

A Study of HRM Strategies with Special Reference to Managerial Effectiveness, Work Motivation, and Employee Engagement in Indian Insurance Companies

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Abstract

The purpose of this study is to check the reliability and validity of a wellacknowledged construct of HR practices in insurance sector in Indian context. This study uses a descriptive research design where survey research method has been used. A survey questionnaire comprising of 14 questions was used. The data was collected from 325 employees (managers) from Indian insurance companies in Delhi. Purposive sampling technique was used for data collection. Linear Regression was used to test the hypotheses. Collected data were analyzed via AMOS. This study supports and makes contribution to the previous research on insurance industry in Indian context. The result of this study found all the factors chosen have a significant relationship. The findings of the study suggest that there is a relationship between managerial effectiveness, motivation and employee engagement in the Indian Insurance Companies.

Keywords: Managerial Effectiveness, Employee Engagement and Work Motivation.

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INTRODUCTION

The Indian insurance industry is on the edge of a new era of rapid expansion with new participants entering the insurance industry. In today's competitive environment, HRM strategies are taking on a real importance not only in insurance industry but also in many other industries. Companies are increasingly realizing the importance of HR practices to sustain corporate growth, (Bao & Analoui, 2011). So, the growing expectations of the employees have increased the complexity of human resource practices. The success of a company is an exciting and challenging task, especially when the world has become a global village and economies are in a state of flux. The emphasis on suitable and effective human resource management has come to be identified as an important factor in the company's performance, which is concerned with effectiveness in the form of managing, motivating and retaining employees for the benefit of the company. Managerial effectiveness is generated with clear managerial concepts to influence the employees of the company (Johnson & Nandy, 2015).

Work motivation, which covers two aspects of Internal Motivational Pressures (IMP) and External Motivational Pressures (EMP) where IMP usually includes factors related to human assets, incorporating adjustable framework, cost of training and development of the workforce, whereas EMP shows changes in economic situations, government regulations and the socioeconomic situation between employees and the clients (Kwenin, 2013).

Employee engagement is one of the main tasks of companies because it is the key to determinants of employee's performance (Boss, 2014; Kwenin and Nzulwa, 2013; Truss; Shantz; Soane; Alfes & Delbridge, 2013). In India, the journey of the insurance sector has been quite eventful. There were several reasons and certain historical developments which persuaded the Indian Government to take steps in this sector. Various authors have conducted a number of studies in this sector such as Gupta (2000), "Exploring Rural markets for Private Life Insurance Players in India", Mittal and Kumar (2003), "An Exploratory Study of Factors Affecting Selection of Life Insurance Products", Rao (2004), "Alternative Distribution Channels in India", Sinha and Tapan (2005), "The Indian Insurance Industry: Challenges and Prospects", Shah (2007), "Creating Consumer Awareness in Life Insurance", Sen (2008), "An Analysis of Life Insurance Demand Determinants for Selected Asian Economies and India", and Baskar, (2004) "Insurance Distribution in India - A Perspective". An interesting fact regarding the literature on insurance sector is available on the subject with different perspectives. A closer scrutiny of literature dealing with the insurance sector was to provide a better picture regarding the role, challenges, prospects, reasons and other aspects of the insurance industry.

Now drifting towards the national scenario, the developments in the Indian insurance sector, reveal that the 360-degree turn has been witnessed over a period of almost two centuries (IRDA, Report). Palande, Shaw, and Lunawat (2003) discussed insurance sector at the international and national level. According to them, the recent development of the Indian insurance sector is facing threats and opportunities. In 2005, Bajpai, former Chairman of SEBI (Securities Exchange Board of India) and L.I.C. (Life Insurance Corporation) stated that the insurance industry is a progeny of the economic order and growth and sustainability of the economy. This shows the significant relationship between the Indian financial and insurance sector. Vijaya Kumar (2001) examined that the insurance sector was fostering competition, innovation, and product variations. However, it also considers various issues such as pension plan and tax benefits under the different insurance schemes. Similarly, the studies done by Sinha (2002), found that India has enough financial resources to purchase different insurance schemes such as pension plans, health, and accident, afterlife, and tax saving. In 1993, Governor Malhotra, former Finance Secretary and Reserve Bank of India (RBI), evaluated the Indian insurance industry and recommended its future direction. Bajpai (2005), focused on customer awareness and satisfaction of life insurance policyholders. The study measures awareness among the urban and rural consumers about the insurance sector and its various policies (involving premium rates). On the other hand, Jagendra (2004) reported that private insurance companies can give good competition to the public sector in terms of customer orientation. The study done by Sarkar (2002) found that insurance is picking up with the entry of a large number of private insurers since December 2000.

