

Employee Perception of the Organizational Employee Retention Strategies in State Owned Insurance Firm

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Abstract: Employee's perception about organizations retention strategies plays a crucial role in determining the overall stability and loyalty within that particular organization. This study explores employee's perception of the organizational employee retention strategies in state owned Insurance Firms. The study used mixed method approach. Purpose and simple random sampling methods were used to select 52 respondents at ZSIC life. The findings revealed that positive perception among employees of retention strategies in a state-owned insurance firm (ZSIC Life), such as low-rates loans, comprehensive insurance benefits, and supportive on-boarding programs enhanced employees sense of security and loyalty. Overall, the study concludes that when employees perceive retention strategies as fair, transparent, and supportive, they are more likely to be engaged and committed to the organization, thereby, improving retention rates. The study identified lack of adequate financial resource, and unrealistic employee expectations as major barriers to effective employee retention. The study recommends for state owned insurance firms to have greater managerial support, and adequate financial resource to fully fund retention strategies.

Keywords: Employee Retention Strategies, Employee Perception, Employee Turnover, Insurance Firm.

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I. INTRODUCTION

Employee retention is crucial for organizational success, as employees are often considered the most valuable assets of an organization (Armstrong, 2006). Retaining skilled professionals ensures a consistent, productive workforce, which directly contributes to an organization's efficiency and competitive advantage. Employee retention involves various strategies and practices that encourage employees to stay with an organization over an extended period, which ultimately helps in maximizing resource utilization and maintaining organizational effectiveness (Punjaisri and Wilson, 2017; Lee et al, 2014).

The issue of employee retention began to emerge in the 1970s and 1980s as the relationship between employers and employees became more complex. Organizations had to create environments that met the needs of employees, while also navigating economic challenges, or else risk losing talent to voluntary turnover (Borkowski, 2011). During the 1990s, especially in the United States of America, Europe and Asia, high employee turnover led to diminished job performance and lower organizational productivity,

prompting the development of strategies to improve retention (Mkhize, 2017). Over time, even developing countries such as those in Africa, began facing similar challenges. For example, in Namibia, the public service experienced high turnover rates, especially in the Ministry of education, Arts, and culture, with 3,644 employees leaving between April 2023 and March 2014. Contributing factors included job dissatisfaction, resignation, retirement, and employee seeking better opportunities elsewhere (Ndeipanda, 2014).

Zambia has also seen employee retention become a growing concern. Human capital is recognized as the key resource that can provide a suitable competitive advantage (Cardy and Lengnick-Hall, 2011). Organizations invest significantly in recruiting, selecting, training and developing employees. However, if these employees leave, it leads to both direct costs (e.g recruitment, training, management) and indirect costs (e.g decreased moral, loss of organizational Tacit Knowledge, disruption of collaboration) that negatively affect the business (Matanda and Ndubisi, 2013). Therefore, organizations must develop and implement effective retention strategies to maximize the

return on their investment in human capital (DeConinck, 2011).

Effective retention strategies can foster an emotional and psychological attachment to the organization, leading to greater loyalty and commitment among employees (Armstrong, 2006). When these strategies align with employees needs and are well-received, employees are more likely to remain in the organization, exhibiting loyalty and strong commitment to organization goals (Chabra, 2015; Yang et al, 2015).

In Zambia, different companies have adopted diverse retention policies. Government workers, for instance, often receive extensive training but some leave the public sectors after completing their programs, undermining retention efforts (Banda, 2018). The Zambian state insurance corporation life (ZSIC Life) is one organization that has developed retention strategies to address these challenges. ZSIC life, prominent life assurance provider owned by the Zambian government has implemented several retention strategies to maintain a skilled committed workforce. One of these strategies is the training policy, which grants each employee 20 paid days annually for attending courses relevant to their role. Additionally, employees tuition fees are reimbursed upon successful completion of the course, and employees are required to stay with the company for three years following completion of the Training (ZSIC life, 2021).

➤ *Statement of the Problem*

Despite developing various retention strategies, like employee training, loan services, and favorable terms of service to encourage long-term employment, some of the employees still chose to leave. Empirical evidence has shown that in 2019, the institution experienced a turnover rate of 7.3%, with 12 employees departing. This rate increased to 10% in 2020 with 15 employees leaving the organization. In 2021, the turnover rate went to 10.3%, reflecting a loss of 16 employees. By 2022, the turnover rate remained the same at 10.3%, with only 10 employees exiting the institution that year (ZSIC, 2023).

➤ *Aim of the Study*

To explore employee perception of the organizational employee retention strategies in state owned insurance Firms.

