

# DO ORGANISATIONAL CULTURE IMPACT EMPLOYEE ENGAGEMENT? A COMPARATIVE STUDY OF PUBLIC AND PRIVATE HEALTHCARE SECTOR IN INDIA

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## Abstract

Healthcare is an important part of what people do, and its role in keeping the economy growing and helping it grow can't be overstated. As a field that relies heavily on people, healthcare needs a committed and engaged workforce to thrive in an environment that is always getting harder. This study looks at how organisational culture affects employee engagement in the healthcare sector and compares the results between public and private healthcare providers. The study hypothesises that organisational culture has no significant impact on employee engagement. Data was collected from 835 employees in various designations in public and private hospitals in the Bathinda region of Punjab. The results of the study suggest that the hypothesis is rejected for private hospitals, indicating that organisational culture significantly impacts employee engagement compared to public hospitals.

**Keywords:** Healthcare, Employee Engagement, Organisational Culture

## 1. INTRODUCTION

Patient safety is a crucial element of the healthcare system, and despite debate over the exact number of deaths resulting from medical errors, it is an indisputable fact that a significant number of patients suffer every year due to such errors, highlighting the critical issue of patient safety (Goh et al., 2013). The World Health Organization (WHO) estimates that medication errors cost approximately 1% of the global health expenditure, amounting to nearly US\$ 42 billion each year (Trakulsunti et al., 2020).

Organisational culture is one of the critical factors, among a few, contributing to the concerned state of patient safety (Goh et al., 2013). Organisational culture can be conceptualised as a common web of knitted values, beliefs, and meanings held by the people of the organisation. These common attributes assist the workforce in learning the mechanisms for external adaptation and internal integration on the basis of already accepted behaviours prevalent in the organisation. In other words, in every organisation, culture directs towards goal attainment through integrated efforts in a specific manner (Naidoo & Martins, 2014).

The theoretical concept of OC is of acute applicability in the healthcare sector because the outcomes in the form of patient health and safety greatly depend upon the effective interrelationships among the workforce (Waldman et al., 2003). As experimented at Yale University, the vitality of the organisational culture can be assessed from the fact that, even in

some cases, whether a patient will die or survive a heart attack depends upon the coordination of the team members as bloomed by the culture.

Human resources are an important part of the success of any business, including the healthcare industry (Lowe, 2012). Bharath and Sreedevi (2020) found that the level of engagement among employees is directly linked to how happy and safe both employees and patients are. Employee engagement can be defined as an individual's complete dedication to their role. It is characterised by a constructive, all-encompassing, and persistent attitude that motivates a person to go above and beyond their duty to enhance their sense of ownership and contribute to the overall success of the organisation (Dajani, 2015).

Due to the highly competitive and dynamic nature of the healthcare sector, organizations are compelled to prioritize their approach to becoming and remaining top-quality service providers (Roth and Leimbach, 2011). In light of the rapidly rising costs and skepticism surrounding healthcare reforms, employee engagement has become an increasingly crucial factor for healthcare organizations.

This is particularly relevant for hospital employees, including doctors and nurses, who work in overcrowded and stressful environments with limited communication and heavy workloads, resulting in a lack of engagement (Saleem et al., 2020).

In today's highly competitive environment, it is no longer sufficient for employees to simply be present at work; they must feel engaged in all aspects of their work (Roth and Leimbach, 2011). As demonstrated by the Hay Group, there is a strong correlation between engagement levels and outcomes such as employee satisfaction and retention, workplace and patient safety, and patient satisfaction. Moreover, employee engagement is a significant predictor of patient satisfaction and safety. Therefore, investing in employee engagement is imperative for healthcare organisations seeking to improve their service quality (Bharath & Sreedevi, 2020).

The healthcare sector is characterized by high expectations and demands regarding performance and service delivery, as the consequences of errors can be irreversible. The human resource factor is critical in ensuring high-quality performance, and promoting sound psychological intentions among employees is therefore of utmost importance.

Research has consistently shown a direct relationship between employee engagement and patient safety, with the latter being influenced by both "hard" and "soft" human resource approaches, with the latter being more prominent in assessing employee engagement.

Organisational culture is unique to each organisation, and this is particularly true in the Indian healthcare sector, where both the private and public sectors play an active role. However, due to economic factors, a significant proportion of the population relies on public sector hospitals. Therefore, the present study aims to assess and compare the impact of organizational culture on employee engagement in both public and private hospitals.

