

Impact of Organization Culture on Employee Engagement in Service Sector of India

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Abstract

Employee engagement shows dedication and commitment of an employee towards his work and organization. An organization needs to engage employee to achieve high performance levels and superior business results. In recent years a lot of studies have been done on employee engagement in which researchers find out various factors which affects employee engagement in the organization like career development opportunities, leadership, performance appraisal, empowerment, compensation, family friendliness, health and safety, job satisfaction, communication and culture in the organization. The present study was an effort to investigate into the relationship between organizational culture and employee engagement. That's why there were various limitations in terms of exhaustive research, which was discussed in this part of thesis. Major issues related to organization culture and employee engagement are described in the light of their implication. Results of the present study can definitely help mentioned service sector and its organization to improve their culture to enhance employee engagement level and become more productive, competitive and employee friendly in today's business environment. This study is likely to benefit the managers and administrators in harnessing the potential of human resources within the organization. It will also provide a framework to assess engagement of employees and tap the effectiveness to get the expected results.

Keywords: Cultureon Employee Engagement; Organization culture; Service Sector of India.

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Introduction

Employee engagement has emerged as a critical driver of business success. today's competitive environment. It not only has the potential to significantly affect employee retention, productivity and loyalty, it is also a key link to customer satisfaction, company reputation and overall stakeholder value. An engaged employee experiences a blend of job satisfaction, organisational commitment, job involvement and feelings of empowerment. It is a concept that is greater than the sum of its parts.

Engaged employees work harder, are more loyal and are more likely to go the 'extra mile' for the organization. Such employees are assets to organizations. Engaged employees show positive attitude towards the organization and total commitment to stay, say and strive for the organization in the upswing as well in the downtrend of the organization. Organizations are striving hard to implement employee engagement strategies to increase the engagement in the employees.

Despite there being some debate about the precise meaning of employee engagement there are three things we know about it: it is measurable; it can be correlated with performance; and it varies from poor to great. Most importantly employers can do a great deal to impact on people's level of engagement. That is what makes it so important, as a tool for business success. (David MacLeod Nita Clarke, 2009).

We believe that if employee engagement and the principles that lie behind it were more widely

understood, if good practice was more widely shared, if the potential that resides in the country's workforce was more fully unleashed, we could see a step change in workplace performance and in employee well-being, for the considerable benefit of the organisation. Engagement, going to the heart of the workplace relationship between employee and employer, can be a key to unlocking productivity and to transforming the working lives of many people for whom Monday morning is an especially low point of the week.

Review of Literature

CIPD (2010) found that employee engagement strategies used by public and private sector organization are same irrespective of the size of organization, type of work force, type of workforce, management style and corporate strategy. Service sector organization emphasizes more on development strategies of the employee, whereas the rest of the strategies are similar.

Bhatla's (2011) paper highlighted the importance of measuring employee engagement is to make them feel valuable and continue working on employee engagement practices like providing career opportunities, safety, training and development, communication and leadership enhance employee performance in the organization.

Swaminathan (2009) in his paper found that age, income and experience are few demographic factors which affect employee engagement.

Kapse, Dhara and Mishra (July 2013) study the factors that influence on employee engagement in banks. He studied in Gujarat Kutch, Among employees of two private and two public sector banks, finds dimensions of employee engagement which the banks need to focus on to enhance engagement and performance outcomes.

S Anitha and Gummadi Anjali (October 2013) conduct a descriptive cross sectional study in different private and public banks of Guntur and find the positive influence of supervisory support and work environment on employee engagement and negative influence of reward and training and development on employee engagement.

Dhevika, Latasri and Karmuhil (July 2014) states in their research on factors affecting employee engagement in banks that employee engagement in banks is influenced most by pay and benefits and least by demographic factors like experience and gender of employees.

Gulzar, Hussain and Javed (March 2015) conducted research among bank employees of

private sector banks in Islamabad and states that work engagement affected by organization environment like organization politics and work engagement leads to work commitment.