II. LITERATURE REVIEW

The literature on employee retention reveals various factors and strategies that affect the ability of organizations to retain their workforce. Several studies highlight the importance of professional development, training, leadership, and organizational support in enhancing employee retention. Leidner and Smith (2013) argue that competency and professional advancement, primarily acquired through training, are key factors in retaining employees. They suggest that investing in training is not a cost but a strategic investment that adds value to the organizations growth and long-term success. This finding is

anchored by Deery (2008), who suggests that providing on the Job training opportunities can enhance employee commitment and loyalty to the organization. Both studies highlight that training is not just a means of improving skills but also an essential retention tool.

Similarly, Rashmi (2016) studied employee's retention and commitment in Indian factories and concluded that organizations often underestimate the costs associated with employee turnover, including recruitment training and, lost organizational knowledge. This aligns with the conclusion of satpathy and Das (2011), who argue that retention processes are vital to organizational efficiency and can reduce costs by minimizing turnover. Both studies underscore that retaining skilled employees is essential for organizational success and sustainability.

The role of the leadership in employee retention highlighted by Kaye and Jordan-Evans (2012), plays a key role in employee retention. Their study suggests that a good boss plays a critical role in retaining employees by creating conditions that foster job satisfaction and loyalty. This was supported by Alkhawaja and Arwa (2017), who emphasize that leadership style has a significant impact on retention. According to them, unbalanced treatment of employees influenced by biases and assumptions, can lead to high turnover. Similarly, Adedamola (2016) and Gwavuya (2014) explored the role of leadership in retention, with findings suggesting that leadership styles significantly influences retention rates. Adedamola found that transactional leadership is particularly effective in the banking sectors, while Gwavuya suggested that transformational leaderships is best suited for academic institutions in Zimbabwe. These leadership styles help create favorable policies that encourage employees to stay. Kossive and kalgora (2016) further support the role of leadership, along with work-life balance, compensation and career development opportunities, as factors influencing retention.

In line with these findings, studies by Ghosh and Sahney (2011) and Kundu and Lata (2017) highlighted the importance of organizational support in retaining employees. They revealed that when organizations provide career development, work-life balance and inter-unit support, employee care more likely to stay. Muduli and Raval (2018) further support this view by suggesting that a supportive environment is crucial for employee retention, particularly when organizations demonstrate genuine concern for their employee's well-being. Said (2014) emphasized the role of motivation and perceived organizational support in enhancing employee retention, noting that recognition programs, engagement activities, and career development opportunities are crucial for fostering commitment. Similarly, Mwansa and Hampogwe (2023) found that career advancement opportunities and positive work environment are key factors in reducing employee turnover, particularly in the banking sector in Zambia. This is aligned with Jonathan (2011), who identified performance appraisals as another vital strategy for retention, suggesting that feedback helps employee recognize their strengths and

weaknesses, which can motivate them to stay with the organization.

Financial incentives are another important factor in retention, as highlighted by Turnea (2018) and Merhar (2016). Their study revealed that while non-financial factors like career development and work-life balance are important, organizations also need to offer attractive financial rewards to retain top talent. Mehar (2016) emphasized the high costs associated with training employee turnover, including recruitment and training expenses, making it essential for companies to implement strategies that minimize turnover. Further studies, such as those by Savarimuthu and Hemalatha (2013) and Mehta et al (2024), underline the significance of providing financial incentives, such as pay raises, specialized training, and allowance, as well as fostering a supportive work environment. In addition, Mehta research in morocco highlighted the importance of timely communication regarding salary, benefits, and organizational policies to build trust and encourage retention.

Studies in South Africa, such as Shakeel and Butt (2015) and satpal and Dhillon (2016) found that non-financial factors like job content, work condition and flexible work hours, and career growth prospects were equally important in retaining employees. These studies collectively suggest that a combination of financial and non-financial incentives, career development, leadership support and positive organizational culture are key to improving employee retention.

In Zambia, Chilekwa (2013) and Banda (2015) focused on the importance of career progression and better compensation in the public sector. Chilekwa's study found that health workers in Zambia would stay if better career progression opportunities and pay were offered, while Banda's study emphasized the need for improved conditions in rural schools to retain teachers. Mudenda (2020) conducted a study in Zambia on designing an employee retention framework, particularly for Varum, Food and Beverage. His research reveals that certain employee's demographics, such as technical occupations, are more likely to leave the company. This aligns with findings from other studies, such as Matindo, Pekeur and Karodia (2020), who explored employee retention at Kitwe Central Hospital in Zambia. They found that health sector faces significant challenges due to migration of works for better opportunities abroad and in the private sectors. A study by Chanda (2014) on employee retention in ShopRite chain store in Zambia also provides insight into retention challenges in the Zambian context. The study found that lack of formal retention policies and management dependent decisions led to high turnover, particularly after contract cycles.

