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### **Empirical study on Identifying the Contributing Dimensions of Employee Motivation – A Study on Insurance Sector in Jammu and Kashmir**

**SumayaIqbal\***

<sup>1</sup> Department of Management Studies University of Kashmir Srinagar 19006, Jammu and Kashmir, India., E- mail address: [sumaya.iqbal29@gmail.com](mailto:sumaya.iqbal29@gmail.com). Mobile: 7006465842.

#### **ABSTRACT:**

The Insurance Sector is a target based sector and motivated work force will have a positive impact on performance. The study provides a Blue-Print to the management of insurance companies in the region and throughout the country in general for providing motivators at the work place to boost organizational performance. The study empirically identifies the contributing dimensions of employee motivation in insurance sector of Jammu and Kashmir.

**KEY WORDS:** Motivation, employee motivation, work environment and insurance sector.

**\*Corresponding Author**

**Dr. Sumaya Iqbal.**

Department of Management Studies.

University Of Kashmir.

Iqbal colony, Chanapora, Srinagar, Jammu and Kashmir.India.

E- mail address: [sumaya.iqbal29@gmail.com](mailto:sumaya.iqbal29@gmail.com). Mobile: 7006465842.

## **INTRODUCTION:**

The managers are confronted with diverse organizational and environmental challenges in designing appropriate motivation tools that can meet the expected organizational performance striking a critical academic thinking within the subject area. A lot of academic literature from scholars and practicing managers has ensured to resolve this intriguing academic domain defining the impact of motivation on organizational performance. Contemporary research and observations show that well motivated employees are more productive and creative towards achieving organizational goals and vice versa in case of less motivated employees.

The insurance industry is experiencing change at a rate that has not been seen for at least a generation. The regulations that govern the industry are changing at the same time that innovations, like telematics and wearable health/fitness devices, continue to shift the way insurers analyze customer behavior as well as price and sell their products. Customer expectations for how they will interact with their insurers also continue to increase, making it more important than ever that insurer provide a high-quality customer service experience. Additionally, external forces are putting pressure on the traditional insurance business model, including but not limited to the rise of ride sharing and other “sharing economy” services, shifting generational preferences, and the reduced cost of entry for new market players. All these factors combined create a “perfect storm” for insurers and make it more critical than ever that they evaluate and tackle the associated human resource challenges, which if left unaddressed could prevent them from successfully adapting their business models to meet the changing demands of the market. Insurance industry has tremendous potential for growth, because of diversity and depth of market, but it has confronted some challenges too<sup>1</sup>. The challenges in strengthening the effectiveness of supervision and modernizing the legal and regulatory framework of insurance. Business of life insurance do not flourish in India, as it is suffering from regional imbalances and lack of application of new human resource tools and techniques. The present study will attempt to empirically analyze how motivational tools can be used for the employees of insurance companies to effectively derive plans for growth and development.

## **LITERATURE REVIEW**

Baron defined motivation as a set of processes concerned with a kind of force that energizes behaviour and directs it towards achieving some specific goals. Many of the social scientists have expressed motivation as a goal directed behaviour. This objective nature of motivation is also suggested by Kreitner and Kinicki, who proposed motivation as the psychological processes that cause the stimulation and persistence of voluntary actions that are goal directed. In another sense, a motivated person has the awareness of specific goals that must be achieved in specific ways and directs the effort of the person to achieve such goals. Motivation theories are divided into the theories of content (traditional theory) and the extent (the modern theories) theories. Content theories explain the factors that drive and motivate people while process theories focus on how various personal factors effects human behaviour. Gilmore discussed the various theories of motivation. Goal-theory of motivation states that for goals to be effective the managers should consider five factors while designing and implementing goals; goal difficulty, goal specificity, goal commitment, participation

