



Research Paper

Employees' Productivity in Insurance Firms: Motivation and Job Satisfaction View Point

¹OWOLABI, Adenike Olanrewaju (PhD)

&

²OLAOYE, Taibat Bolaji

Department of Insurance, University of Jos, Plateau State, Nigeria.
Corresponding author: OWOLABI, Adenike Olanrewaju

ABSTRACT

This paper describes employees' productivity in the insurance firm from motivation and job satisfaction view point. Motivation is the fuel that drives people toward achieving their goals and objectives. Job satisfaction, on the other hand is a complicated function of a number of variables. A person may be satisfied with one or more aspects of his/her job but at the same time may be unhappy with other things related to the job. For example employee may be satisfied with his/her designation but may not be satisfied with the level of income and vice versa. Data were collected through the use of self-structured closed ended questionnaire. The research adopted a descriptive survey design. One hundred and sixty (160) questionnaires were administered filled and returned. The result of the study showed that there is a significant relationship between motivation and job satisfaction of employees in the insurance firm. Findings also revealed that there is a significant relationship between motivation and employees' productivity. Findings from the survey further revealed that motivation and job satisfaction have a significant influence on employees' productivity. The productivity of employees will make or mar a company; this is why it is important to find a variety of methods of motivating employees. More incentives should be adopted for insurance employees because of the nature of their job. This will make them to have a sense of belonging, and of course to sustain the leadership position of their intangible products in the market. Other feasible measures to boost employees' productivity at the work place were recommended for insurance firms and policy-makers.

KEYWORDS: *employees' satisfaction, productivity, insurance, motivation, job satisfaction*

Received 26 April, 2021; Revised: 08 May, 2021; Accepted 10 May, 2021 © The author(s) 2021.

Published with open access at www.questjournals.org

I. INTRODUCTION

The importance of employees' satisfaction and work motivation is growing all the time in the companies. Employees' productivity is complex and is a multifaceted concept which can mean different things to different people. It is inextricably linked to motivation and job satisfaction and both involve cognitive, affective, and behavioural processes, with workers motivation commonly understood as the reason why workers behave as they do towards achieving personal and organizational goals. Neither job satisfaction nor motivation is directly observable, but both have been identified as critical to the retention and performance of employee thereby accelerating productivity (Awang, 2008).

Motivation is the fuel that drives people towards achieving their goals and objectives. In fact, without this fuel, human beings would be inactive, leading to a mundane and unproductive life (Byars and Rue, 2002). Job satisfaction, on the other hand is a complicated function of a number of variables. A person may be satisfied with one or more aspects of his/her job but at the same time may be unhappy with other things related to the job. For example employee may be satisfied with his/her designation but may not be satisfied with the level of income and vice versa. These two scenario have respective effect on employee productivity in any organization.

Over years, employee satisfaction and motivation and productivity has been a key area of research among industrial and organizational psychologists. There are important reasons why companies should be concerned with higher productivity through motivational means as a result of employee satisfaction, which can be classified according to the focus on the employee or the organization. First, the humanitarian perspective is

that people deserve to be treated fairly and with respect. Job satisfaction is the reflection of a good treatment. It also can be considered as an indicator of emotional well-being or psychological health. Second, the utilitarian perspective is that job satisfaction can lead to behavior by an employee that affects organizational functioning. Furthermore, job satisfaction can be a reflection of organizational functioning. Each reason is sufficient to justify concern with job satisfaction. When combined, they explain and justify the attention that is paid to these important variables.

Motivation can neither be seen, nor measured directly (Ambrose and Kulik, 1999). Instead, we rely on established theories to guide us in measuring the observable manifestations of work motivation (Pinder, 2008). In other word, motivation is an inner drive or an external inducement to behave in some particular way, typically one that will lead to rewards (Oluseyi and Ayo, 2009). It arises when individuals seek optimal satisfaction of certain needs (Anderfuhren, et al., 2010). Although the term "motivation" can be used in different ways, in essence it refers to any sort of general drive or inclination to do something (Baumeister and Vohs, 2007).

