Impact of Work Culture on Employee Engagement

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Abstract:
This research aims to identify the impact of work culture on employee engagement in service sector organization. Employee engagement is measured by the dedication and commitment shown by employee towards work and the organization under which the work is carried out. Prior research shows that an engaged employee increases the on-the-job performance of the employee which is the desired outcome of all organizations and incur investment in employee training and engagement activities and hence this research would be focused on identifying the impact of work culture on employee engagement. The study had used en empirical cross sectional methodology to identify the impact in a service organization for this purpose. The outcome of the research indicates a significant impact of work culture on employee engagement metrics used. Based on the outcome suggestions to improve the organizational culture also have been given.

Keywords: *Work Culture, Employee Engagement, Engagement Metrics.*

Introduction

The concept of Employee Engagement was first put forth by Kahn(1990) . As per Kahn, engagement is defined as the harnessing of organization members' selves to their work roles. Employees are housed in various roles designed for better functioning of organization. The level of role fitment needs personal commitment and engagement of individuals in to the assigned roles. In an engaged state people express themselves and execute work physically, emotionally and cognitively. In a competitive globalized work environment organizations will be able utilize the employees engagement in a suitable manner to get the best out of them.

To enable employee engagement, organizations need knowledge of drivers of work engagement. Though job resources are considered as the important predictors of work engagement (Bakker, Demerouti, & Sanz-Vergel, 2014), some

studies have considered a contextually broader factor measured in higher level of organization for prediction of work engagement (Bakker, Albrecht, & Leiter, 2011).

Though the organizational culture as a field of research has received great attention from scholars since Kahn(1990), attention has been confined to the performance outcomes at the organizational level and minimum amount of empirical investigations have focused on phenomena such as the relationship between organizational culture and employee level engagement related outcomes as evidenced by Hartnell, Ou, & Angelo(2011).

Even though organizational culture is thought to be important in shaping employee related factors, research to identify that the employee engagement is affected by organizational culture is limited. Likewise, the work engagement related research literature has been insisting on investigating

broader contextual factors that impact on work engagement (Bakker et al., 2011).

Literature Review

The literature review is focused on literature that conceptualizes employee engagement, organizational culture types based on the renowned Competing Values Framework which forms the basis for the present research.

Concept of Employee Engagement

The use of new technologies, skilled manpower, benchmark practices, and technical education has helped to increase the efficiencies in many organizations. However, the widespread disengagement of employees who have lowered productivity since the financial meltdown in 2008 have affected the financial performances of many organizations (Purcell, 2014). The life of an organization is increasingly affected by employee engagement, which has become a factor on the financial performance of the organization (Bersin, 2014). At the same time, improved employee productivity had a positive effect on organization productivity and financial performance is getting determined by employees' efforts and engagement (Musgrove, Ellinger, & Ellinger, 2014) .

Competing Values Framework of Organization Culture

Quinn and Rohrbaugh (1983) had derived the Competing Values Framework from sorting organizations effectiveness criteria according to value dimensions aligned to three axes. These three dimensions, named as focus, structure and means-ends, reflects the most basic and competing concepts in any organization. The first dimension is about organizational focus and differentiating between an internal emphasis on well-being and development of employees from an external emphasis of the organization itself in relation to the competing market. The second value

dimension, named as structure, differentiates between an organization's focus on stability with emphasis on flexibility. The last value named dimension is related to the organizations means and ends, and consisting of behavior (means) through which the organization will ideally achieve stated or desired outcomes, or established effectiveness criteria (ends) (Hartnell, Ou, & Kinicki, 2011). The nature of each of these cultures are described in the table 1 below.

Table 1 Characteristics of Competing Values Framework Cultures

S.No.	Name of Culture	Characteristics
1	Clan	Employee development, teamwork, collaboration, trust and commitment
2	Adhocracy	Innovativeness, encouraging creativity, autonomy, variety, challenging and stimulating work
3	Hierarchy	structure, procedures, efficiency, formal rules, policies and procedures
4	Market	competitiveness, aggressiveness, achievement-orientation, reliance on rules, and centralized decision-making

Source: Research Data

From these literatures we find that though the concept of organizational culture is important to shape individual employees values and behaviors, hardly much attention has been paid in past research on the topic of culture types and their effect on employee engagement. Hence this study has been devised to understand the effect of work culture on employee engagement.

