

Effect of Organizational Culture on Employee Engagement: A Comparative Study between Public and Private Banks in Andhra Pradesh

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Abstract: Employee engagement is a matter of utmost importance to thriving organizations, as it can impact organizational productivity, employee turnover, and overall effectiveness. The importance of organizational culture in employee attitude and work role engagement is realised because it greatly influencing the mindset, drive toward goal accomplishment, and overall performance of employees at every level. The effect of organizational culture on employee engagement: A comparative study between the public and private sector banks in Andhra Pradesh This research takes a quantitative research method with the use of structured questionnaires distributed to employees in selected banks. In total, the study was completed with 200 respondents from public and private banks. The study addresses multiple cultural dimensions, including leadership buy-in, communication methods, employee involvement, reward systems and workplace culture. The relationship between organizational culture and employee engagement was assessed using statistical tools such as: - Percentage analysis - Mean score difference - Correlation Analysis The results show that there is higher employee engagement in private sector banks than public sector banks because of flexible organisational culture, participative management styles and performance based reward systems. This study concludes that a supportive and dynamic organizational culture contributes greatly to employee engagement in the organization as well as the organizations' performance.

Keywords: Organizational Culture, Employee Engagement, Banking Sector, Public Banks, Private Banks, Human Resource Management.

I. Introduction

Over the past few years, employee engagement has emerged as one of the most critical elements contributing to organizational success in today's business environments. In this age of fast-paced technology, international competition, and changing work place environment organizations are realizing the significance of a highly energized and engaged force. Employee engagement means the level of emotional, rational, and behavioral connection developed by employees both with their job and the organization. Engaged employees are more energetic, committed, and immersed in their work, improving organizational effectiveness.

Firms in all sectors have recognized that productivity, innovation and organizational growth come from people who feel emotionally and psychologically invested in their work. Engaged employees are inclined to be proactive, take initiative, and contribute improvements in process and service delivery. Additionally, employee engagement has been linked to a host of benefits including decreased turnover rates, higher job satisfaction, better collaboration between team members and more effective customer service delivery. That already provoked that many organizations evolved their strategies and human resource practices to achieve the highest levels of engagement among employees.

The term employee engagement was coined by William A. Kahn, who defined engagement as being the psychological presence of employees in their work role. According to his theory he explains that employees engage themselves completely when they express their self physically, cognitively and emotionally during the execution of their work roles. Kahn defined three vital psychological states that affect engagement:

meaningfulness, safety and availability. Meaningfulness: A feeling that the work being done matters and has value. Psychological safety is about the degree to which an employee feels free and safe to express themselves without fear of damaging their self-image or career. Availability means having the needed physical, emotional and psychological resources to do work well. When the following conditions exist, employees are more willing to show a higher level of engagement and commitment toward their organization. Employee attitudes, behaviours and engagement levels are greatly influenced by the organizational culture. This holds true for at least one certainty in any organisation, namely the idea of 'organisational culture'. It affects the ways employees communicate with one another, how decisions are made and how organizational objectives are achieved. Culture encourages teamwork, trust, innovation and loyalty within an organization. Such cultures promote transparent dialogue, collaborative decision-making, and acknowledgment of individuals' input, all of which contributes to increased motivation and engagement.

However, high rigid or bureaucratic organizational cultures can impose controls on employees' autonomy and low their willingness to actively engage in the various organizational activities. Low engagement is enhanced in organisations that are too formalised and bureaucratic, which creates hierarchies and stymies employee inclusion. In such an environment, employees feel detached from organizational goals and may be unmotivated to do more than their basic job. As a result, the type of organizational culture is critical in shaping whether employees feel at home in or engaged with their work environment. Banking is a service sector and employee engagement is essentially important in providing quality services to customers. The performance, commitment and efficiency of the employee play a major role for banks to keep healthy customer relationship and meet organizational goals. Individuals in the banking industry also oversee financial transactions and ensure policy compliance. So, it is clear that employee engagement has a direct impact on service quality, customer satisfaction and organizational image.