Significantly, job satisfaction and motivation are very essential to the continuing growth of companies. Satisfaction is not the same as motivaton, but they are inextricably related (Kaliski,2007). Job satisfaction is more of an attitude, an internal state. It could, for example, be associated with a personal feeling of achievement, either quantitative or qualitative (Mullins, 2005) while Motivation is the processes, internal or external, to the individual that arouse enthusiasm and persistence to pursue a certain course of action. They are both targeted towards enhanced productivity. It is from this backdrop that the study is set to appraise employees' performance from the view point of motivation and job satisfaction using Custodian Insurance Plc as a case study. Since there is a direct connection between employee satisfaction and customer satisfaction, there is a need to create a work environment that encourages employees to give quality response to customer needs. Satisfied employees generate customer satisfaction by excellence in performance that leads to organizational success thus resulting in improved success (Armstrong, 2006).

1.1 Statement of the Problem

Employees' productivity is frequently described as a joint function of ability, motivation and satisfaction, and one of the primary tasks facing a manager is motivating employees to perform to the best of their ability. Because of the high turnover and high absenteeism within the organization, managers now realize the importance of employee motivation in order to retain quality staffing. When employees maintain a high level of motivation, quality services will result. There are many and varied reasons why employees are continually under distress in organizations. Resources, human and material, technology are but a few issues confronting managers daily. More importantly the human aspect has questions that have perplexed and fascinated managers for a long time. These questions include:

- What factors make some employees perform better than their counterpart?
- Why are some employees better satisfied in their jobs than others?
- How can the motivation and overall job satisfaction of employees be improve?

The reality is that the level of employee motivation affects their morale, productivity and overall job satisfaction. Many researches have been made to find out the effect job satisfaction and motivation have in the productivity of the company and many problem areas are identified, which affects the study of motivation system. These include; the attitude of managers or employers, government policy, the organization itself and workers attitude. As a result, it is pertinent to assess the motivational factors as it relates to employee's productivity.

1.2 Objectives of the Study

The objectives of the study are to:

- * determine whether there is a relationship between motivation and employees productivity.
- * analyze the relationship between motivation, job satisfaction and workers' productivity

II. REVIEW OF LITERATURE

2.1 Theoretical Framework on Motivation and Job Satisfaction

2.1.1 Maslow's Hierarchy of Needs: According to Maslow (1954), five basic constructs form the human hierarchy of need. There are physiological needs, security needs, belongingness needs, esteem needs, and self-actualization needs. Maslow's conceptualization of needs is represented by a triangle with five levels which he called the Hierarchy of Needs. Maslow stated that lower level needs must be satisfied before the next higher level. When people satisfy the first level, they will go the next level and the next.

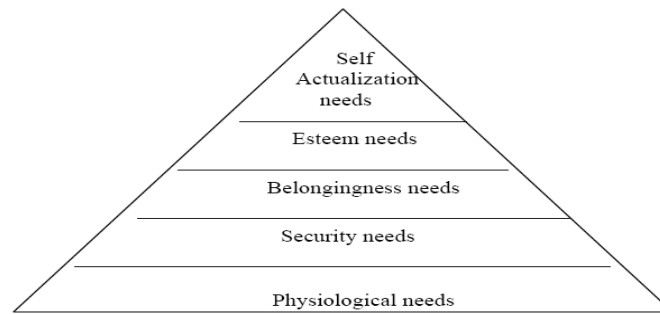


Figure 1: Maslow's Hierarchy of Needs

Maslow said higher-level needs like those for self-esteem or self-actualization would not become salient (even when unfulfilled) until lower needs were satisfied. Therefore, it may be rather inefficient to motivate a lone assembly-line worker by offering awards when his job is done as expected; Maslow said it is more important to be part of a social group that will motivate him (Wren, 1995).

