

**Study on Employee Motivation based on Maslow Hierarchy's of Needs in an  
Insurance Company**

**GANESH S/O LECHUMANAN**

**A thesis submitted in fulfillment of the  
requirements for the award of the degree of  
Masters in Science (Management)**

**College of Business  
Universiti Utara Malaysia**

**DEC 2011**



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I declare that this thesis entitled “*Study on Employee Motivation based on Maslow Hierarchy’s of Needs in an Insurance Company*” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

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To my beloved mother and father.....

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## ABSTRACT

Employee motivation is a key to the overall effectiveness of an organization. Employee motivation is the level of energy, commitment, and creativity that a company's workers bring to their jobs. Maslow's Hierarchy of Needs theory is vital for understanding human motivation, management training, and personal development. This research was to study on employee motivation based on the Maslow Hierarchy of needs in an insurance company. The objective of the study is to identify the relationship between physiological needs and employee motivation, to identify the relationship between safety needs and employee motivation, to identify the relationship between social needs and employee motivation, to identify the relationship between ego needs and employee motivation, to identify the relationship between self actualization and employee motivation and finally to identify the most influencing dimension of Maslow Theory on employee motivation. This research conducted on the insurance agents of Tokio Marine Life (Butterworth). 180 questionnaires were distributed to the insurance at the office entrance and 133 questionnaires collected successfully. Using the Maslow Hierarchy of Needs, this study asked the insurance agents to complete a survey to express their perception on the company and also their satisfaction and intentions towards working at Tokio Marine Life. Therefore, the employee's motivation level can be measured. Pearson Correlation analysis pointed significant level of the independent variables with dependent and dependent variable. Multiple Regressions indicates the most influencing dimension of the Maslow Hierarchy of Needs on employee motivation. Possible interpretations, limitations, and implications for marketing specialized are conversed.



## ABSTRAK

Motivasi pekerja adalah perkara utama ataupun kunci kepada keberkesanan keseluruhan organisasi. Motivasi pekerja adalah tahap tenaga, komitmen, dan kreativiti yang ditunjukkan oleh pekerja-pekerja sebuah syarikat terhadap pekerjaan mereka. Teori keperluan motivasi Maslow adalah penting untuk memahami motivasi manusia, latihan pengurusan dan pembangunan peribadi. Penyelidikan ini adalah untuk mengkaji motivasi pekerja berdasarkan teori keperluan motivasi Maslow keatas sebuah syarikat insurans. Objektif kajian ini adalah untuk mengenal pasti hubungan antara keperluan fisiologi dan motivasi pekerja, untuk mengenal pasti hubungan antara keperluan keselamatan dan motivasi pekerja, untuk mengenal pasti hubungan antara keperluan sosial dan motivasi pekerja, untuk mengenal pasti hubungan antara keperluan ego dan motivasi pekerja, untuk mengenal pasti hubungan antara aktualisasi diri dan motivasi pekerja dan akhirnya untuk mengenal pasti dimensi yang paling mempengaruhi Teori motivasi pekerja Maslow. Kajian ini dijalankan ke atas ejen insurans Tokio Marine Life (Butterworth). Sebanyak 180 soal selidik telah diedarkan kepada insurans di pintu masuk pejabat dan 133 soal selidik berjaya dikumpulkan. Dengan berdasarkan teori motivasi pekerja Maslow, kajian ini meminta kepada ejen insurans untuk melengkapkan kaji selidik untuk menyatakan persepsi mereka kepada syarikat itu dan juga kepuasan dan niat bekerja di Tokio Marine Life. Tahap motivasi pekerja dapat diukur dengan menggunakan kriteria-kriteria diatas. Analisis hubung kait pertalian(pearson correlation) menunjukkan tahap signifikan pembolehubah bebas dengan pembolehubah bersandar dan bergantung. Regresi(regressions) menunjukkan dimensi yang paling mempengaruhi daripada teori keperluan motivasi pekerja maslow. Akhirnya, perbincangan terhadap terjemahan, batasan, dan implikasi terhadap pemasaran.

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**LIST OF ABBREVIATIONS**

B	-	Beta
R	-	Regression
Sig	-	Significant
SPSS	-	Statistical Package for Social Science
Tokio Marine	-	Tokio Marine Life Insurance

# **CHAPTER 1**

## **INTRODUCTION**

### **1.0 Overview**

This chapter discuss the context of the research. It covers the background of the study, background of the location study, problem statement, research questions, objective of the research, scope of the study, significance of the study, limitation of study and definition of key terms. Finally, organization of the study that briefly explains the contents of the next chapter is presented.

### **1.1 Background of the Study**

In today's highly competitive labour market, there is extensive evidence that organizations regardless of size, technological advances, market focus, are facing retention challenges (Ramlall, 2004). Fitz-enz (1997) stated that the average company loses approximately \$1 million with every ten managerial and professional employees who leave the organization combined with the direct and indirect costs; the total cost of an exempt employee's turnover is a minimum of one year's pay and benefits. Ahmad and Bakar (2003) mention that voluntary turnover is a major problem for companies in some Asian countries such as Malaysia, Thailand, Taiwan, etc. Job-hopping has become so rampant in these Asian countries that it has, in part, become culture.

The contents of  
the thesis is for  
internal user  
only

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