



Employee motivation in insurance sector: A comparative study

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Abstract

In modern competitive era, Motivation is considered a vital factor influencing the behavior and activity of employees. Within current dispensation organizations are now realizing that their accomplishments are dependent on the capabilities of employees to create a centre of attention and develop and hold on to talented employees. The future of the organization's capabilities to create a centre of attention, develop and hold on to a talented work force will be a significant factor in developing a high-performance organization. Increasing motivation, commitment and engagement levels are key organizational aspects nowadays. The current paper is to understand the differences of motivation levels in the six insurance companies of Jammu and Kashmir on a five pointer likert scale. The overall motivation of a company has been measured on a six dimension - thirty factor five pointer scale and the ANOVA has been run to understand dimension-wise comparison. Each of the six insurance companies has been analyzed through Post Hoc study of SPSS for micro comparisons.

Keywords: employee motivation, post hoc study, ANOVA

Introduction

Motivation as incentive systems is fundamental in developing capacities and translating developed capacities into better performance. In today's stiff and competitive era, motivation plays an important and crucial role in developing and getting the best from the human resource of an organization. We can buy people's time, their physical presence and their muscular motions per hour. But we can't buy the devotion of their hearts, minds and souls. We can earn these by motivating the employees completely so that they fall in love with their jobs. Luthan (1992) ^[9], defined motivation as a combination of needs, drives and incentives, it is a process that starts with psychological deficiency or need that activates behavior or a drive aimed at a goal or incentive. Motivated and enthusiastic employees are assets to an organization for increasing the quality of services and automatically contribute to the customer satisfaction and organizational performance. By studying the different works of social scientists about motivation, we definitely get a specific view of it. Both financial and non-financial measures are important in motivation of an employee. Motivation is actually a kind of force which energizes people to achieve some common goals. Every organization either public or private is goal oriented. It has been argued that unless individual employees are motivated to make efficient use of potentials, they may not achieve the level of performance that is desired from them (Rothberg, 2005) ^[13]. For an employee to get motivated, it is perceived that their wants are being met. Thus, the satisfaction of the employee represents an indispensable dimension of the motivational process, a satisfied employee would certainly contribute positively to the realization of organizational goals and objectives, while a dissatisfied employee can even act in such a way that the realization of such goals and objectives

could be completely destroyed, this underlines the importance of employee satisfaction to the organization (Anka, 1988) ^[1]. According to Churchill *et al.* (1987) ^[5], the determinants of performance are personal, organizational, environmental, motivation, skill level, aptitudes and role perceptions. Moreover, Vroom (1964) ^[15], explained that motivational components are typically based on expectancy theory, which states that productivity increases when the level of motivation is increased. Motivation is considered as a predictor of job performance in other words, the determinants of employee job performance are motivation, aptitudes and skill level. Managers within companies or organizations are primarily responsible to ensure that the tasks or job is done through employees in the right way. To achieve this, these managers ensure that they have a competent personnel department for the recruitment of the best employees that are capable to do the job. For the company to optimize employee's performance there is need for the employees to be sufficiently motivated. Therefore, motivation in theory and practice becomes a difficult subject touching on several disciplines. Although a lot of scholarly research has been written on motivation, this subject is not clearly understood and more often than not poorly practiced. On this score, to best understand how motivation can impact on employee's performance one must understand human nature. As much as motivation impacts on employee performance, there is need to blend the appropriate motivational tools with effective management and leadership to achieve this goal. Notwithstanding the fact that motivation is very important to determine employee's ability to do other factors such as the resources given to an employee to do his or her job. Therefore, successful work performance can arise from a variety of motives. For instance, two people doing similar jobs may both be successful for different reasons, one

salesperson may be motivated by the commission earned on sales, while the other may be more concerned about meeting sales targets. This creates a nuance in the subject matter because motivation to enhance performance varies from person to person and from company to company. These are the challenges managers are confronted with in designing appropriate motivation tools that will be able to meet with the expected performance within the company. This therefore arouses more critical academic thinking within the subject area. In this light a lot of academic literatures from scholars and practicing managers have been ensured to resolve this intriguing academic domain on how motivation can enhance performance.

