

The Effect of Internal Mobility on Employee Motivation in Life Insurance Sector in Colombo District, Sri Lanka

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Abstract

In today's context, organizations consider human capital as their main asset for unbreakable success. However, it is noteworthy that if employees are not motivated with their tasks and career in the organization, they fail to maintain employee behaviour towards success within the organization. Lack of motivation is one of the major reasons to create high employee turnover in the Life Insurance sector in Sri Lanka. At present, the life insurance sector faces the problem of mobilizing employees internally towards the motivation in their role of work. Considering the nature of the issue, the main objective of this study is to examine the effect of Internal Mobility on the Bancassurance Insurance Relationship Officer's motivation in the life insurance sector in the Colombo district. Internal Mobility is considered as an independent variable which is addressed by three dimensions notably Promotion, Job rotation, and Demotion whereas Motivation is considered as the dependent variable. The study was taken up supporting literature from research articles, journals, and books related to the study. Life insurance companies, which developed Bancassurance business with the commercial banks in Colombo District are considered as population. Thereby the target population considered was 129 Bank Assurance Insurance Relationship Officers of LOLC Life Insurance Ltd, Ceylinco Life Insurance Ltd, AIA Insurance Lanka PLC, Union Assurance PLC, and primary data collection was carried out using standard questionnaires. The results were analyzed using the SPSS 21 statistical package and applied tests such as reliability testing, descriptive analysis, correlation coefficient, and regression analysis. Cronbach's alpha values of each item were above 0.7. Multiple regression found on motivation explained by internal mobility and the overall model was significant. The researcher tested three hypotheses through Simple Regression and Correlation Analysis. According to the tested data, it revealed that promotions have a significant positive effect on the motivation, at the same time the Job rotation has a significant positive effect on motivation. Further, demotion had a significant negative effect on motivation. Finally, the researcher mainly recommended using present findings for human resource management in the Life insurance sector when forming their strategy, develop policies and procedures for the internal mobilizing process.

Keywords: Demotion, internal mobility, job rotation, motivation, promotion