Digital Transformation During Covid-19 Pandemic at Union Assurance PLC, Kurunegala: Exploring Employee Motivational Factors

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ABSTRACT

This study's main purpose is to identify the factors affecting employee motivation during the digital workplace transformation at Union Assurance PLC, Kurunegala during COVID-19 pandemic since most of the Sri Lankan businesses implemented virtual platforms in their business processes during that period to continue their processes. This study's research philosophy is positivism, focusing on quantitative data and a deductive approach. A survey was circulated among the total population of 120 and collected 100 responses from the sample using simple random sampling, using the Likert scale of data measurement. Collected data was analyzed through SPSS software and findings showed that workplace stress, employee engagement, salary and incentives, and company culture all directly affect employee motivation. Since there was a tremendous demand for health insurance during the pandemic period, employee motivation was a crucial factor to meet the continued demand. Moreover, the company was able to build on its strengths and remain strong during the COVID-19 era's uncertain economy because of maintaining the employee motivation at an optimum level. Though this study was limited to employees of Union Assurance PLC, Kurunegala, it offers a theoretical framework for strategic decision-making related to the insurance sector during times of crisis. These results highlight how important employee motivation is for adjusting to the higher demand for health insurance following COVID-19 and improving operational effectiveness. Additionally, the research emphasizes how important it is to manage workplace stress, employee engagement, salary and incentives, and company culture; by identifying these factors, organizations such as Union Assurance PLC will be better equipped to handle the uncertainties when operating in crises situations.

Keywords **– Employee Motivation, Workplace Stress, Employee Engagement, Salary and Incentives, Company Culture.**

1. INTRODUCTION

Digital workplace transformation is a new experience for the employees in every sector of business in Sri Lanka (Thileepan & Raveendran, 2022). Union Assurance PLC is a leading insurance-providing firm in Sri Lanka that has served millions of Sri Lankans over the years (Union Assurance, n.d.). After the COVID-19 pandemic firm wanted to continue the business processes as usual despite the pandemic. So, Union Assurance PLC shifted to virtual platforms which created a digital workplace transformation within the organization. Digital workplace transformation permits employees to meet physically, and all the activities related to their job role are performed via online platforms such as video conferencing and group chat applications (Selimović et al.,2021). Union Assurance PLC, a company always promotes innovation has adapted to this transformation and has conducted its operations successfully though there is an ongoing pandemic.

Though there are virtual platforms used in rare cases, it was not used by most businesses. However, because of the COVID-19 pandemic, it became normal in Sri Lanka (Fairooz & Wickramasinghe, 2019). Because Digital Workplace Transformation is a novelty for the labor force in Sri Lanka, it affected their motivation levels of them and several factors indirectly affected employee motivation. The main purpose of this project is to identify how Workplace stress, Workplace engagement (Relationship with co-workers), Salary and Incentives, and Company Culture impact the Employee Motivation of the employees in Union Assurance, Kurunegala with the Digital Workplace Transformation.

2. LITERATURE REVIEW

This paper analyses the importance of digital transformation in current company contexts, particularly considering the COVID-19 epidemic, which has expedited the transition to digital workplaces. The use of digital technology is emphasized as an important technique for improving corporate operations, staff motivation, and overall organizational efficiency. The study delves deeper into four main aspects impacting employee motivation throughout this transformation. Namely workplace stress, engagement, remuneration and incentives, and workplace culture. Workplace stress is considered as a detriment to motivation, whereas engagement, competitive salary, and a healthy workplace culture are viewed as enhancers. The study intends to examine these elements using specific hypotheses, with the ultimate goal of understanding their influence on employee engagement throughout Union Assurance PLC's digital workplace transformation during the pandemic.

Digital transformation is now one of the most popular topics in information systems research. Existing research in this area is mostly on the digitisation of business models and its implications for the economy and society (Meske & Junglas, 2021). Remote working or digital workplace was a concept that was used limitedly by business firms. But due to the acceleration of the COVID-19 pandemic society was restricted to go out and motivated to stay in their homes. As a result, to continue the business processes in

the pandemic era, the concept of digital workplace transformation was put forward by most firms. This helped those firms to operate even in the pandemic situation despite all the challenges (Thileepan & Raveendran, 2022).

