that investment in professional growth and capacity-building may offer comparatively high returns in overall satisfaction. Sector-type differences were also statistically significant: employees of life insurance companies reported marginally more satisfaction than those of non-life companies, while employees of micro-insurance companies, both life and non-life, reported the low satisfaction of any company type a pattern that may reflect the limited institutional scale and HR infrastructure typically available to micro-insurers.

3.1.3 Factors Affecting Job Satisfaction

Beyond the section-level composite scores, item-level analysis identifies the specific practices and conditions most and least associated with employee satisfaction, offering a more granular diagnostic than the dimension-level findings alone.

Areas of strength:

- Colleague cooperation (4.38) the single highest-rated item in the survey
- Inclusion and respect at work (4.26)
- Supervisor support in completing tasks (4.21)
- Clarity of job responsibilities (4.17)
- Freedom from harassment and workplace abuse (3.88) though the corresponding 14 percent of employees who report having experienced some form of abuse or harassment remains a substantive concern addressed in Section 4.12

Areas of concern:

- Comparative salary adequacy relative to industry peers (2.85) the single lowest-rated item in the survey, with 42 percent of respondents dissatisfied
- Non-financial benefits adequacy (2.87), with 41 percent dissatisfied
- Fairness of promotion practices (3.03) also the most polarizing item in the survey ($SD = 1.29$), with 38 percent dissatisfied
- Basic salary and allowance adequacy (3.03), with 35 percent dissatisfied
- Recognition for good performance (3.31), with 28 percent dissatisfied

3.1.4 Employee Perceptions, Appreciation, and Recommendations for Change

Thematic analysis of the three open-ended survey questions corroborates and enriches the quantitative findings above, consistent with the concurrent-triangulation design described in the above Section.

What employees value most, in descending order of frequency: (1) the sense of meaning and social purpose in helping clients protect their financial futures; (2) supportive colleagues and team cohesion; (3) opportunities to learn and grow professionally; and (4) the relative job security and income stability the sector offers.

What employees most want changed, in descending order of frequency: (1) competitive, regularly revised compensation and non-financial benefits, most often benchmarked explicitly against the banking sector; (2) a transparent, merit-based, and timely promotion system; (3) more regular and relevant professional training extended to operational and back-office staff rather than concentrated among marketing staff; (4) mandatory forced-leave provisions and better work-life balance, including limits on after-hours work demands; (5) more supportive, less autocratic supervisory behavior and the elimination of favoritism; and (6) upgraded physical infrastructure at branch and sub-branch offices.

The convergence between the quantitative and qualitative strands of the study is itself a notable finding: the two lowest-scoring quantitative items in the entire survey comparative salary adequacy and non-financial benefits correspond precisely to the most frequently and most urgently voiced qualitative recommendation, and the third-lowest-scoring item, promotion fairness, corresponds to the second most frequent recommendation. This alignment across two independently analyzed forms of data increases confidence that compensation and promotion reform are not marginal concerns but the central, sector-wide priorities for HR policy intervention identified by this study.

3.2 Conclusion

The study concludes that employees working in Nepalese insurance companies generally experience a positive level of job satisfaction. The findings indicate that the sector provides a supportive working environment, particularly in terms of interpersonal relationships, teamwork, respect, supervisory support, and clarity of job responsibilities. Employees value cooperation among colleagues, supportive relationships with supervisors, the meaningful nature of insurance work, employment stability, and opportunities to learn and develop professionally.

However, the study also identifies several areas that require improvement. Compensation and benefits, promotion practices, recognition of employee performance, and work-life balance emerge as important concerns. Employees expect competitive and equitable remuneration, adequate non-financial benefits, transparent and merit-based promotion, and appropriate recognition for their contributions. These concerns suggest that positive workplace relationships alone are not sufficient to maintain high levels of employee satisfaction.

Professional growth, supervisory quality, organizational culture, and compensation and benefits are found to be important determinants of job satisfaction. In particular, employees place considerable importance on opportunities for career advancement, relevant training, supportive leadership, fairness, and a positive organizational culture. The findings also suggest that employee satisfaction differs across various demographic and organizational groups, indicating the need for organizations to consider the diverse expectations and experiences of their employees.

The qualitative findings further support the quantitative results. Employees emphasize the need for better compensation and benefits, transparent promotion systems, broader professional development opportunities, improved work-life balance, supportive supervision, reduced favoritism, and better

workplace facilities. The consistency between employees expressed concerns and the broader findings of the study strengthens the conclusion that these issues require organizational attention.

Overall, the study concludes that Nepalese insurance companies have a strong foundation for employee satisfaction through teamwork, supportive relationships, and a positive work environment. Nevertheless, sustained improvement requires greater emphasis on career development, fair rewards, recognition, supportive leadership, and work-life balance. Addressing these areas can enhance employee motivation, commitment, retention, and overall organizational effectiveness, thereby contributing to the sustainable development of Nepal's insurance sector.

3.3 Recommendations

Based on the findings, Nepalese insurance companies should focus on improving the key factors that influence employee job satisfaction. First, organizations should review salary, allowances, and non-financial benefits to ensure fair and competitive compensation. Second, they should establish transparent, merit-based promotion and career development systems with clear criteria and timelines.

Insurance companies should also expand training and professional development opportunities to all categories of employees, including operational and back-office staff. Improving work-life balance through appropriate leave provisions and limits on after-hours work communication is also recommended.

Similarly, organizations should strengthen supervisory practices by developing supportive leadership, constructive feedback, employee recognition, and effective people-management skills. Formal mechanisms should be established to address workplace harassment, discrimination, and abusive behavior. Investment in physical facilities, equipment, and digital infrastructure, particularly in branch and sub-branch offices, should also be prioritized.

Finally, human resource policies should be targeted toward employee groups with comparatively lower job satisfaction, ensuring that their specific needs and expectations are addressed. Overall, these measures can strengthen employee motivation, satisfaction, commitment, and retention while maintaining the sector's existing strengths in teamwork, workplace relationships, role clarity, and meaningful work.-

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NEPAL INSURANCE AUTHORITY

 Lalitpur-10, Kupondole, Nepal

 +977-1-5438743

 info@nia.gov.np

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