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Impact of Leadership and Organizational Culture on Employee Engagement: An Insight

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Abstract: Leadership as well as Organizational culture plays a vital role in aspect of any successful business or organization. Organizations are taking employee engagement as an important means of success for the growth of organization as well as for the individual. We tested to what extent leadership and organizational culture has impact on employee engagement. This paper provides preface indication that leadership helps the organization to achieve its vision and goals where organizational culture facilitates in aligning the people with goals, caters in high employee motivation and loyalty, increased team cohesiveness, Shaping employee behavior at work, enabling the organization to be more efficient, which, in turn strengthen relationships with organization that enhances the employee engagement which leads to less absenteeism, better outcome, Retention, Customer loyalty, Wellbeing, commitment, ownership, dedication and integrity. The leadership and organizational culture has positive impact on the employee engagement and it facilitates in achieving the business objectives of the company. The paper reports that building the strong leadership and organizational culture can enhance the employee engagement.

Key Words: Leadership, Organizational culture, Employee engagement

INTRODUCTION

Leadership is the process of social influence as the behavior of the leader affects the followers' behavior to a great extent. Leader is the member of the group or organization who plays an important role in influencing the behavior of the members of group or organization. Udai Pareek (2007) defines leadership as the act of making an impact on others in a desired direction. Every Organization has its own cultural forms that consist of the different ways in which the people behave in the organization. These norms help the employees understand the way the things work in the organization. These norms help the employees understand the way the things work in the organization. Nowadays, the organizations are focusing on

employee engagement as there element of talent management it has been found that people who are highly engaged, they remain with the organization for longer time.

LITRATURE REVIEW

Sirota (2005) said that Employee Engagement results in high morale when the employees are treated well by the organization which results in high levels of productivity, quality of work, lower turnover (which reduces recruiting and training costs), and a superior pool of job applicants which ultimately results in higher company profitability. The employees always feel happy to work in a company which is successful and they work to their full potential, because they are able to get all the benefits attached by working hard in the organization which also helps to keep the customers satisfied as they get the superior quality of product or services delivered by the organization.

Brown *et al.* (2005) Leaders who follow the ethical code of conduct are identified by the organizations and results in having large number of followers. For leaders to be seen as ethical leaders and to have influence on employees for ethical outcomes, they must be seen as attractive, credible, and legitimate. The leaders should be open, honest and should be fair to all the employees.

Hughes *et al.* (2008) suggested that higher the employee engagement, the higher are the chances that the employees will feel more connected with the organization and will have a positive image in their minds about the organizations and the will also communicate the same which will help in building the employee brand image, it also suggests that the employees would also want to be affiliated and attached with the organization which has minimum employee turnover. This helps in exerting a superior level of effort and help in influencing variables as quality of service, sales profitability, productivity and customer satisfaction.

Walumbwa *et al.* (2008) suggested that Leaders should behave ethically, so that, they can have impact on the people who would like to follow the same ethics as the leaders. Leaders should also communicate ethically. Leaders should also reinforce the ethical climate. Leader behavior should be able to promote the positive ethical climate and positive psychological capacities, an internalized moral perspective; it helps in developing greater self-awareness.

Goffman (1959, 1961) was the first one who invents the term called “embracement” to describe the investment of self and energy into one’s role; role embracement involved an admitted or expressed attachment to the role and an active engagement or spontaneous involvement in role activity. Behaviors that signify a lack of separation between a person and a role were indicative of role embracement, whereas behaviors that separated a person from a disdained role indicated role distance.

Alok *et al.* (2012) investigated two different things 1) The relationship between psychological ownership, leadership which should be authentic and work engagement in the organization. 2) and how psychological ownership impacts the relationship between work engagement and leadership.

Conger *et al.* (2000) studied about the Charismatic leadership which is based upon follower perceptions of their leader’s behavior. The followers perceive the observed behavior of the leader as expressions of charisma. The leader’s behavior shows the task orientations, people, and individual’s participative. The Conger–Kanungo model differentiates leadership from other leadership into two dimensions. The first

factor talks about what follower's think, that how much ahead the leader wants to go in his/her life. The second factor being, how sensitive the leader is towards environment opportunities, follower's needs and the constraints faced by leader.

