ORGANIZATIONAL CULTURE AND EMPLOYEE ENGAGEMENT: AN INTERRELATIONSHIP STUDY IN HOSPITALITY INDUSTRY OF HIMACHAL PRADESH

NAMRITA KALIA¹ & YOGINDER S. VERMA²

¹Assistant Professor, Department of Humanities and Management, National Institute of Technology, Jalandhar, Punjab, India
²Pro-Vice Chancellor Cum Dean, School of Business and Management Studies, Central University of Himachal Pradesh, Himachal Pradesh, India

ABSTRACT

Employees are the foundation pillars of hospitality industry. The success of this industry lies in its engaged workforce. The study was undertaken to analyze the predictors of organizational culture, which influence employee engagement among employees of the hospitality industry. Data was collected with the help of multistage sampling technique and was analyzed, interpreted using simple percentage, Pearson correlation and multiple regression. The results reveal that among the different dimensions of organizational culture - autonomy and experimentation were significantly related with all the dimensions of employee engagement. Trust has predicted dedication and absorption, whereas collaboration influenced only absorption dimension of employee engagement. Autonomy and experimentation served as a predictor for all the three dimensions of employee engagement that is vigor, dedication and absorption. The management of hospitality industry should take steps towards creating an engaged organizational culture, so that, the organizations in particular and the industry on the whole is benefitted.

KEYWORDS: Employee Engagement, Organizational Culture, Interrelationship, Hospitality Industry & Himachal Pradesh

INTRODUCTION

The progress of an industry depends upon the engagement of its workforce, and organizational culture is one of the factors that drive employee engagement (Mc Bain 2007; Lockwood 2007). Work engagement plays a mediating role between job resources and in the role and extra role performance, thereby boosting the progress of industry. Culture of effective communication, positive reinforcement, adequate resources, innovation, trust in senior management, skill enhancement, teamwork and autonomy helps in improving the engagement level of employees (May et al. 2004). Scholars in the era of the 1980’s (Barney 1986) claimed that strong organizational culture could lead to a competitive advantage for the firm. Management behavior influences the relationship between engagement and organization outcomes, and therefore influences employee behavior. Efficient work culture helps employees feel empowered and satisfied with the work environment, thereby making them feel engaged in their work. A healthy work environment comprising of engaging organizational culture is a necessity of the hospitality industry. Engaged employees have high energy levels and are enthusiastic about their work. As a result, management needs to be customer focused, communicate effectively and have employees well being as a top priority to produce
engaged employees (Ludwig and Frazer 2012).

The hospitality industry faces fundamental challenges related to attracting and retaining young individuals in its highly volatile business environment (Zopiatis and Kyprianou 2006). A number of studies portray hospitality professions as unattractive (Getz, 1994; Cooper and Shepherd 1997). Hospitality professions are characterized by physically repetitive, poorly paid, controlled by task oriented managers and limited opportunities for participation and development (Koko and Guerrier 1994). This industry is a fast growing service industry in India particularly in the hilly state of Himachal Pradesh which possesses huge potential due it geographical and cultural diversity ranging from “Him” snow covered mountains to valleys, hospitable people and all the basic resources necessary for the attraction and development of hospitality industry in this hilly state (Economic Survey H.P, 2013). For the operation of this industry, its employees - work force form the core and their performance can lead to the success of this industry. Therefore there arises a need to study the relationship between employee engagement and organizational culture and to understand how different factors of organizational culture influence employee engagement of employees in hospitality industry of Himachal Pradesh.

LITERATURE REVIEW

Employee Engagement

The term “engagement” acquires its roots of the role theory proposed by Erving Goffman (1961). Role theory studies the various roles individuals occupy in society, as well as the social expectations and behavioral boundaries attributed to such roles (Baileya and Yost 2007). According to Goffman (1961) engagement is the “spontaneous involvement in the role” and a “visible investment of attention and muscular effort”. Later Kahn (1990) drawing from the earlier works of Goffman (1961) defines personal engagement as “the simultaneous employment and expression of a person’s "preferred self" in task behaviors that promote connections to work and to others, personal presence (physical, cognitive, and emotional), and active, full role performances. People have dimensions of themselves that given appropriate conditions, they prefer to use and express in the course of role performances.”