While many studies focus on different sectors, such as health, education, mining and Agriculture sector, there remains a need to explore these factors in the context of government owned insurance firms, like ZSIC Life in Zambia. This study aims to fill this gap by exploring

employee perception of organization employee retention strategies at state owned insurance firms in Zambia.

III. THEORETICAL FRAMEWORK

The theoretical framework in this study is guided by the Retention theory. The theories posit that the decisions employees make about staying with an organization are influenced by various organizational, psychological, and environmental factors (Terera, and Ngirande, 2014). These factors include organizational commitment, job satisfaction, career development opportunities and perceived organizational support. In the context of state-owned insurance firms, the perception of retention strategies can significantly impact employee retention rates. Below are key prepositions of the Retention theory. The first preposition is that perceived organization support (POS) positively influences employee retention (Ramapriya, and Sudhamathi, 2020). In line with this study, it is assumed that employees who perceive strong organizational support, including recognition, resources, and fair treatment, are more likely to remain with the state owned insurance firms. The second preposition of the theory is that job satisfaction mediates the relationship between retention strategies and employee retention (Kossivi, and Kalgora, 2016). Based on this preposition, it is assumed that employees are more satisfied with theory roles, compensation, and opportunities for growth are more likely to stay with the state-owned insurance firm. The third preposition of the theory is that organizational commitment is a strong predictor of employee retention (Ramlall, 2003). Based on this preposition, it is assumed that employees who feel an emotional attachment to the organization and perceive that the organization has strong good values will be more inclined to remain, even if the financial rewards might not be as competitive as in the private sector. The fourth preposition of the retention theory states that leadership and management practices influence employee perception of retention strategies (Laddha, Singh, Gabbad, Gidwani, 2012). Based on this proposition, it is assumed that quality of leadership and management in state-owned insurance firms influences how employees perceive retention strategies. Ramapriya and Sudhamathi (2020) argue that Transparent, supportive, and responsive leadership enhances employee trust and perception of fairness, thus increasing the likelihood of retention.

In a nutshell, it is assumed that employees perception of organizational support, leadership, satisfaction and commitment, collectively influence whether employees in state-owned insurance firms decide to stay or leave.

IV. RESEARCH METHODOLOGY

The research adopted the mixed method approach in exploring the experiences of employees at Zambia state insurance corporation (ZSIC). While the qualitative approach helped to collect detailed information about the employees perception of organization retention strategies (Creswell, 2014), the Quantitative approach helped to objectively measure the statistical numerical analysis of the

data collected through questionnaires (Kumar (2005: 13) ZSIC Life was chosen because it is the oldest leading providers of life insurance products and services in Zambia wholly owned by the governed. Prior to the formation in 2008, the company operated as a department under the Zambia State Insurance Corporation (ZSIC) which was established in 1968 (ZSIC Life, 2023). The study adopted an interpretive phenomenology research design in order to identify the actual employee experiences of the retention strategies in the organization (Creswell, 2003).

Both documented and undocumented data were collected. On one hand, documented data was collected from ZSIC reports, journal articles, and research reports, working papers and employee records. On the other and undocumented data was collected from 52 respondents. The sample size of 52 is ideal, as the central limit theory states that a random sample equal or greater than 30 is able to provide a normal distribution of the characteristics of the population under consideration (Creswell, 2014). To ensure validity and reliability of the data, employees who had saved in the institution for more than 3 years were included in the sample and key informants representing management were selected. The study employed two sampling procedures, purposive and simple random sampling. Purposive sampling was chosen because it enabled the researchers to use his judgment to identify and select managers that were more knowledgeable of employee retentions strategies in the organization. Simple random sampling method was also chosen so to accord every employee who has saved in the organization for more than 3 years an equal chance of being in the study. Both questionnaires and semi-structured interviews were used to collect data from the respondents. Questionnaires were chosen because they enable the collection of quantifiable data from a large number of respondents. Semi-structured interviews were chosen as they provide in depth information and also allowed key informants will be free to express themselves (Robson, 2011).

V. DISCUSSION

➤ *Retention Strategies that have been put in Place in State Owned Insurance Firms*

ZSIC life, prominent life assurance provider owned by the Zambian government has implemented several retention strategies to maintain a skilled committed workforce. One of these strategies is the training policy, which grants each employee 20 paid days annually for attending courses relevant to their role. Additionally, employees tuition fees are reimbursed upon successful completion of the course, and employees are required to stay with the company for three years following completion of the Training (ZSIC Life, 2021). Eoin and Carcary (2011), as quoted by Natalie et al (2011), state that when other retention strategies, training and development are a strong retention activity (Kigo, 2016). The fact that effective training and development opportunities to learn and develop, enhances employee retention in the insurance industry is also confirmed by other scholars such as Arnold (2005) as quoted by (Natalie et al. 2011).

