

**AN INVESTIGATION INTO THE IMPACT OF MOTIVATION
ON PRODUCTIVITY IN MEDICAL INSURANCE IN ZAMBIA:
A Case Study of Selected Medical Insurance Companies in Zambia**

(Conference ID: CFP/1048/2018)

Roseline Tambo

Cavendish University Zambia, Lusaka, Zambia.

rtambo05@yahoo.com,

Peter Kanyinji

Cavendish University Zambia, Lusaka, Zambia.

peterkanyinji@yahoo.com,

ABSTRACT

This study investigated the impact of Motivation on productivity in the Medical insurance sector in Zambia. Medical insurance companies in Zambia have over the years been experiencing low productivity. The rate of processing of insurance claims has largely been poor with huge backlog leading to wrong payment of claims which do not satisfy the terms and conditions of the insurance policy. In order to optimize claims processes, the study undertook a research to investigate the impact of motivation on employee productivity. The motivation to carry out the study arose from the low job satisfaction levels demonstrated by employees. The rationale of the study was to improve productivity in the Medical insurance sector in Zambia through intrinsic and extrinsic motivating factors. The Assumption was that motivation improves productivity. The study was carried out among the employees of selected Medical insurances companies in Zambia. Data was analysed using descriptive statistics based on findings of intrinsic factors measured by, Structure of work and Training; and extrinsic factors measured by, Reward system, Leadership style and Organisational climate. The results showed that there is poor employee motivation in the Medical Insurance in Zambia leading to low organisational productivity. Therefore, intrinsic and extrinsic factors such as the ones understudy and involvement of employees leads to improved employee motivation levels and higher productivity.

Key Words: *Medical Insurance, Zambia, motivation, employee performance, organisational productivity*

INTRODUCTION

Health insurance schemes are one way of guaranteeing access to health care services. Under such schemes, ideally people should apply for membership and be making monthly contributions so that in the event of any sickness, the health insurer will be able to meet the cost of medical care. (Buntin et al., 2004).

According to *empirical sources* on Health and medical schemes in Zambia, in each medical insurance, the medical aid scheme has various choices that represent different rates of contribution, and therefore a different level of medical aid cover and freedom afforded to members when choosing healthcare providers. These services are often provided by an insurance company and paid for by an employer or by individual member. Medical scheme for all in-hospital and large expenses and cover for day-to-day claims for GPs, specialists, acute medicine, radiology, pathology, dentistry and optical benefits is provided by the scheme from the insurers. Productivity in the Medical insurance in Zambia is low.

The insurance industry is experiencing change at a rate that has not been seen for at least a generation. Customer expectations for how they will interact with their insurers also continue to increase, making it more important than ever that insurers provide a high-quality customer service experience, hence, motivating employees for productivity, is paramount (Delloite, 2016).

BACKGROUND

This research was on the impact of motivation on productivity in medical insurance in Zambia. The study used Fredrick Hertzberg's motivation theory, *cited in Robins and Coulter, (2013)*. These motivational factors under this study included the intrinsic factors measured by, Structure of work and Training; and extrinsic factors measured by, Reward system, Leadership style and Organisational climate. The purpose of this study was to explore and explain the impact of employee motivation to improve productivity in the Medical insurance in Zambia and to explore the impact of motivation on productivity and explain how intrinsic and extrinsic motivating factors improve the workers performance and productivity of medical insurance in Zambia.

The concept of health insurance is fairly recent on the Zambian market. Before the 1990's (pre-liberalisation of the Zambian economy), health services were mainly provided by the government free of charge to all citizens. This was done through Government funding to the Ministry of Health, which in turn funded Government health providers. Accordingly, social health insurance was virtually nonexistent and this largely remains the case today. So far, health insurance has been an underutilized area of health care financing in Zambia (Engstrand, 2013). Based on Delloite (2016) survey, the medical insurance industry is experiencing change at a rate that has not been seen for at least a generation. One of the basic problems in any organization is how to motivate people to improve organisational productivity (Van Rooyen J., 2006).

The research covered selected Medical insurances companies in Zambia, that is, Liberty Health-BLUE Insurance, Sancare Medical Insurance and Premier Service Medical Aid Society Zambia.

THE STATEMENT OF THE PROBLEM

Medical insurance companies in Zambia has the problem and challenges of low productivity. The rate of process of claims is below standard resulting in huge amounts of claims paid which were not supposed to have been paid. According *PSMAS (2016)*, the claims ratio to subscriptions, that is, Claims: Membership Subscriptions, is very high, almost 95% thus reducing the Gross profit margin. Membership drive is low compared to claims. Hospitals are complaining and discontinuing services to members based on non-payments of bills. A lot of questions were coming pertaining to low productivity that;

- Is it that they are understaffed?
- Is it that there is no motivation?
- Is it that the systems and procedures are not well?
- Is it that the skills and competence is lacking?

There is need to reengineer and optimise claims processes but there is low job satisfaction level demonstrated by employees, therefore the focus of this study was on motivation to improve productivity. According to *Gray (2009)*, Productivity in the Medical insurance is measured in terms of quality and profitability.

