THEORETICAL FRAMEWORK OF EMPLOYEE MOTIVATION IN INSURANCE SECTOR- A CASE STUDY OF JAMMU AND KASHMIR

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ABSTRACT

The subject of Personnel Management is not new in the realm of world knowledge. People in early times worked for the Kings and were motivated by gifts or awards of estate, gold, diamonds etc. The time changed and Scientific Renaissance (1300 AD) dawned on the horizons of the world. The traditional religious approach to life was put to test of scientific reason. The processes of manufacturing started to get mechanized and finally in 1760 AD a major revolution began to transform the world of production. The industrial Revolution changed the character of economy to capitalism. The Personnel Management had to answer the question of increasing motivation levels of workers. This led to the recognition of workforce as Human Resource and changed the context of Personnel Management to Human Resource management. The Human/Worker became a resource and their Skills as an inventory to boost organizational output. The motivated workforce came to be recognized as a fulcrum of organizational performance. The study began on a discussion of theoretical framework of employee motivation in Insurance Sector with regional perspective of Jammu and Kashmir. The Insurance sector being a sales driven sector with target based functioning does test the motivation levels of the workforce under the stress of achieving targets. Both public and private sector players were put to test and a sample of six organizations was studied with four private companies and two public sector companies. These six companies were chosen based on their pan regional presence and higher operational web with employee presence across Jammu and Kashmir. The purpose of this paper is to provide the context for a discussion that employees will get motivated by good working environment, empowerment, recognition, rewards and incentives, job security and team work and cooperation.

Keywords: Employee Motivation, Motivational Factors.

INTRODUCTION

Managers within companies or organizations are primarily responsible to ensure the tasks or job is done through employees in the right way. To attain this, these managers must certify that they have a capable human resources department for the staffing of the best employees that are competent to do the job. For the corporation to optimize employees performance there is need for the employees to be adequately motivated. Hence, motivation in theory and exercise becomes a complicated question touching on some disciplines. Even though a cluster of academic research has been written on...
motivation, this topic is not undoubtedly understood and more frequently than not weakly practiced. On this score, to finest understand how motivation can impact on employee’s performance one must recognize human nature. In as much as motivation impacts on employee performance, there is ought to blend the proper motivational tools with efficient management and leadership to attain this goal. In spite of the fact that motivation is incredibly significant to conclude employee’s capability so do other factors such as the resources given to an employee to perform his or her job. Consequently, successful work performance can arise from a variety of motives. For example, two people performing like jobs may equally be booming for diverse reasons, one salesperson may well be motivated by the commission earned on sales, whilst the other may be additionally worried about meeting sales targets. This creates a tone in the subject matter since motivation enhances performance differs from person to person and from corporation to corporation. These are the challenges managers are confronted with in designing suitable motivation tools that will be able to meet up with the expected performance inside the corporation. 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 ensured to resolve this intriguing academic domain on how motivation can increase performance. Contemporary research and observations show that well motivated employees are more productive and creative towards achieving company or organizational goals. On the other hand less motivated employees are less performing and tend to divert from attaining organizational goals. Motivation as incentive systems are fundamental to developing capacities and to translating developed capacities into better performance. In today’s stiff and competitive era, motivation plays important and crucial role in developing and getting the best from the human resource of an organization. In today’s stiff and competitive era, motivation plays important and crucial role in developing and getting the best from the human resource of an organization. We can buy peoples 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’s (1992) says, “Motivation is a combination of needs, drives and incentives. A process that starts with psychological deficiency or need, that activates behavior or a drive that 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. Performance of employees in any organization is vital, not only for the growth of the organization but also for the growth of individual employees. 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). For an employee to get motivated, he/she perceives 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 may not only contribute but can even act in such a way that the realization of such goals and objectives could be completely destroyed. This underlines the importance of employees, satisfaction to the organization Anka (1988). According to Churchill, Ford and Walker (2000), the determinants of performance are personal, organizational, environmental, motivation, skill level, aptitudes and role perceptions. Moreover, Vroom (1964) 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.

