

EXECUTIVE SUMMARY

This report delivers the key findings and methodology of employee engagement survey conducted in 2018 by the Postgraduate Institute of Management, University of Sri Jayewardenepura, for companies in Finance Industry within Sri Lanka. This will generate wider level of analysis on “employee engagement” in the industry under review as the chosen industries are facing many engagement and work related issues with new working styles or patterns prevails in the 21st century. Under the Finance Industry, Insurance, Banking and Leasing companies are taken into consideration throughout the survey.

Numbers of researches have been done by different individuals and agencies shows strange findings. According to Gallup Management Journal’s Biannual Employee Engagement Index displays that only 29% of employees are energetically involved in their jobs, while 54% are not engaged and 17% disengaged. Under application of employee engagement different EE models and surveys discussed including Gallup Q12 model, AON Hewitt (Hewitt Associates LLC, 2004), Hay Group EE survey and SHRM. Most of the finance related companies in the country spend time and effort getting to recognize its employees, financing on their wellbeing and targeting to keep them effective and loyal to the company. For any company engaged employees are a treasured asset, they’re extra productive, get fewer days of sick leave and deliver extra mile expected by the company. However, the level of engagement expected through investment on intellectual is much less than original expectation. (Gallup, 2013)

According to McKinsey’s Global Institute (2011) Finance sector including retail banking, Insurance and leasing has contributed 17% to the global economy and this sector is well known as the most vibrant industry on the globe. Unlike most of the banking, leasing and finance sectors of many other countries in the Asian region, Sri Lankan banking, leasing and finance sectors has grown from strength to strength over the last decade and is now positioned on a sound platform. Sri Lankan Insurance industry is still at an early stage of the Industry life cycle regardless of the growth momentum in recent years. Despite low penetration, total insurance premium income over the last five years has witnessed higher growth relative to GDP growth of the country with total industry assets growing at a 14% CAGR annually (IBSL Annual report, 2015).

The Survey Instrument was developed by the MBA/15 batch and verification was done by them. They have proved the accuracy of the instrument by successfully analyzing the employee engagement in 2016. Circulated questionnaire amongst the companies contains 24 questions. Six members in this industry survey team accepted to measure employee engagement in three different industries covering FMCG, Finance and Polymer industries. The total population covered under the survey was 18,349 out of which 12,189 samples were collect with the rejected samples of 727 having average respond rate of 66.4%. The team number 2 who covered the Finance Industry reached to population of 4,500 and collected 4,125 with the response rate of 91.6%. All data collected through questionnaires were primarily entered and recorded in Microsoft Excel. Further note, the central analysis of the recorded data was performed using MS Excel 2013 version to deliver more graphical analysis in Finance Industry.

The relationship between business performance and Employee Engagement drivers were examined using five key engagement drivers and three moderators found out through the research of 2016 survey mainly job meaningfulness, employee confidence, identification with organization, identification of leader and the leader member relationship. The meaningful data analysis and presentation were exhibited as frequencies, percentages, tables and charts to give a clear understanding about the survey findings. As per the findings, financing industry is lacking employee engagement in “Leader Member Relationship” with a rating of 3.86.

The survey had an objective of providing recommendations to Finance Industry on the alarming areas with lack of employee engagement. Suggested recommendations include routine leadership development programs, Employee retention plan, and transparent performance management system through a link to an online dash board and develop confidence level of leaders.