PSMAS Zambia (2017), noted that, Claims and claim management remains a key challenge to our business: it affects our value proposition and competitive positioning; affects our customers experience leading to membership terminations; and has the potential to distinguish us from others in our market environment (*PSMAS, 2017*).

OBJECTIVES OF THE STUDY

General Objective

The main objective of the study was to investigate into the impact of employee motivation on organisational productivity in medical insurance in Zambia.

Specific Objectives

Specifically, the study sought;

1. To examine the effects of intrinsic factors on employee performance for organisational productivity.
2. To assess the effects of extrinsic factors on employee performance for organisational productivity.

Significance of the study

- This study would contribute to making the workplace meaningful and exciting, because motivated workers would bring about improved organization performance resulting in productivity.
- This study is educative to the management of organizations in medical insurance in Zambia on how to motivate their workers to productivity.
- The findings of this study would generate people's interest in researching into other areas of research on motivation and performance in the workplace.
- Finally, the study is hoped to enrich people's knowledge in this area of organizational behaviour and management of people in the organization.

THEORETICAL FOUNDATION

The theoretical foundation underpinning the study was guided by Fredrick Hertzberg motivation theory. The purpose of this paper was to give a detailed review of the literature of motivation in a thematic and quasi-chronological fashion. This would permit the reader to gain a thorough understanding of the many facets of Fredrick Hertzberg motivation theory in modern literature. A cursory view of the literature shows that there are two central categories of motivation: **Intrinsic and Extrinsic motivation**. These motivational factors under this study include the intrinsic factors, measured by, structure of work and Training; and extrinsic factors, measured by, Reward system, Leadership style and Organisational climate.

To establish the influence of motivation on performance to Organisational productivity.

The health insurance market plays an important role in health care services provision. However, it should again be noted that the health insurance market also survives on member participation. According to *Buntin et al., (2004)*, the future of the health insurance market depends on policy interventions to balance supply side and demand side forces. Demand side forces would naturally involve health insurance participation, and for credible policy interventions, it may be important that those factors affecting participation be established. *Bhandari S. (2002)*, looks at the socio-cultural dimensions of a society as a possible explanatory variable, arguing that the feasibility of a particular health insurance design is likely to depend on the society's socio-cultural dimensions. Here, for instance, a community – based health insurance scheme is more likely to be feasible in a country where ethnic groups demonstrate high social cohesion and in health insurance companies where employee motivation for productivity is prioritised.

Improving employee's performance to Organisational Productivity.

Slack, et al., (2010) explained that one obvious way of improving an operation's productivity is to reduce the cost of its inputs while maintaining the level of its outputs. This means reducing the costs of some or all of its transformed and transforming resource inputs. Productivity can also be

improved by making better use of the inputs to the operation. According to *Sullivan and Nolinske (2007)*, Companies with low levels of productivity could theoretically get significantly more work done, but they have factors that hold them back from their full potential. This leads to wasting money and losing ground to competitors. Knowing the reasons your company's productivity is lacking directs you to appropriate solutions to improve productivity and profits. Low productivity in the workplace can decimate a business.

Adonisi (2015) noted that, the responsibility for improving productivity in organizations can rest in many areas, including human resources, the functional department itself, or an outsourced firm. Regardless of who facilitates the process, the focus should be on factors that support individual and team performance. Organization exists for the purpose of rendering some services. For the organization to meet its objectives, people are employed in the organization in order to help the organization meet its objectives. Thus, in order to ensure that people employed in the organization perform optimally towards the realization of organizational goals, they need to be motivated to work.

According to *Gray (2009)*, Productivity in the Medical insurance is measured in terms of quality and profitability. **Productivity** = Output from the operation /Input to the operation. **Productivity/Profitability** = Claims /Subscriptions= **Claims ratio** = **gross profit margin**.

The **claims ratio** is claims payable as a percentage of premium income. This is the equivalent of gross profit margin for an insurance business. An insurer's investment income is also part of its core business so the comparison with gross profit is not exact. This ratio should be below 80% to ensure viability of the business <https://moneyterms.co.uk/about/personal/>.

The Two Factor Theory by Frederick Herzberg

According to *Robbins and Coulter (2013)*, the basic assumption of Herzberg's two-actor theory indicates that the productivity of health workers on the job can be increased through worker satisfaction, and this comes from a variety of factors. For example, jobs should be challenging enough so that nurses utilize their full ability, and workers who are successful should be given more responsibility. This theory serves as the basis for effective work performance by health workers.

Hygiene factors (Extrinsic Factors)

According to *Robbins and Coulter (2013)*, the hygiene factors cannot motivate workers to performance; rather they only help to maintain a level of low dissatisfaction in the work place. In other words, the hygiene factors help to maintain a level of zero disaffection in the work place. Hygiene factors include such things like salary, working condition, job security status, company policy, quality of technical supervision. Money is an extrinsic motivator. Extrinsic motivation does not come from the work itself but it is supposed to ensure the quality of the work and to ensure that the basic rules are followed at work. *Robbins and Coulter (2013)* explained that, although

some theories like Herzberg believe that money is not a positive motivator, financial incentive programs are designed to inspire employee loyalty and increase productivity among employees. Hygiene factors are essential to ensuring that the work environment does not develop into a disgruntling situation. *Bogardus (2007)* explained that, when hygiene factors are maintained, dissatisfaction can be avoided. When opposite, dissatisfaction is most probable to occur and motivation can't take place.

