



**COMPREHENSIVE MOTOR INSURANCE POLICY AND EMPLOYEES' RETENTION
IN TRANSPORT COMPANIES (Study of Ogun State Transport Services, Abeokuta)**

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Abstract

This study investigates the influence of comprehensive insurance policies on employee retention within Nigerian transport organizations. The primary aim is to address persistent concerns such as financial vulnerability following accidents or injuries, inadequate asset recovery, lack of peace of mind during working hours, and insufficient legal protection for employees. A descriptive research design was adopted, focusing on staff of Ogun State Transport Services, Abeokuta, Ogun State a government-owned enterprise selected for its accessibility and representation of a broader workforce. Both primary and secondary data were utilized. Primary data were collected through structured questionnaires, while secondary data were sourced from relevant literature and institutional records. A purposive sampling technique was used to select 80 respondents, and data analysis was conducted using SPSS. Findings revealed a significant relationship between the identified predictors and employee retention. The study concludes that comprehensive insurance coverage significantly contributes to enhancing employee loyalty and retention by providing psychological and financial security. It recommends that transport sector stakeholders implement robust insurance policies to foster a more supportive work environment, thereby boosting employee commitment and reducing turnover.

Keywords: Comprehensive motor insurance, Employees Awareness Benefits, Company Culture, Employee Retention and Employee Loyalty.

Introduction

Comprehensive insurance is a type of insurance coverage that covers a wide range of risks and damages. According to Robert (2020) the policy often covers both the insured property and liability for harm or damage to third parties. This policy protects the insured against unanticipated events by primarily covering theft, vandalism, fire, and natural disasters (Jones & Smith, 2018). It enables individuals and businesses to operate with confidence. Being fully aware that a wide range of potential threats are addressed. Comprehensive insurance alleviates financial burden by significantly cutting out-of-pocket expenses in the event of a loss.

Early in the twentieth century, comprehensive insurance plans with liability coverage were introduced, reflecting the growing complexity of threats that both individuals and organizations

faced (Thompson & Adams, 2015). During this time, many coverage types were bundled into a single insurance. Following World War II, the insurance market expanded considerably, and comprehensive policies gained popularity (Mitchell & Harris, 2018). Rising consumer awareness and economic success fueled the demand for more comprehensive coverage alternatives. Comprehensive insurance plans are now widely available in both the personal and corporate insurance markets. Technological and data analysis advancements have enhanced risk assessment and policy customization even more (Lee & Robinson, 2020).

The constant fear of financial consequences in the event of an accident or injury, the lack of adequate safety training and resources, the lack of assistance for rehabilitation and recovery in the event of an accident, the lack of peace of mind and poor employee welfare during hardship incidents, and the lack of adequate protection from legal claims resulting from accidents or incidents that occur during work are all factors that cause employees to lose focus on their work, which hinders the growth of the company. As a result of these, the study was embarked upon to address the described challenges.

Employee retention refers to a company's capacity to retain its staff while lowering turnover. This concept comprises techniques and procedures for keeping a satisfied and motivated workforce, which will eventually enhance output while lowering the costs of recruiting and onboarding new employees (Allen & Associates, 2010). The costs of recruiting, hiring, and training new employees can be high due to inflation; keeping current employees helps to offset these increased costs. Furthermore, long-term employees acquire valuable knowledge and skills, and keeping them on board ensures that the company continues to benefit from their expertise. Because they make it easier for people and things to move around, transportation businesses are essential to economic growth. They provide critical services for connectivity, trade, and commerce, letting businesses to successfully access resources and expand their markets (Smith & Johnson, 2017). Millions of people work in the transportation industry, which provides jobs and income for people of various skill levels. By connecting rural and urban populations, these firms provide access to essential services like as healthcare and education (Green & Brown, 2019). By ensuring timely delivery of goods, they improve supply chain efficiency, lowering costs and increasing customer satisfaction. The major goal of the study is to determine how comprehensive insurance plans effect employee retention in Nigerian transportation companies. Additional objectives include investigating how business culture influences employee loyalty, employee awareness perks, and the effectiveness of the claims procedure.