According to Maslach et al. (2001), engagement is the opposite or the positive antithesis of burnout and is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. Schaufeli et al. (2002), defined Work engagement as a positive, fulfilling, work-related state of mind that is characterized by firstly, a vigor that is indicated by high levels of energy and mental resilience while working. Secondly, a dedication which refers to being strongly involved in one’s work and experiencing a sense of significance, enthusiasm, and challenge. Thirdly absorption that is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work (Schaufeli and Baker 2004). According to Bakker et al. (2007), engagement is conceptualized as a high level of energy at work and a strong identification with one’s job. Macey et al. (2009) argued that engagement is best characterized as purposeful and focused energy which is directed toward organizational goals. In brief, although it is unlikely to arise at a universal agreement on a single definition of engagement most of the authors recognize it as being a positive work related psychological state that reflects an individual’s willingness to make an extra effort for achieving organizational success. It is the commitment and involvement that employees show towards their work.
Organizational Culture

The concept of organization culture gains its roots from the work of Pettigrew (1979), who defined it as “the system of personal and collectively accepted meanings of work, operating in a given group at a given time.” Forehand and Gilmer (1964), suggest that culture is the set of characteristics that describe an organization and distinguish it from others. Kroeber and Parsons (1958), defined culture as the “transmitted and created content and patterns of values, ideas, and other symbolic meaningful systems as a factor in shaping human behavior and the artifacts produced through behavior”. Porter, Lawler and Hackman (1975) identify organizational culture as “a set of customs and typical patterns of ways of doing things”. Organizational culture is defined as “the collective programming of the mind that distinguishes the members of one organization from another. This includes shared beliefs, values and practice that distinguish one organization from another (Hofstede 1989). The Organizational Culture is a system of organizational symbols, beliefs, values and shared assumptions and it is the social force that controls the patterns of organizational behavior by shaping member’s cognition and perceptions of meanings and realities (Ott 1989).

In summary, the definitions of organizational culture revolve around the variety of social phenomena that includes a common pattern of values, beliefs, symbols, meanings, behavior, and assumptions that are held by organizational members which helps to shape their behavior with each other as well as to their external environment. (Aycan et al. 2000; Barney 1986). Different scholars have described the various components of organizational culture. The major ones include openness. Confrontation, trust, authenticity, protection, autonomy collaboration, experimentation, leadership, empowerment, structural design, workers believes and attitude, training and socialization, performance evaluation and reward system, openness, confrontation, trust, authenticity, protection, autonomy, collaboration and experimentation also play a role in formulating the organizational culture. (Marcoulides and Heck 1993; Pareek 1994).

METHODOLOGY

The objective of the research study broadly includes:

• To study the relationship between employee engagement and organizational culture of employees in the hospitality industry.

• To understand the predictors of organizational culture that influence employee engagement among employees.

Hypothesis Formulation

Park (1994) scale for organizational scale was used to examine the relationship between organizational culture and employee engagement. The dimensions of organizational culture that were examined for the study include:

Openness: It is the freedom to communicate with other employees, share and interact without hesitation. Receive feedback from customers and giving ideas and suggestions to team members. The spontaneous expression of feelings and thoughts, giving the receiving feedback are the outcomes of openness (Vats 2013). Confrontation: It involves facing the problems and challenges boldly, not shying away from them, deeply analyzing interpersonal problems and working jointly with others concerned to find a solution to the problems. Trust: Maintaining the confidentiality of information shared by others and the company. It includes high empathy, timely support, reduced stress & reduction and simplification of forms and procedures.
**Authenticity**: Authenticity is the value underlying trust. The value deals with the extent employees are willing to acknowledge the feelings other have and accept them (Jafri 2012). It involves congruence between what one feels, says and does along with sharing of feelings freely to improve interpersonal communication & reduced distortion in communication.

**Protection**: The value deals with the extent employees are action oriented, willing to take initiative and show a high degree of proactive. They anticipate issues and act or respond to the needs of the future. **Autonomy**: The value deals with the extent employees are willing to use power without fear, and helping others to do the same. Employees have some freedom to act independently within the boundaries imposed by their role or job. Develops mutual relationships, reduce reference made to senior people. **Collaboration**: The value deals with the extent employees work together and use one another’s strength for a common cause. Involves strategies, workout plans of action and implement them together. **Experimentation**: Using and encouraging innovative approaches to solve problems in the organization. It also involves development of new product, methods and procedures (Subrahmanian 2012).

Different dimensions of employee engagement based on the Utrecht Work Engagement Scale (UWES) (Schaufeli and Baker 2003) and Schaufeli et.al. (2002) are as follows:

**Vigor**: It is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one’s work, and persistence even in the face of difficulties. **Dedication**: It refers to being strongly involved in one’s work and experiencing a sense of significance, enthusiasm and challenge. **Absorption**: It is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work.

The major null hypotheses taken for the study are as follows:

**H₀₁**: There is no interrelationship between employee engagement dimensions and different dimensions of organizational culture.

