

Satisfaction Study of Endowment Insurance for Urban and Rural Residents in Wuhan

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ABSTRACT

The purpose of this work is to find out the factors influencing satisfaction degree and to put forward suggestions to improve the satisfaction degree of the basic endowment system for urban and rural residents. This study applied quantitative and empirical analysis to construct an index model for Wuhan residents' satisfaction degree of endowment insurance for urban and rural residents. Model results conclude that three dimensions affecting residents' satisfaction the most are government image, quality perception, and residents' expectation. Accordingly, the government should enhance these three aspects to improve satisfaction degree.

Keywords: Endowment insurance for urban and rural residents; Wuhan residents; satisfaction degree

1. INTRODUCTION

As the fertility rate declining, people's average life expectancy is also constantly increasing, which leads to the irreversible entry of the whole world into an aging society. Aggravating population aging will bring expenditure on the endowment and medical care first, while China has entered the aging society as early as the beginning of the 21st century. Under the impact of the aging population, the endowment problem of residents needs to be solved imminently. So, a proper solution to this problem has become the general residents' focus and is related to the stability of the country and society. However, there are problems in operating the endowment insurance system for urban and rural residents, which seriously affects its smooth operation and sustainable development. Besides, discrepancies in local ethnic cultures, high and low levels of economic development, and different lifestyles and concepts differ the insured's cognition and satisfaction with endowment insurance. Various guarantee factors restrict the improvement of the insured's satisfaction with endowment insurance, thus this paper tries to find out the influencing factors through a questionnaire survey and then gives corresponding suggestions.

2. LITERATURE REVIEW

Over the past ten years, scholars believed that the relationship between the Chinese urban-rural dual system and the concept of social security and found that the Chinese urban-rural dual system of social security violates the principle of fair sharing. Mi Zhang (2008) stated that the existing endowment insurance system lacks fairness[1]. Zheng Jiyou, zhao-you li (2015) based on the perspective of urban and rural development as a whole, through a series of investigation and study found that the lack of rural endowment insurance targeted system design,

including individual account annuities plan as a whole level is too low, the overall pension treatment level is not high, existence value problems at the same time, the strength of fiscal transfer payment is too small[2].

Jiang, Ning(2016) in his article respectively from the aspects of participation intention, system optimization, financial security, payment level adjustment, and system convergence, etc[3]. Fan Xingming (2014), taking Yunnan Province as an example, elaborated on how to strengthen economic development and urbanization, improve social insurance supervision system and improve informatization processing capacity[4].

3. RESEARCH METHODOLOGY

3.1. Research Objects

The survey was conducted among Wuhan residents aged 16 or above who are non-school students and have participated in the basic endowment insurance for urban and rural residents.

3.2. Research Purpose

The purpose of this paper is to investigate Wuhan residents' satisfaction degree of current endowment insurance for urban and rural residents, find out key influencing factors to provide a reference basis for the government to improve and perfect the system, and promote its further development and optimization.

3.3. Questionnaire Design and Survey

3.3.1. Questionnaire design

The questionnaire is mainly divided into three parts: The first part is to collect the respondents' personal information, including age, gender, education background, family income and consumption, etc. The second part is to understand the insured's general situation and cognition of the endowment insurance system for urban and rural residents, which can be used as the theoretical source of descriptive analysis. The third part is to investigate the insured's satisfaction degree of endowment insurance for urban and rural residents, including the perception of system design, the insured's expectation, complaint and trust, etc. Affected by the epidemic situation, questionnaires were mainly distributed online and the whole process lasted for one month. A total number of 5486 questionnaires were distributed and collected 4359 valid questionnaires, with an effective rate of 79.5%.

3.3.2. Dimension segmentation

Since the insured's satisfaction with the endowment insurance for urban and rural residents is comprehensively measured according to their participation experience, the survey results from different aspects are subdivided into different dimensions, which can fully reflect the operation status of the system and the insured's satisfaction perception. Therefore, with the questionnaire survey and interview results, the satisfaction degree of endowment insurance for urban and rural residents is divided into the following four dimensions, and the related variables are subdivided under different dimensions.

Government Image, the perception of the government image refers to the existing residents' cognition of the government's ability and image operating in the endowment insurance system for urban and rural residents[5]. The better the system operating, the better the policies propagating, the higher credibility the government has among the public. Therefore, the observation variables of the government image can be divided into three aspects: the government's propaganda on the endowment insurance system for urban and rural residents, the attention government paid to the residents' endowment problem, and the transparency of the endowment system.

Residents' Expectation, the expectation of residents are constantly improving with social progress, and most of the satisfaction surveys have statistical analysis on residents' expectations[6]. While comparing residents' expectations with their own perceptions can better show the real situation of satisfaction degree. Therefore, this paper regards the residents' expectations of endowment benefits and work efficiency as observation variables of residents' expectations.