REVIEW OF LITERATURE

The literature on motivational theories provide some insights into people's needs and help in the understanding of what people will and will not value as work motivation. There are broadly two content theories: Maslow's Hierarchy of Needs and Herzberg's Two Factor theory. Maslow motivation
theory: Abraham Maslow (1908 — 1970) introduced Neo-Human Relations which is fixed on the psychological requirements of employees. Maslow set forward a theory to facilitate that there are five levels of human needs which workers require to have satisfied at work. All of the needs are ordered into a hierarchy and only once a lower level of need has been completely met, would a worker be motivated by the chance of having the next need up in the ladder satisfied. Herzberg’s Dual-Factor Theory: Herzberg’s two-factor theory explains needs in terms of satisfaction and dissatisfaction. Satisfaction comes from motivators such as achievement, recognition, advancement, responsibility, the work itself and growth possibilities. Herzberg uses the term motivator for job satisfiers as they engross job content along with the contentment that results from them. Motivators are considered job turn ons. They are essential for considerable improvements in work performance and move work force further than satisfaction to better performance. Herzberg uses the word hygiene factors too because they are anticipatory in nature. They will not create motivation, but they can stop motivation from happening. Hygiene factors can be considered job stay-ons as they encourage workforce to continue on a job. Once these factors are provided, they do not essentially encourage motivation; but their nonexistence can produce workforce dissatisfaction. Shulze and Steyn (2003) suggest that motivation represents the complex forces and needs which provide the energy for an individual to perform a particular task. Someone who is motivated is always conscious of the goal to be achieved and directs his or her efforts at attaining that goal. Habibah and Noran (1999), conducted a study of 82 excellent employees from one of the higher education institutions in Malaysia. Employees who have been constructively evaluated by their super-ordinates would accept bonus as well as get additional than one yearly were considered as performed employee. In the meantime job motivation was calculated using tool developed by Sutarto Wijono (1997). Moreover, the person needs institutional power (also known as social power) wants to organize the efforts of others to further the goals of the organization. Managers with a high need for institutional power tend to be more effective than those with a high need for personal power. Past studies by Cummins (1967), McClelland (1984) reported significant relationship between job performance and power motivation which suggests that employees with high power motivation will perform better.

A study on affiliation motivation by Hill (1987) on a personality attributes reflects of individual’s desire for social interaction. The result suggested those with a high need for affiliation need harmonious relationships with other people and need to feel accepted by other people and tend to conform to the norms of their work group. Individuals with high need affiliation choose work that provides significant personal interactions and perform well in customer service and client interaction situations. Reis and Patrick (1996) have examined the effects of affiliation motivation on an individual’s attitude, emotion and behavior in social psychology studies. The study found that people with higher affiliation motivation have higher levels of self-esteem and self-confidence and people with less affiliation motivation describe themselves only. Workforce should also be given help in personal matters, they are less motivated for social interactions and feel isolated from others. Another studies on affiliation motivation and job performance by Litwin and Stringer (1968) and Chemers and Ayman (1985) showed negative relationship between affiliation motivation and job performance. However, Shouksmith (1987) reported affiliation motivation was not correlated with job performance. More ever, incentives also play a significant role in the motivation of employees. Monetary Incentives: In monetary incentives, the monetary benefit is given individually to all workers in the Organization. Non-monetary Incentives include: job security and job enrichment, fair treatment to workforce, encouragement to self-development and career development, helpful attitude of management etc. Patricia Milne (2007) concluded that incentive programmes can positively affect motivation, performance and interest within an organisation. While a little more problematic, team-based incentives, if designed appropriately, can also encourage and support a range of positive outcomes. The importance of reward in the day-to-day performance of workers duties cannot be overemphasized. MUOGBO U.S. (2013) said that it is a well-known fact that human performance of any sort is improved by increase in motivation. He said that it can be easily inferred that workers reward package matters a lot and should be a concern of both the employer and employee. The results obtained showed
that workers place great value on the different rewards given to them by their employer. Hence, when these rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their job. It is therefore imperative for the organization to consider the needs and feelings of its work force and not just overlook them in order to safeguard industrial harmony, because “a happy worker they say is a productive worker”. Having stressed the importance of a good remuneration policy on the performance of workers and the different kinds of rewards that can influence workers to perform better on a job, this study can therefore be seen a call for employers sense of commitment to put in place appropriate incentive plan that will encourage workers to be more purposeful and improve their performance. In other words, we can say motivation of workers depend upon rewards and incentives, recognition and empowerment within their organisations. Maznah Wan Omar, Kamaruzaman Jusoff and Harniyati Hussin (2010), paid stress on developing good working environment and team work and cooperation among peers is essential. This is vital as workplace provides an image of the day today lives of people who come to work, do their jobs and live within the framework of company regulations. Nonetheless if negative stress is continuously high, job satisfaction will get lower, thus leading to disloyalty to the working place. They said employees are more loyal when their top management or managers are good leaders, when they are cooperative and provide good working environment to their subordinates.

**OBJECTIVES**

1. To study the employee motivation among insurance companies of Jammu and Kashmir.
2. Theoretically analysis the motivational factors among insurance companies.
3. To study the relationship and significance of factors in insurance sector.

**Theoretical Construct**

![Theoretical Framework of Factors Contributing to Employee Motivation](image)

**Motivation of Employee**

Escalating motivation, loyalty and engagement levels are key organizational aspects nowadays. The progress of compensation policies has a vital role in motivating employees to carry elevated levels of performance, flexible effort and involvement. The procedure of motivation frequently starts with someone recognizing an unsatisfied need. Then a goal is established to be reached and that way to satisfy the need. Rewards and incentives can be recognized for people to better achieve the given goal.
The societal perspective will also affect the motivation level. This perspective consists of organizational values and culture but it also includes leaderships and management as well as the control of the group or team in which a person works. Motivation can be intrinsic or extrinsic. Intrinsic motivation can be defined as the practice of motivation by work itself in so far as it satisfies the personal needs of the employee. Intrinsic motivation is self-generated and it is thought that people seek out for a job they think will most satisfy their needs. The factors affecting intrinsic motivation take in for example responsibility, autonomy, daring to use and develop persons own skills, interesting tasks and opportunities for advancement. Extrinsic motivation is for example the rewards management provide such as pay rise, praise or promotion. Extrinsic motivators are proficient but the control doesn’t last long. Intrinsic motivators tend to have a longer consequence as they are inborn and not forced from outside. Armstrong (2007) As the needs of individuals differ a lot, it is important to concentrate carefully on the attachment of goals and incentives given when goals are accomplished. 