## 2. REVIEW OF LITERATURE

Organisations, like societies, have a unique culture that serves as the "glue" that holds them together (Bhalla & Nazneen, 2013). Culture is defined by Shafritz and Ott (2015) as a pattern of common understandings that an ensemble learns as it eliminates internal as well as external problems, which is subsequently passed on to new members as an appropriate way to look at, think about, and feel about these problems. This organisational culture fosters a shared understanding of the firm's actions, knowledge about, and requirements (Bhalla & Nazneen, 2013). According to Hofstede (2005), the culture of an organisation is the shared programming of the mind that differentiates one group or organisation compared to another.

Malik et al. (2021) used the Delphi technique in a recent study to investigate the elements of open culture in hospitals. They discovered that organisation procedures and structures, administration, employee attitudes, tolerant position, learning, and assignment, psychological security, open debate, cohesion, power, blame and shame, morals and ethics, and support and trust are all part of an open culture. Teamwork and commitment were not specifically associated with open culture, but an open mind emerged as a novel characteristic. Braithwaite et al. (2017) conducted a systematic review of the literature and discovered consistent evidence for a positive relationship between a positive workplace and organisational culture and positive patient outcomes, such as high patient satisfaction, a lower mortality rate, and fewer hospital-acquired infections. Collier et al. (2016) used the Gallup 12 questionnaire and the Agency for Healthcare Research and Quality Hospital Survey to examine the relationship between employee engagement and perception of patient safety culture in ICUs and discovered a positive correlation between the two variables. Similarly, Biddison et al. (2016) discovered a link between employee engagement and the SAQ domains.

### 2.1 Employee Engagement:

Kahn pioneered the concept of employee engagement in academic literature. Personal engagement, according to Kahn (1990), refers to the extent to which personnel invest oneself physically, intellectually, and emotionally in their work roles. Personal disengagement, on the other hand, is the extent to which people who withdraw and defend their own physically, emotionally, and cognitively during role performance. Essentially, engagement reflects a state of psychological presence during the execution of organisational tasks. Employee engagement involves aligning the mission and vision of the organization with the values and motivations of its employees. As Ken Blanchard put it, "Connect the dots between individual roles and the goals of the organisation. When people see that connection, they get a lot of energy out of work. They feel the importance, dignity, and meaning in their job." Engaged employees are a valuable asset to organisations, contributing positively to bottom lines and customer satisfaction. They tend to be more loyal, attentive, and personally invested in the organisation, striving to perform at their best and achieve the organisation's objectives (Rao, 2017). Engaged employees also have a positive impact on employee turnover, profit margins, and annual income.

The healthcare sector is particularly reliant on engaged employees, as the quality of healthcare services directly depends on the capabilities of its workforce (Halm, 2011). As Gebauer and

Lowman (2008) noted, "The most valuable source of high performance and competitive advantage is a workforce that consistently performs at its best. But employees do their best only if they're engaged in their work" (p. vii). In the healthcare context, engaged employees are critical to the success and profitability of the sector (Halm, 2011). Shatz (2016) investigated the relationship between employee engagement and the accomplishment of healthcare objectives of safety and care. The study found that, of the factors explored, employee involvement or participation in decision making had the strongest effect on engagement, while training had the least impact as an HRM practice. Overall, engaged employees play a vital role in achieving healthcare objectives and should be a priority for healthcare organizations.

## **2.2 Organisational culture and employee engagement:**

Several studies have demonstrated the relationship between organisational culture and employee engagement. According to Kim and Beehr (2017), a positive organisational culture, characterised by shared values and a supportive work environment, is associated with higher levels of employee engagement. Similarly, Deloitte's Global Human Capital Trends report (2021) found that organisations with a strong culture that emphasises trust, transparency, and empathy tend to have more engaged and motivated employees.

Furthermore, studies have revealed that employee participation has a significant impact on organisational outcomes such as retention of staff, efficiency, and economic viability. According to a KPMG (2021) study, companies with higher levels of staff involvement had a 19% increase in operating income when compared to companies with lower levels of engagement. Another study, this time by the Society for Human Resource Management (2020), discovered that motivated staff members were more likely to stay within the organisation, resulting in lower turnover rates and costs.

## **3. RESEARCH METHODOLOGY**

### **3.1 Sample selection**

To ensure the robustness of the study, careful consideration was given to participant selection. The study included participants from both public and private hospitals in the Bathinda region of Punjab. In the public healthcare sector, only secondary-level hospitals, including District Hospital, Sub-divisional Hospitals, and CHC, were included, while all NABH-accredited hospitals in the region were selected for data collection in the private sector as shown in Table 1. The study included participants with varying job designations, including SMOs, medical officers, nurses, technical staff, and support staff. A total of 1300 questionnaires were distributed, and 835 complete responses were received from both public and private hospitals.