Literature Review

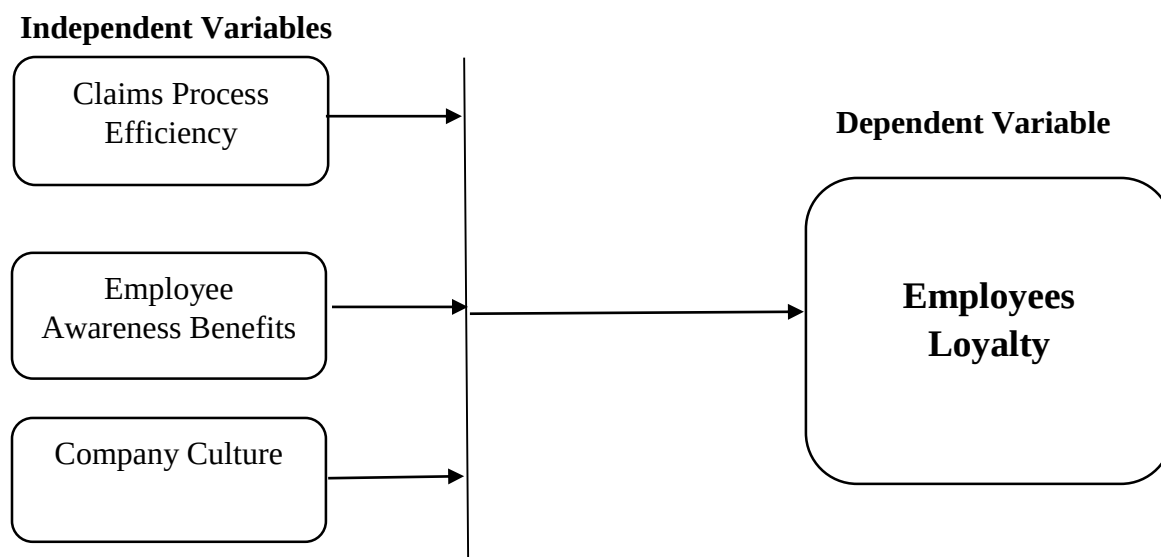
Conceptual Review

The broadest sort of auto insurance coverage is supplied by comprehensive packages. According to Raji (2018) it covers the insured against legal liability, loss of the covered vehicle due to an accident or fire, and reasonable medical expenditures for the insured, his driver, and any passengers in the insured automobile. Third-party physical injury, insured property damage, legal fees, and any other charges paid by the insured as approved in writing by the insurer.

Comprehensive insurance covers both damage to the insured vehicle and liability for third-party damages, whereas third-party insurance only covers third-party injuries and damage to other cars (Brown & Green, 2019).

It protects the driver and any passengers in the event of an accident that causes injury or death; and provides drivers peace of mind knowing they are insured against a wide range of dangers and protects policyholders from big out-of-pocket expenses in the case of an accident or loss (Jones & Smith, 2018). In many jurisdictions, driving on public roadways requires comprehensive insurance, because potential buyers may prefer a car with comprehensive insurance, comprehensive coverage can boost a vehicle's resale value (Lee & Johnson, 2020).

Conceptual Framework



Source: Researcher's work (2025).

Conceptual frame work is a diagrammatical mode of expressing the relationship between the predictors and the response variable.

Claims Process Efficiency: refers to the efficiency of processing and resolving insurance claims (Miller & Roberts, 2019). A streamlined claims procedure is crucial for customer satisfaction and retention in the insurance industry because it directly impacts the policyholder's experience during a potentially stressful time (Smith & Johnson, 2020). An efficient claims procedure not only improves the insurer's reputation, attracting new business and retaining existing clients (Brown & Lee, 2021), but it also reduces operating expenses for insurance firms, which benefits both policyholders and the insurer.

