

THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND EMPLOYEE ENGAGEMENT (WITH REFERENCE TO ORGANIZED RETAIL OUTLETS IN BENGALURU)

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Abstract

Today present era it has become inevitable for the organizations to provide all those facilities which lead to employee engagement. The various researches' across the world has exhibited that the higher the engaged employees, higher is the financial turnover of the companies. This paper is one of the attempts to if at all there is any relationship between the various dimensions of organizational culture, specifically the OCTAPACE dimensions with employee engagement. The study is conducted at various retail outlets selected by the referrals of the

researcher, and the data is collected by a structured questionnaire. It has been found that though the organizations are aware of the OCTAPACE Model, but there is a presence of all the dimensions of OCTAPACE. It is also found that there is a relationship between the various dimensions of OCTAPACE and employee engagement, but not all dimensions.

Key words: Employee, Engagement, OCTAPACE, Relationship, Retail Outlets

I. INTRODUCTION

Organizational Culture is defined as the shared managerial beliefs and assumptions about employee nature and behavior. Schein (1990) describes it as a set of shared assumptions, values, beliefs and norms about the expected behavior. Ouchi (1981) puts it as a combination of symbols, ceremonies and myths that communicate the underlying values and beliefs of an organization. The development of mainstream Human Resource Management (HRM) theory has been concerned with how people management can enhance performance outcomes. It is very recently found that interest has been shown in the parallel stream of research on the link between employee engagement and organizational culture, bringing the two together to suggest that engagement may constitute the mechanism through which HRM practices impact individual and organizational Performance.

Present day retail organizations are experiencing highest employee attrition as a huge problem, in-spite of giving almost every delight to the employees. At the initial level, if there is a positive and generalizable relationship between:

- Employee engagement and HRD practices at organised retail outlets in Bengaluru,

- Impact of OCTAPACE dimensions of organizational culture with that of employee engagement.

Problem of the study is stated as “*An Analysis of Organisational Culture and its impact on Employee Engagement with reference to selected Organised Retail Outlets in Bengaluru*” considering the OCTAPACE dimensions of organizational culture and its impact on employee engagement.

Research Design

Descriptive research design was employed for current research.

II. OBJECTIVES OF THE RESEARCH

The objectives of the research were:

1. To study the present levels of employee engagement at selected organised Retail Outlets in Bengaluru
2. To understand the different cultures of organised Retail Outlets in Bengaluru.
3. To study the relationship between dimensions of Organizational culture **Openness, Confrontation, Trust, Authenticity, Pro-action, Autonomy, Collaboration and Experimentation** and its relationship with Employee Engagement.
4. To test the relationship between OCTAPACE dimensions of organizational culture and its impact on Employee Engagement.

5. To provide suggestive measures for optimisation of effectiveness and efficiency of the employees in selected retail outlets.

Scope of Research

The study is conducted in Bengaluru, capital city of Karnataka. Only organized retail outlets are taken for the purpose of this research study. The scope of the proposed study extends up to studying and systematically analysing the various factors that lead to organization culture and employee engagement. Major factors that lead to employee engagement will be determined and the impact of the organizational culture (OCTAPACE dimensions) on employee engagement will be studied.

Variables of the Study

OCTAPACE dimensions [Openness (O); Collaboration (C); Trust (T); Authenticity (A); Pro-activity, (P); Autonomy (A); Confrontation(C); Experimentation (E)] and the integrated variables like level of engagement, **dimensions of employee engagement** (Physical, Cognitive, Affective, behavioural) **factors resulting in employee engagement** (Trust & integrity, Nature of the job, Career growth opportunities, Co-workers / team members, Pride about the company etc) will be studied in detail.

Sampling Design

- **Population:** The population includes

all employees of organised retail outlets in Bengaluru.

- **Frame:** The frame comprised employees of the retail outlets of Bengaluru.
- **Sampling Method:** Stratified sampling is employed
- **Sample size:** The questionnaire was rolled out to 756 employees as on March 31st 2017 and a sample size of 246 respondents has been determined.

Data Collection

The data was collected from primary and secondary resources.

- Primary Data was collected through a combination of a standardised questionnaires on OCTAPACE Dimensions and Employee Engagement
- Secondary data was collected from various sources like:
 - ✓ Journals of Industrial psychology , Journal of management and Journal of HRM
 - ✓ Reports & Research articles on Employee Engagement, Organization Culture and Organization Climate. Etc.

Statistical Tools

The main tools used for statistical analysis were testing of Hypothesis, Percentage Analysis, Means, Standard

deviation, and t-test and one-way ANOVA test.

