

ORGANISATIONAL CULTURE AND EMPLOYEE ENGAGEMENT

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Abstract: *Organizational culture is the values and beliefs of the people within an organization. It is the ‘personality’ of the organization. It includes the assumptions, values and normalities of behavior within the culture (McNamara, 1999). “Just as tribal cultures have totems and taboos that dictate how each member will act towards fellow members and outside, so does the organization’s culture. It influences employee’s actions towards customers, competitors, suppliers and one another.” (Parker, 2002) Therefore human behavior is the focal point of culture. Culture is mainly studied through anthropology. Culture also contributes to the extent to which employees are satisfied, committed and engaged in an organization. Employee engagement is where employees understand how their deliverables are connected to the organization’s objectives and it therefore makes them more focused on the relevant activities with full commitment. An engaged employee will exhibit not only better performance but also will be intrinsically motivated. They will have strong commitment and willingness to contribute more voluntarily. The employees themselves become strong brand ambassadors and work towards strong relationships with clients, business partners and customers. The objectives of this study were to analyze the dimensions of Organizational Culture and Employee Engagement with respect to bank employees, and to also examine the impact of Organizational Culture on Employee engagement. Primary data has been collected through a structured questionnaire from 125 Employees of Nationalized and Co-operative banks. Stratified random sampling technique was used. Percentage, Weighted mean, Correlation and Regression are the tools employed for data analysis.*

Key Words: *Absorption, Dedication, Vigor, Employee Engagement, Individual Performance, Leadership, Customer Focus, Organization Structure*

INTRODUCTION

1. Employee Engagement

Employee engagement is defined as the way an individual contributes and relates to the organization for which the employee works. It describes employees’ emotional and intellectual commitment to their organization. Emotionally bound employees feel passionately and commit towards delivering the best performance. In engagement, people employ and express themselves physically, cognitively and emotionally during role performance. Hewitt Associate (2006) says that employee engagement happens when employees who ‘speak-positively’ about the organization, ‘stay-desire’ to be an effective member and ‘strive-continue’ to perform beyond minimal requirements for the organization. Engaged employees are not just committed but passionate about their work. Passion is always accompanied by excitement, enthusiasm and productivity (Kroth and Boverie, 2013). Employee engagement is closely linked to employee turnover, customer satisfaction, loyalty, productivity, safety and profitability of the organization (Harter, Schmitt and Hayes 2002) Engaged employees take more initiative and put extra effort in their task oriented activities and this is very important in any service industry. Thus the engaged employees put their voluntary effort into their work in the form of Vigor, Absorption and Dedication. Vigor refers to the employees’ willingness to invest their efforts into their job, the high levels of energy and their endurance and persistence in the face of difficulties. Dedication refers to the employees’ strong involvement in their work, their feelings of enthusiasm and significance. Absorption happens when the employee is pleasantly occupied with the work. This can be seen by the employee not keeping track of time and their inability to separate themselves from the job at hand (Maslach et al. 2001).

2. Organization Culture

“Culture is not something an organization has, it is something an organization is”–Pacanowsky and O’Donnell, 1983. Much of the literature on organizational culture has focused on the importance of clear vision, strong leadership and defined objectives. Organizational culture is used to describe the shared beliefs, perceptions and expectations of individuals in organizations. It does not automatically occur when an organization is created. A group of individuals must have had stability, shared experience and history to form the culture. Because there is such variation in descriptions of organizational culture, some authors argue that the usefulness of the concept is limited (Beil-Hildebrand, 2002; Bright & Cooper, 1993).

The Human Factors Organizational Culture questionnaire was designed as a practical instrument for the exploration of organizational culture across 13 dimensions:

- i) Individual performance ii) Leadership iii) Customer focus iv) Organizational structure
- v) Communication vi) Conflict Management vii) Human Resource Management viii) Participation
- ix) Innovation x) Decision making xi) Professionalism xii) Organizational goal and integration
- xiii) Fun. These dimensions are explained below:

2.1. Individual Performance: The degree to which an organization's values match the values of an individual who works for the company determines whether a person is a good match for a particular organization.

