

## “Role of Organizational Culture in the Adoption of Employee Engagement Practices in Selected Industries in Pune”

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**Abstract:** Organizations have realized that engaged employees are invaluable assets to an organization. Surveys have been revealing that engagement promotes talent retention and improves organizational performance. Culture of an organization impacts the way interaction happens between people and groups and the way they work with each other. This research intended to throw light on the possible influence organization culture for the adoption of employee engagement practices.

**Key Words:** Organizational Culture, Employee Engagement, Culture dimensions

### Introduction

For past few years, every organization is talking about “Employee Engagement” and its significance. According to Harter, Schmidt & Hayes (2002) - “Engagement refers to a person’s involvement and satisfaction with also an enthusiasm for work”.

Understanding employee engagement is most valuable when understood within the context of the strengths and weaknesses of the organization. Looking at employee engagement alone, without considering the culture that employees work in, potentially leaves blind to the strategic strengths and weaknesses in the organization that impact employee performance and ultimately organizational performance.

Organization culture is embedded in the everyday working lives of all cultural members. Manifestations of cultures in organizations include formal practices, informal practices, physical arrangements and rituals. Hence the role of culture in influencing employee behaviour appears to be increasingly important in today’s workplace. As organizations have widened spans of control, flattened structures, introduced teams, reduced formalization and empowered employees, culture ensures that everyone is motivated in the same direction

Corporate culture helps an organization to connect with people, gives employees the opportunities to share ideas and experience, develops employees for leadership roles and helps them grow with the organization. Organizational culture strongly influences the way groups and people interact with each other, with their clients and with their stakeholders.

### OCTAPACE

The OCTAPACE framework was developed by T.V.Rao and Uday Pareek It is a 40-item instrument that accounts for organization's values and ethos. It is an acronym for o-openness, c-confrontation, t-trust, a-authenticity, p-proaction, a-autonomy, c-collaboration and e-experimentation. The instrument is divided into two parts. In part I, three statements for eight values are stated and the respondent rates on five point scale about how much each statement is valued in their organization. Part II contains two statements each for eight values making it total sixteen statements on beliefs. Respondent rates each statement on how widely each belief is shared in the organization.

Each aspect is discussed with its meaning, its outcome for the organization and its indicators- showing whether and how much, it exists in the organization.

**Openness:** Meaning: It is the spontaneous expression of thoughts and feelings, and sharing of the same without defensiveness. Openness in organizations has to be two-way, receiving and giving. Both of these relate to giving ideas (including suggestions), taking feedback (also criticism), and feelings. Openness means encouraging more suggestions and feedback from customers, peers and others. Similarly, it also means to give ideas, information, feedback etc without hesitation.

Internal e-mailing and internal portals providing information access to everyone plus retrieval of it at any time, spaces without walls, floor space being shared by other colleagues at different levels in the organization are some examples of open culture.

Outcome: Free interaction and more clarity of objectives, impartial performance feedback etc.

Indicators: Better implementation of systems, productive meetings and increased innovations.

**Confrontation:** It is defined as facing problems instead of shying away, taking up challenges, supports in-depth analysis of interpersonal.

Outcome: Improved problem solving; inclination to resolve problems and deal with customers as well as ‘difficult’ employees, open team discussions to resolve sensitive matters.

Indicators: Quick discussions on difficult issues, strong actions and discussions with clients on continuous basis.

**Trust:** It's more about preserving information confidentiality with no misuse especially the ones shared employees. It is the guarantee that help will be received when needed and will respect commitments and mutual obligations.

Outcome: Timely support, empathy, reduced stress, simplification of procedures

Indicator: Reduced documentation, increased productivity, effective delegation.

**Authenticity:** Authenticity is closed to openness. It is the similarity in what one says, does and feels. It is reflected in owning up of one's mistakes, and in uninhibited sharing of feelings.

Outcome: Smooth and straight communication.

Indicator: Interaction and correspondence between employees

**Proaction:** It means to take initiative, plan in advance and take preventive actions, preparing alternative course before taking action. The term 'Proaction' is the opposite of reaction. Reaction is an action in response to some source; while proaction is the action taken free of the source. Proaction is generally functional at three levels -feeling, rational thinking, and action.

Outcome: more initiative in anticipation problems / issues, planning, strategy development, faster response

Indicator: early problem detection, detailed planning, improved time management, willingness to enter new areas of work, better capital management.

**Autonomy:** It denotes giving and utilizing freedom to plan an act. It is about role autonomy through which dependency on superior's approval is reduced and encourages individual responsibility, individual initiatives.

Outcome: Increased willingness to take responsibility, new ways of doing things, sense of owning work.

Indicator: Effective delegation and reduction in references made to senior people for approval of planned actions.

**Collaboration:** It is giving help to, and asking for help from, others. It means working together (individuals and groups) to solve problems with team spirit.

Outcome: Timely help, teamwork, sharing of learning and experiences; improved resource sharing, smooth communication.

Indicator: Productivity reports, qualitative meetings, involvement, inclusive decisions and better resource utilization.

**Experimenting:** It involves looking for fresh ways and encouraging creativity. People are encouraged to use innovative approaches for problem solving coupled with using feedback for improvements. Other terms such as creativity, innovations, experiments, new approaches etc also convey the same meaning.

Outcome: Development of new product(s), method(s), and procedure(s).