The Motivators (Satisfiers) (Intrinsic Factors)

The second group is known as the satisfiers. According to Herzberg, the motivators do not prevent dissatisfaction; rather they help to motivate workers to performance. These factors include achievement, recognition, challenging work, advancement and growth in the job. Their presence helps to motivate workers to performance. Moreover, employees who have high self-efficacy with respect to assigned goals tend to set higher goals, experience greater goal commitment, choose better task strategies and maintain goal pursuit in the face of negative feedback (*Locke & Lathan, 2002*).

How Intrinsic Motivational Factors Influence Productivity

Intrinsic Motivation

According to, *Armstrong (2014)*, Intrinsic motivation takes place when individuals feel that their work is important, interesting and challenging and that it provides them with a reasonable degree of autonomy (freedom to act), opportunities to achieve and advance, and scope to use and develop their skills and abilities. It can be described as motivation by the work itself. It is not created by external incentives. *Sandel (2012)* remarked that: 'When people are engaged in an activity they consider intrinsically worthwhile, offering money may weaken their motivation by "crowding out" their intrinsic interest or commitment'. Intrinsic motivation can be enhanced by job design. *Pink (2009)* stated that there are three steps that managers can take to improve motivation: *Autonomy* – encourage people to set their own schedule and focus on getting work done not how it is done. *Mastery* – help people to identify the steps they can take to improve and ask them to identify how they will know they are making progress. *Purpose* – when giving instructions explain the *why* as well as the *how*.

The Structure of the Work.

Some work is inherently motivational, requiring creativity, imagination, and high levels of energy. However, an enormous amount of work must be standardized, routinized, and made relatively unexciting in order to be done efficiently and cost effectively. *Robbins and Coulter (2013)*, explained that; Good organizations are always trying to structure the work so as to match the nature of the work with the nature of the employee and to make the work as interesting and enjoyable as possible.

Training

According to, *Sharma and Shirsath (2014)*, Training is defined as the organized activity aimed at imparting information or instructions to improve the recipient's performance or to help him or her attain a required level of knowledge or skill. Training effects employee's job performance positively. It also increases the efficiency of work and contributes to the success of organization. Importance of training cannot be neglected in any organization worldwide. Training is a motivational factor which enhances the knowledge of the employee towards the job.

Intrinsic motivation is driven by an interest or enjoyment in the task itself and exists within the individual rather than relying on any external pressure. Intrinsic motivation is the motivation to do or act in one's own interests or simply for the enjoyment of the activity itself (*Steers et al., 2004*).

Robbins and Coulter (2013), describes it as the desire to work on something that is interesting, challenging, satisfying, exciting, or involving.

How Extrinsic Motivational Factors Affect Productivity.

Extrinsic Motivation

Extrinsic motivation occurs when things are done to or for people in order to motivate them. These include rewards such as incentives, increased pay, praise or promotion; and punishments such as disciplinary action, withholding pay, or criticism. Extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long (*Armstrong, 2014*). *Steers et al., (2004)* concurs that, extrinsic motivation comes from outside of the individual. Common extrinsic motivations are rewards like money and grades, coercion, and the threat of punishment. Competition is, in general, extrinsic, because it encourages the performer to win and beat others, not to enjoy the intrinsic rewards of the activity.

The Reward System/Remuneration.

Every organization is characterized by a particular type of reward structure, often differing from person to person and from department to department. Rewards systems are the structured benefits paid to individuals and groups who have delivered strategies that add value to the Organisation consistent with its agreed purpose (*Lynch, 2006*). *LeBoeuf (2014)*, says," If you want more of something in an organization, rewards for that behavior must greatly increase". People respond to incentives.

Leadership Style.

This is a key factor in determining how people feel about the company and how motivated they are. Very often, just changing the leader changes the psychological climate of the company and, in turn, the whole performance of people in the organization. According to *Dransfield (2000)*, Managing people at work is concerned with making plans and deciding on approaches which to use to make people perform the way to help the company to achieve their goals.

Organisational Climate.

The organizational climate is deliberately created and maintained by management. It largely consists of the way that people treat each other up and down the line. *Watkin and Hubbard (2003, p. 380)*, hold that climate does make a difference to an Organisation’s performance because “it indicates how energising the work environment is for employees”. However, “productivity also depends on the morale which governs discretionary effort – the willingness to ‘go the extra mile’. This is unforthcoming if workers feel insecure (*Culkin, cited in Gray, 2009*). According to *Robbins and Coulter (2013)*, an organization’s impactful use of technology and use of innovative strategies improves productivity and becomes a competitive advantage.