Methodology

A broad understanding of impact of important factors that impact employees' engagement

behavior is important for the organizations so as to effectively utilize those factors under their control to shape their employees engagement. One of the contextual factor that is a predictor of employee engagement is the organization's work culture. This study had examined four types of organizational culture that facilitates engagement of employees and based on the review of past literature it was hypothesized that relationship between employee engagement and organizational culture differs based on the type of organizational culture. Further a structured cross sectional descriptive study had been carried out with employees in service sector, especially in retail, health, bank and insurance sector. Sampling was done based on convenience though care had been taken to ensure that a cross section of employees in multiple levels, gender, age group, experience, education etc. are covered in the sample to represent the target population as much as possible. Finally 336 responses were used to analyze for the study.

Research Hypotheses

The hypotheses were based on the research model, where the constructs for organization culture were Openness, Confrontation, Trust, Authenticity, Proactiveness, Autonomy, Collaboration and Experimentation present in the organization. Similarly the constructs for Employee Engagement were Enthusiasm and Energy, Motivation and Pride, Dedication and Positivity, Trust and Integrity, Relationship with coworkers, Performance and commitment, Career growth and development opportunities in the organization gathered as the respondent's opinion in Likert's scale. The overall hypothesis was that different organization cultures identified under 4 categories, namely Clan, Adhocracy, Market and Hierarchical cultures impacts employee engagement.

Findings

The data was analyzed for data consistency and reliability of questionnaire which including checking the collected data for normality so as to take up parametric tests. The key finding is based on the ANOVA test the results of which are presented in table 2 and table 4 below.

Table 2 : Descriptive Analysis of cultures and Employee Engagement

		N	Mean	Std. Deviation	Std. Error	95%Confidence Interval forMean		Minimum	Maximum
						Lower Bound	Upper Bound		
Enthenergy	Clan	90	15.5333	2.90370	.30608	14.9252	16.1415	7.00	20.00
	Adhocracy	76	16.1842	3.69400	.42373	15.3401	17.0283	4.00	20.00
	Hierarchy	88	16.6136	2.94170	.31359	15.9903	17.2369	9.00	20.00
	Market	82	15.7195	2.10979	.23299	15.2559	16.1831	13.00	20.00

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		N							
	Total	336	16.0089	2.96697	.16186	15.6905	16.3273	4.00	20.00
	Clan	90	11.3111	2.56880	.27078	10.7731	11.8491	7.00	15.00
	Adhocracy	76	12.2105	2.43483	.27929	11.6541	12.7669	4.00	15.00
Motpride	Hierarchy	88	10.6818	2.31708	.24700	10.1909	11.1728	7.00	15.00
	Market	82	11.7073	1.80867	.19973	11.3099	12.1047	5.00	15.00
	Total	336	11.4464	2.36077	.12879	11.1931	11.6998	4.00	15.00
	Clan	90	7.6444	1.60274	.16894	7.3088	7.9801	5.00	10.00
	Adhocracy	76	7.8158	1.67897	.19259	7.4321	8.1995	4.00	10.00
	Hierarchy	88	6.5682	1.77334	.18904	6.1924	6.9439	3.00	10.00
Dedcpost	Market	82	6.5366	2.13261	.23551	6.0680	7.0052	4.00	10.00
	Total	336	7.1310	1.89125	.10318	6.9280	7.3339	3.00	10.00
	Clan	90	15.2889	3.26109	.34375	14.6059	15.9719	7.00	19.00
Trustintgrt	Adhocracy	76	16.8816	2.82355	.32388	16.2364	17.5268	7.00	20.00
	Hierarchy	88	15.6364	3.07822	.32814	14.9842	16.2886	11.00	20.00
	Market e	82	15.7439	2.98064	.32916	15.0890	16.3988	4.00	20.00
	Total	336	15.8512	3.09191	.16868	15.5194	16.1830	4.00	20.00
	clan	90	22.6000	6.56309	.69181	21.2254	23.9746	7.00	30.00
	adhocracy	76	23.5658	3.43835	.39441	22.7801	24.3515	14.00	28.00
Relatcowor	hierarchy	88	24.1364	2.67462	.28512	23.5697	24.7031	20.00	28.00
	Market	82	21.1951	4.01368	.44324	20.3132	22.0770	14.00	29.00
	Total	336	22.8780	4.59136	.25048	22.3853	23.3707	7.00	30.00
	clan	90	12.0222	1.50637	.15879	11.7067	12.3377	9.00	14.00
	adhoc	76	12.6184	2.16004	.24777	12.1248	13.1120	6.00	15.00