2.2 Leadership: Managers are respected for their expertise and implementation of appropriate decisions. They communicate clearly the company goals and culture.

2.3. Customer Focus: Customer's current needs are actively identified and future needs are anticipated. Customers' views are sought and listened to and feedback is used to make improvements. **2.4. Organizational structure:** Responsibilities are clearly defined and individuals understand their role and the extent of their authority. People are clear about the structure of the organization and that changes to it are made as and when necessary. On the most basic level, culture is observable as a set of behaviors. Examples of culture at this level include the degree of formality with which employees conduct themselves, the organization's dress code, and the type of technology used.

2.5 Communication: Managers and subordinates communicate readily on an informal basis covering exchanges of encouragement and understanding and fairness between them.

2.6 Conflict Management: Subordinates as well as management are encouraged to volunteer their views, and disagreement is seen as a positive attempt to improve things.

2.7 Human Resource Management: The right people are selected in the first place and effort is made to help them develop their skills. Promotion decisions are fair and objective and good people are valued.

2.8 Participation: Ideas are welcomed from any level in the company and everyone's views are taken into account before important decisions are made.

2.9 Innovation: Time and money are committed to exploring new ideas. These are encouraged from everyone in the organization. The organization will try radically new ideas at times, even if it is not guaranteed that they will work.

2.10 Decision Making: Decisions are made promptly and on the basis of the facts, not personal prejudice or self-interest.

2.11 Professionalism: Colleagues co-operate with each other to achieve standards of excellence and do not allow personal feelings or animosities to interfere. Individuals are well qualified for the jobs that they do and their technical knowledge is valued.

2.12 Organizational Goal integration: The overall organizational goal is clearly understood by all employees. Individual and subsidiary goals are in line with the overall company goals and all employees understand the contribution that they are making to them. Individual and group performance targets, reward systems and training, emphasize the overall company objective and are designed to expedite its achievements.

2.13 Fun: People look forward to going to work and enjoy the work they do. They have a positive view of the workplace, their colleagues and the company's achievements. The company organizes social and other events for the enjoyment of its employees.

3. Need for the study

The results of scientific studies have shown the existence of positive relationship between Organizational Culture and Employee Engagement. Thus engaged employees are always the greatest asset to the company. So it was deemed necessary by the researchers to study the impact of organizational culture on employee engagement in addition to analyzing the components of organizational culture and employee engagement in depth with respect to employees belonging to Nationalized, Private and Co-operative Banks.

4. Objectives of the study:

- i) To analyze the dimensions of Organizational Culture with respect to public, private and co-operative bank employees.
- ii) To analyze the dimensions of Employee Engagement with respect to public, private and co-operative bank employees.
- iii) To examine the impact of Organizational Culture on Employee engagement.

5. Methodology: Primary data was collected through a structured questionnaire from 125 respondents. Stratified random sampling technique was used and the three strata selected for the purpose of the study were employees from Nationalized Banks, Private Banks and Co-operative banks. Percentage, Weighted mean, Correlation and Regression were the tools employed for data analysis.

6. Analysis and Interpretation

The Table below depicts the demographic profile of the respondents with respect to age, gender, educational qualification, years of experience and monthly income of 125 respondents of nationalized, private and co-operative banks.

Table No.1 Demographic Profile

S.No	Demographic Variables	% of Resp
1	GENDER	
	Male	67
	Female	58
2	AGE	
	20-30 Years	39

	30-40 Years	10
	40-50 Years	21
	Above 50 years	30
3	EDUCATIONAL QUALIFICATION	
	UG	36
	PG	50
	Professional	14
	Diploma etc	10
4	YEARS OF EXPERIENCE	
	0-10 Yrs	39
	10-20 Yrs	18
	20-30 Yrs	19
	30-40 Yrs	24
5	MONTHLY INCOME	
	Less than Rs.20000	4
	Rs.20000 -Rs.40000	32
	Rs.40000-Rs.60000	36
	Rs.60000-Rs.80000	12
	Rs.80000-Re.1 Lac	6
	Above Rs.1,00,000	10
6	DESIGNATION	
	Clerical	36
	Asst.Manager	48
	Senior Manager	6
	Chief Manager	10
7	TYPES OF BANK	
	Nationalized	50
	Private	50
	Co-operative	25

