



“Impact of Organizational culture on Employee Engagement”

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Abstract:

In addition to examining the variables influencing employee engagement in this particular context, this study looks into the connection between organizational performance and employee engagement in an insurance brokerage. The data was analysed using thematic analysis after interviews were performed to obtain insights using qualitative methodologies. The results illustrate the detrimental effects of low engagement levels on staff commitment and motivation, underscoring the significance of employee engagement for organizational performance. Aspects of job design, communication effectiveness, management style, and recognition incentives are among the factors that lead to low engagement. Emphasis words include "psychological meaningfulness," "organizational performance," "employee engagement," and "recognition."

Introduction:

Because employee engagement has a major impact on organizational performance and long-term viability, it has generated a lot of debate in recent years (Cook, 2008; Markos and Sridevi, 2010; Byrne, 2014; Mone and London, 2014). Because engaged employees are motivated to pursue and accomplish the organization's goals and objectives, it plays a crucial role in accelerating organizational success. In South Africa's economic environment, where companies must contend with challenges like restructuring, possible layoffs, and an ongoing pursuit of sustainability and profitability (Statistics SA, 2017), cultivating a positive work environment is essential to retaining market competitiveness. This study is on Company X, a Gauteng-based broker of short-term insurance with a concentration on personal and commercial lines. Like many others in the insurance sector, Company X, faces the difficulties posed by the digital transformation. If the organization doesn't adjust to these changes, it could become outdated (Terblanche, 2016). The emergence of millennials as the key target demographic is a challenge for insurance firms as well, requiring them to come up with creative ways to interact and communicate with this group on social media and blog platforms (Dail, 2015). Moreover, additional challenges come from regulatory mandates like the Financial Services Board's Solvency Assessment Management (SAM) program, which aims to manage and assess risks (KPMG, 2016). Finally, the need for higher service levels is highlighted by consumer requests

for improved premium and claims management reporting frameworks. Employee engagement is a key factor in organizational success that Company X must focus in order to overcome these obstacles and maintain its competitiveness.

Research Problem:

The company faces a number of difficulties, such as low employee morale, poor communication, a lack of transparency, and deteriorating customer service standards (Management report: 2017). Sixty percent of the employees believe that the organization lacks openness and that orders are communicated incoherently or slowly. As a result, staff members now have lower self-esteem, which lowers their involvement and dedication to reaching company objectives. The job quality has suffered as a result of these low levels of participation, as is particularly evident in the errors made when collecting customer quotations and verifying computation accuracy. According to analysis and statistics, one out of every three quotes has been put together incorrectly (Management report: 2017). In addition, insurance schedules are not always kept up to date, which can occasionally result in incorrect premium calculations. Some employees find it difficult to properly manage their current workload and achieve deadlines (Management report: 2017). Furthermore, some employees have shown resistance to the implementation of the new insurance system since they are finding it difficult to adjust to the changes in their workflow (Internal system report).

According to Solis (2015:1), there is a key issue where executives undervalue the importance of employee engagement and the work required to create a pleasant and productive culture. This exposes a significant engagement gap between executives and employees. Organizational culture, work assignment mismatches, a lack of possibilities for professional growth, and limited involvement in decision-making are some of the characteristics that have a substantial impact on employee engagement, according to Sathe (2017: 2). The research now in publication identifies a number of trends in employee engagement, such as HR taking on a strategic role, creating inclusive environments, employing recognition techniques, embracing flatter organizational structures, and creating initiatives to engage millennials (Montana, 2017:2; Mizner, 2017:3–4).

Research Objectives and questions:

1. Research Objectives:

- Evaluate the level of involvement of employees at Company X. Examine the main variables affecting Company X's employees' engagement.
- Look into how Company X's organizational performance is affected by employee engagement.
- Offer suggestions for improving Company X's employee engagement.

2. Research questions:

- In this organization, what are the main factors impacting employee engagement?
 - To what degree do employees participate in this organization?
 - How does performance inside a business impact employee engagement?
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- What HR tactics can be used in a short-term insurance brokerage that serves the logistics industry to improve staff engagement?

3. Importance of the research

The study will pinpoint the elements that affect employee engagement, allowing HR professionals and line managers to raise employee engagement levels. From an academic standpoint, the research adds to the body of research already in existence by highlighting the factors that influence employee engagement in the insurance sector.

Literature Review:

In addition to discussing the definition of employee engagement, its evolution, factors influencing employee engagement, models of employee engagement, and the relationship between employee engagement and organizational performance, this section will highlight the important research on the topic.