SUMMARY OF STUDY VARIABLES

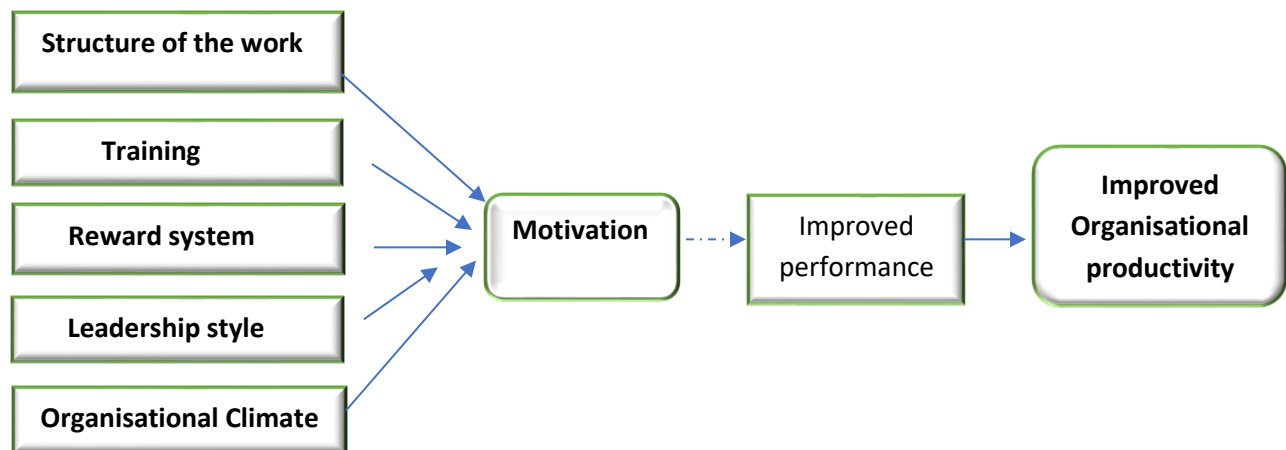
Factor	Description of factors
Intrinsic factors	
Structure of work	Job Design: Goals are an important contextual influence on motivation, but how employees’ jobs are structured also has a substantial impact on their motivation (<i>Fried, Levis, & Laurence, 2008; Grant & Parker, 2009</i>).
Training	Training is also a key requirement for new recruits; proper training helps them to understand the job, its requirements and responsibilities. Training also increases understanding of the organizational culture. Training programs increases communication between different levels of an organization. Any deficiency in processes and jobs are eliminated and those close to production processes become involve in the management. Staff empowerment is a recent trend in management; such empowerment will only be successful when proper training is provided to those empowered (<i>Cole, 2004; Krietner, 1995</i>).
Extrinsic factors	
Reward System	<i>Bratton and Gold (2003)</i> defines a reward system as "The mix of extrinsic and intrinsic rewards provided by the employer. It also consists of the integrated policies, processes, practices and administrative procedures for implementing the system within the framework of the human resources (HR) strategy and the total Organisational system". There are two types of rewards: Extrinsic rewards which are tangible rewards that employee receives for their good performance, such as bonuses, salary raise, gifts, promotion, compensation and commissions. Intrinsic rewards are inclined to give personal satisfaction to an employee, such as information, feedback, recognition, trust and relationship. <i>Berger (2010)</i> states that, Compensation programs were developed to motivate, attract, reward and retain work force.
Leadership Style	Six leadership styles Goleman uncovered; - The pacesetting style- leaders expects and models’ excellence and self-direction. Summed up as “Do as I do, now.” The authoritative style- leaders inspire an entrepreneurial spirit and vibrant enthusiasm for the mission. Summed up as “Come with me.” The affiliative style- leader works to create emotional bonds that bring a feeling of bonding and belonging to the organization. Summed up as “People come first.” The coaching style- develops people for the future. Summed up as “Try this.” The coercive style- leader demands immediate compliance. Summed up as “Do what I tell you.”

	The democratic style- leader builds consensus through participation. Summed up as “What do you think?” (<i>Benincasa, 2012</i>) According to <i>Dransfield (2000)</i> , Managing people at work is concerned with making plans and deciding on approaches which to use to make people perform the way to help the company to achieve their goals.
Organisational Climate	<i>Watkin and Hubbard (2003, p. 380)</i> noted that, the organizational climate is deliberately created and maintained by management. It largely consists of the way that people treat each other up and down the line. “it indicates how energising the work environment is for employees”.

Source: (*Author’s compilation, 2018*)

CONCEPTUAL MODEL

This is the summary of Literature Review



Source: (*Author’s compilation, 2018*)

METHODOLOGY

RESEARCH DESIGN

Research Approach

The research approach used in the study was deductive as it is quantitative oriented (*Kothari, 2004*). Due to the positivist nature of the research, this study adopted a deductive approach (*Saunders et al, 2009*). This approach represents the most common view of the relationship between theory and research and results gotten from this approach are developed through logical reasoning (*Bryman and Bell, 2007*). The data analysis in this study used descriptive statistics.

Research Strategy

The survey strategy was used to collect data. Survey are associated with random sampling. There is no biasness, and the study elements are randomly sampled (*Nueman, 2014*).

Research choice

According to *Saunders et al., (2009)*, research choice refers to the methods of collecting data. In this case, the research used mono methods which were quantitative based. In addition, mono methods or single methods are based on critical studies which involved in-depth or surveys.