The management structures and organizational culture vary as banks in India are either public sector, meaning owned by government or private sector. In general, public sector banks follow formal hierarchy, standard operating procedures (SOP) and conform to the regulations imposed by the government. Although these attributes can guarantee stability and accountability, they may also restrict flexibility/even employee autonomy in certain cases. Private sector banks, in contrast, have a typical focus on performance-linked management systems, innovation, empowered employees and competitive working environment. Such entities always introduce technologies that can motivate employees and boost employee engagement methods. These differences in management practices, work culture and organizational policies could lead to the level of engagement being significantly different in public sector banks and private sector banks. Private sector banks may offer enhanced opportunities for growth, leadership visibility and decision-making among their employees which has been often correlated with stronger engagement. By contrast, employees at public sector banks might benefit from a more structured and stable work environment; however they could have poorer opportunities for participative decision-making or performance-based recognition.

So it is a very important area of research to understand how organizational culture plays some affect over employees in terms of engagement in different banking institutions. By studying these relationships, organizations can address the existing strategies in specific and choose effective ones to enhance employee motivation, productivity and organization performance.

Thus, current study attempts to find out the relationship of organizational culture with employee engagement and comparison of employee engagement level between public sector and private sector banks in Andhra Pradesh. These results will also enable the management to devise means to foster employee engagement and business productivity in line with organizational culture in banking.

Purpose of the Study

To highlight the state of present effect of organizational culture on employee engagement in select public and private sector Banks with reference to Guntur District. Further to give findings and suitable suggestions for improving the productivity through culture.

Aim of the study

To contribute best suggestions to improve organizational culture for developing productivity, and give a further scope for next generation researchers in similar kind of research.

II. Literature Review

Research on employee engagement and organizational culture has attracted considerable attention in management and human resource studies. Several scholars have examined the factors that influence employee engagement and how organizational practices contribute to improving employee commitment, productivity, and organizational performance.

Andrew C. Ologbo & Saudah Sofian (2013) study the impact of individual and organizational factors on employee engagement and work outcome. Their research centers around a better understanding of how an employee's traits, managerial styles, and organizational support correlate to levels of engagement in the workplace. Employees understand that good leadership and positive commitment to the organization increases their involvement in work roles. An engaged employee is more excited, committed and willing to go above and beyond his job description (Authors: David Sirota, Louis A. Mischkind, and Michael M. Meltzer). Their results emphasize the importance of organizational practices in fostering engagement and driving positive outcomes, including these from leadership (e.g., supportive leaders), recognizing employee contributions, and providing a non-toxic work environment.

Alina Popescu & Liliana Grigore (2007) The relationship between organizational culture and employee satisfaction within modern organizations; Their research shows that organizational culture has a strong impact on employees' attitudes, motivation, and job satisfaction. Supportive and participative organizational culture fosters open, trust, and collaborative communication among employees. The study found that companies that foster good cultural values—including transparency teamwork, and respect for employees—generally tended to keep their employee morale high. Ultimately, such environments improve employee performance, which in turn strengthens organizational performance.

As highlighted by Augustine A. Lado and Mary C. Wilson (1994), human resource systems are of strategic importance in enabling organizations to compete sustainably. From their competency-based point of view, good human resource management practices may lead to valuable and hard-to-copy organizational capacities. Their study found that HR practices positively impact employee engagement and commitment when they disguise with the organizational culture. These policies foster an effective and agile workforce actively engaged in advancing the organization.

Qiang and Xu (2014) highlighted that organisations with a high level of employee engagement ensure organisational productivity especially in times of economic uncertainty and organisational transition, where a global focus of organisation is to increase profitability. They depicted that firms operating in dynamic environments need to have a deeply engaged workforce for sustainability. They are also more resilient, committed to the job, and flexible with changes in company direction. The reasons were even more acute for organisations which invest in employee engagement strategies are well positioned to protect productivity and retain competitiveness during difficult times the authors further emphasised.