		N	Mean	Std. Dev	Std. Error	Lower	Upper	Min	Max
Perfcomt	hierarc	88	9.8636	2.89741	.30886	9.2497	10.4775	4.00	14.00
	Market	82	11.2683	2.75792	.30456	10.6623	11.8743	3.00	15.00
	Total	336	11.4077	2.59456	.14155	11.1293	11.6862	3.00	15.00
	clan	90	11.8222	2.16498	.22821	11.3688	12.2757	7.00	15.00
	adhoc	76	11.7895	2.35692	.27036	11.2509	12.3281	8.00	15.00
Cargrowth	hierarc	88	10.4545	2.26370	.24131	9.9749	10.9342	6.00	15.00
	Market	82	11.3171	2.22709	.24594	10.8277	11.8064	3.00	15.00
	Total	336	11.3333	2.30940	.12599	11.0855	11.5812	3.00	15.00
	clan	90	96.2222	17.14038	1.80676	92.6322	99.8122	52.00	121.00
	adhoc	76	101.0658	15.80239	1.81266	97.4548	104.6768	47.00	119.00
Eetotal	hierar	88	93.9545	14.28761	1.52306	90.9273	96.9818	74.00	120.00
	Market	82	93.4878	12.81419	1.41509	90.6722	96.3034	51.00	116.00
	Total	336	96.0565	15.33467	.83657	94.4109	97.7021	47.00	121.00

Source: Research Data

And the results of ANOVA are captured as where the culture group variations in mean were captured.

Table 3: ANOVA Results

		Sum of Squares	df	Mean Square	F	Sig.
enthenergy	Between Groups	61.740	3	20.580	2.366	.071
	WithinGroups	2887.233	332	8.696		
	Total	2948.973	335			
Motpride	Between Groups	103.049	3	34.350	6.465	.000
	WithinGroups	1763.987	332	5.313		
	Total	1867.036	335			
Dedcpost	Between Groups	116.214	3	38.738	11.886	.000
	WithinGroups	1082.024	332	3.259		
	Total	1198.238	335			
	Between Groups	114.151	3	38.050	4.090	.007

			df		F	Sig.
Trustintgrt	WithinGroups	3088.409	332	9.302		
	Total	3202.560	335			
	Between Groups	414.484	3	138.161	6.900	.000
Relatcowor	WithinGroups	6647.513	332	20.023		
	Total	7061.997	335			
	Between Groups	356.789	3	118.930	20.799	.000
Perfcomt	WithinGroups	1898.351	332	5.718		
	Total	2255.140	335			
	Between Groups	105.305	3	35.102	6.931	.000
Cargrowth	WithinGroups	1681.361	332	5.064		
	Total	1786.667	335			
	Between Groups	2839.393	3	946.464	4.138	.007
Eetotal	WithinGroups	75936.533	332	228.724		
	Total	78775.926	335			

Source: Research Data

From this analysis we see that the effect of type of organization culture on the measures of employee engagement namely motivation and pride, dedication and positivity, trust and integrity, relationship with coworkers and managers, performance and commitment, career growth and employee development opportunity dimension of employee engagement is significant. Hence the null hypothesis that culture types do not impact employee engagement is to be rejected. Thus we can conclude that based on the results of the study in the context of service sector employees, the impact of culture is important and affects employee engagement.

Conclusion

The study has brought out an important insight in to the study of employee engagement and finds that organizational work culture as typified in Competing Values Framework is impacting employee engagement. This is important for Human Resource department and managers, since they are responsible for initiatives directed towards creating work environments where employees feel are satisfied, dedicated, and committed and become contributors of organizational success (Goodman et al., 2018). Among the different cultural types we find that the Adhocracy culture type is the one where the employees feel the best in terms of engagement towards the organization. Hence the management and HR can focus on enhancing the Innovativeness, encouraging creativity among employees, enabling more autonomy for taking decisions that affect their day to day work, increase variety in work , and make work challenging and stimulating for the employees.

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