

## **Assessing the relationship between Organizational Culture, Job Satisfaction, Employee Performance and Employee Engagement**

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### **Abstract**



*This study assessed the relationship between Organizational Culture (OC), Job Satisfaction (JS), Employee Performance (EP) and Employee Engagement (EE) in the geographical and organizational context of private banks of Sindh, province. The nature, approach and philosophy of this study were quantitative, explanatory, deductive, cross-sectional and positivist. An instrument (close-ended questionnaire) used to obtain data from managers and non-managers through convenience sampling. Data analysis and interpretation done through Statistical Package for Social Sciences (SPSS) and Partial Least Square-Structural Equation Modelling (PLS-SEM). There were mainly four variables out of which OC was independent variable and JS, EP and EE were dependent variables. Aim & objectives accomplished by testing hypotheses. OC tested positive and significant with JS, EP and EE. Findings further suggested that employee engagement or job satisfaction can be used as mediator in future studies. Supervisor behaviour can be used as novel variable in existing model to enhance the scope of future studies.*

**Keywords:** Organizational Culture, Job Satisfaction, Employee Engagement, Employee Performance and Supervisor Behaviour

### **Introduction**

A set of values, beliefs and norms shared by organizational members inside the organization for the purpose of identifying organizational goals and accomplish them with the efforts of managers and non-managers is known as organizational culture (Hofstede, 1990). A good organizational culture enriches satisfaction and motivation among managers and non-managers and it also keeps them busy, committed and engaged with their jobs (Mahesar, 2015). Consequently, it contributes in improving individual performance which directly enhances the organizational performance (Jhatial, Mangi & Ghumro, 2012). Organizational culture performs four functions to keep managers and non-managers attached with their jobs, it makes them happy on performance of good job and it shows them sense of belonging and affection and fulfils their needs and wants (Nelson & Quick, 2011).

- Identity of individuals within the organization
- Commitment with the job and organization
- Reinforcement of values in the organization
- Control mechanism in shaping behaviour of individuals

### **Significance**

Organizational culture promotes trust, equality, honesty and mutual respect between employee and employer. It encourages managers and non-managers to actively participate in developing and improving the image of private banks of Sindh province in the minds of customers. Job satisfaction, employee performance and employee engagement greatly rely on organizational culture in the context of private banks of Sindh province. Therefore, organizational culture has much significance and importance that should be tested with job satisfaction, employee performance and employee engagement in private banks of Sindh province.

### **Problem statement**

Organizational culture keeps employees satisfied, engaged and it also improves employee performance which has ultimate effect on organizational performance (Hakro, Chandio & Mahesar,

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2022). Organizational culture plays vital role in keeping strong bond between employee and employer (Sobia & Aftab, 2014). Particularly, it augments incitement and commitment among managers and non-managers to stay attached with their jobs and progressively focus on improving employee performance which can be realized at organizational level (Mahesar, 2015). Organizational culture significantly contributes in improving satisfaction and engagement among employees (managers and non-managers) in private banks of Sindh province.

### **Research gap**

There is much research embarked on organizational culture in various organizational contexts of the globe (Hakro, Abbasi & Mahesar, 2021). However, there is no any evidence found in the context of private banks of Sindh province. Therefore, this study explores the relationship between OC, JS, EP and EE in the geographical and organizational context of private banks of Sindh province, which is yet undiscovered. Hence, this study keeps paramount importance in discovering relationships between variables given in the conceptual model of the current study based on the acquired data.

### **Aim & objectives**

The main aim of study is to assess the relationship between OC and JS, OC and EP and OC and EE. However, this aim is further divided into three objectives which are given below.

- To assess the relationship between OC and JS.
- To assess the relationship between OC and EP.
- To assess the relationship between OC and EE.