**H₀₂**: Organizational culture dimensions have no significant contribution towards employee engagement.

**Sample for the Study**

The Himachal Pradesh is situated between latitudes 30°22'40" North to 33°12'40" North and longitudes 75°45'55" East to 79°04'20" East into a north Himalayan region of India. The entire state of Himachal has a hilly and rugged terrain, with the altitude ranging from 350 meters to 7000 meters above sea level (Tourism in Himachal Pradesh way Ahead PHD Chamber of Commerce & Industry report 2012-13 presented to planning Commission).

The sample for the study was drawn from all the population units with the help of multi-stage sampling. At the first stage all the districts in the state of Himachal Pradesh were arranged in descending order of the number of registered hotels under Department of Tourism and Civil Aviation Govt of Himachal Pradesh (India). In the second stage in order to make the sample representative, the following procedure was adopted.

4 districts [Kullu (613), Shimla (397), Kangra (379), Chamba (123)] consisting of one among the highest, two moderate and lowest number of registered hotels were identified for the study. In each district the hotels were arranged in the alphabetical order of their names and every 10th hotel is selected for the study.

Finally, 151 hotels were selected for study comprising of the hotels from four different districts. The hotels in Himachal Pradesh are mainly low budget hotels which do not employ larger work force in managerial roles. Therefore,
middle management employees comprising of Manager/Senior executives and Supervisors/ junior executives were taken for the study, amounting a total of 350 employees surveyed from different private and public hotels.

RESULTS

Interrelationship between Employee Engagement and Organizational Culture

The interrelationship between dimensions of employee engagement and organizational culture dimensions is given in table 1.

Table1 shows the interrelationship between vigor and dimensions of organizational culture. A significant positive relationship between vigor and precision (r=. 174, p<0.01), autonomy (r=. 287, p<0.01) and experimentation (r=. 390, p<0.01) is observed. Dedication has a positive and significant relationship with confrontation (r=. 108, p<0.05), trust (r=. 132, p<0.05), proaction (r=. 123, p<0.05), experimentation (r=. 399, p<0.01) and autonomy (r=. 401, p<0.01) Absorption is positively as well as significantly related with confrontation (r=. 125, p<0.05), autonomy (r=. 463, p<0.01). The above results suggest that vigor is positively and significantly related to protection, autonomy and experimentation. In short, it is concluded that increased degree of vigor improved the organizational culture of the organization through the increased measure of protection, autonomy and experimentation.

The analysis predicts that increase in dedication relates to organizational culture positively and majorly influences confrontation, trust, proaction, autonomy and experimentation in the same direction. Absorption among employees can also be improved positively through the parameters of confrontation, autonomy and experimentation. Hence, the study rejects the null hypothesis (H0) of no relationship between employee engagement dimensions i.e vigor, dedication and absorption and dimensions of organizational culture.

Organizational Culture Dimensions as predictors of Employee Engagement

The organizational culture dimensions as predictors of employee engagement are given in table 2.

On examining the individually different parameters of organizational culture in table 2, it is found that moderate variance is shown by organizational culture dimensions towards absorption that is 36.7 percent (R^2=. 367) followed by 24 percent (R^2=. 240) towards dedication and 22.5 percent (R^2=. 225) towards vigor.

The analysis also reveals that one percent change in trust is expected to produce significantly 28.8 percent (t=2. 759, p<0.05) change in dedication, 18 percent (t=2. 218, p<0.05) change in absorption. Further analysis also shows that a one percent change in autonomy produces significantly 34.2 percent (t=5. 096, p<0.05) change in vigor, 25.9 percent (t=4. 102, p<0.05) change in dedication and 38.9 percent (t=7. 903, p<0.05) change in absorption. A percent change in experimentation produces 78 percent (t=7. 161, p<0.05) change in vigor, 81 percent (t=7. 890, p<0.05) change in dedication and 80.2 percent (t=2. 272, p<0.05) change in absorption. Major contribution towards different employee engagement dimensions is shown by experimentation dimension of organizational culture. Trust influences dedicate more as compared to absorption, whereas autonomy contributes more towards absorption followed by vigor and dedication. The results show that trust contributes towards dedication and absorption among employees, whereas autonomy and experimentation influence all the three dimensions of employee engagement that is vigor, dedication and absorption. The present study exhibits the contribution of some of the organization culture dimensions towards employee engagement. Thus, it rejected the null hypothesis (H0).

