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**THE FREQUENT LABOUR TURNOVER IN INSURANCE
COMPANIES IN NIGERIA**

(Case : Nigerian Insurance sector)

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Thesis abstract

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The essence of this thesis is to ascertain the causes, effects and solutions to the frequent labour turnover in the Nigerian insurance companies.

Incessant labour turnover has become a phenomenon which many insurance companies have been vehemently battling with as this has undermined their potentials and strengths.

The research methodology adopted is the qualitative method which involves the use of telephone interview with the aid of a voice recorder gadget.

Therefore, the telephone interviews assisted to get facts from the former insurance professionals of the sector which gave vital points on the reasons for their leaving and why many of their former colleagues also left, the effects and what can be done to solving the problem.

Also, in the theoretical framework, the thesis dwelled more on the relevant motivation theories both: the process and content theories like: Theory x & y, Hierarchy of needs, ERG theory, etc.as these helped to emphasize on motivation and its reaction(s) to performance in workplace.

Transcribe(s) of the interviews were equally given to help with the data analysis on the premise which conclusion was drawn.

On the final note, conclusion was given.

Keywords: Nigerian insurance sector, frequent, labour turnover, motivation

TABLE OF CONTENTS

Thesis abstract.....	2
TABLE OF CONTENTS	3
Abbreviations	5
Tables and figures.....	6
1 INTRODUCTION	7
1.1 Aim of the Thesis	8
1.2 Research problem.....	9
1.3 Structure of the Thesis.....	9
2 CASE STUDY ORGANISATION: THE NIGERIAN INSURANCE SECTOR	10
2.1 The history of Insurance Professionalism in Nigeria	10
2.2 The consolidation exercise in the Nigerian Insurance Industry	12
2.3 Effects of labour turnover in productivity and manpower planning	13
2.5 How the challenges can be addressed	17
3 THEORETICAL FRAMEWORK	20
3.1 Overview of Management motivation theories	20
3.2 Definitions of motivation	20
3.3 The theories of motivation.....	21
3.3.1 Goal-setting theory.....	21
3.3.2 Expectancy theory	25
3.3.3 Equity theory.....	28
3.3.4 Hierachy of needs theory	30
3.3.5 Two-factor theory of motivation	32
3.3.6 Theory X and Y.....	35
3.3.7 ERG theory.....	37
3.3.8 McClelland's theory of needs.....	39

4	RESEARCH METHODOLOGY	42
4.1	Instrumentation	42
4.2	Project procedure and Time.....	42
4.3	The analysis plan	43
4.4	Validity and reliability.....	43
4.5	Scope and limitation.....	45
5	PRESENTATION OF DATA (INTERVIEW) RESULTS.....	46
6	CONCLUSION	54
	BIBLIOGRAPHY.....	57
	APPENDICES.....	61

Abbreviations

B.Sc – Bachelor of Science

HND - Higher National Diploma

PZ - Patterson Zochonis

Tables and figures

FIGURE 1. Vroom's Expectancy theory's components' analysis.....	26
FIGURE 2. Adam's equity theory diagram	29
FIGURE3. Abraham Maslow's Hierarchy of Needs.....	31
FIGURE 4. Herzberg's view of satisfaction and dissatisfaction.....	33
FIGURE 5. McGregor's theory X and Y pictorial illustration.....	36
FIGURE 6. ERG theory of motivation's pictorial illustration.....	38
TABLE 1. Equity theory tabular analysis.....	30
TABLE2.McClelland's need theory–need categories in tabular analysis.....	41

1 INTRODUCTION

The Nigerian Insurance Sector is as old as the country itself and it is full of several activities of insurance. There is a need for anyone living in Nigeria to have something to do with insurance as there is a huge need for insurance in the country, but the Nigerian people are not largely embracing the services of insurance compared to other countries of the world despite the pivotal roles insurance activities play in any country that believes risks should be prepared for, and when the unpleasant occurrences do happen there can be something to fall back on as compensations or indemnities.

The idea of the thesis project emanated from the business news the researcher often reads online in the Nigerian dailies as this spurred him to be interested in knowing why the Nigerian Insurance Sector is incessantly reducing in staff strength year in year out. Though, he has had a little experience having worked a few months in the industry, but that is not enough to ascertain what the cause could be.

Therefore, carrying out a research work on the frequent labour turnover in the Nigerian Insurance Companies and using the Nigerian Insurance Sector as a case study could be a perfect medium to discover what the causes are and how the posed challenges can be managed properly.

Hence, professionals that had worked in the industry before and moved to other industries will be interrogated to derive facts and draw conclusions on what the industry can do to ameliorate this scourge of continuous labour turnover which is tantamount to affecting the level of productivity and generally bastardizing the image of the industry.

1.1 Aim of the Thesis

The Nigerian Insurance Industry is a very robust industry with lots of potentials in terms of financial assets. The industry has several companies in different areas of insurance and it should have been seen as one of the best if not the best sector as the need for insurance is too critical in any economy.

Nigeria is very volatile country where there is instability politically due to diverse ethnic groups, and this often generates serious tension, and it has caused loss of lives and properties without any form of compensations. If insurance had been given much ground; series of losses would have been compensated for, and risks would have been managed in there millions, but the attitude of Nigerians towards insurance is lackadaisical and this thesis also tends to see why people are laid back in this regard.

Nevertheless, the Nigerian insurance industry has not done very well in the area of motivating its large numbers of staff who are tendering resignation letters at frequent time intervals. This is not good for the sector and the nation's economy at large as it is negatively affecting the scorecard of the sector during benchmarking with same insurance industry in other countries and other sectors within the country.

Therefore, this research work will focus on the getting professional views on what is causing the scourge of incessant resignation of employees in the Nigerian insurance sector and how such can be strategically solved.

1.2 Research Problem

It is imperative for employees to leave one company to another for career progression. There are several factors that make a staff change employment as it may be because of a better working conditions like: poor salary and fringe benefits, job dissatisfaction, family pressure due to geographical relocation, and some other reasons. However, the case of frequent labour turnover in the Nigerian Insurance Industry has become a torn in the flesh of the several management teams of insurance companies. Despite the efforts of the insurance companies on mass recruitment exercise; the situation aggravates the more.

For this reason, the researcher is interested in finding out what could be the cause for this unpleasant frequent resignation of staff in the insurance sector and what should be done to get the staff motivated and retained so that the industry's productivity level can be attained.

1.3 Structure of the Thesis

This thesis work tends to adopt research methods that are very effective and scientific. The research methods will be aimed towards ascertaining why staff in the Nigerian Insurance companies frequently resigns and what that can be done by the industry management to curb this unpalatable condition the industry is facing.

The research method that will be used is the qualitative means of research whereby the researcher will make use of voice recorder to get down the responses from a targeted group of the interviewed persons and get the facts extracted out for his analysis.

2 CASE STUDY ORGANISATION: THE NIGERIAN INSURANCE SECTOR.

2.1 The History of Insurance Professionalism in Nigeria

Insurance can be defined as an agreed promise of compensation for specific potential future losses in exchange for a periodic payment. In other words, Insurance is designed to protect the financial well-being of an individual, company or other entity in the case of unexpected loss. Some forms of insurance are required by law, while others are optional. Investorwords.com (2012) identified that agreeing to the terms of an insurance policy creates a contract between the insured and the insurer. In exchange for payments from the insured (called premiums), the insurer agrees to pay the policyholder a sum of money upon the occurrence of a specific event.).

It is important to stress that the Nigerian Insurance Sector is as old as the country itself and it is full of several activities of insurance. Nigeria is a country of about 170 million people with a landmass of about 923,768.64sq.km and immense human and material resources is a former British colony.

Hence, the nation shares almost all its political and economic settings from its former colonial heritage. Before the introduction of the modern form of insurance, some form of social insurance had existed in the Nigerian society. These social schemes evolved through the existence of extended family system and social associations such as age grades and other unions. Until 1966, Nigeria copied British parliamentary system of government. This British system still dominates aspects of the country's socio-economic settings. For instance, the legal practices in Nigeria still reflect its colonial heritage. Economic institutions such banks and insurance companies, in practice, copy the British style of conducting their businesses.

However, the country's progress since independence in 1960, has however been undermined by long years of military rule, political instability and systemic corruption. In 1999, a civilian government was finally elected to office after a successful political transition process.

According to Adeyemi (2005), the origins of modern insurance are intertwined with the advent of British trading companies in the region and the subsequent increased inter-regional trade. Increased trade and commerce led to increased activities in shipping and banking, and it soon became necessary for some of the foreign firms to handle some of their risks locally.