2.1.2 Equity Theory

Equity Theory Ratios

$$\frac{\text{Personal outcomes}}{\text{Personal inputs}} = \frac{\text{Reference group outcomes}}{\text{Reference group inputs}}$$

The equity theory of motivation assumes that individuals are strongly motivated to maintain a balance between what they perceive as their inputs, or contributions, and their rewards. Leaders should treat followers fairly. The followers will be most satisfied when they believe that whatever they put in to activities or job, they will get out of it the same as others who do the same thing. The theory focuses on the exchanges that take place between the organization and the individual, in terms of input, such as effort, and output, such as pay, promotion. A perceived equity or inequity results when a person compares input and output with others (Wren, 1995). According to Adams, the major cause or motive leading to job performance is the degree of equity or inequity the employees perceived in work place. An employee perceives equity by calculating the ratio of his inputs/outputs to the ratio of inputs/outputs of his references group.

The theory assumes that a pay may still be less than a normal but since there is not injustice in respect of the employee and his reference groups, he still feels satisfied. This however, cannot remain valid in this present day situation especially when employees are so conscious of their relevance in the work place. A wage that is considered too low can no longer be accepted by employees despite that it cuts across the entire work-force. Significantly, it needs be pointed out that Adam's equity theory leaves the destiny of workers in their own hand. This is so in the sense that it takes the employees to complain and ask for re-adjustment. And more so, employees are expected to, if they perceive that they are being over-paid, change their comparison standard, elevate their standards and count the pay being received as not being more than necessary.

2.2 Job Satisfaction: Conceptual and Theoretical Analysis

Job satisfaction can be defined also as the extent to which a worker is contented with the rewards he or she gets out of his or her job, particularly in terms of intrinsic motivation (Statt, 2004). The term job satisfaction refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitude toward the job indicates job dissatisfaction (Armstrong, 2006). Job satisfaction is the collection of feeling and beliefs that people have about their current job. People's levels or degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction.

2.3 Techniques to Motivate Employees

There are many motivational factors that can be used to encourage employees to work. The following are "Standards" in workplace supervision.

2.3.1. Communication: Communication can be in several ways such as verbal, nonverbal, upward, and downward. Lack of good communication causes low productivity, poor service, and increased costs. The

success of managers is determined by the jobs their employees do. Since motivated employees are more productive, managers must have a clear interest in knowing what motivates their staff. Communication is one of many factors to motivate employees into a cohesive working module which results in objectives being achieved.

2.3.2. Wages and Salaries: An extensive review of the literature indicates that important work-related variables leading to job satisfaction include challenging work, interesting job assignments, equitable rewards, competent supervision, and rewarding careers. It is doubtful, however, whether many employees would continue working were it not for the money they earn. Employees desire compensation systems that they perceive as being fair and commensurate with their skills and expectations. Pay, therefore, is a major consideration in human resource management because it provides employees with a tangible reward for their services (Bohlander, Snell, and Sherman, 2001). Stone (1982) indicated that people are motivated by money for many different reasons. The need to provide the basic necessities of life motivates most people. Some people think of money as instrumental to satisfying noneconomic needs such as power, status and affiliations with desired groups. Money is often viewed as a symbol of personal success and achievement. Many factors affect how wages and salaries are set. The factors depend on area of living, the labor market, minimum wages and other governmental regulations, the cost of living, the ability of the employer to pay, the worth of the job and the presence of a collective bargaining agreement. Pay rates can be adjusted to help employees cope with their living situations.

2.3.3. Fringe Benefits: Money is an important factor to motivate employees but today, fringe benefits become equal to money as an important role to motivate employees. So an essential part of learning to lead managers is to understand better the conditions which an employee needs the most to perform the best job (Drummond, 1990). Each year, organizations have a lot of expense from employees' benefits. However, benefits program should meet the objective of motivating employees. A good benefits program will allow employees to share their idea by doing surveys or other methods and organizations should accept their ideas to improve benefits. Employers should also periodically review the benefits program to be sure that it is meeting employees' needs. There are varieties of employee benefits: for example:

1. Health insurance: Health insurance is the most common benefit in the U.S. in 1983, the most expensive benefit for employers to pay was Social Security pay for retirement. In 1988, health insurance became the most expensive benefit, largely because health care costs have been increasing dramatically since 1965. One result of this has been that more organizations are shifting part of the cost of health insurance onto the employees. By far a majority of employers in the United States offer health insurance to their employees (Drummond, 1990).