Employee Awareness Benefits: refers to employees' understanding and knowledge of the terms, coverage options, and benefits of their insurance plans. Employees should understand what is

covered by the insurance, such as obligations, damages, and additional benefits. Employees can be empowered in claims situations if they understand the required documentation, timeframes, and how to file claims. Employee retention and satisfaction can be increased by raising awareness of the benefits and financial value of comprehensive coverage (White and Lee, 2021). Employers can boost employee comprehension and engagement by providing insurance-related training and resources. Employees who are well-versed in their insurance needs and coverage options can make more informed judgments. Increased awareness helps employees utilize their insurance benefits fully, leading to higher satisfaction and better risk management among employees, reducing the likelihood of disputes during claims.

The term "**Company Culture**" refers to the shared values, beliefs, and customs that shape how people act and think within a company. When it comes to comprehensive auto insurance coverage, company culture has a significant impact on how employees perceive, engage with, and utilize their insurance benefits (Lopez & Garcia, 2021). Companies that provide complete employee benefits, including insurance, are more likely to have higher retention rates (Carter & Thompson, 2019). Employees are more likely to be satisfied and loyal to the company if they feel valued and aided in understanding their insurance options (Miller & Davis, 2020). A culture that emphasizes awareness and comprehension of insurance may benefit both employees and the firm by resulting in fewer claims arguments. Employee involvement with insurance plans can rise with a positive corporate culture, which will improve benefit utilization. Employee happiness and engagement can be raised by fostering a culture that values their well-being, empowers them to ask questions, and encourages them to learn about and utilize comprehensive insurance packages.

Employee loyalty: is a word that describes how dedicated and committed employees are to their employer. The extent to which comprehensive automobile insurance policies meet workers' demands and are integrated into the overall benefits package can have a significant impact on employee loyalty (Johnson & Lee, 2019). Offering valuable benefits, such as comprehensive auto insurance, which provides financial security and peace of mind, increases the likelihood of employees remaining with a company (Smith & Brown, 2020). After an open talk about the benefits of insurance, people are likely to feel respected and committed. Employee loyalty can be increased by demonstrating that the company values its employees and provides extensive insurance options.

In order to maintain employee engagement and loyalty to the company, comprehensive insurance coverage can be an essential part of retention strategy (Garcia & Thompson, 2021). Because they are more driven to contribute to the success of the company, loyal employees are frequently more productive. A positive corporate culture that promotes cooperation and teamwork is facilitated by loyalty. As brand ambassadors, loyal staff members are likely to speak well of the company to prospective hires and clients.

Theoretical Review

According to the Social Exchange Theory (SET), social behavior is the outcome of an exchange process. In all of their connections, including those at work, people aim to optimize advantages and avoid disadvantages (Cropanzano & Mitchell, 2005). When considering benefits like comprehensive auto insurance in connection with employee retention, this theory is especially pertinent (Coyle-Shapiro & Shore, 2007). Employee attitudes are influenced by the perceived value of benefits. If employees perceive that comprehensive motor insurance is a substantial advantage, they may be more motivated to stay with the firm. Trust plays a significant role in the exchange. Employees are more likely to feel safe and appreciated when their employers fulfill their responsibilities and are open and honest about rewards (Coyle-Shapiro & Shore, 2007). Employees continuously assess their relationship with their employer. If the perceived benefits outweigh the costs, they are more likely to remain loyal.

Job Embeddedness Theory

According to this theory, employees who are "embedded" in their jobs for a variety of reasons, including relationships, fit, and sacrifice, are more likely to stay with the organization. According to Mitchell et al. (2001), comprehensive auto insurance can boost retention by improving the "fit" and "sacrifice" factors.

Empirical Review

The effect of employee benefits on job satisfaction and retention in the transportation sector was investigated by Okeke and Nwosu (2021). The study used a cross-sectional research design and quantitative survey methodologies. It also used stratified random sampling procedures and SPSS for data analysis, using structured questionnaires and primary data. The results showed that insurance and other employee perks have a big influence on retention and job satisfaction. It was determined that one of the most important benefits for keeping employees is comprehensive auto insurance. The study suggests that in order to increase employee loyalty, transportation companies should improve their insurance offerings.