Overview of Leadership and Engagement

Tims, Bakker *et al.* (2011) said that constantly variation in leadership may impact employees work experience or we can say employee engagement and self-beliefs or we can say personal resources. A leader defines vision, determines the mission and persuades people to go in a certain direction that they may not have wanted to go. Kahn (1990) was the one who found the concept of personal engagement “people employ and express themselves, physically, cognitively or emotionally during role performances” which turned into the foundation for defining what is now referred to as employee engagement—a term that is interchangeable with employee engagement, work engagement, job engagement and personal engagement, role engagement. Considering the psychological accessibility that “measures how ready people are to engage given the distractions they experience as members of social systems”, Kahn stated that this accessibility relies on the emotional, physical or psychological assets reachable in a particular moment.

Impact of organizational culture on employee morale

According to Needle (2004), organizational culture indicate the beliefs, values and principle of an organization and it is a product of the factors such as market, management style, type of employees, product, technology, history, strategy and national culture. Culture involves the organization's values, beliefs, vision, habits, symbols, norms, systems, assumptions and language. Ravasi *et al.* (2006) said that organizational culture is a set of assumptions that guide what occur in an organization by explaining suitable for every circumstance. It's also the example of such assumptions and collective behavior that are taught to new organizational employees as a method of perceiving i.e. feeling and thinking. Therefore organizational culture influence an individual, groups, clients and with stakeholders. Every organization creates and keeps a unique or different culture which gives guidelines to the employees. Now explore the elements through which organization culture make. Organization culture has seven characteristics i.e. high to low. Every organization has definite value for these characteristics i.e. when we need to combined; it defines the unique organizational culture. Employees can make some judgments on the basis of these characteristics and then accordingly they adjust their behavior to recognize the set of values. The ordinary perception of the individual will describe the types of organizational culture. There are two primary components of organizational culture i.e. 1) primary value of the organization and 2) existing management system and style, these two primary component decide the degree by which the wanted results obtained from the employees. The value system that people possess in the organization and also support of employees directly or indirectly shows the direction in which organization is likely to move in future. A powerful culture can guide better. It also helps the employees to do their work more efficiently. Organization culture is worried about how employees grasp all these characteristics whether they perceive it in a positive way or negative. Through effective culture we can get to know about how people behave most of the time and also people enjoy the work which they do and because of that they do their work more effectively and efficiently. It gives a guideline for day to day behavior. Culture also helps the organization to achieve their desired goals. The organization culture as a management program gives a motivating impact on the employees to improve their organizational

performance. Leadership helps the organization to achieve their goals and vision.. The leadership helps the organization to achieve its vision and goals and organizational culture facilitates in achieving the goals with the help of people and increase the employee engagement. The employee engagement results in less Absenteeism, Better outcome, Retention, Customer loyalty, Wellbeing ,commitment, ownership, dedication and integrity. The employee engagement expands business and productivity and reduced the absenteeism to a large extent due to the motivation for work and taking the ownership in work. Higher level of employee engagement keep the employee more focused and chances of errors is also reduced that leads to better outcomes and increase the employee commitment to the work and the organization. The retention in the organization is also increased due to employee engagement.

DISCUSSION

Many of the global firms are facing human capital challenges (Tarique & Schuler, 2010). As many areas are facing shortage of experienced people, and because of that leaders will take more strong steps to attract and retain talent (Rothwell, 2002). Leadership is considered to precede factors like employee engagement (Xu & Thomas, 2011), which results in individual well being or organizational performance. According to Serrano and Reichard (2011) leaders play an important role and creating an environment where employees are involved and they feel more energized towards their work. There are four ways to help leaders to work efficiently, they are: (1) designing work that is meaningful and that motivates employees, (2) By providing necessary support and training, (3) to help employees in self development by providing necessary resources, and (4) By rewarding them for the work and by helping them to build supportive coworker relationships. According to Shuck and Herd (2012), leaders who are self-aware (they know what to say and how to act) are able to create a better engaging climate and are able to understand followers' basic needs and provide better solutions. There was a limitation that, leaders who put their focus on performance management and task completion are not able to develop themselves.