Employee recognition is a critical retention component at ZSIC Life. The institution places importance in recognizing employee performance as they believe, it makes employees feel valued and appreciated for their work and contributions. This has been normally in the form of awards, acknowledgment in meetings, or other personalized gestures (ZSIC Life, 2024). Conlow (2023) argues that employee recognition is an often-undervalued approach, when executed well it elevates engagement and retention. In the battle for talent in an increasingly complex, and competitive world, organizations cannot afford to miss this point. The society for Human Resource Management (SHRM) found that organizations with effective recognition programs experience 31% lower voluntary turnover than those without such programs.

Offering competitive salaries and performance-based bonuses is one of the most strategically designed strategies ZSIC Life has labored to provide. Just like any other insurance firm, ZSIC life has been conducting market rate analysis to determine, how much other institutions in the industry are offering to their employees. Kigo (2016) argues that that success of any organization in the insurance industry is depended on the reward strategies it has put in place to retain talented employees. Performance based rewards have been used to reward outstanding employees within the institution. This finding also revealed that fringe benefits are a significant motivating factor for employees to stay with ZSIC Life. Benefit like health insurance, retirement plans, and other perks are valued by employees and influence their decision to remain with the company. The institution has also developed financial assistance related policies aimed at helping employees who might experience unforeseen challenges. The Group Funeral Expenses polices not only benefits customers, but also employees, by providing them with funeral cost incurred by management, upon the death of the employee or one of their benefits (ZSIC Life, 2024).

The study findings revealed that majority of the organizations in the insurance industry adopted the strategy of offering subsidized loan facilities. Kigo (2016) argues that this gives the implicated that the loan facilities provided could have made the employee feel that they cared for them and the organization could have taken this strategy to retain the employees.

The findings reveal that most state owned insurance firms have put in place well designed on-boarding programmes for new employees. ZSIC life understands the importance of familiarizing new employees with organization strategic plans, policies and activities. The findings reveal that new employee staffs are subjected to well-designed orientation programmers. This implies that for every new employee they are at ease since the onboard program prepares them for the duties to come and that they will have a smooth transition into the organization.

The findings reveal that at ZSIC Life, maintaining a tidy, comfortable, and aesthetically pleasing workplace that has helped employees feel more at ease and motivated.

Through, a thorough observation of the work premises, during interview meetings, the researchers noticed the efforts put in place in management in creating a health and safe working environment. Kigo (2016) argues that clean environment contributes to higher levels of productivity and a positive mental state, making employees more likely to stay with the company.

The findings also revealed that many organization in this modern age understood the negative effects lack of management support can pose on employee’s productivity (CIPD, 2014). The Insurance industry is not immune to this, the current demand in the labour market has become so complex that by simply concentrating on traditional aspects like compensation, career path, training efforts as well as investing heavily on employee development, is not enough (Kigo,2016). According to the Insurance Regulatory Authority (IRA) reports the insurance industry has lost 34% of its workforce due to lack of employee support management (IRA, 2014).

The findings also revealed that mentorship programs in insurance firms have been common strategies of retaining employees. In these programs, less experienced employees are paired with seasoned professionals, allowing for personal growth, skill development and career guidance (Cascio, and Boudreau, 2016). In Vertafores, a 2024 report on the state of the insurance workforce report revealed that establishing internship programs with local colleges and universities builds a pipeline of possible insurance employee’s hires that know and understand the insurance industry and how it works. In these partnerships, students can plant their feet in a career that may become life-long (Vertafore, 2015).

The findings also revealed that ZSIC Life, just like any other insurance firm offers work-life balances opportunities to their employees, these include leave Paid time off (PTO), maternity/ paternity leave, and vacation days. Dihigg (2022) argues that generous leave strategies allow employees to disconnect from work and recharge, contributing to better, mental and physical health. Similarly, Cascio, and Boudreau, (2016) argue that work-life balance is a critical factor in employee satisfaction, productivity and retention.

➤ *Employee’s Perception of the Retention Strategies*

The majority of the respondent were of the perception that employee reward strategies were adequate to attract and retain employees in the organization. Based on whether the organization benchmark its salaries with other similar organizations to establish appropriate pay range, the study results revealed that 70% of the respondent agreed. 20% of the respondent disagreed, while 10% of the respondents choose to be neutral as they argued that they did not know what other organizations were offering. The findings are depicted in Figure 1 below.