Digital workplace transformation is now an imperative must for most organizations. Due to the COVID-19 pandemic, this necessity arose rapidly. Digital technology is utilized in the digital transformation process to either construct or change critical business operations (Meske & Junglas, 2021). This strategic application of digital technology may completely revolutionize the processes of the firm, the way that the company addresses client demands, efficiency, productivity, and, most importantly, employee motivation (Meske, 2019). Employee motivation is impacted by a variety of elements, but at its core, it refers to what workers feel, encounter, and see during their employment with a company (Schwarzmüller et al., 20218). Considering all the factors that determine how an employee describes their workplace at a social instance if the company get the employee motivation right, the company will be more likely to recruit and retain top people, as well as get the most out of its staff through successful Digital Workplace Transformation (Colbert et al., 2016).

2.1 Workplace Stress

Workplace stress is described as the adverse physical and mental responses that arise when the job requirements do not meet the worker's talents, resources, or demands. Work stress has developed as a significant and focused subject in modern businesses. It is regarded as a significant phenomenon impacting organizational health as well as the health of its individuals (Luo, 1999). Due to tight work schedules and workload resulting from remote working, workplace stress can be generated. Workplace stress results in a variety of psychological disorders such as rage, melancholy, anxiety, impatience, and tension (Saleem et al., 2015). Employees may feel discouraged and may feel not be convinced about their job roles. This creates an inefficiency within the firm, which finally results in lowering the employee motivation of the firm.

2.2 Workplace Engagement

Workplace engagement or the relationship between co-workers helps a company to work collaboratively. It guides the company’s staff towards the same goal on the same path (Taris, 2023). Creating a work environment where team members are engaged is the key to unlocking an employee's full potential. It will encourage employees and increase their morale levels. Moreover, engaged employees build work relationships and believe in the broader purpose, it creates job satisfaction and encouragement to perform their job roles well which finally increases employee motivation (Chinyamurindi & Tsvangirai, 2019).

2.3 Salary and Incentives

While compensation must be competitive, the most probable driver of recruiting and retaining the top staff is incentives. Salary is monetary and incentives can be both monetary and non-monetary. Both salary and incentives encourage employees and

convince them to work efficiently and effectively (Asaari et al., 2019) To fulfil the needs and wants of the people of the society, finances are an essential factor. Since the wants of the people are complex and can be created by businesses, wants are increasing day by day. So, employees' productivity and morale can be increased by giving a considerable number of salaries and incentives (Kilnytska et al., 2020). Therefore, salary and incentives directly impact employee motivation.

2.4 Workplace Culture

Leadership, management, workplace practices, rules, people, and other factors all have a substantial effect on culture. A healthy work environment attracts talent, encourages engagement, and influences the joy and commitment of employees (McGregor & Doshi, 2015). Furthermore, a high-performing culture optimizes its people's sense of play, purpose, and potential while minimizing emotional strain, economic pressure, and lethargy. This is referred to as complete motivation. Also, an unhealthy workplace culture demotivated employees and reduces the productivity of the firm (Yusof et al., 2016).

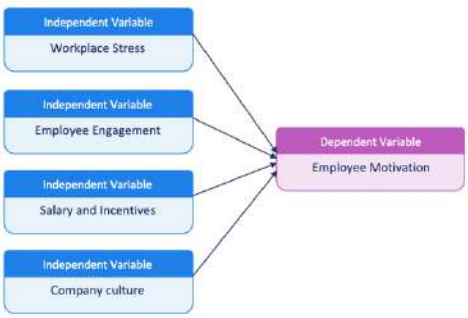


Figure 1. Conceptual Framework.