In an organization where there are clarifying roles and where people encourage the development of organizational culture, the leadership is more effective (Alarcon et al., 2010). If the employees are empowered they will perform better and will be recognized by the supervisors which will help in developing the sense of ownership (Alok & Israel, 2012). Culture helps in achieving goals of the organization. It motivates the employees to improve their performance which ultimately results in organizational performance. Employee Engagement is a concept that has become increasingly mainstreamed into management thought over the last decade. It is generally seen as an internal state of Employee Engagement– physical, mental and emotional – that brings together earlier concepts of work effort, organizational commitment, job satisfaction. Employee engagement includes practices such as training programs, flexible work arrangement and incentive rewards. These practices results in high level of employee engagement. Leaders have the ability to inspire the behavior, thinking and attitude of other people. Leadership is a social influence and is all about teamwork to achieve a common goal. Leaders may or may not follow different styles of leadership. Leadership depends upon the historical events. It depends upon the work environment. It depends upon the organizational context. It describes the relationship between the leader and the followers. Structural leadership plays a very important role in forming the organizations. Structural leaders are the people who provide right solutions for their organizations and are able to get them acknowledged and get them implemented. There should be interactive culture in the work place. Workers are from different cultural backgrounds and the way they behave makes

the organization culture. Some people say that organizational culture is the most important factor, which is responsible for the success or failure of the organization. Organizations value what brings about the results they most desire: improved performance and overall effectiveness. The best way to accomplish this is not by looking at employee engagement alone, but also by gaining an understanding of the organizational context and culture the employees work within. Employee engagement is all about forming meaningful connections with others and to be able to be empathic towards them. But in contrast, it is believed that Employee Engagement refers to those activities which make us aware about the mission and the roles that people have to play in work environment. Employee engagement is also defined as the commitment that employees shows towards the organization and the emotional connect that employees have towards their organization. Kahn (1990) had suggested that Employee Engagement is a multi-faceted construct. Most people have to work on daily basis to earn a living, which makes work a necessity and obligation rather than a choice. If the employees are given the opportunity to do what they can do best then it is seen by many researches that it results in a higher performance, job commitment and they feel more attached to the organization as their hard work is recognized in the form of work autonomy. In an organization it is seen that if the employee engagement is higher, there are lower Absenteeism and the employees are more focused and motivated to do their job which in return increase the overall productivity for the organization. It is seen that the organization where there is higher employee engagement , the employees are more focused and they commit fewer mistake because they enjoy what they do, they have work autonomy , to do the work as they want which ultimately results in better safety and outcomes. It is seen that in adverse situations the employees tend to leave their organization because they are not given the freedom that they require to work in a certain job setting which results in less enthusiasm regarding the job, because of which the employees seeks for a job which provides them with higher compensation and a flexible working condition. If the organization provides the employees an environment where the employees have the best work conditions then they feel at home and they feel more attached towards their organization, which in turn helps the organization with employees retaining in the organization. The organizations have to focus on Customer loyalty as it is the ultimate outcome that the organization wants out of their business for that the employees must have drive towards fulfillment of this organization goal. It is said that one happy customer brings with them ten new customer which results in profitability and loyal customers also acts as a source of generating awareness about the organization. If the employees are in a happy state of mind then they can perform better at their work place, there will be better work life balance as well. Through the research it seems that there are three mental states of engagement. There are different factors that may likewise be vital for employee engagement. It seems that replacing a worker may cause of low productivity. Once a worker has been change, it takes times for the new one to match the work. So basically changing the labor frequently is not good for any business. Through this research it also shows that client devotion is important for any business because if we have faithful clients then business goes long. Building up the relationship with a client will give good outcomes. To sustain organizational competitive advantage, today organizations are focusing on Human capital management. If employees get disengaged with the work, they start withdrawing themselves during their work performance; they would not be able to relate to the work or job role (Kahn 1990; Hoch child 1983). Employees put their time, devote whole day to work still not satisfy because they do not do their work with passion or full of energy. It is believed that those persons who do their work with full of passion and enthusiasm they enjoy their work and they do not take their work as a burden. There are three psychological conditions which are related to engagement or

disengagement they are: availability, safety and meaningfulness in work environment. It is seen that engagement level of individual employee will enhance if psychological significance and psychological safety were offered. The combination of a right leadership and healthy culture impacts the employee engagement that is most important aspects in enhancing the organization's effectiveness and facilitating the organization to achieve its goals.

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