Hence, Jegede (2005), also pin pointed that trading companies were therefore subsequently granted insurance agency licences by foreign insurance companies. Such licences made it possible for such firms to issue covers and assist in claims-supervision. The first of such agency in Nigeria came into force in 1918 when the Africa and East Trade Companies introduced the Royal Exchange Assurance Agency. Other agencies included Patterson Zochonis (PZ) Liverpool, London and Globe, BEWAC's Legal and General Assurance and the Law Union and Rock.

Gbede (2003) stressed that there was an initial slow pace of the growth of the insurance industry in the country, particularly between 1921 and 1949. This has been traced to adverse effect of the World War II on trading activities both in United Kingdom and Nigeria. As soon as the war ended, business activities gradually picked up again, and insurance industry in Nigeria began to record a remarkable improvement in growth. It was not until 1958 that the first indigenous insurance company, the African Insurance Company Limited, was established.

CIIN Journal (2007) recorded it that in 1960 at independence, only four of the 25 firms in existence were indigenous. By 1976 the number of indigenous companies had far surpassed that of the foreign companies.

On a final note, never mind the seeming stressing of some aspect of history as it is so purposely done that the reader will appreciate more deeply, the rigorous devel-

opmental stages undergone by the insurance and re-insurance business until it attained its present stage, which itself, is still evolving with changing times.

2.2 The recent consolidation exercise in the Nigerian Insurance Industry

Before 2006, the insurance companies in Nigeria have had been saddled with the huge task of recapitalization. At first, after the initial legislations of 1961 and 1976 which limited the capital base of the Insurance industry to a particular financial thresholds: It was in 1991 when there was need to increase the level of capitalization gave rise to another, provision in the 1991 Insurance Act for another capital boost. The minimum paid-up capital for this particular Act was as follows: **Life insurance-** ₦5million, **General business-** ₦5million, **Composite business-** ₦10million and **Re-insurance business-** ₦50million. CIIN Journal (2007).

Facts given according by CIIN Journal (2007), states that in 1997, Insurance Decrees 1 and 2 were enacted. It provided among others things a new capital structure for insurers. Essentially, it reclassified the businesses so that so that operators can develop specialist skills and competence for the type of business they choose. Therefore, operators were required to shore up capital accordingly: **Life business only-** ₦20million, **General business only-** ₦20million, **Composite-** ₦40million, **General plus special risk-** ₦70million, **Comprehensive- composite-** ₦90million. **Reinsurance business-** ₦150million.

However, in 2003 there was further to encourage more boisterous investment portfolio for insurers and to enhance healthier returns on shareholders' funds. Based on Part 3 of Insurance Act 2003 required all insurers or re-insurers operating in the market to recapitalize are as follows: **Life business-** ₦150million, **General business-** ₦200million, **Composite business-** ₦350million, **Reinsurance business-** ₦350million. Therefore, the insurance commission was empowered to increase minimum paid-up capital from time to time as dictated by the economic realities. Also, the bill allows for only Nine months grace for compliance to the insurance companies. CIIN Journal (2007).

During the period of 2003 to 2005 there were two rounds of recapitalization. The first which was in 2003 enacted through 2003 Insurance Act. Insurance companies were required to increase their capital bases from ₦20million to ₦150million, ₦70million to ₦300million, and ₦150million to ₦350million for **life, general and reinsurance businesses** respectively.

However, September 2005, a new capitalization requirement was around the corner, increasing the capital bases of insurance companies in Nigeria from ₦150million to ₦2billion, ₦300million to ₦3billion, and ₦350million to ₦10billion for **life, general and reinsurance businesses** respectively. The insurance were given a maximum period of 18 months to comply with the 2005 recapitalization requirements. The 2005 recapitalization changed the landscape considerably as many companies were forced to merge in compliance with the follow-up directive of NAICOM that the requirements were only to be met through mergers or acquisitions. Ewedemi and Lee (2008).

Conclusively, after the completion of the 2005/2006 recapitalization exercise, which also involved quite a number of consolidations, the number of insurance companies drastically reduced to twenty-seven (27) as at the end of 2009.

2.3 Effects of labour turnover in productivity and manpower planning

The term labour turnover is generally used, it is necessary to distinguish what it is and what it is not. According to Forbes (1971), labour turnover was regarded as separation from an organization and included promotion, transfer or any other internal movement within the institution. Also, Denvir and McMahon (1992) defined employee turnover as “the movement of people into and out of employment within an organization” while Eade (1993) categorized turnover into two types: controllable and unavoidable. This was based on the reasoning behind people moving from a company, which could not always be down to management. Hom and Griffeth (1995) defined labour turnover as “voluntary cessation of membership in an organization by an individual who receives monetary compensations for participating in

that organization". This seems to reflect the scope of this paper as the topic under discussion covers the unforeseen nature that voluntary and controllable turnover make by being a disruptive effect on an organization.

Theodore et al (1964) postulated that labour turnover is the flow of manpower out from and into organization. They said that, much of this movement of men is undesirable and is a reflection of unrest and unnecessary or at least unwanted cost. Some of such movement may be desired and even planned by management. Then, although undesired, some of the manpower flows is unavoidable and perhaps represents cost, which must be accepted so long so men continue to exercise their right of individualism. Also Theodore emphasized that management do plan for the occurrence of labour turnover and it cannot be avoidable because individuals have the right to withdrawal his/her services.

Northcot (1945) in his contribution describes labour turnover as the movement of men and women out of unemployment, the significance of which is discoverable in form of measure namely the stability of the work force and the additional cost of replacing those who have left. This description tends to emphasize the movement of employee out of the organization which in general view is the main discussion of labour turnover however, he stressed the used of stability of workforce and replacement cost as means of measuring labour turnover as the amount of movement of employees in and out of organization ordinarily expressed in turns of turnover rate.

Furthermore, what labour turnover actually commits was made clear by Pigors and Myers (1981) they breakdown labour movement into 2 types: accession and separation, accession includes hiring new employees, called back employees after lay off, transfer to other plants of the same firm or former employee returning from leave/training while separation include termination of employment usually subdivided as follows:

A. VOLUNTARY QUIT: Individuals absent without authorization for seven consecutive days.

B. LAYOFF FOR LACK OF WORK: Because a job is being eliminated or because of insufficient demand.

C. DISSATISFACTION LAYOFF / DISCHARGE: Because of dissatisfaction with an employee's performance or conduct. Permanent or partial disability, retirement or death.

From Pigors and Myers description, it is obviously clear what labour turnover rate or index could be measured thus:-

Number of leaves during year

Average number employed during the year x 100

1

Whole the labour stability rate/index is :

No of employee with more than one year services x 100

Average number employed

1

several factors responsible for labour turnover. High rate of labour turnover shows that there is reason for such leaving. This could be derived from Frederick word that as a high reading in a clinical thermometer is a sign to the physician that there is something serious going wrong with the human organism so is the high index of labour turnover, a warning to management that something is wrong with the health of the organization.

Fapohunda (1980) identified the awareness that the workers could resign in protest to bad working condition bad reward system and wrong supervising styles and also those employers can react to uncomfortable government policies by laying off workers as possible causes of labour turnover.

Kenneth and Kahl (1968) considered the following to be the possible causes of labour turnover. These include salary, merit system, hire of greener pasture recruitment of under – qualified or over qualified applicants through faculty interview, poor supervision defects in training etc. dissatisfaction with any of these factors could force an employee to leave a job in one organization to another organization. From Kenneth and Kahl new labour turnover could result from management itself due to faculty recruitment and defective training.

Therefore, Theodore et al were of the opinion that labour turnover may be due to the following:

- ✚ If the job threaten or appear to endanger his physical welfare, the individual security is threatens, hence he seek employment elsewhere.
- ✚ If a person finds himself in close proximity to severe accident he may consider a change in employment.
- ✚ When an individual physical conditions deterioration like sickness.
- ✚ Socio-psychologically, physical deterioration often make a person a problem to himself and others working condition which would not bother a 40 years old in good health may be the root – cause of aggression or some other frustration tendency in a 50 year old.
- ✚ Individual injured so that he no longer can perform the required work must be discharged or transferred.

Maslow (1954), in his hierarchy of needs theory stated human needs varies from physiological need like food, to self-actualization and need to be satisfied before individual aspires the next step on the hierarchy. Where the worker feels his em-

ployer does not satisfy his basic, there is the tendency to look for somewhere else to get the satisfaction.