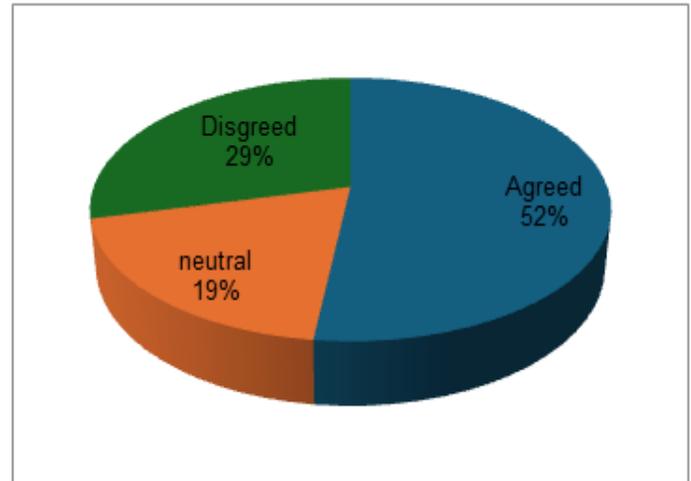


Fig 1: Firm Benchmarked its Salaries with other Organizations

Employee’s perception of external-equity can affect the organizations ability to retain workers. Employees who perceive that they are paid below the benchmark on labour or below what friends in similar organizations are paid; they are likely to leave the organization. While those who perceive their salaries are above or better than what other organizations offer, are likely to remain in the organization.

The study sought to find out employees perception of procedure and distributive fairness/ justice regarding employee rewards. The findings revealed that most of employees perceived both procedure and distributive justice to be fair in the organization. Figure 2 shows that 80% of the respondents perceive both procedure and distributive justice to be fair in the organization, while only 20% of the respondents perceived them to be not fair.

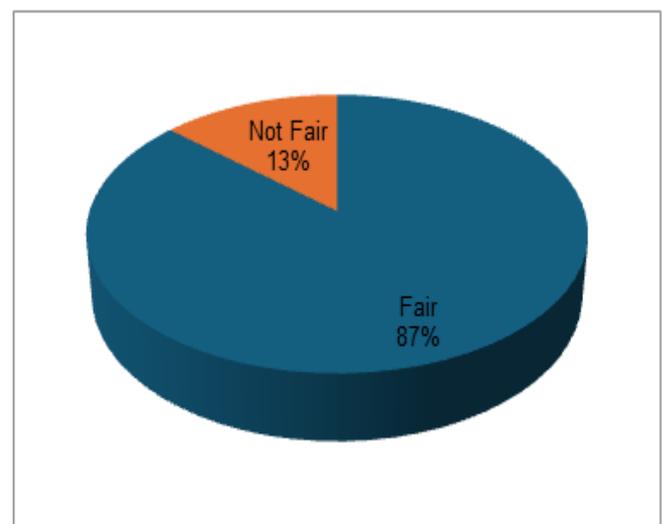


Fig 2: Fairness of Distributive and Procedure Justice Regarding Employee Rewards

Procedure Justice reflects the perceived fairness or decision-making process and the degree to which they are consistent, accurate, unbiased, and open to voice and input. Distributive justice on the other hand refers to the perceived fairness of decisions outcome, especially the degree to which the outcomes are equitable (Colquitt et al., 2013: 200). Data (2012), argues that an effective reward distribution mechanism is a necessity in any firm, inclusive of the insurance firms, as it has the ability attract and retain employees. Torre, Pellagti, and Solari (2015) argue that an effective reward system is data driven, equitable, and objective rather than built on biases, stereotypes, and conjecture. A reward system should, for purposes of equity, clearly relate to a specification and description of a particular job.

One whether recognitions provided by the firm are commensurate with the level of effort they put in their work, the study revealed that 3.0% of the respondents strongly disagreed, 12% of the respondents disagreed, 60% of the respondents agreed, while 20 % of the respondent strongly agreed. This is shown in figure 3 below. Based on recognition and level of performance, the study findings revealed that majority of the respondents agreed that their rewards and benefits are justified given their level of performance.