2. Vacations with pay: It is generally agreed that vacations are essential to the well-being of an employee. Eligibility for vacations varies by organizations, locale, and size. To qualify for longer vacations of three, four, or five weeks, one may expect to work for seven, fifteen and twenty years, respectively. A new benefit offered by 11 % of 1,000 employers surveyed nationwide allows employees to "buy" an extra week of vacation. The cost to employees is a lost week of pay, making the extra vacation period simply time off without pay. Vacation buying programs appeal to relatively new employees who haven't acquired the time for longer vacation periods. This benefit also favors employees who need extra time to care for aging parents or those simply wishing to extend a vacation period (Bohlander, Snell and Sherman, 2001).

3. Pension: Pension is deferred income that employees accumulate during their working lives and that belongs to them after a specified number of years of service. Since the passage of the Social Security Act, pension plans have been used to supplement Social Security benefits. Pensions were originally used as a way of retaining employees and rewarding them for staying with the organization until retirement. Thus, employees who quit or who were terminated before retirement were considered ineligible for the pension "award" (Jerris, 1999).

2.3.4 Training

Training provides on-the-job experiences and information that help employees become more proficient or qualified at a task at their current jobs. Training deals with the "how's" – how to be a better manager. Training is important because of changing technology and markets. Managers and employees need to update their skills through training. Training programs can be addressed in many ways such as classroom lectures, problem-solving case analysis and interactive role-plays (Yu, 1999). Conrade, Woods and Ninemeier (1994) asked participating employees about the influence of training on their performance. Ninety three percent indicated that training programs that improved their skills, knowledge, and behavior would encourage them to stay at a company. Powers and Barrows (1999) stated that the alternative to training or no training might be more expensive. Training does cost a lot of money but no training means poor service and 'lost customers'. So the lost revenue from poor services far exceeds the cost of training employees properly.

2.3.5 Good working environment

The working environment can often be a cause of low productivity. Employees need adequate equipment, space, heating, lighting and ventilation. Color also has a significant impact on the work environment. Restrooms and lockers need to be clean, secure, and well maintained. The food provided should be the same for line employees as for the managers. Managers, including top executives, should be expected to eat at the cafeteria except when entertaining. If it's not good enough for managers, it should be considered not good enough for line employees. They need challenge, support from superiors, a quality workplace, friendly co-workers and respect. To have a good working environment, managers have to trust them and value them. When they fail, they must know that the manager will have a defined process to help them get back on track. Finally, managers need to listen to them and accept their workplace ideas.

2.4. Empirical Review

The management of human resources at work is a vital component of the management process. To realize the critical importance of people in the organization it is imperative to recognize that the human element and the organization go together. One way of achieving this goal and to realize the critical importance of the people in the organization is to keep them motivated. In the field of management the key to understanding the process of motivation lies in the meaning of, and relationship among, needs, drives, and incentives. An understanding of employee motivation has become even more critical due to the rapidly changing nature of organizations. Organizations are becoming global and are shifting from traditional hierarchical structures to decentralized structures, and adopting the concept of teams (Erez and Den, 2001). These changes, along with the trend of downsizing and a shift away from lifetime employment, have resulted in employees harbouring higher levels of anxiety (Reynolds, 1992). This has a great impact on a workplace and highlights the importance of understanding employee motivation at work today more than ever, particularly because motivation affects almost all major aspects of the organization, including satisfaction, organizational commitment, job design, benefit programmes and job involvement (Vroom and Deci, 1970). Sinclair, et al. (2005) exhibits the motivational power of money with the process of job choice. They explain that money has the power to attract, retain, and motivate individuals towards higher productivity. For instance, if an employee has another job offer, which offers greater financial rewards and has identical job characteristics with his current job, that employee would most probably be motivated to accept the new job offer.