### **Literature review**

#### **Job satisfaction**

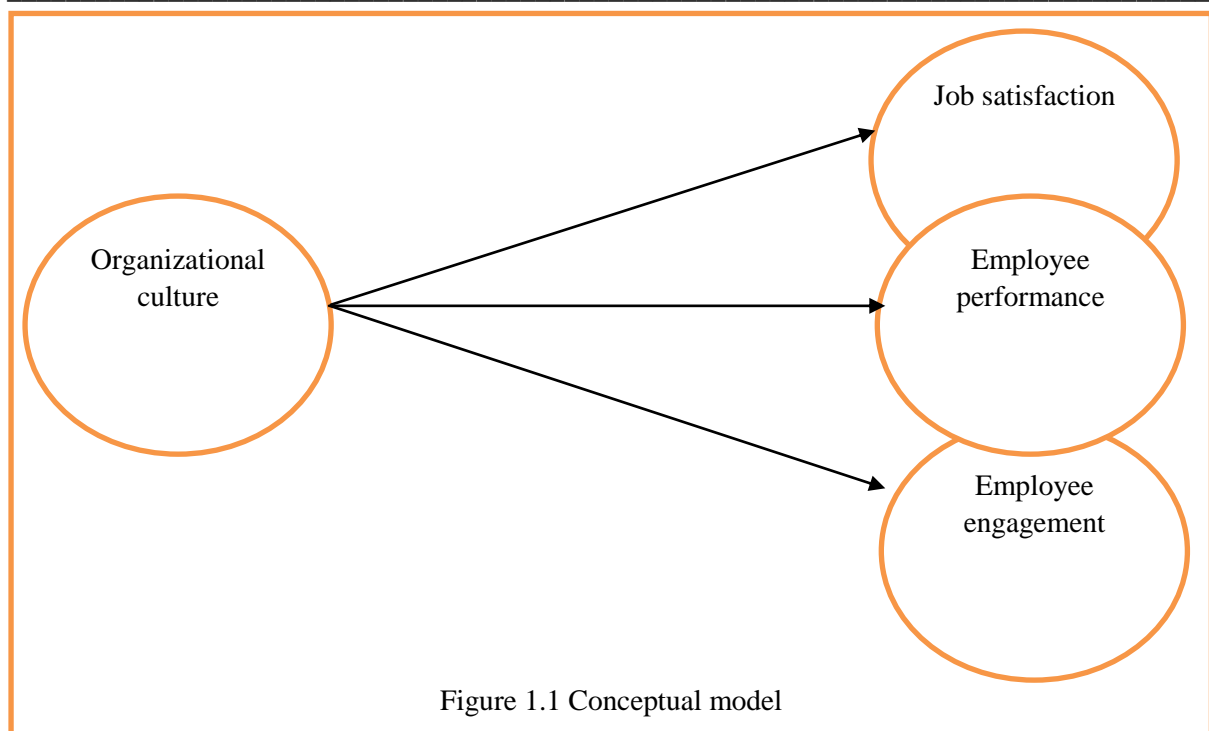
Positive feelings resulting from the job evaluation is known as job satisfaction (Robbins & Judge, 2007). It is one of the characteristic of the job satisfaction while negative feelings are the characteristics of job dissatisfaction (Robbins & Judge, 2007). Managers and non-managers perform well at work when they get satisfied from their jobs and organization (Hakro, Jhatial & Chandio, 2022). Satisfaction compels them to deliver best out of the best services to the organization which certainly pushes up organizational performance and individual engagement (Hakro, Chandio & Mahesar, 2022). Satisfaction reduces turnover of managers and non-managers and improves bond between employee and employer which is the way to accomplish goals easily and quickly (Gilal et al., 2022).

#### **Employee performance**

Managers and non-managers contribute job skills, knowledge and experience with a view to accomplish organizational goals (Hakro, Siddiqui & Banbhan, 2022). Employee performance can be measured on certain parameters which are either developed or adopted by the organization (Siddiqui & Jamil, 2015). Mostly, private banks of Sindh province use performance appraisal to evaluate performance of managers and non-managers (Jhatial et al., 2012). Performance appraisal is a document that is comprising of sections out of which some are filled by managers and non-managers and others are filled by immediate supervisors and eventually performance appraisal is forwarded to top-management for earning awards and rewards based on the recommendations of supervisors (Kitur, 2015). This is the tool to be used by managers and non-managers to check themselves either they perform up to the expectations of management or not (Bhagwandeem, 2021). Performance appraisal guides managers and non-managers to correct themselves and fulfil the expectations of management (Mangi, Jhatial & Shah, 2012).

#### **Employee engagement**

Employee engagement keeps managers and non-managers completely absorbed into their jobs with a passion and dedication to work well for the organization (Altaf & Awan, 2011). It increases morale of managers and non-managers and motivates them to assist the organization in enriching performance (Neeta, 2011). Employee engagement reduces stress among managers and non-managers and pushes up motivation and commitment (Tunio, Mahesar & Hakro, 2021). Organization enjoys the highest productivity and profitability where managers and non-managers are absolutely engaged in their jobs (Shah et al., 2011). Employee engagement increases satisfaction among managers and non-managers and it also encourages them to improve performance (Jhatial, Mangi & Ghumro, 2012).