Past researches have dwelled upon different areas such as the Unfolding Insurance Scenario (Rangachary, 1999), Privatization of the insurance market in India (Sinha, 2002) Insurance in India, Changing Policies and Emerging Opportunities (Lunawat, 2003), Insurance Industry India's Quest for cover (Bajpai, 2005), Changing scenario of insurance industry (Kumar,

2004), An Exploratory Study of Factors Affecting Selection of Life Insurance Products (Kumar, 2003), Exploring Rural markets for Private Life Insurance Players in India (Gupta, 2000), An Exploratory Study of Factors Affecting Selection of Life Insurance Products (Kumar, 2003), and Insurance Regulations in India and Future Directions (Banerjee, 2004). Hence, no studies were found talking about the HRM strategies related to managerial effectiveness, work motivation, and employee engagement in the Indian insurance sector. Based on the above research gap, this study aims to answer the following research question. Is there any relationship between managerial effectiveness, employee engagement and work motivation in Indian Insurance Companies with reference to HRM strategies?

LITERATURE REVIEW

The concept of work motivation, managerial effectiveness, and employee engagement have been discussed by many researchers.

Managerial Effectiveness

Past researches have shown that managerial effectiveness is an important tool for every company. The studies conducted by researcher such as the Zohar and Marshall, 2015; Zuriekat, Salamah, & Alrawashdeh (2011), revealed that managerial effectiveness helps to achieve a competitive advantage which gives the best employees' performance. It also helps to increase the organization's productivity by boosting the confidence of employees at a workplace. Zuber & Skeritt, (2015) has stated the high level of employee development that indicates facts regarding ideas and issues related to the effective management system of the company. Kaplan & Norton, (1992) emphasized the capabilities of motivating the employees to add strategic value to the organization. The main aspect of effectiveness involves connections of not only physical but also emotions of the employees with the company (Kelman, 2015). Cameron (1993), stated that "managerial effectiveness" is a construct rather than a concept, which can be defined and measured in an exact way by measuring the company output. Thus, managerial effectiveness contributes positively to the growth of organizations.

Work Motivation

Truss; Shantz; Soane; Alfes & Delbridge, R (2013), motivation is well-defined in a wider sense. It is defined in two ways, first as an intrinsic motivation factor, where an employee takes up challenges by himself and achieves the desired results without any external compulsion. The activities are carried out for sheer happiness and passion for the job. Second, extrinsic motivation factor which is done to obtain a reward & recognition in form of remuneration, bonus, facilities, managerial support, job security, and career opportunities (Uzonna, 2013). It gives a clear career path, rewards (Monetary and Non-Monetary) & recognition, which help in bringing longevity in employee tenure in the organization (Boss, 2014). According to Zuber, Hashim; Ali, Shehzad; Nisar, Wagar & Amir, Muhammad (2015), an effective employee motivation strategy is offering training and development programs that effectively contributes to the personal and professional growth

of employees. The authors also explained that motivating the employees through rewards like monetary incentives has increased the performance of the company. Hence, the work motivation contributes to the personal and professional progress of employees.