Comment on The Role of Internal Communication in Affecting Employee Engagement: A Case Study Cherie Gaither 2012 The study itself showed that communication between management and employees is one of the most critical aspects when building trust and relationships in an organization. Therefore, by communicating organizational goals, policies, and changes in a timely manner produces more valuable employees who feel included in the decision-making process. This feeling of belonging increases their motivation level for the organization and having a stake in organizational functions.

Key factors when studying the concept of engagement and its impact on individual/organizational performance (Rashid, Asad and Ashraf, 2011) They found that leadership style, positive work environment, recognition systems and career development opportunities are relevant aspects that affect engagement. Additionally, employees who are acknowledged appropriately and provided with growth opportunities displayed greater job satisfaction and loyalty to the organization, the study suggested.

The empirical study on employee engagement practices in ICICI Bank was carried out by K. Swarnalatha (2013). Subsequently, the study reviewed an extensive number of studies (Sahai et al., 2017) and practices to determine human resource strategies that improve employee involvement and commitment in banking institutions. It was found that HR practices like empowering employees, training & development programs and recognition for the performance of an employee significantly contributed towards improving engagement levels. According to the study: "Organizations which take a pro-active role in reaping the benefits of employee

involvement-generated win-win situations foster a culture and environment that motivates their work-force to contribute towards organizational productivity."

By the mid-1990s, Mark A. Huselid (1995) studied the influence of human resource management practices on organizational outcomes like employee turnover, productivity and financial performance. And organizations that adopt these practices see reduced rates of turnover, productivity and quality measures improve. The research by Huselid revealed that having effective human resources-policies and procedures in place formed a high-performance work system, thereby leading to better employee commitment toward the organization.

Robinson, Perryman and Hayday (2004) identified some key factors that drive employee engagement within organisations. Important factors that determine engagement included the quality of leadership, timely and effective communication, ability to participate in decision-making, and opportunities for training or further education. The findings indicated that for organizations to cultivate such atmosphere where employees felt recognized and were prepared to add value into the organizational success, they need to trigger participative management approach.

Woodruffe (2006) denoted the significance of employee engagement in operating strategically to help achieve organizational effectiveness. Those engaged employees are far more productive, cause higher customer satisfaction and result in better overall financials for the firm (if you believe the study cited). Engaged employees are those who have a greater investment to their working roles, and will tend to increase the rates of higher service to clients. The study concluded that promoting employee engagement should be seen as a long-term objective by companies looking for sustainable growth and competitive edge.

In conclusion, it has been sufficiently demonstrated in the literature that Organizational Culture, Leadership Practices, Communication Systems and Human Resource Policies significantly influence employee engagement. "When organizations foster a supportive work culture and empower its employees, they are more likely to enjoy increased engagement, productivity and organizational success.

III. Objectives of the Study

1. To examine the relationship between organizational culture and employee engagement.
2. To evaluate employee engagement levels in public sector banks.
3. To evaluate employee engagement levels in private sector banks.
4. To compare engagement levels between public and private sector banks.
5. To identify cultural factors influencing employee engagement.

Hypotheses of the Study

The following hypotheses were formulated based on previous research.

H1: Organizational culture has a significant positive impact on employee engagement.

H2: Leadership support positively influences employee engagement.

H3: Effective internal communication positively affects employee engagement.

H4: Employee participation in decision making positively influences employee engagement.

H5: Recognition and reward systems significantly improve employee engagement.

H6: There is a significant difference in employee engagement between public and private sector banks.

H7: Organizational culture in private sector banks is more supportive toward employee engagement compared to public sector banks.

IV. Research Methodology

A. Research Design

This study makes use of descriptive and comparative research design to investigate the impact of organizational culture on employee engagement in banking sector. This study follows descriptive research design because the researcher would describe employees' characteristics, their perception and attitude of employees about organizational culture and engagement practices in this study; therefore, a descriptive research is appropriate. Using a descriptive approach, the study gathers comprehensive data regarding the actual business context by discovering how cultural dimensions like Power Distance and performance are shaping towards employee conduct and commitment.