However, labour turnover could be advantageous since it could help in eliminating the incompetent and undesirable employees. It also brings an inflow of new employees with new ideas, which could help the organization in achieving its objectives.

In a nutshell, the incidence of labour turnover should be brought to the barest minimum, if organizations goal and objective are to be achieved.

2.5 How can the challenges of labour turnover be addressed

Incessant staff turnover tremendously hurts a company's bottom line or profitability level. Some experts estimate it costs upwards of twice an employee's salary to find and train a replacement. However, this can damage morale among remaining employees.

The issue of labour turnover is a grave situation that many organizations tend to battle with year in- year out. It has already become a scourge in the Nigerian Insurance industry. Here are some highlighted possible ways to reduce its potency:-

- ✚ When the right set of people are recruited from the inception. This tends to reduce staff turnover. Also, making sure that they acquire the right skills so that they fit well with the company culture, managers and other colleagues.
- ✚ By setting the right compensation and benefit packages .Working hand-in-hand the with the Human resources Department to get current data on industry pay packages, and get creative when needed with benefits, flexible work schedules and bonus structures.

- ✚ Making annual review of compensation and benefits packages. Also, paying attention to trends in the marketplace and have HR keeping staff posted on related issues. These are issues that interest employees a lot.

- ✚ When organization paying keen attention to employees' personal needs and offer more flexibility where someone can. Consider offering telecommuting, compressed schedules or on-site or back-up day care.

- ✚ Creating an enabled social interaction and a rewarding work environment. The staff needs a genuine sense of belonging from the management and a drive for challenging position with room to learn and be promoted.

- ✚ Sometimes, the management often underestimates how vital a positive work environment is to employees, and how far meaningful recognition and praise from management can go to achieve that. Recognition, praise and awards might just be the single most cost-effective way to maintain a happy, productive work force in most employees.

- ✚ Just sending simple letters or mails of praise at the completion of a task, project, monthly memos outlining achievements of team to the wider division, and peer-recognition programs are all ways to imbibe some positive feedback into a workforce. Moreover, consider reporting accomplishments up the chain: A thank you mail or note to the employee is good. And copying higher-ups makes that note even more effective.

- ✚ To make it easier to identify accomplishments, management needs to ask team for weekly or monthly updates of their achievements. Ask-

ing for specific numbers, examples or emails of praise from co-workers or customers.

✚ By displaying challenging, clear and structured career paths. Employees want to know where they could find themselves in the nearest future in the organization and how they can get there. Besides, the annual reviews or midyear check-ins are one obvious venue for these discussion, but management should also encourage employees to come to with career questions and wishes throughout the year.

3 THEORETICAL FRAMEWORK

3.1 Overview of Management motivation theories

Motivation at work is very essential towards getting the best out of workers and also attaining productivity at work. This is a key issue that management as a discipline does elaborate on greatly because of its relative significance to productivity at workplace.

3.2 Definitions of motivation

Many definitions of motivation from different management scholar will be given here and several postulated processes and theories of motivation are also important to be discussed.

Robbins and Judges (2012) defined motivation as the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal. They explained further that although general motivation is concerned with effort towards goal but it is narrowed to focusing on organizational goals in order to reflect singular interest in the work related behaviour.

According to Adair (2009), motivation covers all the reasons which cause a person act, including negative ones like fear along with the more positive motives, such as money, promotion or recognition.

Hitt Et al (2006), connoted motivation to be forces coming from within a person that account, in part for willful direction, intensity, persistence of the person's efforts towards achieving specific goals that are not due to ability or to environmental demands.

3.3 The theories of motivation

Employees can easily develop sense of frustration, aggression and discomfort on the job these days when they are saddled with monotonous or repetitive task and once this sets in, stress and resentment are largely experienced and can negatively affect productivity.

The antidote to this issue can be motivation as successful motivation is said to be starts with an individual and this includes the organization also its leaders and managers. It is imperative to look at individual, the organization and management while looking at motivation.

However, Motivation theories can be said to be **process** and **content** in nature. According to Hitt Et al (2006) **Content theories** are said to focus on identifying the specific factors that motivate people. The theories that fall under this are straightforward in their approach, examples are: Abraham Maslow's hierarchy of needs, ERG theory, McClelland's achievement need theory and Herzberg's two-factor theory, while **Process theories** are much more concerned on process by which such factors interact to produce motivation. It focuses more on the cognitive processes in which people engage to influence the direction, intensity and persistence of their behaviour. The theories under process are: Goal-setting theory, expectancy theory and equity theory

3.3.1 Goal Setting theory

✚ This theory was postulated by Edwin Locke and he posits that difficult and specific goals increase human performance because they affect efforts, persistence and direction of behavior, Hitt Et al (2006). Locke further pointed out the intention to work toward a goal is major source of work motivation. That is, all goals tell an employee what needs to be done and how much effort will need to be expended.

Stephen and Timothy (2012). According to managementstudy-guide.com (2012), the theory indicates that specific and challenging goals along with appropriate feedback contribute to higher and better task performance. In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in. The important **features of goal-setting theory** are as follows:

- ✚ The willingness to work towards attainment of goal is main source of job motivation. Clear, particular and difficult goals are greater motivating factors than easy, general and vague goals.
- ✚ **Specific and clear** goals lead to greater output and better performance. Unambiguous, measurable and clear goals accompanied by a deadline for completion avoids misunderstanding.
- ✚ Goals should be **realistic and challenging**. This gives an individual a feeling of pride and triumph when he attains them, and sets him up for attainment of next goal. The more challenging the goal, the greater is the reward generally and the more is the passion for achieving it.
- ✚ Better and appropriate feedback of results directs the employee behaviour and contributes to higher performance than absence of feedback. Feedback is a means of gaining reputation, making clarifications and regulating goal difficulties. It helps employees to work with more involvement and leads to greater job satisfaction.
- ✚ **Employees' participation** in goal is not always desirable.
- ✚ Participation of setting goal, however, makes goal more acceptable and leads to more involvement.

Under the Goal setting theory, to effectively set goals for associates, managers should address several factors including the goal difficulty, goal specificity, goal commitment, participation in goal setting and feedback :

1. Goal Acceptance/Goal Commitment :

It is quite important to note that before a goal become motivating to a person, such person must accept the goal. According to Locke and Latham (2002), accepting a goal is the first step in creating motivation. Goal commitment is the extent of determination someone uses to achieve an accepted goal. Two primary factors that assist to enhancing goal commitment are importance and self-efficacy Locke and Latham, (2002). The Importance, in this context connotes factors that make attaining a goal important, including the expected results. Self-efficacy is the belief that one can attain their goal. Locke & Latham (2002). These factors can be likened to making a public announcement about the commitment, or as complex as a formal program of inspirational mentoring and leadership.

Locke and Latham (2006) stated that Importance and self-efficacy enhance the goal commitment by the individual. The individuals must find the goal important and must believe they can achieve it.

2. Goal Specificity :

A goal must be specific and measurable. This should answer the questions- 'who, what, when, where, why, and how of the expectations of the goal. Specificity and measurability do provide an external referent (such as time,

space, increment, etc.) to measure progress, whereas vague “do better” goals are ambiguous and often have little effect on motivation. Removing ambiguity allows individual to direct focus on precise actions and behaviors related to goal achievement. The more specific the goal, the more explicitly performance will be affected. Specific goals lead to higher task performance by employees than do vague or abstract goals. Locke and Latham (2002). For example, a person can set a general goal to sell out more cars per month; nevertheless, setting a goal to sell two cars per day for the next thirty days is more specific and therefore more effective. Locke and Latham (2002) stressed that goals without an external referent allow for a wide range of acceptable performance levels In order for performance to increase, goals must be challenging, specific, and concrete.

3. Goal Difficulty :

According to PSU (2012) goals have been proven to be valid and efficient motivation medium if difficulty is taken into cognizance. The goals should be set high sufficiently to encourage high performance but can be low enough to be attainable. When this grey area is actualized; goals are said to be effective.

If goals are set to be extremely high or difficult compared to motivation, hence commitment suffers as a result. The Integrity is another cost that can ensue from setting high performance goals.

Bennett (2009) stated that setting goals that are too high not only jeopardizes motivation and commitment but also can create dishonesty, a culture of corruption, and cutting corners

4. Feedback:

Feedback is necessary in order for goals to remain effective and retain commit-

ment. Without feedback people are unaware of their progression or regression and it becomes difficult to gauge the level of effort required to pursue the goal effectively. Sorrentino (2006).