Employee Engagement

To survive and sustain growth, the companies must manage their human resource and its performance to keep a strong commitment towards the company (Markos, 2010). According to Purcell (2006), it is meaningful when there is a more open sharing of responsibility between the company and the employees. It involves decisions affecting the job or works, which was strongly associated with employee engagement. Robinson, Perryman, and Hayday (2004), emphasized that the importance of feeling and value of the employee is treated as a key driver of engagement. It can be a useful pointer towards working aspects that requires serious attention. According to Robinson, Perryman, and Hayday (2004), high-involvement with the company has a positive impact on employee engagement. Other researchers have reviewed the concept of engagement in the workplace, such as Markos, S & Sridevi, MS (2010), Siddanta& Roy (2010) Truss; Shantz; Soane; Alfes&Delbridge (2013) and Markos (2010). Engagement is defined as the involvement of emotional and physical acts i.e. showing their passion and dedication towards the work (Gupta, 2015). According to Siddanta& Roy (2010), stated that the stable employees of the organization carry out the roles of better and it will improve the companies' performance. Markos (2010), stated that it is a two-way relationship or twoway communication policy. For the company, it was about creating a great work culture and for the employee, it is a concept that places flexibility, and continuous improvement. Thus, to support the above findings, employee engagement is very important for sustainable growth and development of the company. Hence, Table 1 shows the summary of the literature on these three factors.

Table 1: Dimensions Reviewed

S. No	Dimensions	Definition	Variable observe under the dimensions	Reference
1	Managerial Effectiveness	The competitive advantage which gives the best employees performance to bring success to the company. It provides effective strategies for the number and categories of employees.	Good Working Environment, Appreciation of the Employees, Dynamic Work Force Culture, Issue Resolving and Team Support, Constructive Feedback.	Zuriekat M., Salamah R & A Irawashdeh S(2011); Kaplan, R. S. & Norton, D.P., (1992); Kahn, W.A(1992); Ashmos & Duchon, 2000 and Cole, 2002; Kelman, 2015 and Jenkins, S&Delbridge, R (2013).
2.	Work Motivation	It is identifying an individual motivational need through rewards (monetary & non-monetary) and recognition that can encourage to do good work to fulfill the personal need.	Variable observe under Morale and Reward system, Training and Development, the flexibility of timings, career opportunities.	Mehta,2013; Olko, 1977; Boss, 2014; Luthans, F & Peterson, S.J (2002); Uzonna, U.R (2013); Zuber, Hashim; Ali, Shehzad; Nisar, Waqar & Amir, Muhammad (2015); Truss, C & Shantz, A; Soane, E; Alfes, K Delbridge, R (2013).
3.	Employee Engagement	It defines the mindset of employees in the workplace. It is nurturing the employees to make them feel committed and attached to the organization.	Supervision and Support, Performance appraisal system, Job specific training, Job Security, Workplace flexibility.	Macey, W.H, &Sneider, B (2008); Truss, 2013; McMullen, 2013; Olsen,1993; Desai, Malavika; Majumdar, Bishakha & Prabhu, Ganapathy, (2010) and Markos, S & Sridevi, MS (2010).

OBJECTIVES

Based on the purpose of the study, the objectives are identified as under:

1. To study the relationship between work motivation and employee engagement in Indian Insurance Companies.
2. To study the relationship between managerial effectiveness and work motivation in Indian Insurance Companies.
3. To study the relationship between managerial effectiveness and employee engagement in Indian Insurance Companies.

METHODOLOGY

Rationale for the Study

This study is based on the facts and findings of various literature which were selected for review purpose of bringing out the important facts about insurance industry, which covers two aspects: Life and Non-life insurance. Life insurance gives a certain amount to the insured or nominated beneficiaries upon a certain event such as the death of the individual who is insured. On the other hand, Non-life insurance protects an individual against losses and damages, apart from the things covered in Life Insurance. The studies on insurance sector — mainly focus on following area such as Venkataramani (2015), “A study on the attitude of Consumers and Insurance Agents towards the proposed increase in Foreign Direct Investment (FDI) in Insurance sector in India’, Dragos (2014), “Life and non-life insurance demand: the different effects of influence factors in emerging countries from Europe and Asia’, Thomas (2013), “Estimating losses to customers on account of mis-selling life insurance policies in India’, Nena (2013) “Performance Evaluation of Life Insurance Corporation (LIC) of India’, Shah (2007), “Creating Consumer Awareness in Life Insurance”, Sen (2008), “An Analysis of Life Insurance Demand Determinants for Selected Asian Economies and India”, and so on. Thus, it is required to study managerial effectiveness, employee engagement and work motivation in the sector of insurance industry.