RESEARCH INSTRUMENTS, DATA COLLECTION PROCEDURE AND SAMPLING PROCEDURE

Sampling frame

A sampling frame is a list of members of a population from which members of a sample are then selected (*Nueman, 2014*). To avoid un-guided generalization, the researcher chose to sample as suggested by *Amin (2005)*, who suggested that sampling is important in selecting elements from a population in such a way that the sample elements selected represent the population.

The sampling frame comprised of the following; from Premier Service Medical Aid Society and Zambia Liberty Health- BLUE Insurance and Sancare Medical Insurance.

- 41 employees (Senior/Junior)
- 3 Recruiting employees (Human Resources Managers).
- 3 Managers
- 3 Finance employees

Randomly selected.

Sample Size

This refers to the number of items to be selected from the universe to constitute a sample. A researcher should select a sample that is large enough to improve the likely hood of obtaining results that are similar to what would be obtained using the entire population. There is no hard and fast rule but in general, a 50% sample is recommended for populations that run-in hundreds. (*Kothari, 2004*). The sample size in the study was 50 % of the target population. The total target population was 100 employees including management. This means that the sampled number was 50. The finding from the 50 employees were generalised to the entire population.

Sampling Techniques

The probability sampling technique was used in the study and was preferred as it is efficient, speed, low cost and above all produces a representative sample (*Saunders et.al, 2009*). A probability sample is one in which chance factors determine which elements from the population will be included in the sample (*Kasolo, 2009*) as cited in (*Merlin et al., 2012*). Random sampling technique was used in this study. Probability sampling is also known as ‘random sampling’ or ‘chance sampling’ (*Kothari, 2004*). A random sample in which a researcher creates a sampling frame and uses a pure random process to select cases so that each sampling element in the population will have an equal probability of being selected (*Neuman, 2014*.)

Data analysis

Data was analysed using descriptive statistics. This involved the use of closed questionnaire for data collection and generation of frequency distribution tables and figures in some cases to amplify the detail (*Neuman, 2014*).

RESULTS AND DISCUSSIONS

PRESENTATION OF FINDINGS

This has been done on the basis of Likert scale of 1 (strongly agree) to 5 (strongly disagree). There are about 100 employees in insurances chosen. In total 50 employees answered the questionnaire to the impact of motivation on productivity survey. The information is introduced in terms of Leadership style, Organisational climate, Structure of work, Training and Reward system.

RESULTS OUTPUT

STATISTICAL INFERENCE OF STUDY RESULTS - PRESENTATION OF QUANTITATIVE FINDINGS										
STUDY VARIABLES- AND QUESTIONAIRE	DATA ANALYSIS WAS BASED ON LIKERT SCALE									
	STRONGLY AGREE		AGREE		UNDICED		DISAGREE		STRONGLY DISAGREE	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
STRUCTURE OF WORK										
Employees' fulfilment with their specific job title.	8	16	6	12	8	16	18	36	10	20
Employees' ability to finish tasks on time.	4	8	2	4	8	16	10	20	26	52
Employees' work/ job design.	4	8	2	4	12	24	16	32	16	32
TRAINING										
Employees' Opportunity for Refresher/ in-service trainings.	0	0	6	12	14	28	24	48	6	12
Orientation to work before resuming work and continual coaching.	2	4	8	16	10	20	16	32	14	28
Study leave for off job training.	4	8	4	8	10	20	14	28	18	36
REWARD SYSTEM										
Incentives to employees when they work extra hours.	2	4	8	8	10	20	12	24	18	36
Employees' response to performance appraisals.	2	4	8	16	10	20	12	24	18	36
Bonuses and Salary increases.	4	8	6	12	10	20	20	40	10	20
LEADERSHIP STYLE										
Guiding employees to perform work.	6	12	4	8	2	4	10	20	28	56
Employee's opinion pertaining to the job that they are doing.	8	16	4	8	2	4	8	16	28	56
Attention to employees work by their direct Manager	2	4	4	8	12	24	14	28	18	36
Employees' time to achieve some set goals.	6	12	4	8	6	12	14	28	20	40
Employees' response to leadership style.	8	16	4	8	8	16	14	28	16	32
ORGANISATIONAL CLIMATE										
Employees' response to work environment.	4	8	8	16	6	12	12	24	20	40
Communication between employees.	2	4	8	16	6	12	6	12	28	56
Employees' satisfaction with work that they are assigned to do.	4	8	4	8	8	16	24	48	10	20
(Source: Fieldstud, 2017)										

DISCUSSIONS

STRUCTURE OF WORK

Employees' fulfilment with their specific job title.

Over 56% of the respondents disagree, that employees are happy with their specific job title. According to *Robbins & Coulter (2013)*, good organizations are always trying to structure the work so as to match the nature of the work with the nature of the employee and to make the work as interesting and enjoyable as possible. Job titles do matter. Employees show preference for certain designations. A sales man for example would like to be designated as a sales executive and a sweeper to be a sanitary inspector.

Employees' ability to finish tasks on time.