Additionally, feedback allows for individuals and teams to spot any weaknesses in their current goals, which allows modifications to be made. Smith and Hitt (2005). It is necessary for goals and the people making the goals, to be flexible with them. Bennett (2009). Feedback is most effective when it is directed at setting more challenging goals. Locke and Lantham (1979).

Effort and productivity will increase when performance falls short of goal achievement. For example, if a student receives feedback in the form of a progress report he or she may adjust study habits accordingly to achieve the desired goal.

However, without feedback, the student has nothing to gauge performance. Feedback can either be process oriented or outcome oriented. Process feedback provides specific tasks that must be performed to achieve the desired outcome. Outcome feedback is focused on the outcome of the goal and offers no tangible information to utilize in goal attainment. Similar to goals, feedback must also be specific to offer constructive information on how to meet objectives. PSU (2012). By receiving feedback, individuals will know that their work is being evaluated and that their contributions are being recognized.

In a nutshell, individual's set goals should be consistent with the organizational goals and vision.

3.3.2 Expectancy theory

Expectancy theory of motivation is a process theory of motivation which was enacted by Victor Vroom and the theory deals with motivation and management, and how managers may secure a motivated workforce.

According to Victor Vroom (1964), the essence of this theory is that actions and behaviors of individuals are taken based on an objective to maximize pleasure and minimize pain. Individuals are therefore more likely to be motivated to do certain acts, if they expect that rewards can be obtained, and that these rewards can be obtained without much trouble and pain.

Vroom's Expectancy Theory is based on these three components:

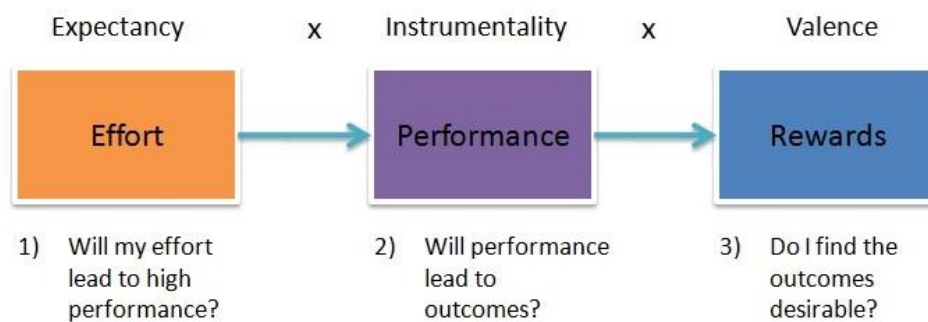


FIGURE 1. Vroom's Expectancy theory's components' analysis

Expectancy:

Expectancy focuses on the confidence that individuals may have in themselves in accomplishing a certain task satisfactorily. If the individual does not portray him/herself as competent enough to do a particular task, such the individual will not see it as feasible to get the desired rewards, and hence demotivate the employee.

Instrumentality:

According to businessmate.org (2009), Instrumentality can be described as the thought that if an individual performs well, then a valued outcome will come to

that individual. Some things that help instrumentality are having a clear understanding of the relationship between performance and the outcomes, having trust and respect for people who make the decisions on who gets what reward, and seeing transparency in the process of who gets what reward.

Valence:

Valence means "value" and refers to beliefs about outcome desirability. There are individual differences in the level of value associated with any specific outcome. For instance, a bonus may not have increase motivation for an employee who is motivated by formal recognition or by increased status such as promotion. Valence can be thought of as the pressure or importance that a person puts on an expected outcome.

Vroom concludes that the force of motivation in an employee can be calculated using the formula: **Motivation** = Valence x Expectancy (Instrumentality).

He also believed that increased effort will lead to increased performance; given the person has the right tools to get the job done. The expected outcome is dependent upon whether or not the person has the right resources to get the job done, have the right skills to do the task at hand, and they **MUST** have the support to get the job done. That support may come from the boss, or just being given the right information to finish the job.

3.3.3 Equity theory

According to businessballs.com (2012), the equity theory was enacted by John Stacey Adams in 1963. He was a behavioural psychologist. In his theory he acknowledges that subtle and variable factors affect each individual's assessment and perception of their relationship with their work, and thereby their employer. However, awareness and cognizance of the wider situation - and crucially comparison - feature more strongly in Equity Theory than in many other earlier motivational models.

The Adams' Equity Theory model therefore extends beyond the individual self, and incorporates influence and comparison of other people's situations - for example colleagues and friends - in forming a comparative view and awareness of Equity, which commonly manifests as a sense of what is fair.

When people feel fairly or advantageously treated they are more likely to be motivated; when they feel unfairly treated they are highly prone to feelings of disaffection and demotivation. The way that people measure this sense of fairness is at the heart of Equity Theory.

Equity, and thereby the motivational situation we might seek to assess using the model, is not dependent on the extent to which a person believes reward exceeds effort, nor even necessarily on the belief that reward exceeds effort at all. Rather, Equity, and the sense of fairness which commonly underpins motivation, is dependent on the comparison a person makes between his or her reward/investment ratio with the ratio enjoyed (or suffered) by others considered to be in a similar situation.

Adams' Equity Theory diagram - job motivation

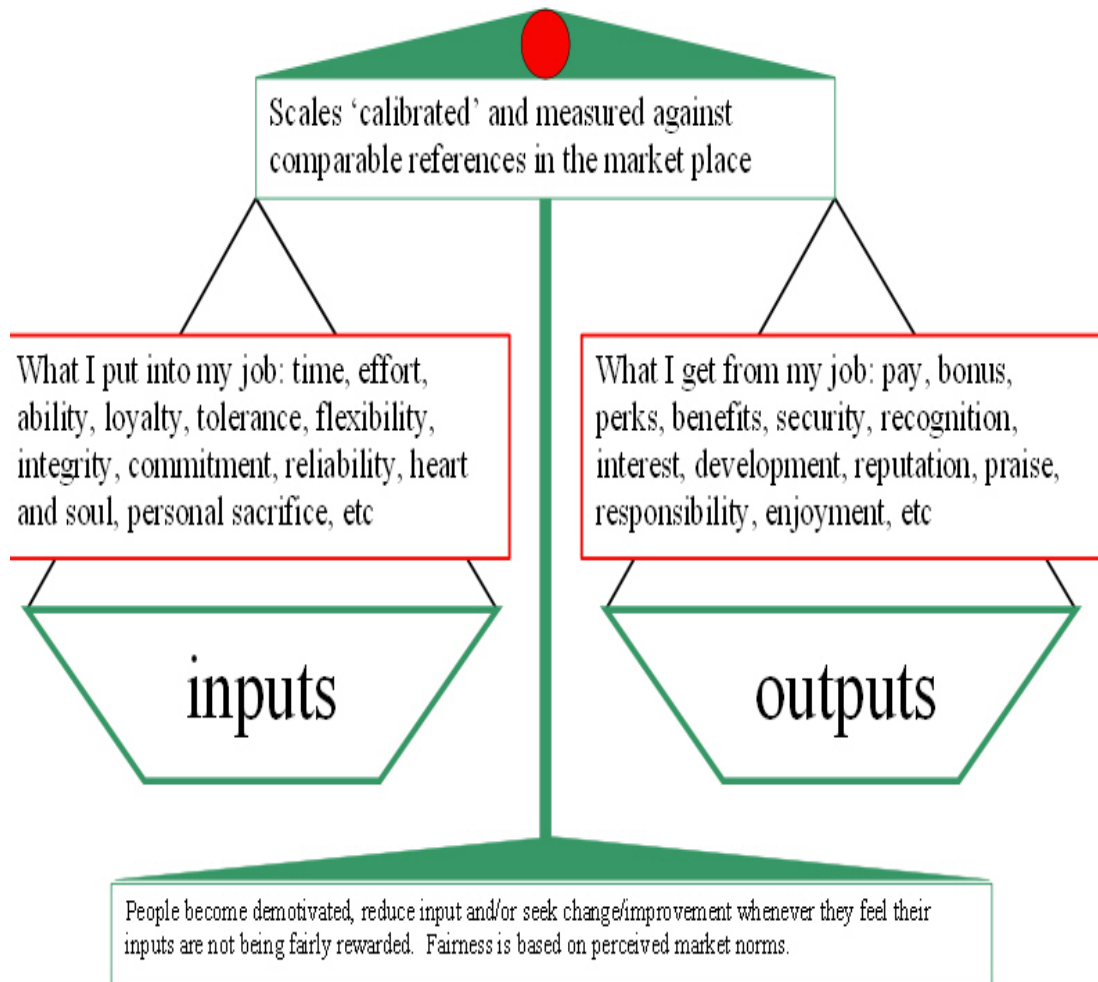


FIGURE 2. Adam's equity theory diagram

inputs	equity dependent on comparing own ratio of input/output with ratios of 'referent' others	outputs
Inputs are typically: effort, loyalty, hard work, commitment, skill, ability, adaptability, flexibility, tolerance, determination, heart and soul, enthusiasm, trust in our boss and superiors, support of colleagues and subordinates, personal sacrifice, etc.	People need to feel that there is a fair balance between inputs and outputs. Crucially fairness is measured by comparing one's own balance or ratio between inputs and outputs, with the ratio enjoyed or endured by relevant ('referent') others.	Outputs are typically all financial rewards - pay, salary, expenses, perks, benefits, pension arrangements, bonus and commission - plus intangibles - recognition, reputation, praise and thanks, interest, responsibility, stimulus, travel, training, development, sense of achievement and advancement, promotion, etc.