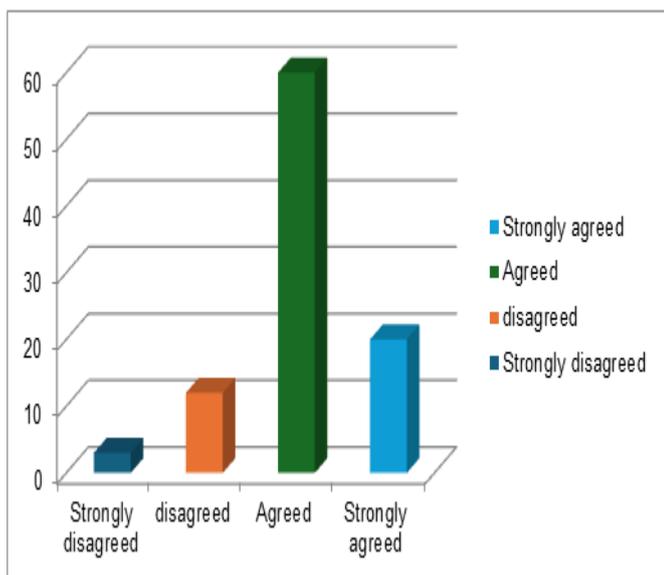


Fig 3: Employee Recognition is Commensurate with the Level of Performance

Regarding the perception of employees towards management strategic aspects of offering loans to employees at lower rates, the majority of employees expressed satisfaction and gratitude towards this initiative (Funa, 2018). Most insurance firms, inclusive of ZSIC life, offer housing loans/car loans to employees at a lower rate. This not only attract people to desire joining the organization, but also helps retain employees. Employee’s perception of employees providing low rate loans, such as car or housing loans vary. Positive perception arises when employees view loans as financial support that reduces stress, enhance well-

being and strengthen loyalty (Greenhalgh and Rosenblatt, 198; Salanova et al, 2005). However, negative views emerge when employees perceive the loans as tools of control of manipulation (Kuvaas, 2006; Whitener, 2001). Overall, transparent and fair loan policies that genuinely support employees foster positive perception, and retain employees in the organization.

The respondents were asked on whether the insurance schemes provided by the organization to employees are good and favorable. Figure 1.4 shows that of the respondent 2 (7%) strongly agreed. 28 (83%) agreed. Then none of the respondents strongly disagreed, were neutral, nor strongly agreed.

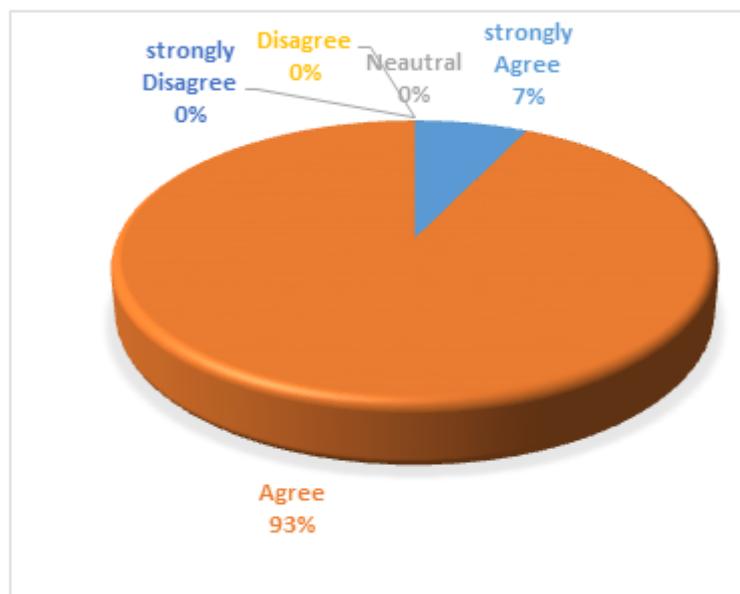


Fig 4: Insurance Schemes are Favourable

Figure 4 shows that the majority of the respondents agreed that insurance schemes provided by the organization are good. Empirical evidence have found that employee perceptions of insurance benefits significantly influence retention, with many emphasizing that comprehensive health, life, and disability coverage increases employee satisfaction and loyalty (Bergström & Hansson, 2020; Smith et al., 2019). Similarly, studies by Johnson and Nguyen (2018) highlight the importance of wellness programs and retirement benefits in fostering long-term engagement. While both agree that financial security is a key factor, Smith et al. (2019) argue that insufficient communication of benefits leads to dissatisfaction, a viewpoint not emphasized by Bergström & Hansson (2020). Overall, research consistently links positive insurance perceptions to improved retention.

The findings of the study indicated that responded were of the opinion that the company has developed on boarding programs for new employees. This implies that for every employee, they are easy since the on-boarding program prepares them for the duties to come and they will have a smooth transition in to the organization. This also enables the new employees to be on the spot light for

assistance when in need. One of the basic components of TPI-theory as pointed out by Adam (2010) is the need for new employees to interact among themselves. These findings collaborate with the findings by Bush (2018) who warned that organizations that ignore induction training programmes have ended up losing employee and at times end up with less innovative staff who contributes enough to the success of the organization.