2.5 Research Hypothesis

Hypothesis 1 – Testing the relationship between Workplace stress and Employee motivation

H_a1 – There is a relationship between Workplace stress and Employee motivation

H_o1 – There is no relationship between Workplace stress and Employee motivation

Hypothesis 2 – Testing the relationship between Workplace engagement and Employee motivation

H_a2 – There is a relationship between Workplace engagement and Employee motivation

H_o2 - There is no relationship between Workplace engagement and Employee motivation

Hypothesis 3 – Testing the relationship between Salary and incentives and Employee motivation

H_a3 – There is a relationship between Salary and incentives and Employee motivation

H_o3 - There is no relationship between Salary and incentives and Employee motivation

Hypothesis 4 – Testing the relationship between Workplace culture and Employee motivation

H_a4 – There is a relationship between Workplace culture and Employee motivation

H_o4 - There is no relationship between Workplace culture and Employee motivation

The effects of Workplace stress, Workplace engagement (Relationship with co-workers), Salary and Incentives, and Company Culture are tested by the hypotheses. The influence of each aspect on the perceptions of the participants is investigated; alternative hypotheses (H_a) propose an effect while null hypotheses (H_o) imply no effect. The purpose of the study is to determine which factors have a major impact on Employee Motivation During the Digital Workplace Transformation at Union Assurance PLC, Kurunegala During COVID-19 Pandemic. Accordingly, there is a significant effect of independent variables on the dependent variable, which results in acceptance of all alternative hypotheses (Ha).

2.6 Research Questions

RQ 1 – Is there an effect of Workplace stress on Employee motivation?

RQ 2 – Is there an effect of Workplace engagement on Employee motivation?

RQ 3 – Is there an effect of Salary and incentives on Employee motivation?

RQ 4 – Is there an effect of Workplace culture on Employee motivation?

3. METHODOLOGY

3.1 Theoretical Stance, Data Collection Method, and Instruments

The research philosophy utilized in this study is positivism, which thinks that reality is constant and can be viewed and described objectively, not interfering with the events being researched. This quantitative study was conducted using a deductive approach to come to conclusions referring to the previous research since. surveys were used as the strategy to collect primary data using the Likert scale as the data measurement technique. Annual reports were used as the secondary internal data collection technique to get pre analysed and accurate data for the study. Further, a cross-sectional time horizon is used to collect data because the research should be completed within a limited time. Such that, it does not require to use longitudinal time horizon because the research was not continued for a longer period (Saunders et al., 2009). Collected data was analysed through SPSS software using descriptive and correlations data analysis techniques to come to conclusions.

3.2 Sampling Framework

In Union Assurance PLC, Kurunegala there are roughly 120 employees who are currently working in the firm. As the population, the author considered all employees for this study. According to the "Morgan Table," the ideal sampling for this population is 92. Accordingly, the author collected 100 survey responses from the employees of the company using simple random sampling, which is a probability sampling technique for this study. By that, the author was able to give a chance to employees of every level to take part in the selected sample through randomization.

Further, the researcher was able to collect data with the full consent of the research participants. They have not been subjected to any harm and their dignity and anonymity are ensured. Also, the confidentiality of the collected data and the transparency of the communication process is also ensured

which leads to ensuring research ethics during the research.

4. RESULTS AND DISCUSSIONS

4.1 Demographical Data Analysis

The gender distribution of the organization depicts that 72% of the total sampling was males, which is the majority, and the rest were females which is 28% of the total population. However, with compared to the male population the female population is considerably low. Most of the population is between 39-48 years of age range which is 37% and the lowest population lies between 18-28 years of age range which is 5%. Moreover, ranges of 29-38 years, 49-58 years and Above 58 years are 32%, 8%, and 18% respectively. Here is the company the aged population is high with compared to the young age population.

The income range of above Rs.100,000 is the majority of the population which is 27% as per the above figure. It became the majority by a change of 1% with the Rs.20,000 – Rs.40,000 range (26%). The lowest population lies between Rs.60,001 – Rs.80,000 and below Rs.20,000, which is 4%. Rs.80,001 – Rs.100,000 and Rs.20,001 – Rs,60,000 have percentages of 22% and 17% respectively. According to the distribution the company pays good compensation to all its employees.

Accordingly, the majority of employees have over 5 years of experience within the organization which is 32%. The lowest percentage which is 17% has below 1 year of experience. Further, 1 – 3 years and 3 – 5 years ranges have percentages of 31% and 20% respectively. This data depicts that Union Assurance PLC, Kurunegala employees are more likely to be retained in the company and the employee turnover is very low. Because there is a high percentage of employees (83%) who have more than 1 year of experience within the company.