TABLE 1. Equity theory tabular analysis

3.3.4 Hierarchy of needs theory

Abraham Maslow is famous for proposing the Hierarchy of Needs Theory in 1943. This theory is a classical depiction of human motivation. This theory is strictly based on the assumption that there is a hierarchy of five needs within each individual. These five needs are as follows-

1. **Physiological needs** - These are the basic needs of water, food, air, clothing and shelter. These are physiological needs which are basic amenities of life.

2. **Safety needs** - Safety needs include physical, environmental and emotional safety and protection. For instance- Job security, financial security, protection from animals, family security, health security, etc.

3. **Social needs** - Social needs include the need for love, affection, care, belongingness, and friendship.

4. **Esteem needs** - Esteem needs are of two types: internal esteem needs (self-respect, confidence, competence, achievement and freedom) and external esteem needs (recognition, power, status, attention and admiration).

5. **Self-actualization need** - This include the urge to become what you are capable of becoming / what you have the potential to become. It includes the need for growth and self-contentment. It also includes desire for gaining more knowledge, social- service, creativity and being aesthetic. The self- actualization needs are never fully satiable. As an individual grows psychologically, opportunities keep cropping up to continue growing.

According to Maslow (1972), individuals are motivated by unsatisfied needs. As each of these needs is significantly satisfied, it drives and forces the next need to emerge. Maslow grouped the five needs into two categories - Higher-order needs and Lower-order needs. The physiological and the safety needs constituted the lower-order needs. These lower-order needs are mainly satisfied externally. The social, esteem, and self-actualization needs constituted the higher-order needs. These higher-order needs are generally satisfied internally, i.e., within an individual. Thus, we can conclude that during boom period, the employees lower-order needs are significantly met.

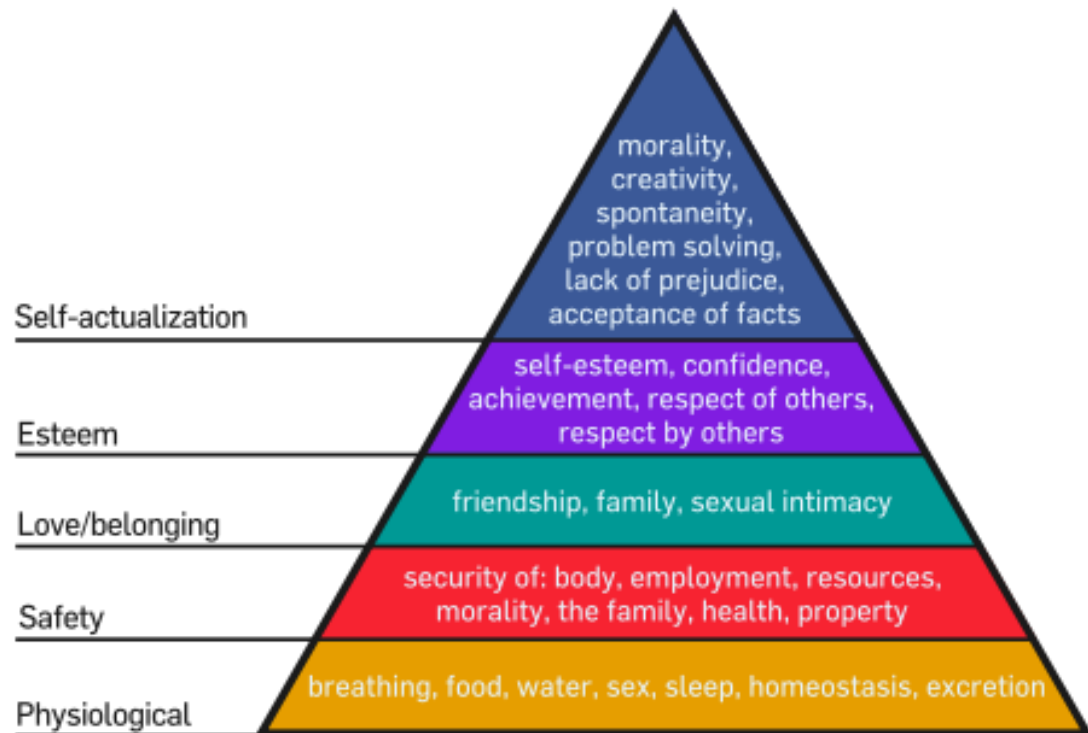


FIGURE3. Abraham Maslow's Hierarchy of Needs.

3.3.5 Two- factor theory of motivation

In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".

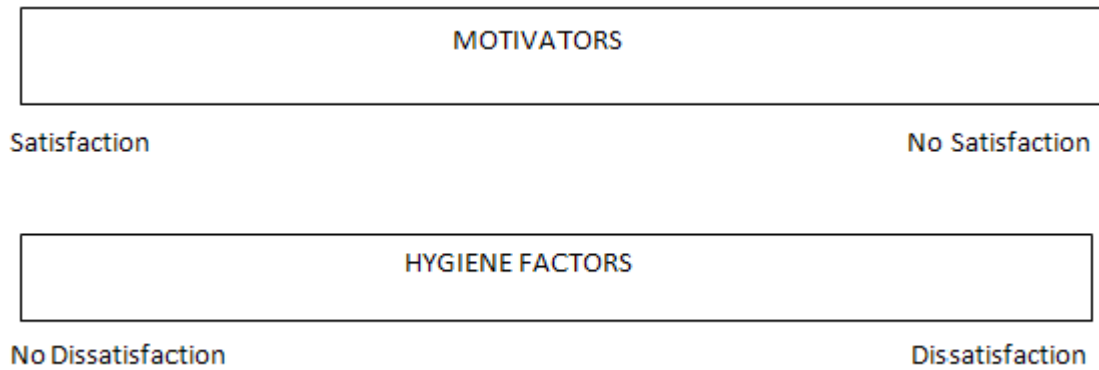


FIGURE 4. Herzberg's view of satisfaction and dissatisfaction

Herzberg classified these job factors into two categories-

- a. Hygiene factors** - Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate / reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called as dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment / scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include:

- ✚ Pay- The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.
- ✚ Company Policies and administrative policies- The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc

- ✚ Fringe benefits- The employees should be offered health care plans (mediclaim), benefits for the family members, employee help programmes, etc.
- ✚ Physical Working conditions- The working conditions should be safe, clean and hygienic. The work equipment should be updated and well-maintained.
- ✚ Status- The employees' status within the organization should be familiar and retained.
- ✚ Interpersonal relations-The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.
- ✚ Job Security- The organization must provide job security to the employees.

b. Motivational factors - According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:

- ✚ Recognition- The employees should be praised and recognized for their accomplishments by the managers.

- ✚ Sense of achievement- The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
- ✚ Growth and promotional opportunities- There must be growth and advancement opportunities in an organization to motivate the employees to perform well.
- ✚ Responsibility- The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.
- ✚ Meaningfulness of the work- The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

3.3.6 Theory X and Y

According to leadershipchamps.wordpress.com (2012), it is noted that in human resource management and motivational perspective McGregor presented a theory called "Theory X-Y".

This Theory X-Y actually divides management styles based on two different sets of worker assumptions into 'Theory X' generally known as '**Authoritative style**' and 'Theory Y' generally known as '**Participative style**'. Although, Douglas McGregor got his theory from functions of military and catholic churches in 1960s. This theory still holds true to all organizations even till this recent times. Leadershipchamps.wordpress.com (2012).

Theory X

This theory X assumes the average worker is lazy, dislikes work and will do as little as possible. Managers must closely supervise and control through reward and punishment. In this type of management style performance results are bad. Also, the theory posits that average human being has an inherent dislikes work and avoids it if he can. Leadershipchamps.wordpress.com (2012).