**Figure1.1 Conceptual model**

**Hypotheses:**

Following three hypotheses developed to test the relationship between variables and to accomplish aim & objectives of the study.

H1. OC is positively related to JS.

H2. OC is positively related to EP.

H3. OC is positively related to EE.

**Research methodology**

Nature, approach and philosophy of this study were quantitative, deductive, explanatory, cross-sectional and positivist. Specific number of respondents were taken into consideration for making data analysis and interpretation. Relationships tested based on the hypotheses which were developed in the conceptual model. Data acquired from all private banks which were operated in Sindh province. Mostly, quantitative studies followed the positivist philosophy.

**Data collection procedure** an instrument (close-ended questionnaire) used to obtain data comprising of 7-related choices. These choices denoted the response in agreement and disagreement.

**Sampling** convenience sampling used to obtain the data from the target population which is an item of non-probability sampling.

**Population and sample** managers and non-managers identified as target population of the study who were working in private banks of Sindh province.

**Data analysis & interpretation** data analysed and interpreted by Statistical Package for Social Sciences (SPSS) and Partial Least Square-Structural Equation Modelling (PLS-SEM).

**Table1. Response rate of the survey**

No.	Bank Name	Questionnaires distributed	Questionnaires received back	Response Rate in %
1	United Bank Limited	11	10	90.90
2	Allied Bank Limited	10	9	90
3	Habib Bank Limited	10	8	80
4	Muslim Commercial Bank	12	8	66.66
5	Al-Baraka Bank	3	3	100
6	Askari Bank	7	6	85.71
7	Soneri Bank	8	6	75
8	Bank Al-Falah	5	3	60
9	Faysal Bank	5	3	60
10	SAMBA Bank	2	2	100
11	Bank Al-Habib	8	6	75

12	Meezan Bank	7	5	71.43
13	Silk Bank	2	2	100
14	Khushhali Bank	10	7	70
15	Dubai Islamic Bank	8	7	87.5
16	Habib Metropolitan Bank	4	2	50
17	JS Bank	7	5	71.43
18	Summit Bank	6	4	66.66
19	Bank Islami	5	4	80
	<b>Total</b>	<b>130</b>	<b>100</b>	<b>76.92</b>

Above table indicated the response rate of the survey which is quite good and more than 76%, data obtained from 19 private banks which were operated in Sindh province. A sum of 130 questionnaires distributed among managers and non-managers, who were working in above listed banks out of that 100 questionnaires considered appropriate for making data analysis and interpretation. However, 30 questionnaires discarded due to inappropriately filled.

**Table2. Demographic profile of the participants**

<b>Gender</b>	<b>Frequency</b>	<b>Cumulative percentage</b>
Male	68	68
Female	32	100
<b>Total</b>	<b>100</b>	
<b>Marital status</b>	<b>Frequency</b>	<b>Cumulative percentage</b>
Married	74	74
Single	26	100
<b>Total</b>	<b>100</b>	
<b>Age group</b>	<b>Frequency</b>	<b>Cumulative percentage</b>
20-29 years	26	26
30-39 years	45	71
40-49 years	17	88
50 years and above	12	100
<b>Total</b>	<b>100</b>	
<b>Education</b>	<b>Frequency</b>	<b>Cumulative percentage</b>
Bachelor (14 years)	23	23
Master (16 years)	67	90
MBA/MS/M.Phil.	10	100
<b>Total</b>	<b>100</b>	
<b>Experience</b>	<b>Frequency</b>	<b>Cumulative percentage</b>
Less than 1 year	26	26
2 to 10 years	34	60
11 to 20 years	23	83
21 to 30 years	12	95
30 and above years	05	100
<b>Total</b>	<b>100</b>	
<b>Position/Rank</b>	<b>Frequency</b>	<b>Cumulative percentage</b>
Managers	16	16
Non-managers	84	100
<b>Total</b>	<b>100</b>	

Above table indicated the demographic profile of the participants who had supplied data through survey. As many as 68% participants were male, 74% participants were married out of all, as many as 45% participants were between the age group of 30-39 years of age, as many as 67% participants were master 16 years qualification holders which was considered to be the entry level qualification in banking industry of Pakistan. There were 34% participants between the experience of 2-10 years which meant that majority were young and energetic. 84% data acquired from non-managers because the percentage of non-managers was more as compared to managers.