Insurance Sector in India

The insurance industry of India consists of 53 insurance companies of which 24 are in life insurance business and 29 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India (GIC Re). Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third party administrators servicing health insurance claims. Out of 29 non-life insurance companies, five private sector insurers are registered to underwrite policies exclusively in health, personal accident and travel insurance segments. They are Star Health and Allied Insurance Company Ltd, Apollo Munich Health Insurance Company Ltd, Max Bupa Health Insurance Company Ltd, Religare Health Insurance Company Ltd and Cigna TTK Health Insurance Company Ltd. There are two more specialised insurers belonging to public sector, namely, Export Credit Guarantee Corporation of India for Credit Insurance and Agriculture Insurance Company Ltd for crop insurance. Government's policy of insuring the uninsured has gradually pushed insurance penetration in the country and proliferation of insurance schemes are expected to catapult this key ratio beyond 4 per cent mark by the end of this year, revealed by ASSOCHAM's latest data. The number of lives covered under Health Insurance policies during 2015-16 was 36 crore which is approximately 30 per cent of India's total population. The number has seen an increase every subsequent year as 28.80 crore people had the policy in the previous fiscal. During April 2015 to March 2016 period, the life insurance industry recorded a new premium income of Rs 1.38 trillion (US\$ 20.54 billion), indicating a growth rate of 22.5 per cent. The general insurance industry recorded a 12 per cent growth in Gross Direct Premium underwritten in April 2016 at Rs 105.25 billion (US\$ 1.55 billion). The life insurance industry reported 9 per cent increase in overall annual premium equivalent in April-November 2016. In the period, overall annual premium equivalent (APE)- a measure to normalise policy premium into the equivalent of regular annual premium- including individual and group business for private players was up 16 per cent to Rs 1,25,563 crore (US\$ 18.76 billion) and Life Insurance Corporation up 4 per cent to Rs 1,50,456 crore (US\$ 22.48). India's life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a Compound Annual Growth Rate

(CAGR) of 12-15 per cent over the next five years. The insurance industry plans to hike penetration levels to five per cent by 2020. The country's insurance market is expected to quadruple in size over the next 10 years from its current size of US\$ 60 billion. During this period, the life insurance market is slated to cross US\$ 160 billion. The general insurance business in India is currently at Rs 78,000 crore (US\$ 11.44 billion) premium per annum industry and is growing at a healthy rate of 17 per cent. The Indian insurance market is a huge business opportunity waiting to be harnessed. India currently accounts for less than 1.5 per cent of the world's total insurance premiums and about 2 per cent of the world's life insurance premiums despite being the second most populous nation. The country is the fifteenth largest insurance market in the world in terms of premium volume, and has the potential to grow exponentially in the coming years.

Review of Literature

It has become a major challenge for the management in this competitive world to motivate employees to offer proficient and high-quality services that customers expect so for. The employee's motivation and their passionate and vigorous behaviour towards task completion plays chief role in success of an organization, Cheng (1995) ^[4]. Md. Nabi *et al.* (2017), ^[10] concluded that factors considered under extrinsic motivation are salary, monetary incentives and compensation package; the factors considered under intrinsic motivation are work environment, responsibility and empowerment, recognition and appreciation for work done; the factors considered under relationships and security are relationship with superiors, peers, team work, cooperation and job security. Kovach (1980 & 1995) ^[7, 8] identified employee motivation factors, Working environment, Empowerment, Recognition, Rewards and Incentives, Job Security, Team work and Cooperation.