4.2 General Data Analysis

Best incentive preferred by the employees is salary advancement, which is 56%. The lowest percentage of 4% prefers other incentives rather than the given incentive types. Appreciation and recognition, a healthy working environment and promotions are preferred by 16%, 15% and 9% respectively

The majority of the employees have stated that their company culture is based on teamwork which is a decent amount of 98% of the considering sample. Only 2% said that the company culture is based on once own opinion, which is a very low percentage. Therefore, the company has a democratic and healthy company culture.

4.3 Descriptive Analysis

Descriptive Statistics

	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Skewness Std. Error	Kurtosis Statistic	Kurtosis Std. Error
Workplace_Stress	100	1	5	3.92	.872	-.774	.241	1.377	.478
Workplace_Engagement	100	1	5	3.98	.853	-.860	.241	.495	.478
Salary_and_Incentives	100	1	5	3.66	.924	-.444	.241	.122	.478
Company_Culture	100	1	5	4.01	.859	-1.014	.241	1.954	.478
Employee_Motivation	100	1	5	3.84	.890	-.411	.241	-.300	.478
Valid N (listwise)	100								

Figure 2. Conceptual Framework.

As per Figure 2, the feedback was distributed from 1-5 in every variable and the mean value of company culture is 4.01, it depicts that company culture affects employee motivation above the moderate/neutral level. Workplace stress, workplace engagement, and salary and incentives have mean values of 3.92, 3.98, and 3.66 respectively. That depicts these

independent variables affect employee motivation at a moderate level. So, we can conclude that every independent variable here affects employee motivation.

A symmetric distribution of Skewness lies in the range of -2.0 to 2.0, where all the variables lie within that range. So, all variables show a symmetric distribution according to the above figure 2. Here workplace stress and company culture show a high positive Kurtosis value and other variables show a positive to a negative distribution of Kurtosis value. So, this depicts an approximately normal distribution.

4.4 Reliability Analysis

Reliability Statistics

Cronbach's Alpha	N of Items
.954	6

Figure 3. Reliability Analysis.

Cronbach's alpha is the most often used internal consistency metric. It is most typically used in Likert scale surveys to measure reliability. Good reliability lies between 0.8 and 0.95. Here, Cronbach's alpha is 0.954, this indicates a high level of reliability in the data set. So, this can be used for further analysis as well.

4.5 Correlations Analysis

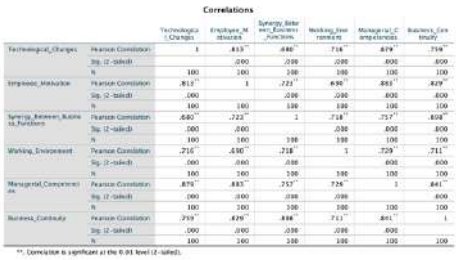


Figure 4. Correlations Analysis.

Pearson Correlation bivariate assesses the direction and strength of linear correlations between two continuous variables. Here all variables show a significant 0.000 value (p-value). Since the value is below the significant alpha value (0.001) all the independent variables highly affect the dependent variable.

The study demonstrates that all independent variables workplace stress, workplace engagement, salary and incentives, and company culture have a considerable impact on employee motivation. The descriptive analysis reveals that these characteristics influence motivation at least moderately, with business culture having the greatest impact. The reliability analysis reveals a high Cronbach's alpha of 0.954, indicating great internal consistency in the data. Furthermore, the Pearson Correlation analysis confirms the strong association between the independent factors and employee motivation, indicating that the findings are robust and reliable for further investigation and implementation.

5. LIMITATIONS

This study was limited to employees of Union Assurance PLC, Kurunegala. Which is a branch in the wider network of the Union Assurance PLC. Further the population is also very low with compared to the number in the Insurance sector. Although the study has above limitations, through reliable data collection and finding the correct target audience through the sampling technique offers a theoretical framework to generalise the findings of the research.