Motivation theories help to understand different motivators. Motivation theories have been examined for decades. These theories can be implemented to the company’s human resource policies to get the best out of the employees. According to research conducted by Mosley, Megginson, and Pietri (2001), there are three levels of employee motivations: (1) The direction of an employee behaviour, it relates to those behavior which the Individuals choose to perform. (2) The level of effort, it refers to how hard the individual is willing to work on the behaviour. (3) The level of persistence, it refers to the individual’s willingness to behave despite obstacles. They found that management can make use of different tactics, strategies and policies to motivate employees in work settings, but different tactics, strategies and policies would have a different motivational impact on diverse people.

Importance of motivation

The achievements of employees and organizational goals are autonomous process related by employee work motivation. Employee motivates themselves to satisfy their personal goals, so they devote and direct their hard work for the achievements of organizational objectives to meet up with their personal goals also. It means that organizational goals are unswervingly proportion to the personal goals of individuals. Robert (2005), reported that the manager’s job is to ensure the work done through employees are satisfied and the employees are self motivated towards their work rather than just being directed. The managers” involvement is not so much important in the motivation of employees. The employees must motivate themselves to work hard. The main concern in all services organizations is the motivation of workforce whether they are trained or untrained or professionals. Employee motivation is also a major issue for the commercial banks. It is a today’s challenge for the organizations in this cut-throat competitive world to motivate employees to proffer competent and good services that customers anticipate so far. According to Petcharak (2002), one of the functions of human resource manager is related to ensure employee’s workplace motivation, the human resource manager’s function should be to assist the general manager in keeping the employees satisfied with their jobs. Another goal in organization is the goal for the services manager is to develop motivated employees and encourage their morale regarding their respective works. The employee work morale, such as supervisors, peers, organization, and work environment can be defined in a sense that the employee has the feeling and be conscious about all aspects of the job. The performance is poor if the employee is not satisfied and happy. Workplace dissatisfaction often leads organization and its employees” poor performance.

Case Construct of Motivation in Insurance Sector in Jammu and Kashmir

The insurance sector in India is one of the thunderous sectors of the financial system and is increasing at the pace of 15—20% per annum. Jointly with banking services, it contributes to about7%of the GDP. The sector has completed a full circle in India from being an open murderous market to nationalization, and back to a liberalized market again. The government of India liberalized the insurance sector in March 2000, stealing all entry limits for private players and permitting foreign players to come into the market with some limits on direct foreign ownership. Before admission of private players, it was observed that only donation and money back policies were well-liked among
consumers. But the fresh, private insurers decided on providing customized products, products that contain inventive characteristics to the customers created beneficial demands for other type of policies like term insurance, child plan, pension plans and united linked insurance policies (ULIPs). Employees in equally public and private sector organization are becoming more and more conscious that motivations increases productivity. The performance of organization and employee motivation has been the focus of exhaustive research effort in modern times. How healthy an organization motivates its workforce in order to attain their mission and vision is of supreme concern.

The Insurance sector being a sales driven region with target based functioning does test the motivation levels of the workforce under the stress of achieving targets. Both public and private sector players were put to test and a sample of six organizations across Jammu and Kashmir were studied with four private companies and two public sector companies. These six companies were Life Insurance Corporation Ltd, New India Insurance Ltd, PNB MetLife, HDFC Life, Bajaj Allianz Ltd, and Reliance Life Insurance Ltd. These companies were chosen based on their pan regional presence and higher operational web with employee presence across Jammu and Kashmir. 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:

a) Working Environment,

b) Empowerment,

c) Recognition,

d) Rewards and Incentives,

e) Team-work and cooperation,

f) Job Security. The five pointer scale measured thirty responses with five responses under each dimension.

CONCLUSION

After applying the exploratory factor analysis, in order to arrive at appropriate conclusions EFA was run on the data to reduce observed variables to a smaller number of factors. After EFA, CFA was applied which resulted into nineteen items categorised into four factors: Intrinsic factor, Environmental factor, Social factor, security factor. These four factors play a vital role for employee motivation in achieving competitive advantage in Insurance Sector of Jammu and Kashmir. The Insurance Sector is a target based sector and motivated work force will have a positive impact on performance. The industry must invest in the factors relevant to the employee motivation as revealed under study to move ahead of competition. The four factors so developed can be treated as the motivators for the insurance sector within Jammu and Kashmir.

REFERENCES