Quality Perception, as a core index to measure the satisfaction level, perceived quality is also a key factor in the survey of the satisfaction level of pension insurance for urban and rural residents[7]. As an observed variable of residents' perceived quality, the connection between the design of the conditions of payment and the Government subsidies can fully reflect the quality of the system design. System Construction, Residents' satisfaction is a subjective measurement of consciousness, which reflects the sense of security that residents get psychologically from the endowment insurance for urban and rural residents[8]. So government system policy and service procedure can be set as observation variables to further analyse the cognitive feelings of insured residents.

Table 1. Dimension breakdown table

Structure variables	Observation variable
Government image	X ₁ : Government propaganda
	X ₂ : Institutional transparency
	X ₃ : The level of government attention
Residents expectation	X ₄ : Treatment level
	X ₅ : Work efficiency
Quality perception	X ₆ : Collection conditions
	X ₇ : Government subsidies
System construction	X ₈ : System policy
	X ₉ : Service procedure

4. RESEARCH RESULTS AND DATA ANALYSIS

According to the survey, most of the residents participating in the endowment insurance for urban and rural residents in Wuhan are between 30 and 70 years old, and most of the insured are below high school level, indicating that the education level of the residents is slightly low. Nearly half of the residents have an annual household income of less than 60,000 yuan. Moreover, most of them chose low and middle payment standards, only a few of them chose high-level payment. This fully reflects that young and middle-aged residents in Wuhan pay insufficient attention to endowment insurance for urban and rural residents, and the insured residents are generally in low income and low payment levels. The following will analyze the research results in detail from descriptive and empirical aspects.

4.1. Descriptive Analysis of the Insured's Satisfaction

Through the analysis of the questionnaire information, the following conclusions can be drawn:

Table 2. Government image satisfaction table

Structure variables	Propaganda	Transparency	Government attention
Very satisfied	12.8	7.2	13.5
Satisfied	24.4	16.6	45.4
general	23.3	20.3	30.1
dissatisfied	33.7	48.2	6.6
Very dissatisfied	5.8	7.7	4.4

Firstly, for the government image aspect, most of the residents are dissatisfied with government propaganda and institutional transparency, while, a large proportion of people are satisfied with government attention. According to the interview survey, residents understand insurance policy less from the government's propaganda, but most comes from the neighbours' conversation, TV media and other channels. Only 24% of residents understood how the pension works. But residents' general understanding was just how much they should contribute, how many years they could contribute and how much they could receive after retirement. They had no idea about the subsidy. Others were utterly ignorant about how to understand the insurance policy. It fully shows the urban and rural pension system is opaque.

Table 3. Residents expectation satisfaction table

Structure variables	Treatment level	Work efficiency
Very satisfied	6.9	10.5
Satisfied	17.4	41.9
general	23.25	38.4
dissatisfied	31.4	4.7
Very dissatisfied	20.9	4.7

Secondly, for residents' expectations, the table shows that most people are dissatisfied with the treatment level. The purpose of the system is to solve pension problems, so treatment issue is the key part. Residents generally are not satisfied with treatment. This is mainly related to China's economic structure and survey group, due to the low income and most residents employed by private enterprises. Residents investigated are lower pay and fewer benefits, so dissatisfied with treatment level. On the other hand, residents are generally satisfied with the speed and method of pension payment, which indicates that the government pays more attention to pension payment efficiency.

Table 4. Quality perception satisfaction table

Structure variables	Collection conditions	Government subsidies
Very satisfied	15.1	7.4
Satisfied	39.5	19.6
general	36	24.4
dissatisfied	5.8	27.9
Very dissatisfied	3.5	20.7

Thirdly, for quality awareness, 52.4% of residents satisfied with collection conditions, but about half of residents are dissatisfied with the government subsidies, which indicates that the government subsidies need to be strengthening.

Table 5. System construction satisfaction table

Structure variables	System policy	Service procedure
Very satisfied	5.8	17.5
Satisfied	45.3	38.4
general	34.9	31.9
dissatisfied	9.3	6.3
Very dissatisfied	4.7	5.9

Finally, for system construction, residents are satisfied with both System policy and service procedure.

4.2. Analysis of Each Dimension of the Questionnaire

SPSS19.0 was used to analyze the reliability of the above four dimensions. It can be found that the coefficients of every dimension greater than 0.8. Three of them are above 0.9. Generally, Cronbach Alpha greater than 0.8 shows pass the reliability test, this case indicates that the reliability and reliability of each dimension are excellent.