III. METHODS AND MATERIALS

The target sample was selected by stratified random sampling techniques. A total of 160 employees were selected from across all the three sections. Questionnaire was administered to selected respondents.

Table 1: Respondents Distribution

Respondent	Frequency
Top Level Manager	25
Middle Level Manager	90
Low Level Manager	45
Total	160

Source: Researcher's Field Survey (2020)

IV. DATA ANALYSIS

4.1 TEST OF HYPOTHESIS

H₀₁: There is no significant relationship between motivation and employees' productivity.

Table 1

Variable	Mean	Std. Dev.	N	R	P	Remark
Motivation	3.96250	.702198	160	.734**	.000	Sig
Workers' productivity	3.943250	.6349244				

** Sig. at .01 level

It is shown in the above table that there is a significant relationship between motivation and employees' productivity ($r = .734^{**}$, $N = 160$, $P < .01$). The implication of this result is that a 1% shift in motivation will cause a 73.4% shift in employees' productivity. Hence, it could be deduced that motivation influences employees' productivity in the study.

H₀₂: There is no significant effect of motivation and job satisfaction on employees' productivity.

Table 2

Variables	F- Ratio	Sig of P	R	R ²	Adj R ²	B	t	P
Motivation	92.802	.000	.736	.542	.536	.707	11.907	.000
Job satisfaction						.465	5.089	.000

The table above showed that the linear combination of motivation, job satisfaction and employees productivity was significant. $F = 92.802$; $R = .736$, $R^2 = .542$, $Adj. R^2 = .536$; $P < .01$. The independent/predictor variables jointly accounted for a variation of about 54.2% in employees' productivity. The following shows the various relative contributions and levels of significance of the independent variables: motivation ($\beta = .707$, $P < .01$), and job satisfaction ($\beta = .465$, $P < .01$) respectively. It can be concluded that there is a significant effect of motivation and job satisfaction on employees' productivity.

V. CONCLUSION DRAWN FROM THE FINDINGS

The result from the hypothesis conducted indicated that motivation and job satisfaction are closely related and both, if properly provoked, will bring about higher productivity. It was discovered that there is a significant increase in the firm's productivity during and after motivation of work force. The findings also, revealed that sales force played a major role in the growth of any business organization. The role of employee is of vital importance to the firm and it is essential that managers recognize this. They should provide channels through which communication can flow to and from a great array of customer, and of course influence the customers in their dealings with the organization. In addition, employees are considered to be the pivot element of any growing organizations because of their divergent roles such as persuaders, service people, information gatherers, expeditors, coordinators, problem definers, travelers and customers-ego builder etc. their operations are socially, psychologically and physically independent of the visual worker boss relationship. In conclusion, it is pertinent to conclude that motivation and job satisfaction is a strong variable in an organization that desire to survive in the ever growing and dynamic business environment.

5.1 RECOMMENDATIONS

- *The control and management of working condition should be given greater focus. Hence, there should be a constant analysis and investigation of firm's unrest at the work-place. Solutions and recommendation of unsatisfactory working circumstances should be attempted and discovered, so as to improve on it.
- *More incentives should be adopted for the insurance employees because of the nature of their job. This will make them to have a sense of belongings, and of course to sustain the leadership position of the products in the market.
- *Above all, collective responsibility among the workers is an instrument that enhances productivity.

APPENDIX

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.736 ^a	.542	.536	.4325386	1.961

a. Predictors: (Constant), job satisfaction, motivation
 b. Dependent Variable: productivity