Research Method:

To answer the research question, this study uses descriptive research design which makes use of a survey questionnaire to examine the relationship among work motivation, employee engagement, and managerial effectiveness. The survey was conducted with employees of insurance companies operating in Delhi. The survey questions were structured on a five point Likert scale depicting points 1: Strongly Disagree; 2: Disagree; 3: Neutral; 4: Agree; and 5: Strongly Agree. The questionnaire consisted of 14 items out of which 5 items were related to managerial effectiveness, 4 items were related to work motivation and last 5 related to employee engagement.

Table No. 1

Constructs	Factors	Origin of the items
Managerial Effectiveness (ME)	Good Working Environment (ME1)_ Appreciation of the Employees (ME2) Dynamic Work Force Culture (ME3) Issue Resolving and Team Support (ME4) Constructive Feedback (ME5)	Zuriekat M., Salamah R, & Alrawashdeh S (1992);Kahn, W.A (1992); Ashmos & Duchon, 2000 and Cole, 2002;Kelman, 2015 and Jenkins, S & Delbridge, R (2013).
Work Motivation (WM)	Morale and Reward system (WM1) Training and Development (WM2) Flexibility of timings (WM3) Career opportunities (WM4) Supervision and Support (EE1)Performance appraisal system (EE2) Job Specific Training (EE3) Job Security (EE4) Workplace Flexibility (EE5)	Mehta,2013; Olko, 1977; Boss,2014; Luthans, F & Peterson, S.J(2002); Zuber, Hashim; Ali, Shehzad; Nisar, Waqar & Amir, Muhammad (2015); Truss, C; Shantz, A; Soane, E; Alfes, K &Delbridge, R (2013).
Employee Engagement (EE)	Supervision and Support (EE1) Performance appraisal system (EE2) Job Specific Training (EE3) Job Security (EE4) Workplace Flexibility (EE5)	Macey, W.H, &Scneider, B(2008); Truss, 2013; McMullen, 2013; Olsen, 1993; Desai, Malavika; Majumdar, Bishakha& Prabhu, Ganapathy, (2010) and Markos, S & Sridevi, MS (2010)

Sample:

Employees working in top 10 insurance companies operating in Delhi according to list ranking of IRDA Report, 2018 are included to form a sampling frame. The sampling elements or the respondents were the employees (managers) of these insurance companies. 325 questionnaires were filled. Purposive sampling procedures were used to collect data. The questionnaire also sought personal information such as gender, age, designation and work experience.

Research Hypothesis

Managerial Effectiveness and Work Motivation

A number of studies found a positive relationship between managerial effectiveness and work motivation. Ayuningrat, Noermijati & Hadiwidjojo (2016) state that managerial effectiveness adds strategic value to the organization which helps to achieve the organizational targets. While, work motivation is labeled between two groups: monetary such as salaries, bonuses, wages; and non-monetary such as pursuit condition and job security (Zamer, 2014). The key factors of managerial effectiveness, such as working conditions, interesting work, and good pay help with motivation. It has long been referred to as a vital issue for a company owing to following benefits, such as improving the level of strength of employees; building a friendly relationship; and leading to achieve the companies' targets (Hashim, 2015). As per Olko (1977), Nwachukwu (2002), and Okigbo (1991) the managerial effectiveness in the companies should be emphasized upon motivation and job satisfaction. Poor managerial effectiveness shows the employees are poorly motivated, thus the result is low productivity i.e. indicates that the company has no monetary and non-monetary rewards given to its employees. Research finding by Okigbo (1991) regarding effectiveness gives designations, rewards, and responsibility to employees to induce higher performance. Based on this literature, managerial effectiveness is a direct way to motivate the employees. Hence, the study proposes the hypothesis as follow:

H₁: There is a positive relationship between Managerial Effectiveness and Work Motivation in Indian Insurance Companies.