**Table3. Cronbach's alpha**

<b>Variable(s)</b>	<b>Cronbach's alpha</b>
Organizational culture	0.801
Job satisfaction	0.757
Employee performance	0.862
Employee engagement	0.702

Above table indicated Cronbach's alpha of all individual variables which were taken into consideration in the current study. Cronbach's alpha is viewed excellent at the threshold value of 0.70 (Hair et al., 2010). This is mainly considered as the primary test applied on the data to determine whether it is clean, reliable or free from errors for further testing. Therefore, all individual variables qualified through attaining the threshold value of Cronbach's alpha, which allowed for making further data analysis and interpretation.

**Table4. Factor analysis**

Variable(s)	OC	JS	EP	EE
OC-2	0.986			
OC-4	0.980			
OC-6	0.972			
JS-1		0.964		
JS-3		0.926		
JS-5		0.732		
JS-7		0.962		
EP-1			0.715	
EP-3			0.818	
EP-5			0.956	
EP-7			0.965	
EE-1				0.838
EE-3				0.961
EE-5				0.878
EE-7				0.996
EE-8				0.752

Above table indicated factor analysis, factor analysis described item-variable correlation. All items loaded in its own family with required threshold value which is 0.70 (Hair et al., 2010). However, items which could not attain threshold value, these items were removed from further analysis and interpretation. Organizational culture (OC) measured by 8 items out of which 3 items considered fit and 5 items removed which could not attain threshold value. Job satisfaction (JS) measured by 10 items out of which 4 items considered fit and 6 items removed which could not attain threshold value. Employee performance (EP) measured by 7 items out of which 4 items considered fit and 3 items removed which could not attain threshold value. Employee engagement (EE) measured by 9 items out of which 5 items considered fit and 4 items removed which could not attain threshold value.

**Table5. Construct reliability & validity with r-square**

Variable(s)	AVE	CR	R square	CBA
OC	0.959	0.986	0.000	0.979
JS	0.812	0.945	0.220	0.920
EP	0.756	0.925	0.269	0.889
EE	0.791	0.949	0.162	0.932

Above table indicated construct reliability & validity with r-square values. Cronbach's alpha (CBA) and Composite Reliability (CR) were considered excellent at the threshold value of acceptance 0.70 (Nunnally & Bernstein, 1994). Average Variance Extracted (AVE) considered excellent at the threshold value of acceptance 0.50 (Fornell & Larcker, 1981). Organizational culture (OC), job satisfaction (JS), employee performance (EP) and employee engagement (EE) considered fit, reliable and appropriate in terms of CBA, CR and AVE. Therefore, considered fit for making further data analysis and interpretation. R square described change which is caused by independent variable in the dependent variable (Hair et al., 2010).

**Table6. Discriminant validity**

Variable(s)	OC	JS	EP	EE
OC	<b>0.979</b>	-0.469	0.518	0.402
JS	0.000	<b>0.901</b>	-0.133	0.372
EP	0.000	0.000	<b>0.870</b>	0.109
EE	0.000	0.000	0.000	<b>0.889</b>

Above table indicated discriminant validity, which showed each variable attained highest correlational value on its own rather than others, which meant that variable was relatively distinct from other variables. It also indicated that it was correctly operationalized (Fornell & Larcker, 1981).

**Table7. Path coefficients**

Path coefficients	P-Value	Standard Error (SE)	T-Statistics
OC->JS	0.001	0.032	14.606
OC->EP	0.002	0.102	5.068
OC->EE	0.002	0.081	4.946

Above table indicated path coefficients which were drawn based on the model. Therefore, all three path coefficients tested positive and significant based on attaining the significant threshold value of t-statistics which is 1.96 (Zainuddin, 2012). By attaining the threshold value each path coefficient tested positive and significant. Likewise, organizational culture (OC) tested positive and significant with job satisfaction (JS), employee performance (EP) and employee engagement (EE).