The respondents were asked to rate their level of satisfaction with the organizational mentorship programs. Figure 5 shows that 16 (13%) responded were highly satisfied, 16(53%) were moderately satisfied, 5(16%) were satisfied, 2(6%) were dissatisfied, and 3(10%) were highly dissatisfied.

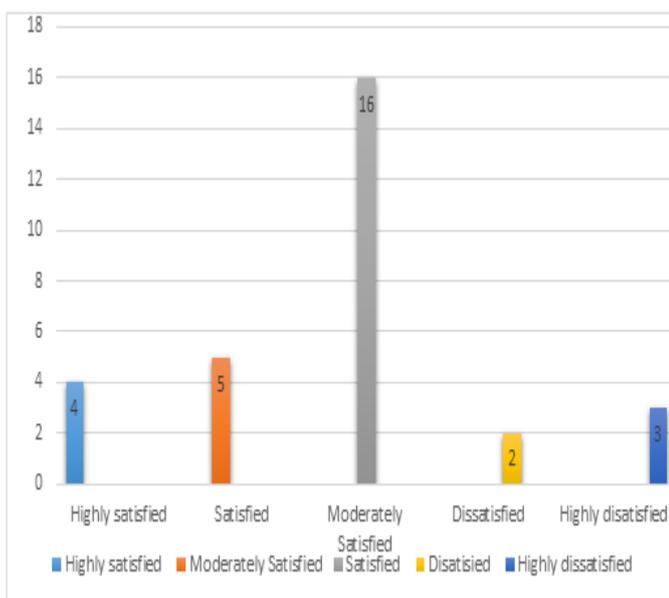


Fig 5: Level of Satisfaction with Mentotship Programmes

Figure 5 shows that the majority of the respondents were moderately satisfied with the mentorship programmes in the organization. Moderate satisfaction with mentorship programs suggests that while employees see value in the programs, they may not be fully impactful or accessible to all. Employees could feel that mentorship is not sufficiently robust or well-structured to fully support their growth. Mentorship program helps to create a positive work environment, and a higher level of employee satisfaction leads to improved engagement and retention (Ardila, 2024). According to Forbes, retention rates were significantly higher for mentees (72%) and for mentors (69%) than for employees who did not participate (49%) in a mentorship program. It’s been proven that it is more costly to acquire new talent than it is to retain employees, and mentorship programs can help reduce these costs

The findings revealed that employees who participated in key decision-making felt more valued and wanted to stay with the insurance firm’s organization.. George (2015) stated that employee retention increases when employees have some voice and authority regarding their work-related decision.. According to Wilkinson, Mowbray, and Sun

(2018), employee participation has shifted from its origin of indirect form (worker union, worker direction, and joint consultation committees) to more direct employee–manager collaborations in the form of delegate and consultative participation. A study by Khalid, and Samina, (2018) revealed that delegative participation had a stronger influence on retention as compared with other types in both sectors. Study conducted by Winne, and Sels (2013) indicates that practices like delegative participation, consultative participation, worker director, and worker union can help create a strong positive perception of management resulting in enhancing employee retention.

The findings reveal that most public owned and private owned insurance firms work extremely hard to ensure that they have the workplace is clean, not only to attract customers but also creating a habitable place for employees. The findings reveal that at ZSIC Life, maintaining a tidy, comfortable, and aesthetically pleasing workplace has helped employees feel more at ease and motivated. As pointed out by Kigo (2016), a clean environment contributes to higher levels of productivity and a positive mental state, making employees more likely to stay with the company.

➤ *Challenges Faced by the Insurance Firms in Designing and Implementing Retention Strategies.*

ZSIC Life, like any insurance firm faces several challenges in implementing its employee retention strategies, as noted by the respondents in the study. One Key respondent stated that’

- ‘Lack of Adequate Finances is a Significant Challenge’.

Retention strategies often involve initiatives like sponsoring employees for further education at universities and colleges, organizing workshops, providing awards to outstanding employees (Harris and Rosenbaum, 2021). However, such initiatives require financial investment, and if the organization does not have the budget to support these initiatives, it becomes very difficult to effectively implement retention strategies (Sililo and Chembe, 2025). This resonates with the broader struggle organizations face globally, as retention strategies are financially demanding (Cascio, and Boudreau, 2016). Unrealistic expectations from employees also pose to be a major challenge. Mchete and Shayo (2020) argue that employees at times demand substantial huge salary increments beyond the organization capacity. The study by Swithen (2023) highlights how globalization has reshaped employee expectations and organizational standards. The shift towards internal best practices has raised the bar for organizations performance, including employee retention. ZSIC Life, like any organization must adapt to these changing dynamics and increasingly diverse workforce needs.