Work Motivation and Employee Engagement

As per Vroom (1964), the word motivation has been derived from the Latin word "movere" that means "to move" which refers to the internal force, which is dependent on the need of an individual. According to Webster's dictionary "by looking at the root of the terminology, motivation starts with the motive which means something that causes another thing to act. Thus, motivation simply can be defined as the act of providing a motive that causes someone to act". Mehta (2013) Motivated and engaged employees tend to be more productive. Researchers have tried to identify the more motivational factors that will increase employee engagement. Klupakova (2013), identifies the modern model, called "Hierarchy about engagement" which is similar to the Maslow's hierarchy model. According to this model, once an employee of the company is satisfied with the basic requirements, then the employee looks for growth in careers, such as promotion and other opportunities (Sridevi, 2010). On the other hand, Blessing White (2006) has found that employees want more career opportunities to grow rather than focusing on basic requirements. Besides that, Kumar (2012) mentioned that some factors such as code of conduct, salaries & other benefits, job satisfaction and training & development can motivate the employees to get highly engaged (Mehta & Mehta, 2013; Robinson, Perryman & Hayday, 2004). Furthermore, Lockwood, (2006) explained that employee engagement has been linked to superior performance and organizational commitment. Maitland (2005) reported that "employee engagement can help to achieve the greater income and sales turnover" and Corporate Leadership Council (CLC, 2004) stated that engagement also can motivate the employee to put in the greater effort and increase productivity. Based on the above explanation, motivation is playing a superior role in employee stability. Hence, the study proposes the hypothesis as follow:

H₂: There is a positive relationship between Work Motivation and Employee's Engagement in Indian Insurance Companies.

Managerial Effectiveness and Employee Engagement

In 1990, Kahn described the concept of employee engagement for the first time. It focuses on how managerial effectiveness in the workplace can shape the process of employee presenting themselves during task performance (Bevan, Richard, 2011). It refers to the stability as the level of commitment and involvement of the employee towards the organizational values. Schneider, (2008) explained the positive relationship between managerial effectiveness and employee engagement. Kumar (2011) focused on various issues which lead to employee stability and what should a company do to make the employees engaged. The proper attention to engagement strategies will increase organizational effectiveness in terms of higher productivity, quality, employee retention, and increased adaptability. Furthermore, Boss (2014) identifies the meta- analysis model. It shows the relationship between managerial effectiveness & employee engagement on the

basis of the business unit's outcomes such as employees' satisfaction, companies' profit, productivity, and its turnover. It is an along-term process and linked to the core tenants of the company. It is required to be adopted in a working environment which will lead to managerial support to display an employee's behavior. An organization has to promote the factors which have a positive effect on engagement through every business activity. Thus, the above explanation and findings are believed that strong managerial effectiveness and employee engagement support increases the chances of the employees to have better performance. Hence, the study proposes a hypothesis as follow:

H₁: There is a positive relationship between Managerial Effectiveness and Employee Engagement in Indian Insurance Companies.

RESULTS AND ANALYSIS

Descriptive statistics of the demographic variables such as gender and age, and work experience are shown in Table 2&3.

Table 2: Gender and Age

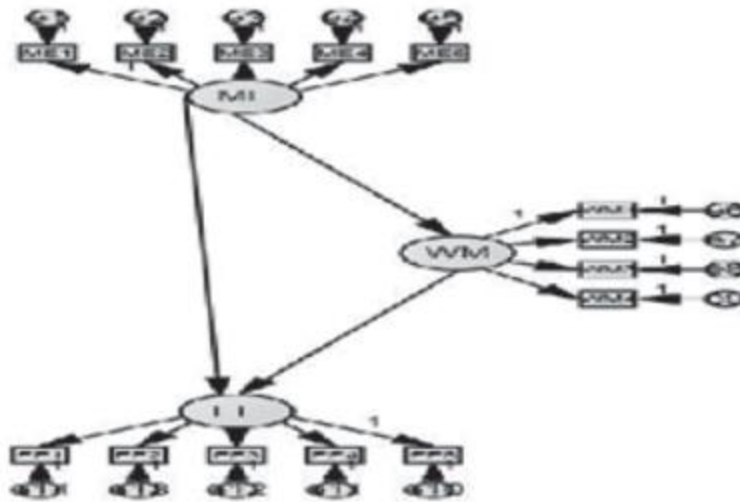
S. No.	Gender	No. of the questionnaires received (N)	Percentage (%)
Life Insurance Sector1			
1	Female	110	34
2	Male	43	13
Non- Life Insurance Sector			
1	Female	105	32
2	Male	67	21
Total		325	100
Age (in years)			
Life Insurance Sector			
1	25-40	46	15
2	41-56	79	24
3	57 & Above	50	15
Non- Life Insurance Sector			
1	25-40	68	21
2	41-56	65	20
3	57 & Above	17	5
Total		325	100