in setting goals and feedback. Managers also need to take into account the perceived value of goals to individual employees as this will influence motivation and behaviour and it will include individual differences. Job enrichment is often cited as an important factor in improving motivation, satisfaction and performance. A comprehensive model of job enrichment features five core job dimensions; Skill variety, task identity, task significance, autonomy and feedback. The application of integrated people management policy and practices termed as “Bundling’ or “High Performance Work Practices” (HPWPs), namely; High Involvement, Human Resource Practices, and Reward and Commitment positively influence commitment and job satisfaction which in turn encourages positive employee behaviour based on free will or discretionary behaviour producing improved performance. Wanyama, notes that employee productivity depends on the amount of time an individual is physically present at a job and also the degree to which he or she is “mentally present” or “efficiently functioning” while present at a job. Frimpong and Fan define performance management as the process through which managers ensure those employees activities and outputs are congruent with the organization’s goal. Therefore, it is the organization’s priority to ensure that motivational tools which encourages initiative and stimulates efforts from the employees are put in place for a better performance and deliverance of quality service. Motivation refers to the forces either within or external to a person that provoke enthusiasm and persistence to pursue a certain course of action. Employee motivation affects productivity and part of a manager’s job is to channel motivation towards the accomplishment of both personal and organizational goals. Authors conclude that motivation and motivational factors have a positive effect on performance within the organizations.

## **RESEARCH METHODOLOGY**

The present research is a Cross Sectional study and advanced statistical analysis tools like EFA, CFA, Measurement and Structural Modeling have been applied on sample data.

## **OBJECTIVE**

The study aims to empirically identify the contributing dimensions of employee motivation with specific reference to study on insurance sector in Jammu and Kashmir.

## **ANALYSIS AND INTERPRETATION**

Statistics of data analysis clearly indicates that random error is to be minimised and the scale of measurement should be reasonably accurate. Accuracy here indicates capability of a scale or instrument to yield similar result every time under the premise that the group of respondents and prevailing conditions remain the same. Reliability, therefore, is utilized by a researcher to measure such ability of an instrument which yields consistent results. It reflects the degree to which an instrument is free from random error and consistently measures the underlying construct with reasonable accuracy ;Churchill; Leedy and Ormrod; Yang et al.; Hair et al.. Apart from overall

reliability, innate consistency aspect is also put to test. The internal dimension of reliability tests scale concurrence that ultimately leads to the overall construct reliability. The random error assessment is done through a simple calculation of squaring the inter-item co-relation and subtracting from 1.00. The most appropriate method to calculate the scale reliability is through Cronbach's alpha. It is a measure that can help a researcher to be sure of the performance of the measurement scale. The closer Cronbach's alpha is to 1, the higher the reliability. However, any value above 0.7 indicates a reliable scale. In the scale for measurement of employee motivation and organizational performance the Cronbach's alpha values are above 0.7 indicating that the scale is reliable as indicated in **Table 1**. Employee motivation in this research has been measured using a 30- item Cronbach's reliable scale. After applying the confirmatory factor analysis, the output values of standardized regression weights were low and few modification indices were also found. The CFI values were also low (0.799). So, in order to arrive at appropriate conclusions EFA was run on the data to reduce observed variables to a smaller number of factors. The assessment of appropriateness was done through variance matrix and the results indicated at par cumulative variance (61.369).

**Table: 1 Construct Wise Reliability**

Sr. No	Construct	No. Of Items	Cronbach's Alpha
1	Working Environment	5	0.874
2	Empowerment	5	0.844
3	Recognition	5	0.851
4	Rewards and Incentives	5	0.775
5	Job Security	5	0.827
6	Team Work And Cooperation	5	0.858
7	Organizational Performance	10	0.929

The KMO measure of sampling adequacy (MSA) computed was found high enough (.933) indicating the good enough sample used in this research.

The Bartlett's tests of sphericity values are all statistically relevant and analytically significant. The factor loadings indicated in the matrix are greater than .506 and overall four factors with 29 items result in EFA analysis for further hypothesis testing. All the four factors have cumulative variance of 61.369%. The values of standardized regression weights were low and few modification indices were also found. The CFI values were also low (0.799). So, in order to arrive at appropriate conclusions EFA was run on the data to reduce observed variables to a smaller number of factors. The assessment of appropriateness was done through variance matrix and the results indicated at par cumulative variance (61.369). The KMO measure of sampling adequacy (MSA) computed was found high enough (.933) indicating the good enough sample used in this research. The Bartlett's tests of sphericity values are all statistically relevant and analytically significant. The factor loadings indicated in the matrix are greater than .506 and overall four factors with 29 items