Definition of Employee Engagement:

Over the past 20 years, phrases like "work engagement" and "employee engagement" have been used interchangeably, although there is no one set definition for employee engagement. The notion of engagement was initially presented by Khan, who described work engagement as "the harnessing of organizational members'

according to their professional positions. (Khan, 1990: 694). Most definitions of employee engagement agree that it involves employees' passion, desire, dedication, and involvement in giving regular, continuous discretionary effort (Cook, 2008; Anitha, 2014 & Carbonara, 2012). These academics agree that increased customer satisfaction, successful outcomes, and organizational performance are the outcomes of high employee engagement levels (Mone and London, 2014; Boikanyo, 2012).

The Innovation of Employee Engagement

Variable	Author
Khan (1990: 692)	Meaningfulness, safety, availability, available resources, ROI and confidence
Schaufeli and Bakker (2010:22)	personal energy
Khadilkar (2017:74)	cognitive and emotional, positive psychological states and psychological involvement
Welch (2011: 329)	innovative and cooperative, high engagement and high business performance
Saks's	organisational engagement and job engagement

Impact of Employee Engagement on Employee Performance:

Several scholars have confirmed the significant influence of employee engagement on organizational performance (Markos and Sridevi, 2010; Devi, 2017; Wellins and Bernthal, 2015; Kazimoto, 2016; Alagaraja and Shuck, 2015). Markos and Sridevi (2010:92) asserted that employee engagement positively impacts organizational performance, emphasizing that higher levels of engagement lead to improved organizational outcomes such as productivity, profitability, employee retention, safety, and customer loyalty. Devi (2017:11) echoed this perspective, suggesting that organizations could enhance various business functions by leveraging employee engagement as a strategic asset. Wellins and Bernthal (2015:18) suggested that fostering a positive work environment motivates employees to excel, thereby enhancing productivity, profitability, product or service quality, and resource utilization. Kazimoto (2016:519) highlighted the importance of managerial focus on financial factors for driving performance. Alagaraja and Shuck (2015:24) introduced a third dimension, emphasizing the significance of alignment, arguing that a state of engagement is achieved through organizational alignment across individual, team, intergroup, and organizational levels.

Factors that affect Employee engagement:

1. Job designing:

Several scholars have emphasized job design as a critical factor driving employee engagement. Three key job characteristics—challenge, variety, and autonomy—are identified as sources of psychological meaningfulness (Swathi, 2013; Shantz, Alfes, Truss, and Soane, 2013). Swathi (2013:3) contends that an employee's level of engagement is shaped by their perception of the attractiveness and meaningfulness of their job. Garber (2012:7) argues that leaders must actively work to enhance the interest, challenge, and rewards inherent in employees' roles, empowering them to identify ways to make their jobs more stimulating and productive, thereby fostering employee involvement. Truss (2014:2) underscores the importance of job characteristics such as autonomy, task variety, feedback, and significance in promoting positive employee engagement, leading to psychological states of experienced meaningfulness, responsibility, and knowledge of results. Chiekezie and Onyekachukwu (2015:23334) outline three aims of job design: meeting organizational requirements for productivity, operational efficiency, and service or product quality, while also fulfilling individuals' needs for achievement.

2. Organisational culture:

Siddhanta and Roy (2010:173) emphasized that employees play a crucial role in either enhancing or diminishing an organization's competitive advantage through their actions and attitudes, making it essential for their behavior to align with the organizational culture to maintain engagement. Garber (2012:7) argued that employees are inclined to work for organizations with a positive reputation, and fostering such a culture encourages pride and active contribution, thereby elevating engagement levels. Drawing on the Social Exchange Theory, Suharti and Suliyanto (2012:130) suggested that a supportive work culture, characterized by fair compensation and benefits, fosters employee engagement. Smith, Peter, and Caldwell (2016:74) proposed that when an organization cultivates a culture that fosters a sense of belonging among its employees, it leads to heightened engagement.

3. Incentives and Rewards:

Markos and Sridevi (2010:93) suggested that a significant management strategy for enhancing employee engagement is to provide both financial and non-financial incentives. They argued that employees who receive higher pay and acknowledgment for their efforts tend to be more engaged in their work. Ongel (2014:6) proposed that reward systems serve as crucial management tools influencing individual and group behavior, thereby contributing to organizational effectiveness. Anitha (2014:312) noted that financial or non-financial compensation serves as a motivational factor, driving employees to excel in their roles and fostering greater focus and self-development. Employees typically expect recognition from managers or leaders for their contributions (AbuKhalifeh and Som, 2013; Baik, 2016). This could include formal rewards and recognition programs within organizations, such as expressing gratitude for job well done or providing monetary incentives for innovative ideas. Recognition plays a vital role in increasing employees' energy, time, and commitment levels, ultimately enhancing employee engagement (Baik, 2016:19).