Table 3: Employees' working at present Company

S. No.	Experience	(N)	(%)
Life Insurance Sector			
1	1- 5 years	68	21
2	6-10 years	82	25
3	More than 10 years	30	9
Non-life insurance Sector			
1	1- 5 years	78	24
2	6-10 years	54	17
	More than 10 years	13	4
	Total	325	100

A subsequent confirmatory factor analysis is considered essential for scale refinement and validation (Churchill, 1979). So, to test reliability and validity of the questionnaire, confirmatory factor analysis with the traditional structural equations approach was conducted using AMOS (refer to Figure 1), to analyse the testing of the constructs. A total data from 325 respondents were used for the purpose of conducting confirmatory factor analysis. Initially, the goodness-of-fit indices was found to be marginally below the values (Byrne, 2001). Thus, resulting into improved model fit indices as reported in Table 5 and a 14-items organized comprising three constructs namely: Managerial Effectiveness, Work Motivation, and Employee Engagement.

Figure 1
CFA-based measurement model of the three constructs of HRM practice



With a view to testing the reliability of each of the dimensions, The Cronbach's α of each of the individual construct (Refer to Table 4), i.e. Managerial Effectiveness (.971), Work Motivation (.731) and Employees' Engagement (.821).

Table 4 Summary of Validation

S. No.	Dimensions	Cronbach's A	Convergent Validity				Discriminant Validity		
			CR	AVE	MSV	ASV	1 ME	2 WM	3 EE
1.	Managerial Effectiveness	.971	0.756	0.564	0.023	0.355	0.751		
2.	Work Motivation	.731	0.974	0.881	0.001	0.680	0.032	0.939	
3.	Employees' Engagement	.821	0.829	0.500	0.023	0.182	0.150	0.027	0.707
	Engagement Acceptable Level	More than 0.7	More than 0.7 & greater than AVE	More than 0.5	less than AVE	less than AVE	AVE Square root of each variable listed at diagnosing should be greater than the correlation values with other variables		

It indicates that each construct makes an important contribution in insurance sector and there is a high degree of internal inconsistency. Other measures such as content validity, convergent validity, and discriminant validity can be used to check the validity of the instrument. Construct validity refers to the degree to which a good representation of the measures can be made in a study. The most widely two adopted subcategories of construct validity are convergent validity and discriminant validity (Anderson and Gerbing 1988; Smith 2014). Convergent validity is confirmed based on composite reliability and AVE as suggested by Hair (1998). The following criteria, including composite reliability (CR), the average variance extracted (AVE), maximum shared variance (MSV) and average shared variance (ASV) are used to assess convergent and discriminant validity and construct reliability (Cornell 1981). Table 4 presents the results for convergent validity (CV) and

discriminate validity (DV). For CV, all the values for AVE exceed the recommended level of 0.5 and are less than CR. And, all the values for MSV and ASV are far below the values of AVE. For DV, each squared root of AVE on the diagonal is greater than the correlations of the factor with other factors. As shown in Table 5 Model fits indices, to use Adjusted goodness-of-fit index (AGFI) and the normed chisquare (χ^2/df) to assess the parsimony of the data fit, the fit indices of chi-square of 74.8, degree of freedom is 41 and Bollen-Stine pvalue of 0.19 suggests the data set is fit for all the variables of the research. Root mean square error of approximation (RMSEA) is 0.05 with PCLOSE of 0.29 indicating the test of exact model fit is supported. CFI and TLI are more than 0.97 with AGFI more than 0.92 indicating a good model fit. CMIM/DF is 4.9 (>1.5). Therefore, the Total analysis of this model also found an excellent fit and the study is acceptable.