Carolyn Wiley (1997) ^[3], concluded that employee motivation depends upon number of factors that motivate employees to perform efficiently so that they attain high levels of performance and such an understanding is essential to improve productivity and ultimately to ensure the success of the company. They conducted a survey ranking the top five factors that motivate employees in their jobs as good wages and incentives, empowerment and full appreciation for work done, job security, recognition and promotion and growth in the organization and good working environment. Ovidiu-Iliuta Dobre (2013) ^[11], concluded that a motivated and qualified workforce is essential for any company that wants to increase productivity and customer satisfaction. In this context, motivation means the willingness of an individual to do efforts and take action towards organizational goals. Ghafoor Tahir (2015), reached to the conclusion that working environment is helpful in increasing motivation and employee's level of productivity. Factors like supervisor support, good relation with co-workers, training and development, attractive incentives, recognition plans and adequate work load are helpful in developing a working environment that has positive impact on motivation and employee's level of productivity in the organization. The results also send a message to organizations especially financial Institutions that by

developing a conducive environment, the level of employee motivation and productivity can be increased and maintained. Arokiasamy (2013) ^[2] found that the factors like compensation, rewards, job security and working environment increase the level of commitment and sense of belonging within the organization. Subsequently motivated employees remain satisfied and positively contribute to productivity, thereby, organizational performance. Khan *et al.* (2010) ^[6], concluded that rewards play a key role in achieving loyalty, commitment and employee motivation, it was further noted that rewards convince people to move forward for performing something special to fulfill their needs and get satisfaction. They found that employee work motivation in commercial banks of Pakistan in the form of rewards, promotion, incentives and benefits led to higher productivity. Patricia Milne (2007) ^[12], finds that reward and recognition programmes can positively affect motivation, performance and interest within an organization, while a little more problematic, team-based incentives if designed appropriately can also encourage and support a range of positive outcomes. She further concluded that rewards and incentives can make employees more responsible, careful and definitely contributes to employee motivation. Rutherford (1990) ^[14], reported that motivation formulates an organization more successful because provoked employees are constantly looking for improved practices to do a work. Getting employees to do their best work even in strenuous circumstances is one of the employees most stable and greasy challenges and this can be made possible through motivating them. Yudhvir and Sunita (2012) ^[16], concluded that motivational strategies can improve employee performance, reduce the chances of low employee morale, encourage teamwork and instill a positive attitude during challenging times. Employees with a high level of motivation typically work harder and can overcome common workplace challenges with ease; this helps the organization to reach its objectives and improve overall operations. Pay raises, bonuses, stock options and profit sharing are examples of positive motivators. These motivators reward employees for not only doing their job, but doing it well and with enthusiasm. Authors concluded that motivation is an important concept that has been receiving considerable attention from academicians, researchers and practicing human resource managers. Mere knowledge about the theories of motivation will not help to manage their subordinates. They need to have certain techniques that help them to change the behavior of employees. Rewards motivate them and make them to achieve goals to reach organizational performance. Chukwuma *et al.* (2014), concluded from his findings that the effect of motivation on employee productivity is of paramount importance to the organization to meet up with the current dynamic rate of the business trends and the management of the manufacturing firms should try as much as possible to adopt good and positive motivational techniques to increase the moral of the workers towards productivity and performance.

Objectives of Study

1. To study the difference in employee motivation across six insurance companies in J&K.
2. To analyze the Dimension-wise comparisons for

understanding the differences in human resource policy of motivation among the six companies under study.

Comparative Analysis of Employee Motivation and Organizational Performance among the Insurance Companies under study

A Questionnaire based on six factors with thirty items was prepared to scale measure motivation across the companies. The six factors originally put to test were:- Working Environment, Empowerment, Recognition, Rewards and Incentives, Team-work and cooperation, and Job Security. The five pointer scale measured thirty responses with five responses under each dimension.

Hypothesis Testing

Ho: The difference across the six companies is not significant.

H1: The difference in employee motivation across six companies is significant.

The present study is to understand the difference in employee motivation level among the six insurance companies under study. The statistically significant results would testify the alternate hypothesis besides make the researcher sure that the samples couldn't have come from the same universe. Five dimensions of employee motivation were put to response through a structured questionnaire and "F" values were calculated for each dimension between groups and within groups. Working Environment, Empowerment, Recognition, Rewards and Incentives, Job security and Team work cum Cooperation were the dimensions on which ANOVA test for