### **Conclusions**

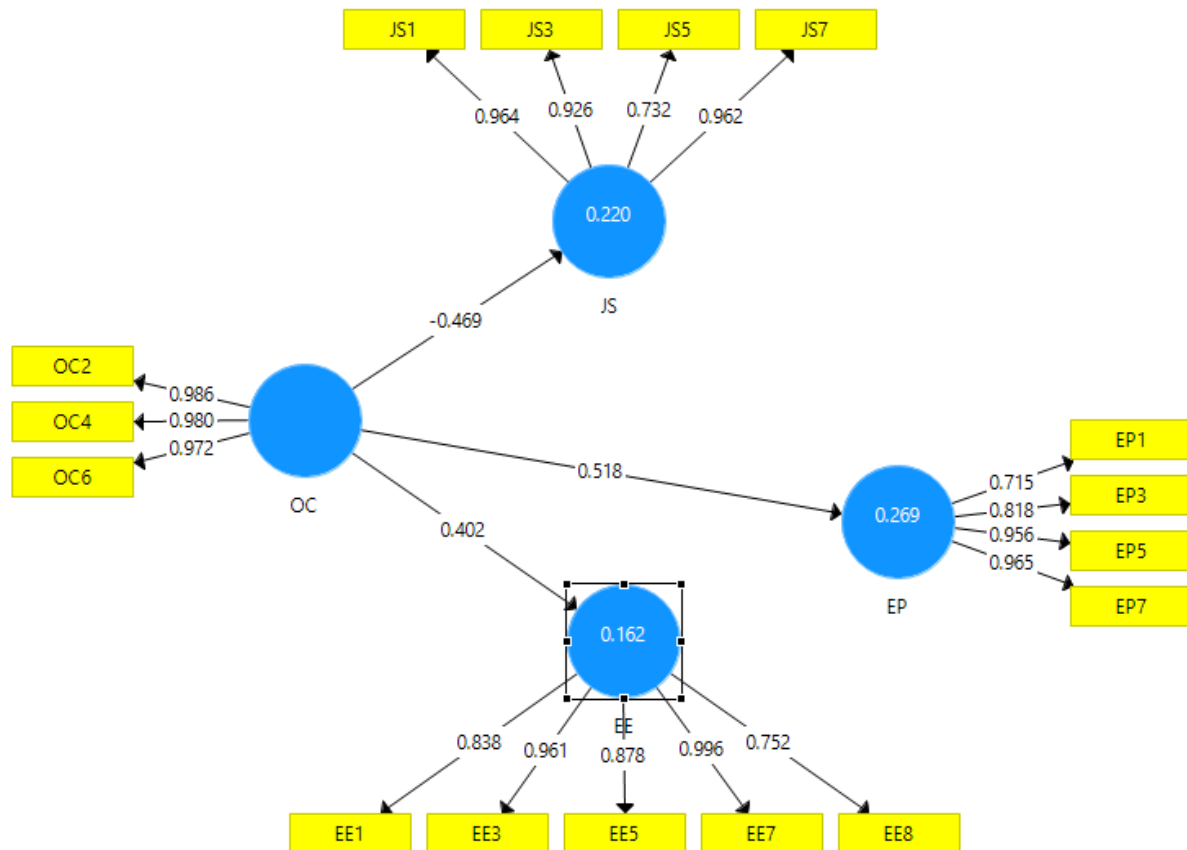
This study was based on four variables and three objectives which were accomplished by testing hypotheses. All hypotheses tested positive and significant. Organizational culture (OC) was identified as the main predictor that was tested positive and significant with job satisfaction (JS), employee performance (EP) and employee engagement (EE) based on the data. Study portrayed direct relationships in the model. It is revealed by data that good organizational culture can augment job satisfaction, employee performance and employee engagement among managers and non-managers, who were working in private banks of Sindh province or otherwise bad organizational culture can affect contrary on the job satisfaction, employee performance and employee engagement.

### **Theoretical implications**

This study assessed the relationship between organizational culture, job satisfaction, employee performance and employee engagement in the geographical and organizational context of private banks of Sindh province. This study presented vast literature and eventually contributed consequences in the form of existing literature for the assistance of practical policy makers of private banks of Sindh province and also for the guidance future researchers. A comparative study can further corroborate the consequences when it is to be undertaken in any other private sector organizations of the Sindh province.

### **Limitations and future research directions**

There is no research which is free from limitations. Likewise, this study has limitations too. Firstly, it presented findings related to private banks of Sindh province and completely ignored other organizations. Secondly, data obtained by close-ended questionnaire which is one of the method to collect data out of many. Thirdly, managers and non-managers were remained under investigation who were mostly working in branches of banks. Researcher could not access regional office staff and head office staff due to lack of time and financial constraints. This study was wholly solely supported and financed by the researcher, no funding was acquired from any other sponsoring agency. Findings further suggested that employee engagement or job satisfaction can be used as mediator in future studies. Supervisor behaviour can be used as novel variable to enlarge the scope of future studies.

**Structural model screen view****References**

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