Table 6. Reliability analysis table of each dimension

The dimension	Cronbach Alpha's -based on	N of Items
Government image	0.960	3
Residents expectation	0.908	2
Quality perception	0.891	2
System construction	0.932	2

According to the statistical results of the questionnaire data, the satisfaction of each dimension was calculated, and then the corresponding weight W was calculated according to the proportion, as shown in the following table:

Table 7. Structure variable weight ratio table

Observation variable	Satisfaction X_i	Weighted W_i (%)
X_1	37.2	27.11
X_2	23.8	37.90
X_3	58.9	34.99
X_4	24.3	61.84
X_5	52.4	38.16
X_6	54.6	32.68

Cont. to Table 7.		
X ₇	27	67.32
X ₈	51.1	52.62
X ₉	55.9	47.38

The author uses CSI to represent residents' satisfaction results. The calculation formula is as follows:

$$CSI = \sum_{i=1}^n W_i * X_i \quad (1)$$

Where, W_i represents the weight of the index i and X_i represent the evaluation of the index i. From the calculation formula, the result is as follows:

Table 8. Structure variable result table

Structure variables	Result
Government image	39.71
Residents expectation	36.48
Quality perception	36.02
System construction	53.37

4.3. Evaluation of Satisfaction Result

The satisfaction result of the government image is 39.71. The low satisfaction degree reflects problems about government image. The publicity effect is bad, and the publicity content is not comprehensive and thorough enough. in the interview process, most of the residents of social security staff recognize business capability and efficiency, but for what they have to accept to the propaganda of knowledge is not much, bad publicity, detailed the content of no and convey to the people, among them, because of people's education level is uneven, the understanding ability is different, the social security staff in the propaganda policy taken by the route is not intuitive. Relevant government departments should pay attention to transparency and propaganda of the operation of endowment insurance policies.

The satisfaction result of residents' expectation is 36.48, slightly lower than the government image. In this dimension treatment level is the core influence factor. The pension treatment level directly reflects the residents' perception of pension quality. Dissatisfied with the pension treatment level shows the government should increase treatment to improve satisfaction degree.

The satisfaction result of quality perception is 36.02. It is the lowest satisfaction degree in four dimensions. It can be found that over half of the residents are satisfied with collection conditions fact, while government subsidies satisfaction is too low. In these dimensions, government subsidies are the key part, the government should increase government subsidies to improve satisfaction degree.

The satisfaction result of system construction is 53.37. It is the highest satisfaction degree in four dimensions. But it cannot show the government done well in this part. Most of the residents are lack of knowledge, a large number of people believe insurance system design has little

relationship with them; they are passive recipients, in a state of crowd. Residents lack rational cognition of this policy, their perception of system construction is relatively fuzzy.

5. CONCLUSION

The three main dimensions that affect the satisfaction of insured residents are government image, quality perception and residents' expectations. In view of the particular problems reflected in the current endowment insurance system, the following suggestions are proposed.

5.1. Building Government Image

The government should reinforce the propaganda of public policies and strengthen the determination of residents in participating in insurance.

First, a team of specialists should be organized to educate residents in both urban and rural areas on the details and benefits of participating in the endowment insurance policy for urban and rural residents. At the same time, residents' concerns about the policy should be collected and explained accordingly. In addition, new media can be a very strong and effective tool to communicate general knowledge and improve the acceptance of residents. Secondly, make full use of the beneficiaries who have obtained the endowment insurance policy after reaching the age of 60. Invite them to share their experience with the general residents to understand the benefits of participating in the endowment insurance for urban and rural residents.

On the other hand, the government should increase policy transparency and optimize the investment channels of insurance funds. Under the premise of an efficient operation of the endowment insurance system for urban and rural residents, the government should also improve the transparency of the system and do a good job in the disclosure of relevant information, especially the disclosure of the operation status of the endowment insurance fund, which is conducive to finding and solving problems, thus improving the efficiency of relevant departments. Secondly, the ability of risk assessment should be strengthened to achieve the purpose of maintaining and increasing the value of insurance funds, so as to relieve the financial pressure of the government and improve the pension level of the basic account as much as possible.

5.2. Improving Information Construction

The government could build a diversified payment incentive mechanism. First, for the insureds who have been paying premium in the long-term, a step payment and excess accumulative allowance method can be applied. It can also consider the term of the insured when subsidizing

basic annuity. Second, generally, the least term of paying premium is 15 years. Considering the unsatisfied performance of the endowment insurance system, it is a reasonable idea to extend the term of paying premium. In return, achieve an increase in the interest rate for the personal account of the insured.

Moreover, the government could improve the payment level and security level. It is suggested that the endowment insurance for urban and rural residents in Wuhan should adjust the insurance premium level according to the income level of Wuhan residents. This can encourage high-income people in insurance to consider a higher premium level. The staff of social security should also continuously learn and understand the intention of the insured, comprehensively introduce the content of the policy to Wuhan residents, and actively guide residents to choose the appropriate payment level.

5.3. Enhancing Supervision

The government should supervise the operation process of the pension fund for urban and rural residents in all aspects; establish a multi-level and orderly supervision system with the help of external forces such as the media. It should publicize the operation system status of the pension fund openly, meanwhile, providing channels for feedback from the residents. By these means, arouse the enthusiasm of the insured to help supervise the operation and the implementation of the policies.

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