Table 5 Model fits indices

S. No.	Name	Acceptable Level	Model fits indices	Reference
1.	chi-square (χ^2/df)	$1 < \chi^2/df < 2$	74.81(41)1.83	Gefen (2000)
2.	Bollen-Stine p	>.05	0.19	Hoyle (2003)
3.	CMIM/DF	>1.5	4.9	Gefen (2000)
4.	RMSEA	<0.06	0.05	Robert et al. (1996)
5.	PCLOSE	>0.05	0.29	Robert et al. (1996)
6.	CFI	>0.95	0.97	Yi (1988)
7.	AGFI	>0.8	0.92	Chau (2001)

Table 6 Analysis of Dimensions

Hypothesis	Model of Dimensions	β	Standard Coefficient	t	Sig.	R Square %	Acceptable Level <0.001	Hypotheses Results
H1	Managerial Effectiveness Work Motivation	.56	.36	3.32	.000	.361 (36%)	Significant	Accepted
H2	Work Motivation Employees' Engagement	.59	0.61	6.56	.000	.402 (40%)	Significant	Accepted
H3	Managerial Accepted Effectiveness Employees' Engagement	.54	0.48	4.03	.000	.410 (41%)	Significant	Accepted

Hypothesis 1: The results of the regression explained the variance R Square=.361(36%), 3.32and the standard coefficient is 0.36. Hence, based on the results, H1 is accepted. It means managerial effectiveness has a positive and significant relationship with work motivation in the Insurance companies. This finding supports previous researches about the relationship between managerial effectiveness and work motivation, such as Zameer, (2014); Bao, Analoui (2011), Olko (1977), Nwachukwu (2002), and Okigbo (1991) in other companies. Thus, effective management system gives motivational strategies in the form of remuneration & bonuses, code of conduct, job satisfaction & security and managerial support and are a good tool to encourage the employees to work better.

Hypothesis 2: According to regression analysis, the results explained the variance R Square =.402(40%), and $\beta = .59$, that work motivation has an effective relationship with an employee engagement. Motivation in the insurance company is one of the main reasons to build the engagement. It is a positive method to improve employees' performance.

Engagement is intangible asset and fragile, it has a positive implication to perform and for sustainable growth of the company. According to Chaudhary & Sharma (2012); motivated and engaged employees tend to contribute more to productiveness in preserving a higher commitment level leading to higher job satisfaction. Hence, it can be concluded that work motivation is playing a greater role in employee engagement.

Hypothesis 3: The results of the regression explained the variance R Square = .410 (41%), B.54 and p result t-value is 4.03 and the standard coefficient is 0.48. It means H3 is accepted. It shows that managerial effectiveness has a positive and significant relationship with employee engagement of the insurance companies. Hence, on the basis of findings that the managerial effectiveness directly affects to employee engagement, Markos & Sridevi (2010); HBR report (2013) and Siddant & Roy (2010) suggest that employee engagement is an effective tool to improve participation to work together to attain the company's targets. As mentioned above the managerial effectiveness has a higher attitude and benefits to improve employee stability for higher productivity, customer satisfaction and companies' turnover (Timmer, 2003; Vnouckova, 2013). Hence, it has an authentic influence on the employees' stability.

DISCUSSION

To make or maintain the companies' profitability, a business must engage and motivate the employees Hashim; Ali (2015). The findings of this research indicated that the

bond among the managerial effectiveness, employee engagement, and work motivation is an essential element for organizational profitability. Amir; Muhammad (2015), suggested organizations should look for effective managerial support that can both communicate the organization's vision and secure the employees. Engaged employees deliver improved organizational and individual performance. Harter, Schmidt, & Keyes, C.L.M (2003) suggested that motivated and engaged employees become more creative and apply creativity in the workplace.