Ibrahim and Adeyemi (2020) examined the impact of comprehensive insurance on employee retention in Nigerian transportation companies. The study employed a mixed-methods approach, utilizing a case study and survey research design. Random sampling for quantitative surveys and purposeful sample for qualitative interviews. The strata statistical software was used to analyze the data. The results showed that increased job security from comprehensive auto insurance had a beneficial impact on employee retention. Additionally, it was determined that companies with strong insurance policies have lower employee turnover rates. The study suggests that in order to enhance staff retention tactics, transportation businesses had to advertise their insurance plans.

Gap of the Study

There is a significant paucity of research on the relationship between comprehensive insurance coverage and employee retention in Nigerian transportation enterprises. Research on the specific method and transference channels through which comprehensive insurance policies impact employee retention in Nigerian transport companies is lacking, despite the fact that studies such as Okeke & Nwosu (2021) and Ibrahim & Adeyemi (2020) provide valuable insights into the broad interactions. Rather of considering how the predictors see the response variable, the researchers focus on the relationship between the predictors and the response variables.

METHODOLOGY

To reach a broader and more diverse audience and analyze the policy's impact on society and the regulatory environment, the study employed a descriptive research approach to determine how employees felt about the policy. Secondary data comes from a variety of sources, including journals, textbooks, and the internet, whereas primary data came from the case study. The questionnaire was distributed to staff members of Ogun State Transport Services. The study's population consisted solely of senior and junior administrative staff members, as well as drivers directly from the unit; they were selected using purposive sampling procedures and a standardized questionnaire. A descriptive survey with 80 respondents was used to estimate the sample size, and the data was analyzed using SPSS. The validity of the questionnaires was determined through pre-testing, and they met reliability standards.

Model Specification: The following model, a variation of one that has been widely used in earlier research, such as Okeke and Nwosu (2021), indicated the relationship between the dependent variable and the explanatory components.

$$EL = f(CPE, EAB, CC)$$

The above functional relationship is translated into an equation as follows:

$$ES = \beta_0 + \beta_1 CPE + \beta_2 EA + \beta_3 CC + \mu$$

Where:

EL = Employee Loyalty

CPE= Claims Process Efficiency

EAB= Employee Awareness Benefits

CC = Company Culture

β_0 = intercept or constant

$\beta_1, \beta_2, \& \beta_3$ = coefficients of the explanatory variables or factor sensitivities

A priori expectations: $\beta_0, \beta_1, \beta_2, \& \beta_3 \neq 0$

μ = the error term

Data Analysis

Table 1: Gender of the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	60	75.0	75.0	75.0
Female	20	25.0	25.0	100.0
Total	80	100.0	100.0	

Source: field Survey February, 2025

Table 1 above shows that 25.0% of the workers in the study were female, while 75.0% of the workers in the population were male.

Table 2: Age of the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-25 years	7	8.8	8.8	8.8
26-30 years	44	55.0	55.0	63.8
31-35 years	4	5.0	5.0	68.8
36-40 years	10	12.5	12.5	81.3
41-45 years	7	8.8	8.8	90.0
46-50 years	5	6.3	6.3	96.3
50 and above	3	3.8	3.8	100.0
Total	80	100.0	100.0	

Source: field survey Feb, 2025

Table 2 above shows that employees in the 20–25 age range comprise 8.8% of the workforce, followed by those in the 26–30 age range (55.0%), those in the 31–35 age range (5.0%), and those in the 36–40 age range (12.5%). 8.8% of workers are between the ages of 41 and 45; 6.3% are between the ages of 46 and 50; and 3.8% are above the age of 50.

Table 3: Academic Qualification of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Trade Test	20	25.0	25.0	25.0
NABTEB/WAEC	20	25.0	25.0	50.0
ND/NCE	18	22.5	22.5	72.5
BSc/HND	15	18.7	18.7	91.2
Pgd/Msc	7	8.8	8.8	100.0
Total	80	100.0	100.0	

Source: field survey Feb, 2025

During the study period, 25.0% of the workers had a Trade Test, 25.0% were in the NABTEB/WAEC category, 22.5% were in the ND/NCE category, 18.7% had an HND/BSc, and 8.8% had a PgD/MSc, according to the statistics above.