In addition to descriptive analysis, the study also adopts a comparative research design with respect to organizational culture and employee engagement in public sector banks as compared to private sector banks. Through comparative research, the researcher gets to identify differences in organizational practices, leadership styles, communication patterns, rewards system and employee engagement across different types of banking institutions. The study's comparative framework is used to understand if the looseness or tightness of organizational culture in both private and public sector banks affect employee engagement.

This research employs a quantitative design and gathers primary data through the administration of structured questionnaires to employees in the banking sector. The data received from participants, on the other hand, was analysed so as to assess the percentage base analysis with mean score comparison and correlation analysis helping determine the extent of affirmative between organizational culture and employees engagement. This approach involves systematic data collection and objective analysis in order to reliably interpret findings.

B. Population

The study population comprises of the employees working in both public and private sector banks in Andhra Pradesh. The state's banking sector consists of a wide range of banks and their branches and departments providing various services. Our clients are employees working in these banks with whom we need to give financial services, lead and maintain relationships with customers and ensure operational efficiency.

This research population includes officers, clerical staff and administrative personnel working in selected branches of some public and private banks. Those roles span functional areas like customer service, loan processing, operations, finance and administration.

Among the banks, public sectors such as State Bank of India, Bank of Baroda and Andhra bank and private sector banks like ICICI Bank, HDFC Bank and Axis Banks were chosen for study owing to their considerable presence in the region. Those whom are working in these banks experience different cultures, management practices, and work environments in the organizations they are reasonable participants for assessing how organizational culture is related to employee engagement.

Hence, the population of bank employees in Andhra Pradesh is large; so it doesn't make sense to study each and every employee. Therefore, employees from different levels were selected as a representative sample for conducting the empirical investigation.

C. Sampling Technique

The study is quantitative based on convenience sampling technique of respondents from the population. Convenience sampling is one of the non-probability sampling methods in which selections are based upon availability or readiness to participate in the research. This is a widely used technique in most organizational and management research wherein the respondents might be difficult to access due to time restrictions, organizational frameworks or geographical diversity. Within the context of this study, employees from a few selected public and private sector bank branches were approached personally and requested to respond to the survey. The sample consisted of employees who were willing to give responses, and those who had adequate knowledge about their respective organisation cultures and work environment.

As this study involved data collection from working professionals, who had limited time to respond as the type of research surveys is in consideration for this purpose was lengthy, convenience sampling was deemed suitable. This also provided the researcher with responses from employees at various departments as well as

levels of experience across the banking institutions. While convenience sampling has its shortcomings regarding generalizability, this technique is well suited for exploratory and comparative studies where the goal is to explore patterns, relationships, and perceptions within a particular organization context.

D. Sample Size

Bank Type	Number of Respondents
Public Sector Banks	100
Private Sector Banks	100
Total	200

Selected Banks:

Public Banks

- State Bank of India
- Bank of Baroda
- Andhra Bank

Private Banks

- ICICI Bank
- HDFC Bank
- Axis Bank

E. Data Collection

Primary Data

For the present study, primary data was collected directly from employees who worked in selected public sector and private sector banks in Andhra Pradesh. The main tool for data collection was a structured questionnaire developed to assess employees' perceptions of organizational culture and their engagement in the organization. So the data collection tool chosen for this study was based on a questionnaire as it allows following the same format for gathering information from many people which is highly organized and effective.

The questionnaire had two broad sections. The initial part retrieved respondent's demographics including the gender, age group, qualification, designation by designation and years of experience in banking sector. The demographic variables include information that allows for a better understanding of the background characteristics of the respondents, and also to interpret results presented in this study.

In the next part of questionnaire, variables regarding organizational culture and employee engagement were taken. The study examined multiple dimensions of organizational culture, including leadership support, communication effectiveness, employee participation at all levels of the hierarchy, recognition and rewards for achievements and a supportive work environment that fosters growth. Employee engagement was similarly assessed through themes of employee commitment, motivation, involvement in job activities and willingness to contribute to ones work goals.