4. Career Development:

Anitha (2014:312) suggested that for sustained employee engagement, organizations should prioritize training and career development initiatives. These efforts help employees build confidence in their abilities and enhance their engagement levels. Neglecting people development as a strategic aspect can result in setbacks for both individuals and the business (Caplan, 2014:78). It's imperative for organizations to establish comprehensive career development plans for all employees, identifying opportunities for growth within their current roles and outlining future career paths tailored to individual aspirations and needs. Sterling (2016:2) highlighted the significance of career development in fostering employee satisfaction and stressed the importance of managers building strong relationships with employees during job transitions, recognizing their achievements, strengths, and requirements.

Models of Employee Engagement

1. Hierarchy Model:

Markos and Sridevi (2010:91) underscored the significance of the hierarchy of engagement model, likened to Maslow's hierarchy of needs. They contended that this model elucidates how each level influences employee engagement and talent retention. Each tier of the hierarchy represents a distinct need, with employees progressing from fulfilling basic needs to seeking developmental opportunities and potential promotions. Markos and Sridevi (2010:91) proposed that once these needs are met, employees strive to align themselves with meaningful values, fostering a sense of connection and shared purpose in their work environment.

2. Path- goal Model:

Oliver (2012:22) contended that Robert House's path-goal model suggests that when leaders inspire their employees, they are more likely to achieve their objectives. This is predicated on the notion that employees are motivated when they can effectively perform their duties, attain desired outcomes, and feel adequately rewarded for their efforts. According to Oliver (2012:22), this achievement is facilitated by leaders who offer clarity regarding employees' roles, recognize and reward performance, and provide necessary support and guidance. Otieno, Waiganjo, and Njeru (2015:79) emphasized the pivotal role of a leader's behavior in fostering the motivation, satisfaction, and performance of their subordinates. They argued that leaders who exhibit positive behavior complement their subordinates' strengths and compensate for their weaknesses. Malik (2013:218) argued that based on the characteristics of subordinates and tasks, effective leaders adapt one of four leadership behaviors appropriate to the situation. Malik (2013:218) further suggested that in situations where tasks are non-routine or ambiguous, effective leaders provide clear direction.

3. Three- Dimensional Model:

Alagaraja and Shuck (2015:23) proposed a three-dimensional model, initially introduced by Rich and Crawford, which examines cognitive, behavioural, and emotional engagement and their impact on organizational climate. Building upon previous research, Alagaraja and Shuck (2015:23) expanded this model to achieve consensus across various studies. They emphasized cognitive engagement as the most logical level of engagement (Alagaraja and Shuck, 2015:24), as it serves as the foundation for understanding the phenomenon and the psychological state of engagement. According to Alagaraja et al. (2015:24), employees who are cognitively engaged share a common purpose with their organization and are willing to invest personal resources based on their understanding of that purpose.

Research Methodology

1. Research Design:

This study used an exploratory research design in order to get insight into the attitudes and perspectives of the employees regarding the stated research problem. Second, the researcher can

benefit from the experience because this study strategy is adaptable and manageable on a small scale.

of the inquiry and stay clear of any prejudice based on prior assumptions (Webb, 2014: 20)

2. Research Strategy:

A case study was the research strategy used in this study since the qualitative approach was chosen. A case study, according to Saunders, Lewis, and Thornhill (2016:184), is a thorough investigation of a phenomenon in its natural environment. This was the best strategy based on the issues found at IIB, and interviews were done using this strategy to better grasp the dynamics of the research topic and to get in-depth, nuanced expertise in this field.

3. Research Philosophy:

The type of research that was done was qualitative. The researcher employed this methodology in order to obtain a comprehensive grasp of the problem (Cooper and Schindler, 2014: 144). The study's underlying research philosophy will be phenomenological since the conclusions it draws will be socially created and developed in the organization that it happens in, which is its natural environment.

4. Target Population:

There are twenty-four people working for Company X: eighteen employees and six members of management. A sample size of twelve research participants was chosen based on the population to take part in the research.

5. Data Analysis:

Thematic analysis was used to analyse the data gathered and helped highlight significant themes that emerged from the interview process in order to specifically understand people's attitudes, meanings, and experiences regarding employee engagement and its impact on organizational performance.

Thematic analysis is a general method for analysing qualitative data that involves finding themes and patterns for additional study, according to Saunders et al. (2016:579). Using a variety of phases of analysis, all interview transcripts were carefully examined to identify concepts, words, phrases, and sentences. They were then classified into codes based on importance level and the emergent themes were found.