Indicator: Innovation, new methods, ignoring constraints and increased lateral thinking.

### **Objectives of the study:**

The objectives of this study are:

1. To identify important aspects of organization culture from existing literature.
2. To study the role of Organization culture in adoption of employee engagement activities in select industries in Pune.

**Research Methodology:** Survey research method falling under descriptive research and convenience sampling method was adopted for this study. The questionnaire targeted middle level managers working in manufacturing and service industries in Pune. Accordingly, 400 respondents were approached and out of 391 responses received 384 were included for the analysis. The analysis of data has been carried out by using One-way between subject ANOVA, Friedman test and Multi-Regression analysis.

### **Data Analysis:**

The OCTAPACE instrument contains two parts. In part I, values are stated in items 1 to 24 (three statements of each of the eight values), and the respondent is required to check (on a 5-point scale) how much each item is valued in his/her organization. Part II contains sixteen statements on beliefs, two each for eight values, and the respondent checks (on a 5-point scale) how widely each of them is shared in the organization

For Employee Engagement, respondents were asked to choose the approaches that reflect the attitude of the organization towards adoption of employee engagement. Responses were taken on a five point Likert scale.

**Hypothesis Testing:** To study the role of Organization culture in adoption of Employee Engagement practices, the following hypothesis was tested using statistical tools explained below.

H<sub>0</sub>: There is no significant effect of determinants of organization culture on adoption of Employee Engagement practices

H<sub>1</sub>: There is significant effect of determinants of organization culture on adoption of Employee Engagement practices.

Statistical test: Multiple Regression Analysis

Variables and Measurement:

Independent Variable: Openness, Confrontation, Trust, Authenticity, Pro-Action, Autonomy, Collaboration and Experimentation (OCTAPACE)

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Dependent Variable: Adoption of Employee Engagement practices

The question measuring attitude of organization towards adoption of Employee Engagement practices had five response options (Likert scale). And the for the culture aspect too, importance were assigned to five responses ranging from Not at all important to Very Important respectively.

Level of Significance:  $\alpha = 0.05$

<b>Table 1. Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763 <sup>a</sup>	.582	.518	.1775

R square is 0.582 i.e coefficient of multiple determination is 0.582.

The above table indicates that Organization culture components can explain 58.2% of the variance of the dependent variable -Adoption of Employee Engagement practices.

<b>Table 2. ANOVA</b>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.285	8	.286	9.063	.000 <sup>a</sup>
	Residual	1.639	52	.032		
	Total	3.924	60			

Null Hypothesis was rejected as P value is 0.000, hence the F test is significant ( $P < 0.05$ ). Thus it can be concluded that the regression model used for confirming predictive relationship between Organizational culture dimensions and adoption of employee engagement practice is significant and has predictive ability.

<b>Table 3. Organizational culture (OCTAPACE) Coefficients</b>							
	Model	Unstandardized Coefficients		Standardized Coefficients	t		Sig.
		B	Std. Error	Beta			
1	(Constant)	-7.536	2.115		-3.563		.001
	Openness	.821	.376	.309	2.186	*	.033
	Confrontation	.656	.370	.236	1.771	ps	.082
	Trust	-.090	.296	-.046	-.304	ns	.762
	Authenticity	-.159	.324	-.075	-.490	ns	.626
	Pro-action	.620	.271	.285	2.290	*	.026
	Autonomy	.008	.258	.003	.029	ns	.977
	Collaboration	.548	.274	.249	1.999	*	.051
	Experimentation	.200	.225	.114	.890	ns	.378

\*= significant at 5% level of significance

ps = partial significant : significant at 10% level of sig

ns = not significant

The Coefficient table shows that Openness is a significant predictor of adoption of employee engagement practices (B = 0.107, P=0.016), Confrontation is also a significant predictor of adoption of employee engagement practices (B

= 0.095,  $P=0.37$ ), Autonomy is a significant predictor of adoption of employee engagement practices ( $B = 0.192$ ,  $P=0.01$ ), Collaboration is also a significant predictor of adoption of employee engagement practices ( $B = 0.104$ ,  $P=0.023$ ) and Experimentation is also a significant predictor of adoption of employee engagement practices ( $B = 0.090$ ,  $P=0.052$ ).

Thus, it can be stated that organization culture with strong components like Openness, Confrontation, Pro-action and Collaboration are more likely to adopt employee engagement practices and alternate hypothesis is accepted.

These components reveal that employees express their ideas freely and organizations are willing to accept new ways of doing things. When employees happen to confront any problems, they all work together to resolve them. Issues are faced openly without the fear of hurting each other. Employees are action oriented and are willing to take initiatives to respond to the needs of future. Employees believe in using one another's strength for planning and implementing strategies for organizations growth.

### **Conclusion:**

During the study, it has been found that almost all companies that were approached for this study were committed towards engaging their employees. The survey responses also show that their organization believes that employee engagement impacts firms' performance and brings competitive advantage to their organization. Organization culture with strong components like Openness, Confrontation, Autonomy, Experimentation and Collaboration are more likely to adopt employee engagement practices.

Thus it can be concluded that Organizations should foster a culture of engagement and regularly conduct employee engagement activities. Sense of purpose can be instilled through communicating the value of employee engagement. The eight dimensions of OCTAPACE culture will help organizations to build a healthy and performing environment.

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