The cost associated with high employee turnover is also a significant concern. As noted by Bretenbach (2022) and Qian (2021), replacing an employee is costly in terms of recruitment expenses, advertisement fees, lost productivity, and the time spent training new employees. Mchete and Shayo (2020) revealed that induction programmes at the open university of Tanzania cost very high and the amount

of budget differs year to year depending on the number of employees to be oriented. For examples, in 2016, the number of employees who were oriented were more than 100 and it costed the institution more than 25 million and in 2019 they were expecting to have training programmes for more than 36 million employees which was expected to cost them 10 million. These costs add up quickly and can significantly impact an organization bottom line.

Some insurance firms try their best to hire employees from their competitors and they provide lucrative opportunities to attract them. Employees become greedy for money and position and thereby look forward to changing their present to and join the competitors. No amount of counseling helps in such cases and retaining employees become a nightmare (Robinson and Judge, 2017). Brain drain is also a significant challenge for insurance firms aiming at retaining competent employees. According to Macey and Schneider (2008), most employees are poached from these insurance firms by well established firms in developed countries. The challenge is providing a competitive package for employees, which can convince them not to leave the nations or the organization. According to the Australian Government (2005), most major international students host countries of the world such as the USA, Canada, Australia and the United Kingdom have put in place deliberate policies aimed at attracting international postgraduate students to remain as a form of skilled migration aimed at strengthening competitiveness in the insurance firm key industries. If not prepared, even the employees on study leave end up being poached by these developed countries, upon realizing how intelligent these employees are. There is thus an important role that the state owned insurance firms in Africa can play in addressing the problem of brain drain especially through an increase in its ability to provide more of the service within the continent as quoted by (Macey and Schneider, 2008).

Individuals are not so honest during interviews, while claiming to be very knowledgeable and interested about the Job, during recruitment to impress recruiters and grab the job. It is only later when they fail to perform that they lose interests, realize the mismatch and then change the Job (Cascio, and Boudreau, 2016). Human resource department should be very careful while recruiting new employees. It is really important to get the reference check done for better reliability and avoid later confusion.

The findings also reveal that in the past, employees often demonstrated loyalty to their employers in exchange for long term job security and stable career progression. However, contemporary employees, particularly younger generations, prioritize work-life balance and flexibility over job security (Hughes, and Kwon, 2019). A study by Deloitte (2020) highlights that younger workforce, particularly Millennials and Generation Z, value flexible and autonomy over traditional markers of loyalty such as long tenure or commitment to a single employer. The changing expectations have led to lower employee loyalty, making it difficult for organizations to retain their talent.

The findings reveal also that the insurance industry is undergoing significant technological changes, with automation, AI, and digital tools revolutionizing processes. While these changes can lead to operational efficiencies, Harris and Rosenbaum (2021) argue that they can create Job insecurity for employees, particularly those in roles that may be replaced by technology. Employees who feel their jobs are at risk may become disengaged or leave the organization, further exacerbating retention challenges.

VI. CONCLUSIONS

In conclusion, employees at ZSIC Life generally perceive the organizations reward strategies as adequate in attracting and retaining talent. With the majority of respondent agreeing that the company benchmarks its pay against similar organizations to ensure competitive compensation. Employee's perceptions of fairness in both procedural and distributive aspects of reward systems were also overwhelmingly positive, suggesting that fair decision-making and equitable outcomes contribute to employee satisfaction and retention. Furthermore, initiatives such as offering low rates loans, comprehensive insurance schemes and well-structured on-boarding programs have been positively received by employees, enhancing their sense of financial security and organizational loyalty. Mentorship programs, although generating moderate satisfaction, appear to provide value in supporting employee development, which is crucial for retention. Participation in key decision-making process also played a significant role in fostering a sense of value among employees, thereby increasing their desire to remain with the organization. Additionally, the company's efforts to maintain a clean and comfortable work environment further contribute to employee satisfaction. These findings suggest that ZSIC life has implemented several effective retention strategies, but there is still room for improvement.

Despite these positive efforts, the research also identifies several challenges that hinder the effectiveness of retention strategies. The major one being lack of adequate financial resources to fully fund retention initiatives. More financial resources, enhanced training for human resource officers, and greater managerial support are needed to strengthen the organization's retention strategies and achieve higher levels of employee loyalty and retention. By focusing on these areas, ZSIC Life can build a more resilient workforce and ensure long-term employee satisfaction and commitment.

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