	Action plans are important to guide employees on the tasks and responsibilities
	Proper guidelines must be given to facilitate the work
	Unrealistic deadlines prevents the completion of task and responsibilities
	Proper tools to complete the tasks
	Educate employees on job procedures
	Working conditions facilitate employee engagement

Results:

1. Level of Employment:

The empirical results showed that different research participants rated the staff levels differently—some above average, some below average, and some average. The attendees emphasized , The lack of employment flexibility, workplace politics, staff tug-of-war, respect for others, lack of acknowledgment, and personal problems interfering with work performance are some of the elements that influence employee engagement.

2. Elements that influence worker engagement ::

The research findings identified several elements, including employee involvement, motivation, career growth, job design, culture, and recognition communication.

2. Job Design:

3. Culture:

Culture	Excerpts from interviewees
	Employee cultural upbringing affects employee engagement
	Employees are diverse and different
	Employees have different personalities and this affects organisational culture
	The employees behaviour is not aligned to the company’s values
	Leaders shape the culture of the organisation

4. Recognition:

Recognition	Excerpts from interviewees
	Management do not have a recognition strategy
	The system used is not transparent and fair
	The system is applied inconsistently in the organisation

communication	Excerpts from interviewees
	Open communication between management and employees must be addressed.
	Transparent is an important aspect of communication
	Generally there is a good level of communication
	The organisation needs to develop a communications strategy and plan
	Communication is not consistently practices across the organisation
	Horizontal communication needs to be explored.
	Effective communication builds trusting relationship
	A bottom-up approach is required so that all system
	The work environment lack positivity
	A lack of recognition leads to stifled growth potential
	Employees are being identified for promotion
	The company has not fully explored and identified the recognition approaches
	Industry standards on recognition must be explored
	Employees are not consulted about what the needs are

5. Communication:

Recommendations:

- Managers and leaders within the organization should actively promote employee engagement. This can be achieved through various avenues such as quarterly meetings, weekly strategic sessions, and team-building activities where employees are encouraged to voice concerns regarding their roles or share ideas for enhancing existing policies, practices, and procedures to boost performance levels. Additionally, employees should be involved in planning processes, including the assessment of critical issues, identification of opportunities, and sharing of improvement ideas to align with the organization's business strategy.
- Furthermore, the organization should adopt a comprehensive organizational strategy that engages all levels of the workforce to ensure effective execution of tasks in line with the organization's vision and mission. This may entail a review of company policies and procedures. Leadership within the organization should actively involve all employees in the action planning process for revising existing policies and procedures or creating new ones, thereby fostering employee buy-in and commitment.
- The organization should promote clear and consistent two-way communication through effective communication channels. This can include using notice boards to communicate changes such as task deadlines, conducting regular staff meetings to discuss achievements and failures, circulating a quarterly company newsletter to inform employees of changes and developments, and utilizing social media platforms like a company Facebook page for interaction. Additionally, leaders or managers should offer one-on-one sessions with employees who may feel uncomfortable speaking up in group settings.

- Important leadership strategies should be adopted, such as implementing mentorship programs to enhance employee performance and ensure organizational goals are met. Establishing a knowledge-sharing system through a company intranet can also facilitate organizational learning. Furthermore, the organization should have an effective selection process to appoint managers who are willing to take responsibility for promoting employee engagement.
- The organization should address the lack of accountability among employees by implementing an effective performance management system. This system should evaluate employees' efforts in achieving optimal performance levels to support organizational goals.
- To address the lack of recognition for good work, the organization should implement a comprehensive recognition strategy and system. This may include initiatives such as "employee of the month" awards, fostering a culture of daily recognition, leaving thank-you notes on employees' desks, and highlighting important contributions during staff meetings. Additionally, reward and recognition systems should be benchmarked to ensure effectiveness.

Conclusion:

This study aimed to explore the influence of employee engagement on organizational performance within a short-term insurance brokerage. Both the literature review and the study findings indicated a significant impact of employee engagement on organizational performance. Additionally, factors such as communication, job design, incentives and rewards, leadership, employee involvement, culture, and career development were identified as crucial drivers of employee engagement.

However, several limitations were observed in this study. Firstly, it was conducted in a single organization, limiting its generalizability to other contexts. Moreover, the sample size was not equally representative of both genders, with only two male employees in the organization. Furthermore, although purposive sampling was utilized to select participants with rich knowledge and experience in employee engagement, determining the employees' level of expertise in this area was challenging due to the relatively small sample size.

In light of these limitations, it is recommended that further research be conducted within the short-term insurance industry to deepen our understanding of the relationship between employee engagement and organizational performance. This could involve studies with larger and more diverse samples to enhance the generalizability of the findings.

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