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Now after EFA, CFA was again applied with the four factors indicated above. The first run of model fit in AMOS indicates requirement of improvement. After the careful deletions, the following measurement model was arrived. As we statistically and microscopically analyse the result in Table as calculated in the revised measurement model, the indices are satisfactory to conclude the theoretical relationship. The CFI value of 0.913 and normed chi square of 3.570 are appropriate. Besides, RMR (0.043) GFI(0.841), AGFI (0.804) and RMSE (0.086) at P value of 0.000 are also at par values. The values indicate a good model fit to arrive at few theoretical conclusions. The measurement model sums all non-causal relationship among all constructs while a structural model specifies the nature of relationship and also determines the relationship between constructs. The single headed arrow indicates a dependence relationship between two variables that are having an internal construct –wise relationship mapping as well. As we calculate the model fit indices of structural model we see no change from revised measurement model. This means a good model fit with no further reduction due to its impact specific relationship. CFI of 0.913 and normed chi at 3.570 are statistically at par values for theoretical conclusion.

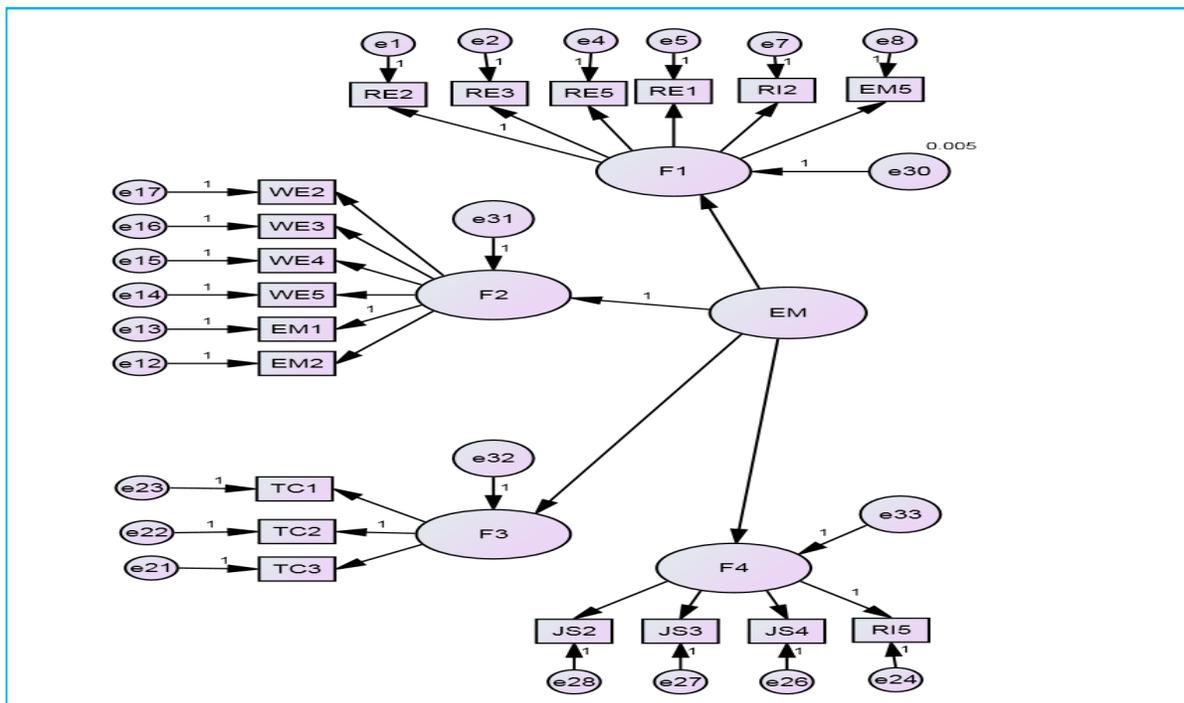


Fig:1 Final Revised CFA Model for Employee Motivation

## CONCLUSIONS:

The Insurance Sector is a target based sector and motivated work force will have a positive impact on performance. The study provides a Blue-Print to the management of insurance companies in the region and throughout the country in general for providing motivators at the work place to boost organizational performance. The industry must invest in the factors relevant to the employee motivation as revealed under the study to move ahead of the tough competition. Public-sector companies like LIC and New India Insurance though provide stability in job have less motivators like Rewards and Recognitions. Private sector companies recognize the efforts of employees but have less job stability. Recognition is just for sales based or target based performance with no value to innovation and dedication to the work. The four factors as grouped in the EFA and CFA must be put to test at work place by all the insurance companies to boost their performance. The four factors so developed can be treated as the motivators for the insurance sector.

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