Lowe Graham (2012) conducted survey in the health sector to show how different dimensions of employee performance like work environment and management influence employee engagement in the health sector.

Devibala and Anbuoli (2009) state the positive linkage between employee performance and employee engagement. He also finds an association of employee age group with level of employee engagement and suggested employee have diverse needs so the company needs to provide different rewards and benefits plans to engage them.

Importance of the study

Employee engagement shows dedication and commitment of an employee towards his work and organization. An organization needs to engage employee to achieve high performance levels and superior business results. In recent years a lot of studies have been done on employee engagement in which researchers find out various factors which affects employee engagement in the organization like career development opportunities, leadership, performance appraisal, empowerment, compensation, family friendliness, health and safety, job satisfaction, communication and culture in the organization.

Research Objectives

- To measure employee engagement in the service sector.
- To understand whether employee engagement is different across service sectors.
- To understand whether difference in demography of employees has impact on employee engagement.

Research methodology

This present study is based on primary and secondary data in nature. Primary data have been collected with help of E- questionnaires (google form) and total sample size is 336. And secondary data also collected from books, national and international articles & journals and internet etc. The data collected was analyzed on SPSS software.

Standardized scales were administered to measure employee engagement and organization culture. The analysis of data has been carried out by using Cronbach's alpha, T test etc.

Result and Discussion

Reliability Statistics have taken 15 items to fit on Reliability Scale; we can see that Cronbach's alpha is 0.924, which indicates a high level of internal consistency for our scale with these 15 Items.

Table 1: Reliability Statistics.

Cronbach's Alpha	N of Items
.924	15

Table 2: Item Statistics.

	Mean	Std. Deviation	N
Enthusiasm and Energy	4.12	.790	336
Openness	3.84	.942	336
Motivation and Pride	3.89	.842	336
Confrontation	3.68	.798	336
Dedication and Positivity	3.91	1.081	336
Trust	3.67	.865	336
Trust and Integrity	3.76	1.089	336
Authenticity	3.42	.842	336
Relationship with Co-workers and Managers	3.76	1.089	336
Proaction	3.72	.933	336
Performance and Commitment	3.78	.974	336
Autonomy	3.51	.894	336
Career Growth and Employment Development Opportunity	3.83	.754	336
Collaboration	3.80	.603	336
Experimentation	3.73	.720	336

Following table shows frequency of qualification of respondents N = 336, Higher Secondary = 20, Graduate = 120, Post Graduate = 182 above PG = 14.

Table 3: Qualification.

	Frequency	Percent	Valid Percent	Cumulative Percent
HS	20	6.0	6.0	6.0
G	120	35.7	35.7	41.7
Valid PG	182	54.2	54.2	95.8
Above	14	4.2	4.2	100.0
Total	336	100.0	100.0	

Following Table is the frequency tally of Work Experience of respondents where N = 336, respondents having experience less than 3 years are 54, having experience between 3 to 7 years are 114 and those having work experience more than 7 years are 168.

Table 4: Work Experience.

	Frequency	Percent	Valid Percent	Cumulative Percent
> 3 Yr	54	16.1	16.1	16.1
Valid 3 - 7 Yr	114	33.9	33.9	50.0
< 7 Yr	168	50.0	50.0	100.0
Total	336	100.0	100.0	

Following present table is the frequency tally of the respondents on the basis of their age, where N = 336, respondents falling in age group of 25 years to 35 years are 278, those of age group of 36 years to 45 years are 10 and respondents of the age group of 45 years to 55 years are 48.

Table 5: Age Group.

	Frequency	Percent	Valid Percent	Cumulative Percent
25-35 Yrs.	278	82.7	82.7	82.7
Valid 36-45 Yrs.	10	3.0	3.0	85.7
46-55 Yrs.	48	14.3	14.3	100.0
Total	336	100.0	100.0	

Following table is the frequency tally of the respondents on the basis of Industry type, where N = 336, Those who are from Retail Sector are 90, from Health Sector are 76, from Banking Sector are 88 and those from Insurance Sector are 82.