Over 72% of the respondents disagreed that employees are able to finish tasks on time, which ultimately reduces productivity of the workers. *Seo et al., (2004)* studied the role of affective experience in work motivation. Based on psychological and neurobiological theories of core affective experience, they identified a set of direct and indirect paths through which affective feelings at work affect three dimensions of behavioural outcomes: direction, intensity, and persistence. First, affective experience may influence these behavioural outcomes indirectly by affecting goal level and goal commitment, as well as three key judgment components of work motivation: expectancy judgments, utility judgments, and progress judgments. Second, affective experience may also affect these behavioural outcomes directly.

Employees' work/ job design.

Over 64% of the respondents disagreed, that that employees' work is challenging and that employees do not just do routine work, which ultimately improves productivity of the workers. This means that employees' work is boring, therefore this attribute of structure of work is negatively affecting productivity, as there is a lot of routine work. According to *Robbins & Coulter (2013)*, workers who are dynamic in nature do not show preference for routine jobs. They are always ready to take up challenging assignments. Challenges can be brought through mentoring, job re-designing, job enlargement and job enrichment.

TRAINING

Employees' Opportunity for Refresher/ in-service trainings.

Over 60% of the respondents disagreed that employees are given the opportunity for Refresher/ in-service trainings, which ultimately results in poor performance, thus productivity reduced. Training affects employee's job performance positively. Refresher programs are important as they review the current skills and competencies of the employees, and it has been shown that once employees undergo refresher training, productivity improves. *Sharma and Shirsath (2014)*, commented that training increases the efficiency of work and contributes to the success of organization. Importance of training cannot be neglected in any organization worldwide. Training is a motivational factor which enhances the knowledge of the employee towards the job.

Orientation to work before resuming work and continual coaching.

Over 60% of the respondents disagreed that employees are oriented to work before resuming work and there is continual coaching to improve work, which ultimately reduces performance of the workers as well as the productivity of the organisation. According to *Robbins and Coulter (2013)*, an organisation's *impactful use of technology* and use of innovative strategies improves productivity and becomes a competitive advantage. *Dysvik and Bard (2008)* examined the relationship between perceived training opportunities, work motivation and employee outcomes.

Intrinsic motivation was found to moderate the relationship between perceived training opportunities and organizational citizenship behaviors. The form of the moderation revealed a positive relationship for those with high intrinsic motivation.

Study leave for off job training.

Over 64% of the respondents disagreed that employees are given study leave for off job training, which ultimately reduces performance of the workers, which means that this attribute of training is reducing organisational productivity. According to *Black and Lynch (1996)*, Companies committed to investment in their human resource generate long term and sustainable profitability for the company. In a study in America on the impact of human capital investments such as employer-provided training and development, *Black and Lynch (1996)* citing *Bartel (1989)*, stated that “returns on training and development investments increase productivity by 165”. *Sharma & Shirsath (2014)*, in their *Journal of Business and Management Training- A Motivational Tool*, concluded that, Motivation is based on growth needs. Training is an internal engine, and its benefits show up over a long period of time.

REWARD SYSTEM

Incentives to employees when they work extra hours.

Over 60% of the respondents disagreed that employees are given some form of incentives when they work extra hours, which ultimately reduces performance of the workers as well as increase employee turnover reducing the value of the organisation, thus reducing organisational productivity. According to *Robbins and Coulter (2013)*, explained that *introducing incentive schemes and perks* – such as employee well-being (regular health checks, doctor/physio on site monthly, support for gym membership, social clubs); *Stock option*: this is when employees are granted stock options, where they are given rights to company stock at a fixed price (usually below market value) over a certain amount of time. Stock options encourage staff members to operate more as business partners, tying personal reward to the company’s financial success.

Employees’ response to performance appraisals.

Over 60% of the respondents disagreed that employees are happy with the performance appraisals, which ultimately results in poor performance of the workers, reducing organisational productivity. According to *LeBoeuf (2014)* “if you want more of something in an organization, rewards for that behavior must greatly increase”. People respond to incentives.

Bonuses and Salary increases.

Over 60% of the respondents disagreed that employees are given Bonuses and that Salary is reviewed upwards, which ultimately reduces performance of the workers as well as increase employee turnover, that is, employees' resignations increases, and members getting to see different people all the time reducing the value of the organisation, thus reducing organisational productivity. *Ajayi (2014)*, A study was carried out among the employees of First bank Nigeria Plc on Effects of Motivation on Employee Productivity: A Case study of First Bank of Nigeria Plc. spanning through branches and the headquarter in Lagos, Nigeria. It was also found that workers perception on what obtained in his organization will motivate him to greater productivity. Financial motivation involving monetary rewards have greater impact on performance and organizational productivity.

LEADERSHIP STYLE

Guiding employees to perform work

Over 76% disagreed that employees are guided to perform work, which ultimately results in errors in processing claims, causing claims ratio to increase affecting organisational profitability, leading to inability to pay service providers on time and delayed response to member and service provider complaints and queries, reducing the gross profit margin, which is organisational productivity in Medical insurance. Once employees are guided and they follow proper guidance, their performance improves tremendously. The medical insurance must guide employees to perform work. *Ajayi (2014)*, A study was carried out among the employees of First bank Nigeria Plc on Effects of Motivation on Employee Productivity: A Case study of First Bank of Nigeria Plc. spanning through branches and the headquarter in Lagos, Nigeria. The result showed that quality of supervision has positive effect on employee motivation to work better. It was also found that workers perception on what obtained in his organization will motivate him to greater productivity.