### **3.2 Questionnaire Design and Measures**

To achieve the objectives of the study, the research team used two questionnaires. The first questionnaire was designed to measure organisational culture using the OCTAPACE Model of organisational culture, a 40-item instrument developed by Dr. Udai Pareek (Pareek, 1999). This model measures organisational culture through eight variables: openness, confrontation, trust,

authenticity, proactiveness, autonomy, collaboration, and experimentation. The OCTAPACE Model is a widely accepted and validated tool for assessing organisational culture across different contexts.

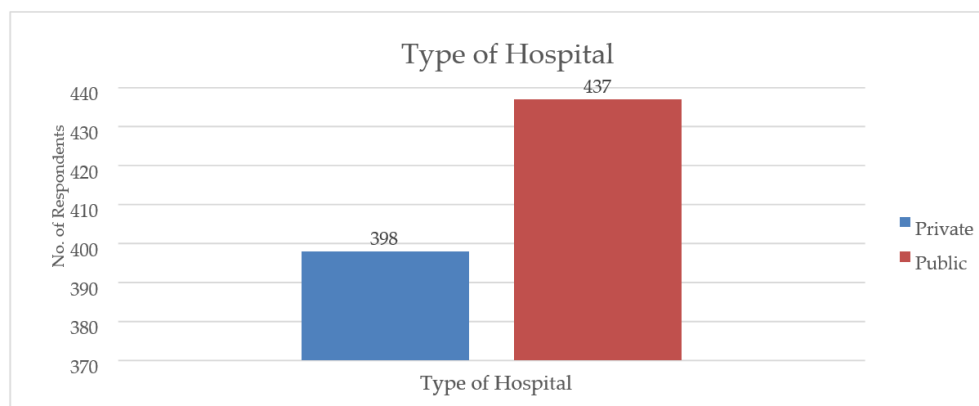
The second questionnaire was designed to measure employee engagement using the Utrecht Work Engagement Scale (UWES). The UWES represents three variables or constructs of employee engagement, namely vigour, absorption, and dedication. The UWES is a reliable and valid instrument that has been widely used in previous research to measure employee engagement across different organisational settings.

Both questionnaires were administered electronically to the participants. The use of standard and validated instruments for measuring organisational culture and employee engagement helps to ensure the reliability and validity of the data collected in the study. Overall, the use of these questionnaires provides a robust approach to investigating the impact of organisational culture on employee engagement in public and private hospitals in the Bathinda region of Punjab.

**Table 1: Type of Hospital Based Classification**

Sector	Frequency	% Frequency	Valid %	Cumulative %
Private	398	48%	48%	48%
Public	437	52%	52%	100%
Total	835	100%	100%	

**Figure 1: Type of Hospital Based Classification**



The study involved a sample of 835 participants who completed the survey. The participants were selected from both private and public hospitals in the Bathinda region of Punjab. As far as hospital classification is concerned, the study found that 48% of the respondents were from the private sector, while 52% were from the public sector. This information was represented in both a table and a figure, which helped to visually communicate the distribution of respondents according to hospital type. The size of the sample and how it was spread across different types of hospitals suggest that the study had enough power to look into how organisational culture affects employee engagement in both public and private hospitals. Additionally, the sample size

and distribution suggest that the results are generalizable to hospitals in the Bathinda region of Punjab and potentially to other regions with similar healthcare contexts.

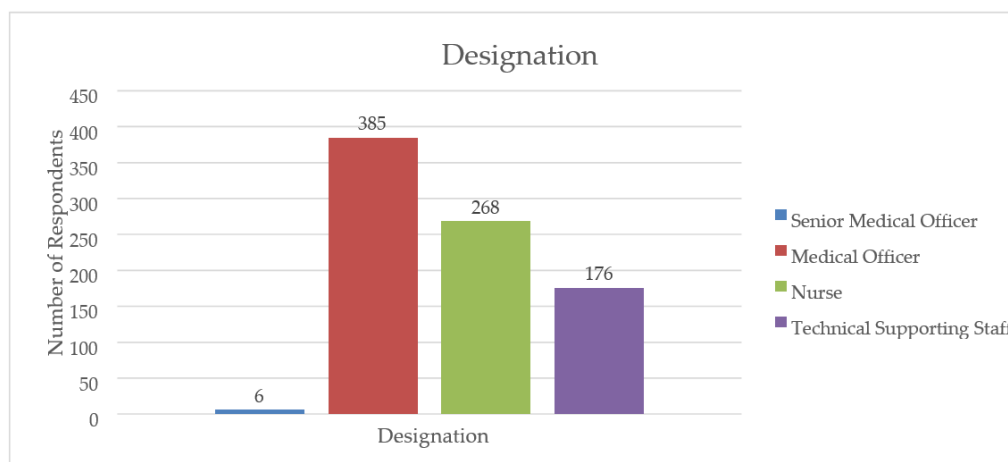
### 3.3 Designation Based Classification