Table 1

ANOVA of Employee Motivation						
		Sum of Squares	Df	Mean Square	F	Sig.
WE	Between Groups	23.402	5	4.680	8.681	.000
	Within Groups	186.552	346	.539		
	Total	209.955	351			
EMP	Between Groups	13.986	5	2.797	6.246	.000
	Within Groups	154.943	346	.448		
	Total	168.929	351			
RE	Between Groups	32.559	5	6.512	12.882	.000
	Within Groups	174.896	346	.505		
	Total	207.455	351			
RI	Between Groups	11.248	5	2.250	4.731	.000
	Within Groups	164.525	346	.476		
	Total	175.773	351			
JS	Between Groups	20.480	5	4.096	8.511	.000
	Within Groups	166.518	346	.481		
	Total	186.997	351			
TC	Between Groups	28.580	5	5.716	15.913	.000
	Within Groups	124.284	346	.359		
	Total	152.864	351			

motivation was run. While examining the "F" values of each dimension of employee motivation and comparing the same with the table values of "F" (2.21), it can be inferred that the results are Significant, thereby accepting alternate hypothesis and rejecting null hypothesis. In simple words there is a difference in the level of motivation among the six companies

as well as between the groups of employees (gender based and designation based) within each company.

Post hoc study of employee motivation

While ANOVA test confirmed the statistically significant difference among the companies under study the difference across the dimensions has been explored by Post-hoc study using the least significant difference statistic. The six insurance companies have been identified by numerical from 1-6 i.e:

1. LIC
2. New India Insurance Company Ltd.
3. PNB Metlife.
4. HDFC Life.
5. Bajaj Allianz
6. Reliance.

For each comparison the table indicates the mean difference (the difference between group means) the standard error, the significance value (the probability the difference between the groups was due to chance is 5% or less) and a 95% confidence interval for the mean difference. In the present study, the comparison dimension wise is as under.

Working Environment

Here the LIC differs significantly from HDFC Life Insurance and Reliance Life Insurance which is also the case with New India Insurance Ltd. HDFC Life differs significantly with LIC, New India Insurance, Met life and Bajaj life insurance company. Met life differs significantly with HDFC and Reliance life insurance Company. Bajaj life insurance differs significantly with HDFC and Reliance life insurance Company. Reliance insurance differs significantly with LIC, New India, Met life and Bajaj life insurance. In short it can be concluded that HDFC and Reliance employees have different working environment than other four companies under study as determined by the multiple comparison study.

Empowerment

The test results indicate a significant difference in terms of empowerment between reliance and other five companies. LIC and New India insurance have significant test difference with Reliance and Bajaj life insurance companies. The results also indicate a significant difference between LIC and New India Insurance Ltd. In case of private sector companies MetLife and HDFC life has significant difference in terms of empowerment with Bajaj and Reliance life insurance Ltd.

Recognition

In terms of results regarding the recognition dimension, the test indicate the significant difference between Bajaj life insurance and other five companies, while reliance life has significant difference with all other companies under study except MetLife. Between Public sector companies i.e., LIC and New India insurance company Ltd, no significant difference was observed from Post-hoc study.

Rewards and Incentives

The test results indicate insignificant difference between LIC and New India insurance Ltd in terms of this dimension.

However, the results for private insurance companies is similar to recognition dimension with Bajaj life and Reliance life showing significant difference with other two private sister companies as well as two Public sector companies.

Job Security

The evaluation of job security dimension indicates that there is a significant difference between LIC and New India insurance Ltd. The Bajaj Life insurance has significant difference with all other five insurance companies under study. LIC has significant difference with HDFC and Bajaj, while New India insurance has significant difference with Bajaj and Reliance life insurance Ltd. MetLife has significant difference with HDFC life and Bajaj Insurance Ltd.

Team work and Cooperation

The results of this dimension are unique as the differences between all the insurance companies are significant. However, the difference between LIC and New India Insurance are not significant. The comparison between LIC and New India Insurance (Public sector companies) and private sector insurance companies is also significant.

Conclusion

In conclusion, the results also indicate that there were significant difference in each dimension between public and private sector insurance companies. The post hoc analysis revealed that while there is a significant level of difference between public and private sector insurance companies, there is also a difference within public and private sector companies. While further analysis revealed that Reliance Life and Bajaj Life form a similar group than rest of the companies based on motivation levels.

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