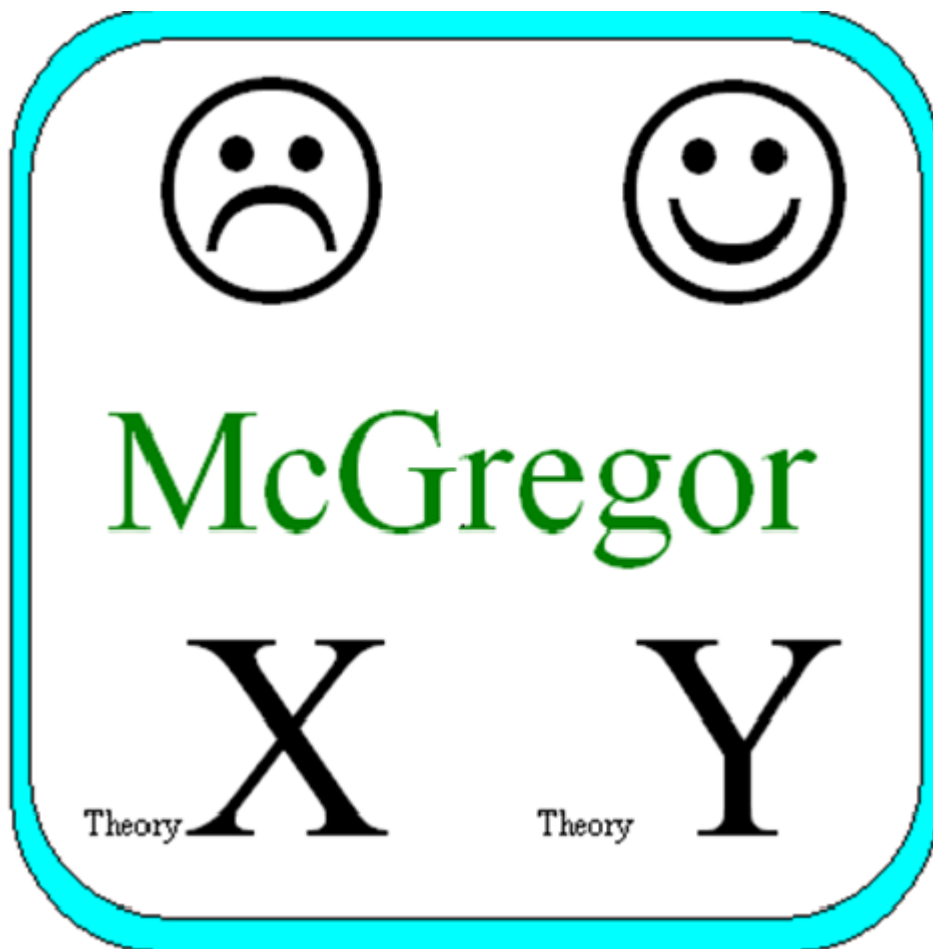


FIGURE 5. McGregor's theory X and Y pictorial illustration

Theory Y

This theory Y assumes workers are not lazy, want to do a good job and the job itself will determine if the worker likes the work. Managers should allow the worker

great latitude, and create an organization to stimulate the worker. If individuals are given freedom, certainly there is room for increased productivity.

This theory further states that an average human being does not inherently dislike work. One vital point here is that the expenditure of physical and mental effort in work is as natural as play or rest.

Leadershipchamps.wordpress.com (2012) emphasized that it is advisable that style should be switched which may be based on current situations instead of stamping oneself as Theory X or Theory Y manager.

3.3.7 ERG Theory

According to Nelson and Quick (2011), Clayton Alderfer is seen to have recognized Maslow's additions to understanding of motivation, yet believed that the original needed hierarchy did not accurately identify and categorize human needs.

Also, managementstudyguide.com (2012) stated that Maslow's need hierarchy theory of motivation in synchronization with empirical research, Clayton Alderfer redefined it in his own terms. His rework is called as **ERG** theory of motivation.

Usually, people must satisfy needs at the lower levels before being motivated by higher level needs. However, frustration at higher levels can lead people to being motivated by lower level needs, Hitt Et al (2006).

Hence, Clayton argued that the significance of the three classes of needs may vary for each individual and he re-categorized Maslow's hierarchy of needs into three simpler broader classes of needs. Managementstudyguide.com (2012) :

1. **Existence needs-** These include need for basic material necessities. In short, it includes an individual's physiological and physical safety needs.
2. **Relatedness needs-** These include the aspiration individual's have for maintaining significant interpersonal relationships (be it with family, peers or superiors), getting public fame and recognition. Maslow's social needs and external component of esteem needs fall under this class of need.
3. **Growth needs-** These include need for self-development and personal growth and advancement. Maslow's self-actualization needs and intrinsic component of esteem needs fall under this category of need.



FIGURE 6. ERG theory of motivation's pictorial illustration

3.3.8 McClelland's theory of needs

Need for Achievement

According to Hitt Et al (2006), McClelland's need for achievement focuses on how individual could behave towards competition with a standard of excellence.

Therefore, people motivated by achievement need challenging, but not impossible, projects. They thrive on overcoming difficult problems or situations, so make sure you keep them engaged this way. People motivated by achievement work very effectively either alone or with other high achievers. When providing feedback, give achievers a fair and balanced appraisal. They want to know what they are doing right – and wrong – so that they can improve, Mindtools.com (2012).

Stephen and Timothy (2012) argued that the need causes a drive to excel, to achieve in relation to a set of standards, to strive to succeed.

Need for Affiliation

This is the need to be liked and to stay on good terms with most people. Hitt Et al (2006), According to Mindtools.com (2012) people are motivated by affiliation work best in a group environment, so try to integrate them with a team (versus working alone) whenever possible. They also don't like uncertainty and risk. Therefore, when assigning projects or tasks, save the risky ones for other people.

Hence, when providing feedback to these people, be personal. It's still important to give balanced feedback, but if you start your appraisal by emphasizing their good working relationship and your trust in them, they will likely be more open to what you say. Remember that these people often don't want to stand out, so it might be best to praise them in private rather than in front of others, Mindtools.com (2012).

Need for Power

According to Hitt Et al (2006), this need is the desire to influence people and events. However, those with a high need for power work best when they're in charge. Because they enjoy competition, they do well with goal-oriented projects or tasks. They may also be very effective in negotiations or in situations in which another party must be convinced of an idea or goal. When providing feedback, be direct with these team members. And keep them motivated by helping them further their career goals, Mindtools.com (2012).

The table below shows the attributes of people that fall under these three categories of needs.

Dominant Motivator	Characteristics of This Person
Achievement	<ul style="list-style-type: none">• Has a strong need to set and accomplish challenging goals.• Takes calculated risks to accomplish their goals.• Likes to receive regular feedback on their progress and achievements.• Often likes to work alone.
Affiliation	<ul style="list-style-type: none">• Wants to belong to the group.• Wants to be liked, and will often go along with whatever the rest of the group wants to do.• Favors collaboration over competition.• Doesn't like high risk or uncertainty.
Power	<ul style="list-style-type: none">• Wants to control and influence others.• Likes to win arguments.• Enjoys competition and winning.• Enjoys status and recognition.

TABLE 2. McClelland’s need theory –need categories in tabular analysis

4 RESEARCH METHODOLOGY

4.1 Instrumentation

The main instrument used for this thesis work was the interview sessions conducted with the former Insurance companies' professionals in Nigeria.

Mr Tayo Adeniji, Ms. Shola Ogunmuyiwa, Mr Jide Salami, Mr Lanre Oladepo and Mr Tunji Oniyide were the professionals interviewed at different time intervals.

A copy of the interview questions is included in the appendix session for perusal purposes.

The rationale behind these verbal interview sessions was to get their opinions regarding the states of insurance in Nigeria as it reflects around: labour turnover, motivation and remuneration, labour casualization, etc.

4.2 Project procedure and Time

The thesis task commenced during the summer time of 2012 academic session with the drafting of four different thesis topics being submitted to the Programme Co-coordinator and Project Supervisor and one of which was picked out of the four.

The supervisor actually advised on how the thesis could be kick-started by formulating the thesis table content which will help with building structure of the thesis work. She also guided on deciding on the types of theoretical framework (literature review) that may be relevant for the thesis project and she advised on how facts

needed for the thesis can be gotten through the use of a voice recorder in conducting interviews. And from here, the thesis work made a constant progress from every stage of support and guidance the researcher got from the supervisor.