Table 6: Industry Type.

	Frequency	Percent	Valid Percent	Cumulative Percent
Retail	90	26.8	26.8	26.8
Health	76	22.6	22.6	49.4
Valid Bank	88	26.2	26.2	75.6
Insurance	82	24.4	24.4	100.0
Total	336	100.0	100.0	

Frequencies

Median Values

Median values are calculated to calculate their effect on the dependent variable employee engagement and its dimensions, as the independent variable should be discrete in nature.

Table 7: Statistics.

	Openness	confrontation	trust	Authenticity	proaction	autonomy	collaboration	experimentation	Octapace total
Valid N	336	336	336	336	336	336	336	336	336
Missing	0	0	0	0	0	0	0	0	0
Median	20.00	19.00	19.00	17.00	19.500	18.00	19.00	19.00	151.00

The p value is less than 0.05 and this implies that openness is effecting enthusiasm and energy of the employees of the service sector. It can also be seen that with the increase in openness of the organizational culture the enthusiasm and energy of the employees increases.

The p value is less than 0.05. This implies that openness is effecting motivation and pride of the employees of the service sector. It can also be seen that with the increase in openness of the organizational culture the motivation and pride of the employees increases.

The p value is less than 0.05 and so the stated hypothesis stands rejected. This implies that openness is effecting dedication and positivity of the employees of the service sector. It can also be seen that with the increase in openness of the organizational culture the dedication and positivity of the employees increases.

The p value is less than 0.05. This implies that openness is effecting trust and integrity of the employees of the service sector. It can also be seen that with the increase in openness of the organizational culture the trust and integrity of the employees increases.

The p value is less than 0.05. This implies that openness is effecting relationship with co-workers of the employees of the service sector. It can also be seen that with the increase in openness of the organizational culture the relationship with co-workers of the employees increases.

The p value is less than 0.05 and so the stated hypothesis stands rejected. This implies that openness is effecting performance and commitment of the employees of the service sector. It can also be seen that with the increase in openness of the organizational culture the performance and commitment of the employees increases.

The p value is less than 0.05. This implies that openness is effecting career growth and employment development opportunity of the employees of the service sector. It can also be seen that with the increase in openness of the

organizational culture the career growth and employment development opportunity of the employees increases.

The p value is less than 0.05 and so the stated hypothesis stands rejected. This implies that openness is effecting employee engagement of employees of the service sector. It can also be seen that with the increase in openness of the organizational culture the employee engagement also increases.

The p value is less than 0.05. This implies that confrontation is effecting enthusiasm and energy of the employees of the service sector. It can also be seen that with the increase in confrontation of the organizational culture the enthusiasm and energy of the employees increases.

The p value is less than 0.05. This implies that confrontation is effecting motivation and pride of the employees of the service sector. It can also be seen that with the increase in confrontation of the organizational culture the motivation and pride of the employees increases.

The p value is less than 0.05. This implies that confrontation is effecting dedication and positivity of the employees of the service sector. It can also be seen that with the increase in confrontation of the organizational culture the dedication and positivity of the employees increases.

The p value is less than 0.05. This implies that confrontation is effecting trust and integrity of the employees of the service sector. It can also be seen that with the increase in confrontation of the organizational culture the trust and integrity of the employees increases.

The p value is less than 0.05. This implies that confrontation is effecting relationship with co-workers of the employees of the service sector. It can also be seen that with the increase in confrontation of the organizational culture the relationship with co-workers of the employees increases.

The p value is less than 0.05. This implies that confrontation is effecting performance and commitment of the employees of the service

sector. It can also be seen that with the increase in confrontation of the organizational culture the performance and commitment of the employees increases.

