SERVICE CLIMATE AND SERVICE ORIENTATION OF EMPLOYEES IN INSURANCE COMPANIES IN MATALE DISTRICT

YAMAN GEDARA SACHIRA MAHESH UDAWATHTHA

Department of Management

Faculty of Commerce and Management

Eastern University, Sri Lanka

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ABSTRACT

Nowadays, service sector plays a tremendous role in developing economics such as Sri Lanka, India and Pakistan. In Sri Lankan context, more than 60 percent of GDP is contributed by service sector. Among the various services, insurance industry has been providing a major contribution for the service sector. Therefore, Sri Lankan insurance field is highly competitive in nature and insurance companies must have to retain and recruit effective workforce in order to achieve their defined objectives and to stay stable in the market. Insurance policy lapses is one of major criticism that faced by Sri Lankan insurance companies. Higher rate of insurance policy lapses is an indication of low customer satisfaction. There are so many controversial factors that will affect to the low customer satisfaction. Among those factors, lack of service orientation of insurance sector employees is an important factor. So, insurance companies have to increase their employees' service orientation to increase their customer satisfaction. Many researchers agreed that service climate greatly influence service orientation. The purpose of this research is to examine the impact of service climate on the service orientation of employees in insurance companies. So, the researcher has selected 200 employees who employed in insurance companies in Matale district. The instrument of this study was a set of questionnaire which consists with service climate, service orientation criteria and personal information.

The results show that the level of service climate and service orientation was in high levels in selected insurance companies in Matale. Overall finding from this study is identified that, there is a positive relationship between service climate and service orientation. Lastly, the regression analysis between service climate and service orientation indicated that 44.3% of total variance of service orientation is explained by service climate in selected insurance companies in Matale district. So, Service climate has impact on employees' service orientation in insurance companies in Matale district. Finally researcher has recommended that insurance firms in Matale district should maintain better service climate in order to maintain better service climate.

Key Words: *Service Climate, Service Orientation, Customer Orientation, Managerial Support, Work Facilitation, Customer Focus, Prior Customer Relationship, Organizational Support, Service under Pressure.*

CONTENTS