Employee's opinion pertaining to the job that they are doing.

Over 72% of the of the population sampled (respondents) disagreed that Employees are allowed to give opinions pertaining to the job that they are doing. This means that Leadership without allowing employees to give opinions pertaining to the job that they are doing reduces motivation and causing poor employee performance. This implies that if the medical insurance company employers allow employees to give opinions pertaining to the job that they are doing, then productivity is enhanced as they participate in improving performance resulting in increased productivity. *Ibadan and Emeka (2009)* examined the role of motivation in enhancing job commitment in Nigeria industries: A case study of energy foods company limited. It can then be adduced that human beings play a very important role within any system and in particular industrial organisations. For this reason, they should be given a high consideration so that they can contribute effectively and efficiently during productive activities.

Attention to employees work by their direct Manager

Over 64% of the respondents disagreed that employees are happy with the amount of attention that their direct Manager gives to the work that they do, resulting in errors in processing claims, causing claims ratio to increase affecting organisational profitability, leading to inability to pay service providers on time and delayed response to member and service provider complaints and queries, reducing the gross profit margin, which is organisational productivity in Medical insurance. This means that leading without guiding and reviewing employees work reduces organisational productivity. Appreciation and awareness of the employees' work by their direct Manager is very important to the employees and according to *Herzberg* cited in (*Locke & Lathan, 2009*), that it causes job satisfaction.

Employees' time to achieve some set goals.

Over 68% of the respondents disagreed that employees are given adequate time to achieve some set goals, which ultimately results in poor performance of the workers. This means that Leadership without giving employees adequate time to achieve some set goals, depletes motivation and results in errors in processing of the claims leading to inability to pay service providers on time and delayed response to member and service provider complaints and queries resulting in withdrawal of services to members by the service providers and results in member frustration and dropouts from scheme. Membership growth and member retention reduces greatly. *Oppenheim (2012)* examined the effect of motivation on publication productivity of UK. The paper concludes that those likely to produce more publications were those who set to achieve goals on time, who did 6-15 hours research per week.

Employees' response to leadership style.

Over 60% of the respondents disagreed that employees are happy with the leadership style and that their Leaders, are role models, which ultimately results in errors in processing claims, causing claims ratio to increase affecting organisational profitability, leading to inability to pay service providers on time and delayed response to member and service provider complaints and queries, reducing the gross profit margin, which is organisational productivity in Medical insurance. *Mehta, et al. (2003)* studied the leadership style, motivation and performance in international marketing channels: An empirical investigation of the USA, Finland and Poland. More specifically, in administering a firm's marketing channels, participative, supportive and directive leadership styles may be effective in eliciting channel partners to exert higher levels of motivation, which, in turn, may be associated with higher levels of performance.

ORGANISATIONAL CLIMATE

Employees' response to work environment.

Over 60% of the respondents disagreed that employees are willing to go an extra mile in their daily work as the environment is great place to work. Employees perceive that their company is not a great place to work and that there are poor attitudes, values, practices that characterise the employees of the organisation which results in employees experiencing discomfort of the workplace leading to poor performance ultimately improves productivity of the workers. *Watkin and Hubbard (2003, p. 380)* hold that climate does make a difference to an Organisation's performance because "it indicates how energising the work environment is for employees". *Culkin, cited in Gray (2007)* reiterated that, however, productivity also depends on the morale which governs discretionary effort – the willingness to 'go the extra mile. This is unforthcoming if workers feel insecure.

Communication between employees.

Over 68% of the respondents disagreed that Communication between employees is effective, which ultimately improves productivity of the workers, whereas only 20% agree that Communication between employees is effective. There is poor communication amongst employees causing them to feel insecure at the work place. *Patterson, et al., (2004)* examined the organizational climate and company productivity: The role of employee affect and employee level. An overall analysis showed that company productivity was more strongly correlated with those aspects of climate that had stronger satisfaction loadings.

Employees' satisfaction with work that they are assigned to do.

Over 68% of the respondents disagreed that employees are satisfied with work that they are assigned to do and enjoy, feeling secure at the work place. Employees' are not satisfied with the work that they are assigned to do and enjoy, also feel insecure at the work place, ultimately reducing workers performance and organisational productivity. *Uwe and Hartwig (2000)* have examined the effects of a psychologically based management system on work motivation and productivity. It is concluded that Participative Productivity Management helps to increase productivity mainly by increasing task and goal clarity.

CONCLUSION

The study revealed and concluded that:

Generally, there is poor employee motivation in the Medical Insurance in Zambia.

❖ The poor motivation has led to poor performance resulting low organisational productivity.

- **The structure of work**

Employees are not happy with their job titles. They are not able to finish tasks on time and do routine work mostly which is boring.

- **Training**

There are minimal training opportunities given to employees.

- **Reward system.**

There is poor reward system.