The significant representation of medical officers in the study suggests that this group is an essential stakeholder in understanding the relationship between organizational culture and employee engagement in hospitals. As medical officers are in charge of how patients are cared for and how medical teams are run, their participation in the organisation is crucial to getting good results for patients. The fact that the study included a large number of nurses and other technical and support staff gives us important information about how organisational culture affects employee engagement among hospital frontline workers.

**Table 2: Designation Based Classification**

Designation	Frequency	% Frequency	Valid %	Cumulative %
Senior Medical Officer	6	0.7%	0.7%	0.7%
Medical Officer	385	46%	46%	46.7%
Nurse	268	32%	32%	78.7%
Technical and Supporting staff	176	21%	21%	100%
Total	835	100%	100%	

**Figure 2: Designation Based Classification**



The study included a diverse group of participants from various job designations in both public and private hospitals in the Bathinda region of Punjab. Analysis of the data revealed that medical officers comprised the largest proportion of the overall respondents, comprising 46% of the total sample. Nurses represented 32% of the sample, while technical and support staff accounted for 21% of the sample. The remaining 0.7% of the sample were classified as senior medical officers, as indicated in the Table2 and figure2.

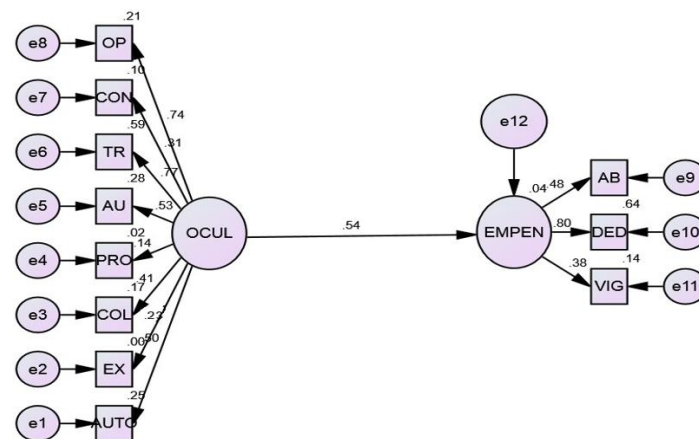


## 4. RESULTS

### 4.1 Confirmatory Factor Analysis for Measuring Impact of Organisational Culture on Employee Engagement

To test this hypothesis, confirmatory factor analysis was conducted to develop a measurement model for assessing the impact of organisational culture on employee engagement. The analysis was conducted on the data collected from the total number of respondents who completed the survey.

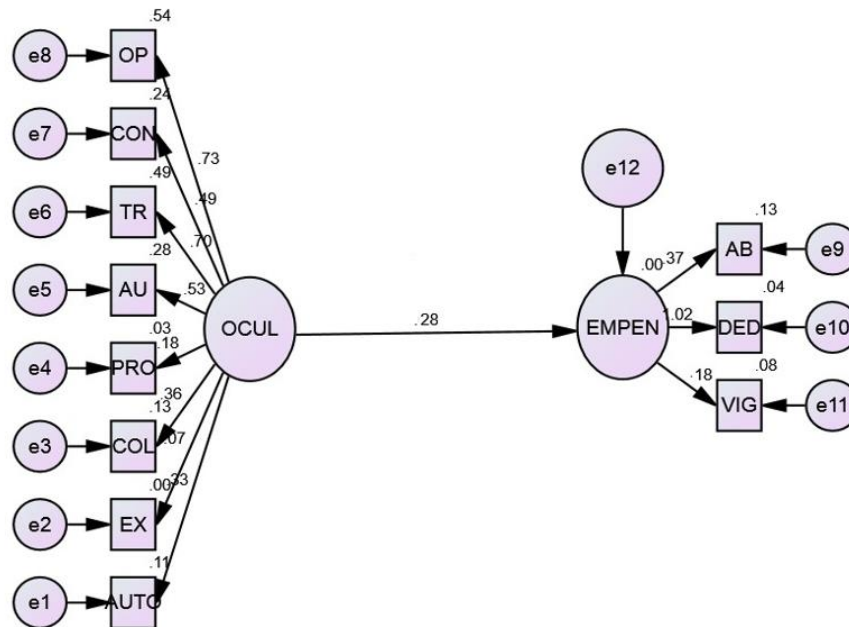
**Figure 3: SEM Model for Measuring Impact of Organisational Culture on Employee Engagement**