Table 4: Position Held

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid senior	20	25.0	25	25
junior	50	62.5	62.5	87.5
Admin	10	12.5	12.5	100.0
Total	80	100.0	100.0	

Source: field survey Feb, 2025

The aforementioned data indicates that throughout the study period, 12.5% of the employees were administrative staff, 62.5% were junior staff, and 25.0% were senior staff.

Table 5: ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	624.156	3	208.052	49.406	.000 ^b
Residual	320.044	76	4.211		
Total	944.200	79			

a. Dependent Variable: Employees Loyalty

b. Predictors: (Constant), Employees Awareness Benefits, Claims Process Efficient, Company Culture

Table 4 above displays the regression sum of squares of 624.156, which represents the variation explained by predictors with respect to the dependent variable, employee loyalty. The residual sum of squares of 320.044, which shows the variance not explained by the model, suggests other factors that might affect the dependent variable. The F value, 49.406, indicates the ratio of the variation explained by the model to the variance that cannot be explained. The significance value of 0.00 indicates that the regression model is statistically significant. Because the p-value is less than 0.005, we reject the null hypothesis. According to the result, there is compelling evidence that the predictor makes a substantial contribution to the dependent variable.

Table 6: Model Summary

Model	R	R-Square	Adjusted R Square	Std. Error of the Estimate
1	.813 ^a	.661	.648	2.05210

a. Predictors: (Constant), Employees Awareness Benefits, Claims Process Efficient, Company Culture

Assumption 1 Goodness of Fit: Table 5 above shows the coefficient of determination R^2 value of 0.661. This indicates that about 66.1% of the variation in employee loyalty may be explained by the effectiveness of the claims procedure, employee awareness of benefits, and company culture. The model's power is also indicated by the R^2 value; the closer it is to one, the better the result, claim Tabachnick and Fidell (2007). The adjusted R^2 showed that, after adjusting for the degree of freedom, the model could explain around 64.8% of the systematic variance in employee loyalty.

Table 7: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.936	.641		-1.460	.008
Claims Process Efficiency	.519	.129	.419	4.039	.000
Company Culture	.639	.131	.285	2.589	.012
Employees Awareness Benefits	.624	.121	.193	1.842	.029

a. Dependent Variable: Employees Loyalty

Coefficient of the variables: The constant's value of 2.936 indicates that all other variables are held constant. The loyalty of employees will increase by 2.936. According to the Claims process efficiency of 0.517 coefficient value, employee loyalty will rise by 0.517 for each unit improvement in Claims process efficiency. Company Culture's coefficient value of 0.639 means that for every unit increase in company culture, employee loyalty will increase by 0.639. Lastly, the coefficient value of 0.624 for employees' awareness of benefits indicates that for every unit rise in employees' awareness of benefits, there will be a 0.624 increase in employees' loyalty.

T-test: Most of each study's predictions should be significant on their own. An effective method for determining meaningful correlations between variables is the t-test. If the t-statistics p-value is less than 5 percent (0.05), the alternative hypothesis can be accepted and the null hypothesis rejected. Otherwise, we do the exact reverse. The criteria included in the study have a big impact on employees' loyalty. The model shows a probability value of 0.000, 0.012, and 0.029 for each predictor. This implies a significant impact on employees' loyalty. These results imply that employee loyalty in Nigerian transport companies is significantly influenced by the effectiveness of the claims process, company culture, and benefit awareness. This will undoubtedly have an impact on the profitability growth of the transport companies and result in low employees' productivity and poor employees' retention.

Findings, Conclusion and Recommendations

The findings of the study discovered that the predictors significantly affected employee retention. The study suggests that stakeholders implement comprehensive insurance coverage for employees

to provide peace of mind regarding their health and financial stability. This will increase employees' loyalty and willingness to stay with the company and create a favorable work environment for employees with positive retention power in the transportation organization.

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