- **Leadership style.**

Employees are not guided to perform work. They are also not allowed to give opinions pertaining to the work that they do.

- **Organisational climate.**

Employees perceive that their company is not a great place to work and that there are poor attitudes, values, practices that characterise the employees of the organisation. There is poor communication amongst employees causing them to feel insecure at the work place.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations are made;

- ❖ The general recommendation for the Medical Insurance in Zambia as regards general objective is that they must pay attention to the following;
 1. The management should redesign employee jobs to connect employees to their impact on the beneficiaries of their work-the clients, customers, patients, and other end users who are affected by their efforts.
 2. The management should involve employees in monitoring business profitability by constantly reviewing the claims ratio which should be below 80%. Productivity in the Medical insurance is measured in terms of quality and profitability.
 3. The management should focus on motivational factors that support individual and team performance e.g. Structure of work, Training, Leadership style, reward system/ Remuneration and Organisational Climate.
 4. The management should reward work done by the employees' recognition or monetary rewards which includes salary increase, bonus, incentives, promotion etc.
 5. Employees should have a short interaction with an end use of their work, in order to perceive their actions as having a greater impact and as more socially valued and feel more committed to their end users in general, which motivate them to work harder and achieve higher performance and productivity.
- ❖ The recommendation for the Medical Insurance in Zambia as regards objective 1- To examine the effects of intrinsic factors on productivity, is that they must pay attention to the following;

Structure of work

- The management should structure the work so as to match the nature of the work with the qualifications of the employee.
- The work should be made as interesting and enjoyable as possible.
- Job titles do matter. The management should change employees' titles as per Employees' preferences.
- The management should include challenging work to routine work. Challenges can be brought through mentoring, job re-designing, job enlargement and job enrichment.
- The companies should pay attention to job design especially on the principle of job enrichment, which refers to altering the structural characteristics of employee's tasks to increase their motivating potential.

Training

- The management should offer induction or orientation programme to all new employees during the probation period, focusing on the job or task to be performed.
 - The management should engage professional training boards, for example, vocational training schools and universities to train employees in order to improve employee's skills.
 - The companies should invest in *use of technology* and use of innovative strategies to improve productivity and become competitive, that is, to upgrade or acquire new technologies in claims processing system that will address manual adjudication needs.
- ❖ The recommendation for the Medical Insurance in Zambia as regards objective 2- To assess the effects of extrinsic factors on productivity, is that they must pay attention to the following;

Reward System

- The management should raise or increase salaries consistently.
- The management should give incentive pay to employees to increase productivity.
- The management should introduce compensation and reward programs to motivate, attract, reward and retain work force.
- The companies should make use of performance appraisals as a reward system.

Leadership Style

The Medical Insurance companies in Zambia should;

- allow employees to participate in making certain decisions.
- The companies should persuade their workers that it is in their best interest to work the way the leader has suggested.
- The management should show trust and respect, motivate staff for creativity, create a safe-to-risk environment, and keep staff informed of relevant developments inside the organization.

- The management should use participative, supportive and directive leadership styles to exert higher levels of motivation.

Organisational Climate

- The management should reduce the Power distance between them and employees.
- The management should entrust employees with important assignments or Participative Productivity Management (PPM) but should not delegate accountability.
- The management should conduct suitable research in this context with the help of a structured questionnaire validated by professionals, to be answered by employees.
- The management should dedicate some quality time with employees for appreciation and awareness of the employees' work to understand their current motivators.
- The management should inculcate a culture resulting in employee emotional security, that is, a culture of effective communication.

ACKNOWLEDGEMENTS

My profound gratitude goes to God Almighty, who supplied all my needs including financial needs, without whom my writing of this Journal would have been impossible.

I would like to express my sincere gratitude to my Supervisor and co- Author Mr Peter Kanyinji. I could not have imagined having a better Supervisor and advisor.

I would like to specially thank my family: my late parents Mr and Mrs Tambo for giving birth to me in the first place and, raising me up so well. I would like to thank my siblings (my brothers and sisters) for supporting me spiritually throughout writing this paper and my life generally, whose love and guidance are with me in whatever I pursue. They are the ultimate role models. Most importantly, I wish to thank my loving and supportive husband, Andrew, and my two wonderful children, Nicole Panashe Sibanda, and Nigel Takunda Sibanda, who provided unending inspiration, moral and emotional unfailing support and continuous encouragement throughout the process of researching and writing this paper. Thank you and God Bless you richly.

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AUTHORS BIOGRAPHY



Roseline Tambo
Lusaka, Zambia

A Researcher skilled in Analytical Skills, Microsoft Word, Excel, PowerPoint, Coaching, Strategy, and Team Building. Strong Health and Business professional with a Master of Business Administration - MBA Generic from Cavendish University, Zambia. Her experience working in Zimbabwe, Malawi, and Zambia has allowed her to build a vast and diverse network.



Peter Kanyinji
Lusaka, Zambia

A Researcher skilled in structural Equation Modeling and specialized in Research. A lecturer and consultant in Research Methods, quantitative and Qualitative data analysis. A passion to develop models in research and problem-solving areas.