Also, this study has been conducted using a reputed company and with an educated and

proper sample this study result can be applied to any circumstance which leads for strategic decision-making related to the insurance sector during times of crisis.

6. CONCLUSION

Remote workplace or the "Digital Workplace Transformation" has affected the motivation of employees who are employed in Union Assurance PLC, Kurunegala. Since working online is the only option, employees had to adapt to this novelty.

According to the demographics data, employees are getting a good amount of salary and employees are more likely to be retained in the company. Also, they are getting both monetary and non-monetary incentives like salary advancements, promotions, appreciation & recognition, and a healthy working environment as motivators. The company culture is also based on teamwork which again motivates them to work and there is a low employee turnover. So, here the company was able to motivate its employees successfully.

According to the analytical data obtained through SPSS software, the research findings are reliable and all the independent variables namely workplace stress, workplace engagement, salary and incentives and company culture have affected employee motivation of employees through the process of digital workplace transformation.

Further, according to the latest annual reports the company has obtained a 48% growth in profit from operations though there was COVID-19 (Union Assurance PLC, 2021). Such that, employees of the company have adapted to Digital Workplace Transformation successfully and have worked with great motivation to bring success to the organization. Also, the company has motivated employees to adapt to remote working by identifying the factors affecting employee motivation and was able to encourage them to work with great motivation.

7. RECOMMENDATIONS

Gender distribution is not that good in the organization. So, the company should increase the female population by at least up to 35% by recruiting more females in the recruiting process (Elliott & Smith, 2004). Also, the company should increase the young age population and it will help the company to increase productivity as well. The company should maintain its excellent compensation policy, work environment, and company culture as it is. If the company wants to motivate employees, it can use Salary advancement mostly. Because of the majority like salary advancements as an incentive. Moreover, the company should maintain its low employee turnover to retain talented employees.

Furthermore, to keep the motivation levels of the employees high the Union Assurance can make use of the Independent Variables as follows by considering the results from the SPSS analysis, workplace stress is a very crucial factor to consider. High workplace stress can cause low employee motivation. So, the company must aid its employees in managing their workplace stress by assigning an appropriate amount of work and giving them manageable working hours (Teasdale, 2006). Workplace engagement is

highly significant according to the analysis of the coefficients. So, the company should offer its employees a chance to engage with their co-workers and should maintain an enjoyable workplace for its employees (Kohntopp & McCann, 2020). Salary and incentives are also significant according to the analysis of the coefficients. Therefore, the company should give its employees an adequate salary for their effect and should give incentives to appreciate their extra effort (Tampu & Cochina, 2015). Healthy Company culture should also be maintained by respecting and considering the ideas of employees and by making them feel valued. Also, the company should provide learning and development opportunities to its employees as well (Roos & Van Eeden, 2008).

Union Assurance PLC, Kurunegala's excellent adaption to Digital Workplace Transformation demonstrates the company's capacity to overcome significant hurdles while keeping employees motivated amid the COVID-19 pandemic. By identifying and addressing important elements influencing employee motivation, such as workplace stress, engagement, salary and incentives, and company culture, the organisation was able to create an atmosphere in which employees felt valued and supported despite the change to remote work. This strategic approach not only reduced the potential negative effects of workplace stress, but also increased the advantages of a strong, unified work culture and competitive remuneration.

The company's astounding 48% increase in operating profit during a period when many firms fought to stay afloat demonstrates the strong link between these elements and employee enthusiasm. Furthermore, low staff turnover and excellent retention rates show that Union Assurance PLC's efforts to build a friendly and engaging digital workplace were effective. Employees not only adapted to the new working circumstances, but also flourished, contributing considerably to the company's growth. Finally, the instance of Union Assurance PLC demonstrates how a well-executed Digital Workplace Transformation may result in increased employee motivation and, eventually, organisational success.

By putting its employees' interests and well-being first, the firm not only weathered the epidemic but emerged stronger, setting a standard for the industry. Further the company has maintained its success and the reputation that has gained through the hard work of many people in the past years if the company have motivated employees. Because in any company employees are the key factor that drives the company toward its end goal.

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