www.tjprc.org

editor@tjprc.org
DISCUSSIONS

According to Ludwig and Frazer (2012) organizational culture of effective communication and autonomy promotes employee engagement. Corporate cultures are characterized by teamwork, pleasant working conditions, the considerate treatment of employees, growth opportunities, skill enhancement and abundant training opportunities. Employee’s feeling of security and long term commitment to the organization along with catering to their individual needs helps to boost the engagement level (Davy 2009). A large number of studies have shown job resources like autonomy, social support, supervisory coaching, performance feedback, participate in decision making and opportunities for learning, training, professional development, to relate positively with employee engagement (Hakanen, et al. 2006; Xanthopoulou et al. 2007; Bakker et al. 2012). The study holds consistency with the above findings and states that the autonomy and experimentation dimensions of organizational culture holds relationship with all the three employee engagement dimensions. Confrontation relates with both dedication and absorption and trust is related to dedication of employees.

Fairness and trust as organizational values provide positive impacts on the creation of employee engagement (Mc Bain 2007). A large number of studies have shown job resources like autonomy, social support, supervisory coaching, performance feedback, participate in decision making and opportunities for learning, training, professional development, to relate positively with employee engagement (Hakanen, Bakker and Schaufeli, 2006; Saks 2006; Xanthopoulou et al. 2007; Bakker et al. 2003). Various studies have found a supportive workplace relationship as an important predictor of employee engagement (Maslach et al. 2001; May et al. 2004). The findings of the present study support previous studies that suggest a positive relationship between job autonomy, trust and experimentation with employee engagement of the employees (Mauno et al. 2007; Schaufeli and Bakker, 2004; Xanthopoulou et al. 2009).

CONCLUSIONS

The performance of employees is influenced by employee’s vigor, dedication and enthusiasm at work and these factors makes them more engaged in their work. Organizational culture is an important factor that promotes employee engagement. Among the different dimensions of organizational culture, autonomy and experimentation were found to be significantly related with all the dimensions of employee engagement. Different dimensions of organizational culture were found to be related more with vigor and dedication as compared to an absorption parameter of employee engagement. Trust has predicted dedication and absorption, whereas collaboration influenced only absorption dimension of employee engagement among the hospitality employees. To create an engaged workforce with a sense of belongingness and commitment towards the organization, it is essential to strengthen these factors of engaging organizational culture, so that the organizations in particular and the industry on the whole is benefitted in the long run. Time to time such study will help to assess the employee engagement in the organizations and industry and will boost the industry not only quantitatively but in the quality of the service provided by it.

ACKNOWLEDGEMENTS

The authors gratefully acknowledge the financial support provided by the Indian Council of Social Science Research (ICSSR), Govt. Of India in the form of doctoral fellowship to first author for undertake this study.
REFERENCES


Appendices

Table 1: Inter-Relationship between Employee Engagement and Organizational Culture

<table>
<thead>
<tr>
<th>Employee Engagement Dimensions</th>
<th>Organizational Culture Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Openness</td>
</tr>
<tr>
<td>Vigor</td>
<td>.055</td>
</tr>
<tr>
<td>Dedication</td>
<td>-.007</td>
</tr>
<tr>
<td>Absorption</td>
<td>.088</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**

*Correlation is significant at the 0.05 level (2-tailed).

Table 2: Organizational Culture and Employee Engagement

<table>
<thead>
<tr>
<th>Organizational Culture Dimensions</th>
<th>Employee Engagement Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vigor</td>
</tr>
<tr>
<td>B-Value</td>
<td>T-Value</td>
</tr>
<tr>
<td>Openness</td>
<td>.027</td>
</tr>
<tr>
<td>Confrontation</td>
<td>-.028</td>
</tr>
<tr>
<td>Trust</td>
<td>-.056</td>
</tr>
<tr>
<td>Authenticity</td>
<td>-.041</td>
</tr>
<tr>
<td>Proaction</td>
<td>.211</td>
</tr>
<tr>
<td>Autonomy</td>
<td>.342</td>
</tr>
<tr>
<td>Collaboration</td>
<td>-.073</td>
</tr>
<tr>
<td>Experimentation</td>
<td>.780</td>
</tr>
<tr>
<td>R²</td>
<td>.225</td>
</tr>
<tr>
<td>F value</td>
<td>12.400*</td>
</tr>
</tbody>
</table>

Regression Equation: Dimension of Employee Engagement = β₀ + β₁X₁ + … + βₙXₙ

Vigor = 1.031 + .342 Autonomy + .780 Experimentation

Dedication = 2.008 + .288 Trust + .259 Autonomy + .810 Experimentation

Absorption = .943 + .180 Trust + .389 Autonomy + .182 Collaboration + .802

Experimentation