4.3 The Analysis plan

Finding the best possible way to provide series of answers to the research problem, the researcher got himself engaged by drafting some carefully prepared and standardized interviewed questions by targeting former professionals of insurance companies in Nigeria using voice recorder gadget about their views on the rampant staff turnover in the insurance sector in Nigeria as it relates to motivations and how it affects productivity.

The overall results of the responses from these professionals will be used to draw valid conclusions on motivation models or patterns that the insurance companies in Nigeria can use to reduce the scourge of labour turnover within the season to a bare minimum of control.

The interview sessions will be held with five professionals formerly working with insurance companies in Nigeria and had left for good. The interview will be an industry based and not a company based so that proofs can be ascertained if truly the labour turnover issue is superficial or had actually eaten deep into the fortunes of the most companies in the sector in Nigeria.

The writer's brief experience in the industry will also be added to draw final conclusion on the project work.

4.4 Validity and reliability

According to Judith (1999), reliability is the extent to which a text or procedure creates similar results under constant conditions on all occasions. She further

stated that, there are several devices for checking reliability in scales and tests, such as test-retest (administering the same test sometime after the first), the alternate forms method (where equivalent versions of the same items are given and result correlated) or the split half method (where the items are split into two matched halves and scores then correlated).

The reliability of this study was tested measuring the trends in the industry or sector in question with use of interviews, which were intentional to device pattern. To make this study relatively reliable, latest and most relevant theories of motivation have to be used to provide a brief overview or insights of the research problem, develop the research questions, and to design the interview guide. The theories used were appropriate for the research study. Constant quality checks have been carried out at every stage of the research to ensure that the research is continued in the proposed way presented.

However, validity is explained by (Judith) 1999, to be an altogether more complex concept. It portrays more whether an item measures or describes what it is supposed to measure or describe. Therefore, if an item is unreliable, then it must also lack validity, but a reliable item is not necessarily also valid. It could produce the same or similar responses on all occasions, but not be measuring what it is supposed to measure.

In order to ascertain the validity of this research study, the questions formulated for the research stands as guide by the help of the available literatures mentioned in the third chapter of this study. For data collection, it was made sure that the selected respondents played pivotal role within the sector and have proper knowledge about the topic. The interviewees has already been briefed about one or two likely questions to be expected and also tell about the likely time duration of the interview as that assisted the respondents toward preparing their emotions and schedule regarding the interview proper. The facts gotten from respondents actually tally with what expected to draw conclusion on and related to the some key terms used in the motivation theories (theoretical framework). This makes the study seen to be valid.

4.5 Scope and limitation

In terms of scope, the coverage for this research work was limited only to these few interviewed former insurance staff and the writer's intuition which he gathered having worked a short while in an insurance in Nigeria.

The project was challenged by limited time to get the professionals ready for interviews. Also, financial constraints was equally key as the researcher spent some amount of Euros on telephone calls to get the interview calls intact and ready for use.

Furthermore, the findings were detailed enough, and such offered a feasible and essential data which conclusions can be drawn, on the premise of providing desired answers for the research problem within the purview of the labour turnover issues facing the Nigerian insurance sector.

5 PRESENTATION OF DATA

5.1 Description of Data Analysis

Five former staff or professional of insurance companies in Nigeria were interviewed different time intervals. Each interview session was detailed that lasted for about 45minutes.

The methodology is preferred for this thesis work because the labour turnover situation is industry- based challenge and not a company- based. So, different persons with different experiences in different insurance companies were interviewed on the premise of know-how in the Nigerian insurance sector.

Also, the researcher's intuition (piori knowledge) based on the fact that he had worked in the industry for a short period of time was equally channeled to making analysis for this thesis work.

Besides, the opinions of selected few for the interview represent the average opinion of the former insurance professionals in Nigeria regarding the frequent staff turnover in the industry.

5.2 Analysis Results

The research analysis was done through the transcribes of the interviews collated.

1. Please, can you do a short introduction about yourself and tell us the insurance company or companies you have ever worked for?

Through the findings, it was discovered that all these professionals interviewed have had relevant years of experience in the Insurance Sector.

2. When you left the insurance sector, which company or sector did you move to?

Also the outcome of the research's findings shows that virtually many of the respondents that represent the population of the departed Nigerian insurance staff or professionals actually progressed in their career by going to somewhere better or engaged in something more rewarding.

3. What really made you leave the insurance sector?

What can be deduced from the finding(s) is that due to low patronage of insurance products and policies in Nigeria which has affected the revenue base of many insurance companies, and in return has affected the welfare packages of staff. It shows that professionals are being poorly remunerated or paid and that has been the major cause of them leaving in their high numbers.

4. How can you compare your salary to when you were working with the insurance and your new employment?

Four of the five interviewed persons actually stated that their current pay and welfare packages are motivating enough and better off than when they were in the insurance sector except for **Mr Lanre Oladepo** which said that he sees motivation not from the angle of pay alone, but being given responsibility at work, more sense of belonging that the new place of his employment opened him to unlike when he was with the insurance company. However, in all, the salary packages of the other sectors that the most former insurance sector left to are seen to be better than that of the insurance.

5. What are those benefits or goodies that the insurance companies have that your new sector does not have, and vice versa? Can you elaborate on this as it will help the thesis project?

Data gotten through the interview sessions had with the professionals showed that the other sectors have numerous welfare packages apart from good pay compared to the insurance industry. Though, some insurance companies have provided meager health allowance added to staff commissions of salaries and daily transportation for their staff to be taken to and from work. Also, trainings for staff are equally done in the insurance sector, but how relevant are these trainings will be looked into later. However, comparing with that of other sectors, it has been revealed that constant specialized trainings (home and abroad), provision of transportation, medical benefits for the staff and their family for example in the Oil and Gas industry according to **Mr Tayo Adeniji** has made professionals from other sector(s) to be tripping into the Oil and Gas sector as they also want to benefit from such goodies and numerous not mentioned here. Also the other three professionals even talked more about their new companies giving structured and specialized trainings and some other allowances like: 13th Month salary, profit sharing bonus, birthday allowance and monthly performance pay added to staff salary. But, **Mr Lanre Oladepo** said that the insurance sector pays huge terminal benefits which most staff sees as an opportunity to collect as severance package, and this in the researcher opinion which may also make many of the insurance staff to look forward to as they can collect when due for it and leave the sector after they are being paid the terminal benefits.

6. Were there any fringed benefits or welfare packages attached to your salary when you were in your insurance company?

From, the findings through the conducted interviews, it is revealed that most insurance companies never give other fringe benefits apart from the commission entitlement(s) of the staff which makes most staff that underperformed in the selling of their insurance policies or products to go home empty handed at the end of the month.

7. Were they any kind of different overall benefits that you are entitled to now than when you were in an insurance company?

No other positive response was gotten for this aspect as all the interviewed respondents never gave any responses other than the facts got for question 6 &7.

8. With your own experience in the industry or sector; what do you think is responsible for the incessant or frequent staff turnover in the Nigerian insurance sector?

Findings here from the professionals attributed the causes as the followings: job insecurity, meager commission-based pay, low patronage of insurance policies and products as a result of companies not paying insured persons compensations or claims as at the time they are due for such. Also, stiff competition allows the best brains in the insurance sector to be poached away by other viable sectors as the insurance staff prefers such as unique opportunities that they cannot afford to be missed.

9. Is it that Nigerian workforce are not always patient enough and that they want career progression in industry that is better than insurance industry?

The analysis here shows that the professionals see insurance as a good profession but it is just that the industry is not well positioned for workers to

get utilized and many of them leave abruptly as there are no motivation packages that could make them stay or retain them.

10. What can you say about rampant casualization of staff in the Nigerian Insurance sector? Is it a blessing or a curse to the industry?

The result here portrays that most of the professionals see the economic situation of Nigeria not being buoyant enough and that has made many insurance companies to try to cut costs by maximizing benefits and minimizing costs possible, therefore, create disparity between B.sc and HND graduates also, prefer to take some staff on temporary basis in order to pay them cheaply. Most of the professionals see the casualization as a curse or bad thing which can affect the industry negatively but **Mr Lanre Oladepo** nevertheless viewed the case differently as he sees 70% lives below 1USD per day in Nigeria, and getting job is not easy to come by. Ability to negotiate one's pay or welfare package matters a lot and in the private sector, there is no labour advocacy group to fight on behalf of employees: Therefore, the industry sees it to be doing any worker working in the sector a favour to have been employed. The industry also sees itself being helpful to the society rather than taking advantage of some staff through casualization. **Mr Oladepo** said that it can be a blessing on hand and otherwise, a curse on the other hand.