Companies must understand the need for autonomy, intrinsic rewards, and influence to achieve employee trust (Bevan, 2011). According to Lunenburg, (2011), "It supports, attracts employees who are willing to be engaged, and it leads to an increase in motivation also". Therefore, if an organization is less effective when employees are not motivated to do jobs, directly affects employees' performance. The managerial strategies noted: i) higher levels of employee engagement (Chukwuma, Okafor 2014); ii) rewards and recognition, iii) improved customer satisfaction, and iv) company's productivity and profit (Bevan, 2011). So, it can be suggested that all three construct shall give the strengthening to the insurance sector. Similarly, the hypothesis also suggested: (a) Managerial Effectiveness and Work Motivation: $r = .56$, p

(b) Work motivation and Employees' Engagement: the value score is $B = .59$ and p to create employee motivation. It is the process of developing a mutually beneficial relationship involving two or more people with the same goal of achieving excellent professional

outcomes (Chukwuma & Okafor 2014). Disengaged employees will result in reduced workplace productivity and decreased service skills. Thus, the rising level of motivated employees can have a significant impact on an organization's profit and the ability to retain skilled employees (Berens, 2013). It will positively affect an employee's job performance and organizational profitability (Mann & Darby, 2014).

(c) Managerial effectiveness and employee engagement: the results are significant ($r = .54$ and p), it helps to develop the trust and understand the employees' concerns. It has emerged as one of the greatest challenges in today's workplace. It is a critical element in maintaining the organization's vitality and profitability (Albercht, 2015; McMullen, 2013). Thus, managerial effectiveness and employee engagement are continuing process and related to the core tenants of the Indian insurance companies.

CONCLUSION

Summing up the discussion and results, the study established that managerial effectiveness, work motivation, and employee engagement all have a significant relationship and helps to reduce or minimize inefficiency in the insurance companies. It helps to increase the performance of the company and employees are like two sides of the same coin. The essence of setting up the companies is for its employees and make them comfortable working while employees, in turn, yield energies to make the company profitable. Any disproportion will make the organizational equation "non- quadratic" (Altarawneh, 2014). Thus, according to Table 6, all three hypotheses have accepted relation between: managerial effectiveness and work motivation (H1); work motivation and employee engagement of the company (H2); and managerial effectiveness and employee engagement (H3) and supported by the data. The study also supports the previous researches and theories that have been done, by Robinson, Perryman, and Hayday (2004); Malavika; Majumdar, Bishakha & Prabhu, Ganapathy, (2010); Markos & Sridevi, 2010; Desai, Majumdar & Prabhu, 2010. The managerial effectiveness supports the working environments, interesting work and good salaries that motivates employees to remain stable at the workplace (Zuriekat & Alrawashdeh, 2011; Ayuningrat, Noermijati & Hadiwidjojo 2016). It relates to motivation and keeps employees' stability. So, the transparency and support from management also have a big chance to support the employees and let them be more active, comfortable, and creative. Hence, Refer to Table 7- Goodness-of-fit model indices, it would not be wrong to suggest that the Indian insurance companies should have adopted the strong HR strategies, that leads to increased social development and the company's growth.

Table 7 Goodness-of-fit model indices

χ^2/df	74.81	<3	Boudreau (2001)
Goodness-of-fit index (GFI)	0.915	>0.90	Hoyle (2003)
Adjusted goodness-of-fit index (AGFI)	0.92	>0.80	Chau (2001)
Comparative fit index (CFI)	0.97	>0.90	Yi (1988)
RMSEA	0.05	<0.10	Robert (1996)
PCLOSE	0.29	>0.05	Robert (1996)

IMPLICATION AND LIMITATIONS

This research can certainly be used very effectively to improve the present scenario of HRM practices in insurance sectors of India. It will help to establish a firmer grip on not only organizational behavior but also on employee's psychology. Motivating employees is a delicate and purposeful challenge that requires more than an annual review or jotting a few notes in someone's personnel file. In terms of the practical implications of the study, the empirical confirmation may provide to the insurance companies in India with evidence to look at the issue of the HRM practices. Insurance Companies have always been greatly concerned about human resource mapping. It proposes that with the end of improving HR practices; productivity, flexibility, and adaptability of insurance company need to be improved. Although, the study was conducted by considering the HR practices in form of managerial effectiveness; work motivation, and employee engagement still the present study is merely a tip of an iceberg because of the limited area covered under this study and that too with a small sample size. Therefore, this research can be extended to other segments/ issues related to HR practices.

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