From the above Table it is inferred that the majority of the respondents are male (54%). Majority(39%)of the respondents belong to the age group of 20-30 years and 10% of them belonging to the age group of 30-40 years.50% of the respondents have completed their PG and 39% of the respondents have work experience of 0-5 years and 18 % of them have work experience between 10 and 20 years.32% of the employees have their monthly income ranging from Rs.20000 to Rs.40000 and only 10% of the employees have monthly income of more than a lac per month.48% of the respondents belong to Asst.Manager Cadre and 6% Senior Manager cadre. 40% of the respondents belong to Nationalized banks and Private Banks and the remaining 20% belong to Co-operative banks.

With respect to the 13 components of Organizational Culture the weighted mean scores are depicted below:

TABLE NO: 2 FACTORS OF ORGANISATIONAL CULTURE

S.NO	FACTORS	PUBLIC	PRIVATE	CO-OPERATIVE
1	INDIVIDUAL PREFERENCE(IP)	4.31	4.19	4.52
2	LEADERSHIP(LS)	4.50	3.75	4.46
3	CONSUMER FOCUS(CF)	4.43	3.98	4.44
4	ORGANISATION STRUCTURE(OS)	4.39	3.90	4.44
5	COMMUNICATION(CO)	4.14	3.86	4.38
6	CONFLICT MANAGEMENT(CM)	4.03	3.73	4.39

7	HUMAN RESOURCE MANAGEMENT(HR)	4.14	3.65	4.48
8	PARTICIPATION(PT)	4.35	3.69	4.49
9	INNOVATION(IN)	4.33	3.72	4.52
10	DECISION MAKING(DM)	4.43	3.79	4.57
11	PROFESSION(PR)	4.23	3.65	4.57
12	ORGANISATIONAL GOAL AND INTERGRATION(OI)	4.45	3.88	4.54
13	FUN(FU)	4.20	2.84	4.6

1. The above table depicts that the 'individual performance' of the employees in co-operative banks is higher (4.52) when compared to public banks (4.31) and private banks (4.19). This highlights that employees in co-operative banks try to be highly productive and they also waste less amount of time during their working hours when compared to public and private sector employees.

2. The employees of the public banks (4.50) state that their senior managers guide them very effectively and exhibit 'leadership' skills. This enables accepting of their decisions readily and whole heartedly on merit basis. However, as regards employees of Co-operative banks on a comparative basis the weighted mean score is the least at 3.75 indicating that co-operative bank employees are not very happy about the leadership skills of their managers.

3. The table shows that the 'consumer focus' of the employees is more in public (4.43) and co-operative banks (4.40) when compared to private banks. This indicates that co-operative and public bank employees give importance to their customers by acting on their feedback for further improvements. Also regular follow-up mechanism seems to be in place which ensures that their customers are happy with the services provided by the employees of public and co-operative banks. (4.44)

4. The 'organization structure' is clearer in co-operative banks when compared to public and private banks. This indicates that the job functions are properly defined to the employee who enables them to be clear about their duties and responsibilities. Also right and adequate levels of management govern the functioning of co-operative banks in a much better manner than that of public (4.39) and private banks (3.9). Thus on the whole, organization structure of co-operative banks is better (4.44) followed by public and private banks.

5. The 'communication' system is more effective in co-operative banks (4.44) followed by public and private banks. This indicates that the employees of co-operative banks are more aware about the happenings and activities in their organization which may be due to open and shorter communication channels. The employees of co-operative bank opine that their meetings are highly productive, may be because the agenda, timings and time duration of the meetings are planned in detail and implemented conscientiously.

6. 'Strategies to manage conflicts' are better in co-operative banks (4.39) when compared to public (4.03) and private banks (3.73). Hence the employees of co-operative banks state that they can freely express their opinion to their managers without the fear that they may be penalized if they disagree to whatever their manager says. They also feel that conflicts in the organization are resolved constructively and amicably, setting the right environment in the organization. Thus conflict management strategies are better in co-operative banks followed by private banks (3.73) and public banks (4.03).