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	34.724	2	17.362	92.802	.000 ^b
	Residual	29.373	157	.187		
	Total	64.098	159			

a. Dependent Variable: productivity
 b. Predictors: (Constant), job satisfaction, motivation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.207	.220		5.493	.000
	motivation	.639	.054	.707	11.907	.000
	job satisfaction	.457	.053	.465	5.089	.000

a. Dependent Variable: productivity

REFERENCES

- [1]. Ambrose, M. L., & Kulik, C. T. (1999). Old friends, new faces: motivation research in the 1990s. *Journal of Management*, 25 (3), 231–292.
- [2]. Armstrong, M. (2006). *A Handbook of Human resource Management Practice*, Tenth Edition, Kogan Page Publishing, London, , p. 264
- [3]. Anderfuhren, B.S., Varone, F., Giauque, D. and Ritz, A. (2010), “Motivating employees of the public sector: does public service motivation matter ?”, *International Public Management Journal* , Vol. 13 (3), 213–46.
- [4]. Awang, K. W., Ishak, N. K., Radzi, S. M., & Taha, A. Z. (2008). Environmental variables and performance: Evidence from the hotel industry in Malaysia. *International Journal of Economics and Management*, 2(1), 59-79.
- [5]. Baumeister, R.F. and Vohs, L.D. (2007), “Self-regulation, ego depletion, and motivation”, *Social and Personality Psychology Compass*, Vol. 1, 1-14.
- [6]. Bohlander, G., Snell, S. and Sherman, A. (2001). *Managing Human Resources*. Cincinnati, OH: South-Western College Publishing.
- [7]. Byars, L. & Rue, L. (2006). *Human Resource Management* (eighth edition.). New York, NY: McGraw-Hill/Irwin, 371–383.
- [8]. Conrade, G., Wood, R. and Ninemeier, J. (1994). Training in the U.S. Lodging Industry: Perception and Reality. *Cornell Hotel and Restaurant Administration Quarterly*, 35(10), 16-21
- [9]. Drummond, K. E. (1990). *Human Resource Management for the Hospitality Industry*. New York, NY: Van Nostrand Reinhold
- [10]. Erez, M. and Eden, D. (2001), “Introduction: trends reflected in work motivation”, in Erez, M., Kleinbeck, U. and Thierry, H. (Ed.), *Work Motivation in the Context of a Globalizing Economy*, Lawrence Erlbaum Associates, London, pp. 1-8.
- [11]. Jerris, A. L. (1999). *Human Resource Management for Hospitality*. Upper Saddle River, NJ: Prentice-Hall, Inc.
- [12]. Kaliski, B.S. (2007). *Encyclopedia of Business and Finance*, Second edition, Thompson Gale, Detroit, p. 446
- [13]. Maslow, A. H. (1954). *Motivation and personality*. New York: Harper and Row.
- [14]. Mullins, J.L. (2005). *Management and organizational behavior*, Seventh Edition, Pearson Education Limited, Essex, p. 700
- [15]. Oluseyi, A.S. and Ayo, H.T. (2009), “Influence of Work motivation, leadership effectiveness and time management on employees' performance in some selected industries in Ibadan, Oyo State, Nigeria”, *European Journal of Economics, Finance and Administrative Sciences*, Vol. 16, 7-17.
- [16]. Pinder, C. C. (1998). *Work motivation in organizational behaviour*. USA: Prentice Hall.
- [17]. Powers, T. and Barrows, C. W. (1999). *Introduction to Management in the Hospitality Industry*. New York, NY: John Wiley and Sons, Inc
- [18]. Reynolds, L. (1992), “America's work ethic: lost in turbulent times”, *Management Review*, Vol.81, No. 10, 20-25.
- [19]. Sinclair, R.R., Tucker, J.S., Cullen, J.C., & Wright, C. (2005). Performance differences among four organizational commitment profiles. *Journal of Applied Psychology* 90 (6), 1280- 1287.
- [20]. Statt, D. (2004). *The Routledge Dictionary of Business Management*, Third edition, Routledge Publishing, Detroit, p. 78
- [21]. Stone, T. H. (1982). *Understanding Personnel Management*. New York, NY: CBS College Publishing
- [22]. Vroom, V.H. and Deci, E.L. (1970), *Management and Motivation*, Penguin, New York, NY.
- [23]. Wren, D.A. (1994), *The Evolution of Management Thought*, John Wiley, New York, NY.
- [24]. Yu, L. (1999). *The International Hospitality Business*. New York, NY: The Haworth Hospitality Press