11. In a general view, do you think that employees in Nigerian insurance sector are motivated enough towards achieving organizational productivity?

Under this analysis, majority of the professionals could conclude that the staff is not motivated enough. Based on the theories of motivation, the insurance companies have not done enough to boost their staff morale. Tak-

ing a clue from the hierarchy of needs, the staff have not be given the basic, esteem, security and self-actualization needs .Many insurance companies have not done sufficiently in terms of motivation.

12. What can you say about Nigerian people’s mentality or beliefs about insurance policies in general?

The analysis under this part, it was figured out that the government's participation in the insurance through active reform and creating social benefits for old people (masses) or workers through insurance will help to sensitize the society to get involved. The society is under-insured as most of these insurance policies (contracts- whether life assurance, property, car -third party, comprehensive) are expensive and the lack of purchasing power from the society's side have reduced patronage and have in turn reduce the insurance companies' revenues. Nigerians are not embracing insurance as it should as 170 million people should have been a major breakthrough for the sector if well utilized. People want to have access to their funds short time unlike long term that most insurance companies keep these funds on their customers' behalf. The bottom line is that most of interviewed professionals see it that Nigerians do not largely embrace insurance as they should.

13. What is your “would-be advice” to the management teams of Nigerian insurance companies regarding staff welfare in general?

The result here says that motivating the staff will help to create awareness for the industry, also cause staff to come up with strategic planning to help the industry grow and also entice many good hands outside the sector to join the industry. Therefore, managements of these companies should put motivating packages in place. In a nutshell, the professionals advised that employees' pay package have to be upward reviewed, they should look at scrapping worker casualization as this affects staff morale.

14. Are there any forms of organized and standardized trainings directed to helping insurance policies marketable for insurance policies' marketers?

Analysis deduced from the respondents under this part shows that the insurance companies should institute Insurance training schools where their newly recruited graduates can learn the nitty gritty of insurance in order to be better of canvassing the people to buy the products or policies. Most graduates may not have studied insurance in their colleges and universities but spending like 5months in the training school will groom them for a better career in insurance as against where a-one week training hurriedly given these days. However, **Mr Oladepo** believed that in his own take, that the insurance do give constant trainings, but more can still be done in this area as staff are trained but they are not well connected with the people they are to sell the products or policies to, as this may at times let the result of the trainings not come as fast as they are expected.

15. How relevant do you think that this project is to the current trends and practices in Nigerian insurance sector?

The analysis shows that the thesis will be good to make the points clearer to the practitioners in the insurance companies. It can further sensitise the major players in the insurance sector (management teams) by opening their eyes on the insurance arithmetics and look for a way out for these enumerated weaknesses. It is a very current and relevant topic. **Mr Tayo Adeniji**, one of the respondents even said that this type of project is a qualitative way of collecting information. He wish the industry itself can be doing this by asking their clients and customers what they like or dislike about the in-

dustry. It is an eye-opener and it can even help the insurance workforce to formulate their products (market and revenue driven products/policies).

6 CONCLUSION

This research was centered on the frequent labour turnover in insurance companies in Nigeria, using the Nigerian Insurance Sector as the case study. The study was not based on a single insurance company but all the companies in the sector in order to see the big picture and draw conclusion on how the challenges can be tackled to a bare minimum of control.

The researcher used the means of telephone interview through a voice recorder gadget to get the needed facts for the thesis from the former professionals of Nigerian insurance sector.

It was noted in the course of the research work that the interviewees were interested to voice out their minds on their experiences during their days in the insurance companies.

More importantly, it can be said that the incessant or frequent labour turnover is seen to be a clog in the wheel of any organization, industry or sector as this tends to affect to a larger extent high productivity level of such organization or sector. Therefore, it was found out through the interviews had with the participants in this study that most of the causes of this labour turnover can be attributed to lack of putting better working condition in place which can also be termed as lack of motivation that could assist to retain the staff in the sector which could have effectively helped with the growth of the sector than its present state of incessant employee turnover.

The sector has been trying in its own capabilities to bring out the best in order to reach the set bottom-line, but the frequent labour turnover can tremendously hinder in a number of ways like:

- ✚ Cutting down profits on unutilized trainings for the staff and seeing those staff not be retained thereafter.

- ✚ Low salary of staff or commissioned based remuneration which makes skilled staff being poached away by other sectors.
- ✚ Casualization of labour makes the industry been seen as not a viable and reliable by the outsiders and makes many graduates not to have interest to work in or join the sector.
- ✚ The failure of some insurance companies to pay customers compensation or due indemnities have dented the image of the sector and affected the efforts of the sales persons on the field, marketing the insurance products or policies.
- ✚ The disparity between B.Sc and HND degree holders in the sector makes some graduates see the sector as not a place to groom their potentials and make end meets for the future.
- ✚ Lack of structural product promotional tools like product or policies adverts on media like: TV, radio and newsprints.

However, from findings through this study, it is vividly obvious that if the above issues can be carefully addressed using reforms by the government on making the insurance companies competent and financially buoyant enough to pay claims of their customers, it will go a long way to revamp the potentials of the sector and change the mentality of Nigerians towards insurance at large.

Besides, after the reforms have been put in place, positive and structural adverts can be put in place to sensitize people on the dire needs of insurance and how insurance in Nigeria can assist an average Nigeria in times of unexpected, unforeseen, and unpleasant occurrence(s).

Furthermore, the sector can look into the recruitment policies and bridge the gap between the B.sc and HND holders in terms of pay package. Also, entice their staff with suitable pay as this can make them want to work more. The best em-

ployees can be given awards or monetary gifts to have reached their sales targets on time which could spur their other colleagues to wanting to get such accolades in the nearest future and this could also go a long way to retain the best hands in the sector.

Also, Human Resources departments of the insurance companies should often advise the management of the sector on the havoc casualization of staff can cause as this tends to bring down the morale of staff as they are not being recruited on a permanent but temporary basis and see themselves being categorized as playing a second fiddle in the organization, and this impedes high productivity of such categories of staff; therefore, in the long run affect the profit margin or bottom line of the organization(s).

Apart from giving good pay or income: Incentives, like allowances: health, dressing, transport allowances may also be used as stimulus packages added to their salaries and this may let them feel the sense or value of belonging to be working in such a sector, industry or organization.

Lastly, giving relevant insurance trainings to the insurance staff through the help of relevant and experienced insurance gurus may help to reducing the level of labour turnover in the industry. Most insurance companies can create training schools, centers and institutions where fresh graduates or recruits can attend to learn the gimmicks and tactics of selling and marketing insurance policies and products to people. Taking a clue from Ms. Adeshola Ogunmuyiwa's comment during her interview, ***“she said that during her days in the Lasaco Insurance Plc, Nigeria, she knows one insurance marketer professional that can sell ice to Eskimos, that is; the person can sell or market insurance policies to anybody and convince people to buy the policies under any circumstances”***. Therefore, gurus like this person talked about, can be arranged by the insurance companies to train the upcoming ones so that selling the insurance policies can be made interesting to them and marketable as well.

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APPENDICES

PREPARED RELEVANT INTERVIEW QUESTIONS

1. Please, can you do a short introduction about yourself and tell us the insurance company or companies you have ever worked for?
2. When you left the insurance sector, which company or sector did you move to?
3. What really made you leave the insurance sector?
4. How can you compare your salary to when you were working with the insurance and your new employment?
5. What are those benefits or goodies that the insurance companies have that your new sector does not have, and vice versa? Can you elaborate on this as it will help the thesis project?
6. Were there any fringed benefits or welfare packages attached to your salary when you were in your insurance company?
7. Were they any kind of different overall benefits that you are entitled to now than when you were in an insurance company?
8. With your own experience in the industry or sector; what do you think is responsible for the incessant or frequent staff turnover in the Nigerian insurance sector?
9. Is it that Nigerian workforce are not always patient enough and that they want career progression in industry that is better than insurance industry?
10. What can you say about rampant casualization of staff in the Nigerian Insurance sector? Is it a blessing or a curse to the industry?
11. In a general view, do you think that employees in Nigerian insurance sector are motivated enough towards achieving organizational productivity?
12. What can you say about Nigerian people's mentality or beliefs about insurance policies in general?
13. What is your "would-be advice" to the management teams of Nigerian insurance companies regarding staff welfare in general?
14. Are there any forms of organized and standardized trainings directed to helping insurance policies marketable for insurance policies' marketers?

15. How relevant do you think that this project is to the current trends and practices in Nigerian insurance sector?