Respondents were measured using a 5-point Likert scale. One common polling instrument is the Likert scale, which asks participants to respond to a series of statements by indicating their degree of agreement or disagreement. For the purposes of this study, the scale included the following response categories:

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Strongly Agree

Respondents were therefore asked to indicate their level of agreement (strongly disagree – strongly agree) with each statement in terms of how they have experienced their organization. The use of Likert scale can convert subjective perceptions and attitudes into numbers which statistically analyzed by the researcher. The questionnaires were personally distributed in selected bank branches, and sufficient time was given for responses. Only questionnaires completed and valid were used for analysis.

Secondary Data

Secondary data was used as a basis for the study to fill in information gaps and serve as a foundation for study theory together with primary through secondary sources. Data were collected from different published and credible secondary sources, including academic journals, textbooks, research reports and dissertations, and conference papers that explored employee engagement, organizational culture as well as human resource management.

It helped the researcher understand previous findings and perspectives on employee engagement. In order to see what the main factors that affect employee engagement are and how organizational culture impacts employees attitudes and behavior, several academic articles have been reviewed.

A review of books and literature from the domains of organizational behaviour and human resource management was also undertaken to establish a conceptual orientation for the construct employee engagement and its relationship with organizational culture. Academic databases offered dissertation measures and research reports that provided empirical evidence from other studies done in organizations like Becker's firm.

The secondary data review led to the development of research objective, hypotheses, and research methodology for the study. This provided a solid theoretical basis upon which to make sense of the results, and posit them in relation to existing literature and research into employee engagement and workplace culture.

F. Statistical Tools

- Percentage Analysis
- Mean Score Analysis
- Correlation Analysis
- Comparative Analysis

V. Data Analysis and Interpretation

Table 1: Demographic Profile of Respondents

Variable	Category	Frequency	Percentage
Gender	Male	120	60%
	Female	80	40%
Age	20–30 years	70	35%
	31–40 years	80	40%
	41–50 years	40	20%
	Above 50 years	10	5%

Interpretation: most respondents fall within the 31–40 age group, indicating experienced employees in the banking sector.

Table 2: Organizational Culture Perception

Organizational Culture Factor	Public Banks	Private Banks
Leadership Support	3.2	4.1
Communication	3.0	4.0
Employee Participation	2.9	4.2
Recognition & Rewards	2.8	4.3
Work Environment	3.1	4.0

Interpretation: Private Banks show significantly higher mean scores across all cultural dimensions.

Table 3: Employee Engagement Level

Engagement Level	Public Banks	Private Banks
Highly Engaged	25	48
Moderately Engaged	50	40
Low Engagement	25	12

Interpretation

Private Sector banks have a higher proportion of highly engaged employees.

Table 4: Correlation between Organizational Culture and Employee Engagement

Variables	Correlation Coefficient
Organizational Culture vs Employee Engagement	0.68

Interpretation: A correlation coefficient of 0.68 indicates a strong positive relationship between organizational culture and employee engagement.

VI. Results and Discussion

Organizational culture has strong impact on employee engagement, as analysis states. Private sector banks who are able to remain flexible with their work culture and performance based recognition system, reporting higher levels of employee engagement along with a participative leadership style. Bureaucratic structures and less participation of employees in decision-making processes leads to relatively lower engagement levels in public sector banks. The results also support previous research showing that a positive organizational culture leads to increased employee motivation, productivity and organizational commitment.

VII. Conclusion

However, Employee engagement is one of the most highlighted aspects in closed doors for uplifting organizational performance specifically in the banking sector. The study found that organizational culture plays a significant role in affecting employee engagement. As an example, private sector banks do have an edge when it comes to engagement levels as their policies are flexible, communication practices better and recognition systems effective, also source. Supporting and being participative cultures should remain a focus for organizations, as they empower employee engagement, communication, and acknowledgement. Such initiatives not only motivate employees but lead to long-term organizational success as well. Overall, our study adds to the literature on employee churn by highlighting specific predictors of attrition in the banking sector and suggests future research could include variables like, leadership style, job satisfaction and technological alterations impacting the industry.

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