Hypotheses

H₀₁: There is no significant difference between the engagement levels of employees of all organised retail outlets.

H₀₂: There is no significant relationship between OCTAPACE dimensions of Culture & Employee engagement in all the retail outlets.

Reliability Coefficient

Cronbach Alpha Reliability Test:

Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made. The reliability coefficient (cronbach alpha) was found to be 0.87. The alpha value was more than the minimum acceptable value of 0.7.

Limitations of the Research

The researcher has identified the following limitations for this research:

- The results were primarily based on the organised retail industry in India (South India), particularly Bengaluru city and therefore results may vary with regard to other states.
- The researcher has found that there are expect few retail outlets in the city that are not aware of employee engagement, whereas, there were

few employees who had no idea about the relationship between employee engagement and organizational culture.

III. MAJOR FINDINGS

Discriminant relationship of Employee Engagement and Impact of Organizational Culture on EE

1. This research provides evidence of the distinctiveness of employee engagement and organizational culture and researcher conducted a confirmatory factor analysis leading to discriminant validity establishment to examine employee engagement.
2. Based on the sequential chi-square difference test (James, Mulaik, & Brett, 1982), the one-factor model, χ^2 (20, N = 198.06; χ^2_{diff} (1, N = 246) = 32.02, $p < 0.01$ and one-factor model = 0.80, the goodness-of-fit index of one-factor model = 0.81, and the Tucker-Lewis index of one-factor model = 0.72.
3. The means, standard deviations, internal reliabilities, and inter-correlations among the variables are reported in Table. All measures show high internal reliabilities, with coefficient alphas ranging from 0.55 to 0.84. The pattern of correlation is consistent with the hypothesized relationships. That is, employee engagement and organisational

culture dimensions has a statistically positive relationship.

4. The level of significance is based on the critical ratio (CR) of the regression estimate (Biswas, Giri & Srivastava, 2006; Byrne, 2001). Thus, when CR values are greater than or equal to 2.58, it indicates a 99 percent level of significance. However, when CR values are greater than or equal to 1.96 but less than 2.58, it indicates a 95 percent level of

significance. Accordingly, it is reported that employee engagement regress is significant and positive on OC (standardized $\beta = 0.48$, CR =4.67). This is consistent with Hypotheses 1 and 2. The standardized regression coefficients for the relationships are designated by β . Further, organizational culture dimensions (standardized $\beta = 0.82$, CR = 6.72) are significantly and positively associated with employee engagement.

Table 1: Means, Standard Deviations, Alpha Reliabilities, and Inter correlations Among Variables

Dimensions	M	SD	O	C	T	A	P	A	C	E
O	3.16	0.43	(0.73)							
C	3.32	0.61	0.50	(0.80)						
T	3.37	0.36	0.23	0.33	(0.74)					
A	3.47	0.51	0.52	0.54	0.47	(0.84)				
P	3.53	0.51	0.48	0.47	0.32	0.55	(0.55)			
A	3.65	0.62	0.49	0.47	0.45	0.58	0.62	(0.60)		
C	3.68	0.63	0.52	0.49	0.48	0.60	0.63	0.65	(0.65)	
E	3.69	0.64	0.55	0.53	0.49	0.62	0.65	0.66	0.68	(0.65)

Table 2: Regression Estimates for 4 Dimensions

Dimensions	Unstandardized Coefficients		Standardized Coefficient	
	B	Standard Error	β	CR
Openness	0.18	0.05	0.36	3.70
Confrontation	0.23	0.05	0.48	4.67
Trust	1.51	0.22	0.82	6.72
Authenticity	1.07	0.25	0.85	4.22

Note: N=246; The C R (Critical Ratio)

is the commonly recommended basis for testing statistical significance of SEM components with C R values beyond ± 2.58 establishing significance at $p < 0.01$ level and applied structural modelling equation (SEM) procedures using the maximum likelihood estimation (MLE) algorithm. SEM offers a better alternative to traditional multiple regression tests of mediation. However, conceptually, procedure of testing mediation using SEM is better to Baron and Kenny's (1986) approach.

Findings As Per Statistical Data Analysis

- Hypothesis Testing revealed that all the OCTAPACE variables which are essential to build strong ethos in the organization are not given equal significance in the organization.
- There is a very high positive inter-correlation amongst openness, confrontation, pro-action and experimentation.

- There is a low positive correlation amongst openness and authenticity and autonomy.
- Likewise, Autonomy also shares a very low correlation amongst all variables except Trust.
- Pro-action shares a very high correlation with experimentation.

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