7. Employees in co-operative banks feel that they are treated fairly and that in their organization the right person is appointed in the right job. Thus 'HRM' practices are better in co-operative banks (4.14) followed by public banks (3.65) and private banks (4.48).

8. 'Participatory decision making' is adopted in a much more effective manner in co-operative banks (4.49) than in public (4.35) or Private Banks (3.69). Good team spirit or esprit de corps enables employees of co-operative banks to share their suggestions and ideas in an open and involved manner.

9. 'Innovative ideas' and suggestions seem to be encouraged and supported more in co-operative banks (4.52) than in public (4.33) and private banks (3.72). Less of formalities and procedures in implementation of new ideas enable more effective functioning of co-operative banks followed by public and private banks.

10. Availability of relevant, timely and adequate information for 'decision making' enables a prompt and proper decision which in turn enhances the productivity of the organization. Thus a procedure for decision making seems to be more effective in co-operative banks (4.57) followed by public (4.43) and private banks (3.79).

11. Co-operative banks recruit employees who have specialist technical and expert knowledge with appropriate qualification in the relevant field. This ensures 'professional functioning' of employees of the organization which help to improve the image and reputation of the organization. Thus co-operative banks (4.57) have scored more on this count than public (4.23) and private banks (3.65)

12. All the employees of an organization working towards a common goal will definitely take the organization to great heights of success. This is reflected in the higher weighted mean scores of co-operative banks (4.54) for 'organizational goals and integration' than in public (4.45) and private banks (3.88). Thus the employees of the co-operative banks feel that the organizational goals are clearly communicated to them and they understand better how their achievements contribute to the goals of the organization.

13. Social get togetherness and 'fun' activities in any organization enables deeper bonding among employees of the organization which leads to increased productivity in their jobs and lesser conflicts. Such fun activities are enjoyed more by the employees of co-operative banks (4.60) and public banks (4.20) and not by private banks.(2.84)

Next an attempt was made to establish relationship between 13 factors of Organizational Culture and Employee Engagement through correlation analysis and it was established that correlation existed. Therefore further analysis to study the cause effect relationship was done by adopting regression analysis the results of which are depicted below for the three bank categories separately.

Regression Analysis for Public Banks

The 13 factors of Organizational Culture are called as predictors or independent variables and the employee engagement is the dependent variable.

The regression equation is $.166 EE = 3.931 + 0.041IP + .124CF + .083OS + .142CO + .066 CM + .09 HR + .014 PT + .080 IN + .37 DM + .093 PR + 0.30 OI + .112 FU$

The most important independent variables which have an impact on employee engagement are communication (.142), customer focus (0.128), leadership (0.124) and fun (0.112). R square being .166, indicates the amount of variance explained in the dependant variable (EE), by the 13 predictors of OC.

Regression Analysis for Private Banks

The regression equation is

$.332 EE = 3.950 + 0.22 IP + .026 LS + -.087 CF + .046 OS + .034 CO + 0.35 CM + .048 HR + .005 PR + .147 IN + 0.16 DM + .000 PF + 0.93 OS + .055 FU$

The most important independent variables which have an impact on employee engagement are innovation (.147) followed by organizational goal and integration (.093), customer focus (.087) and fun(0.055) R square being .332, indicates the amount of variance explained in the dependant variable (EE), by the 13 predictors of OC.

Regression Analysis for Co-operative Banks

The regression equation is

$.336 EE = 4.092 + 0.11 IP + .001 LS + -.058 CM + .112 OS + .027 CO + 0.19 CM + .016 HR + .055 PT + .009 IN + 0.118 DM + .051 PF + 0.106 OS + .119 FU$

The most important independent variables which have an impact on employee engagement are Fun (.119) followed by decision making (.118), organizational structure (.112) and customer focus (0.058) .R square being .332, indicates the amount of variance explained in the dependant variable (EE), by the 13 predictors of OC.

Conclusion

Thus it can be concluded that organizational culture determines the kind of people who will be attracted to the organization and who will be successful in it. It also gives clear direction for the training and development of individuals by defining what is and what is not important, and what skills the individual needs to do well in the organization. In the present study, individual performance and brand image of the organization.

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