The p value is less than 0.05. This implies that confrontation is effecting career growth and employment development opportunity

of the employees of the service sector. It can also be seen that with the increase in confrontation of the organizational culture the career growth and employment development opportunity of the employees increases.

The p value is less than 0.05. This implies that confrontation is effecting employee engagement

Table 8: Group Statistics.

	Openness	N	Mean	Std. Deviation	Std. Error Mean
Enthenergy	>= 20.00	184	16.6033	2.55651	.18847
	< 20.00	152	15.2895	3.26456	.26479
Motpride	>= 20.00	184	12.2283	2.07564	.15302
	< 20.00	152	10.5000	2.34450	.19016
Dedcpst	>= 20.00	184	7.7283	1.83531	.13530
	< 20.00	152	6.4079	1.70062	.13794
Trustintgrt	>= 20.00	184	17.1087	2.30209	.16971
	< 20.00	152	14.3289	3.24451	.26316
Relatcowor	>= 20.00	184	23.8967	3.89832	.28739
	< 20.00	152	21.6447	5.05520	.41003
Perfcomt	>= 20.00	184	12.5815	1.93441	.14261
	< 20.00	152	9.9868	2.58623	.20977
Cargrowth	>= 20.00	184	12.1630	1.91215	.14097
	< 20.00	152	10.3289	2.35514	.19103
Eetotal	>= 20.00	184	102.3098	11.78991	.86916
	< 20.00	152	88.4868	15.74507	1.27709

of the service sector. It can also be seen that with the increase in confrontation of the organizational culture the employee engagement increases.

Conclusion

Results of present study reveals that demographic factors like family structure and qualification are insignificant to employee engagement. Employee engagement level varies across different service sectors. Out of 8 dimensions of organizational culture that we have taken for the study OCTAPACE, three dimensions that is openness, confrontation and autonomy show significant impact on employee engagement, whereas other five dimensions are insignificantly affect employee engagement in the organization. This chapter also discusses the findings of the research. It will offer possible explanations, connections to the research

already done by other researchers in past and discuss findings of the present study. The impact of organizational culture on employee engagement has been operationalized through this study.

The present study was an effort to investigate into the relationship between organizational culture and employee engagement. That’s why there were various limitations in terms of exhaustive research, which was discussed in this part of thesis. Major issues related to organization culture and employee engagement are described in the light of their implication. Results of the present study can definitely help mentioned service sector and its organization to improve their culture to enhance employee engagement level and become more productive, competitive and employee friendly in today’s business environment. This study is likely to benefit the managers and administrators in harnessing the potential of human resources within

Table 9: Independent Samples Test.

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Qual Enthenerg									
Equal variances not assumed	25.251	.000	4.136	334	.000	1.31379	.31765	.68893	1.93864
Equal variances assumed			4.042	282.850	.000	1.31379	.32501	.67403	1.9535
Motpride									
Equal variances not assumed	3.086	.080	7.163	334	.000	1.72826	.24127	1.25365	2.20287
Equal variances assumed			7.081	304.507	.000	1.72826	.24408	1.24796	2.20857
Dedcpst									
Equal variances not assumed	.102	.749	6.784	334	.000	1.32037	.19463	.93751	1.70322
Equal variances assumed			6.834	329.592	.000	1.32037	.19322	.94027	1.70046
Trustintgrt									
Equal variances not assumed	36.287	.000	9.162	334	.000	2.77975	.30341	2.18291	3.37659
Equal variances assumed			8.877	264.907	.000	2.77975	.31314	2.16319	3.39631
Relatcowor									
Equal variances not assumed	5.959	.015	4.608	334	.000	2.25200	.48870	1.29068	3.21333
Equal variances assumed			4.498	280.036	.000	2.25200	.50072	1.26636	3.23765

the organization. It will also provide a framework to assess engagement of employees and tap the effectiveness to get the expected results.

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