In line with the hypothesis stated in Figure 3, this study sought to investigate whether organizational culture has a significant effect on employee engagement to either confirm or reject hypothesis H01. The results of the significant SEM model ( $F=13.325$ ,  $p=0.000$ ) showed that the variable organizational culture had a significant impact on employee engagement at a 5% level of confidence ( $\beta=0.54$ ,  $p=0.000$ ).

Furthermore, the confirmatory fit indices showed that the CMIN was 2.705, the CFI was more than 0.95, specifically 0.970, and the RMSEA was 0.045, which is less than the recommended threshold of 0.06. Based on these results, the SEM model provided no support for Hypothesis H01, and thus, the hypothesis was rejected. Instead, the study results indicate that there is a significant impact of organizational culture on employee engagement. Overall, the study's findings provide valuable insights into the relationship between organizational culture and employee engagement in public and private hospitals in the Bathinda region of Punjab. By rejecting the null hypothesis, the study contributes to the existing body of knowledge on the importance of organizational culture in promoting employee engagement in healthcare settings.

## 4.2 Confirmatory Factor Analysis for Measuring Impact of Organisational Culture on Employee Engagement in the Private Sector Respondents



**Figure 4: SEM Model for Measuring Impact of Organisational Culture on Employee Engagement in Private Sector Respondents**

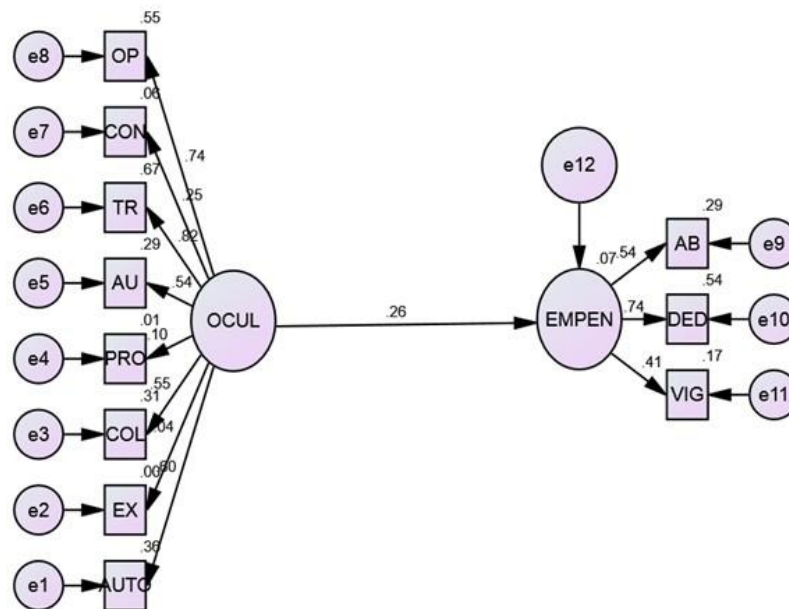
Figure4 presents the results of the confirmatory factor analysis conducted to examine the impact of organizational culture on employee engagement in private sector respondents. Hypothesis H01(a) was formulated to test the null hypothesis that organizational culture has no significant impact on employee engagement in the private sector.

The significant SEM model ( $F=6.003$ ,  $p=0.002$ ) revealed that organizational culture has a significant impact on employee engagement in private sector respondents at a 5% level of confidence ( $\beta=0.28$ ,  $p=0.002$ ). In terms of prediction, the model demonstrated an  $R^2$  of 0.283, indicating that 28.3% of the variance in employee engagement can be explained by organizational culture in private sector respondents. The confirmatory fit indices for the SEM model showed that the CMIN was 2.666, the CFI was more than 0.95, specifically 0.955, and the RMSEA was 0.052, which is less than the recommended threshold of 0.06. These results provide no support for Hypothesis H01(a) and suggest that the hypothesis should be rejected.

Overall, the results of the confirmatory factor analysis conducted on private sector respondents suggest that organizational culture has a significant impact on employee engagement. The use of SEM as a statistical tool provides a rigorous and systematic approach to testing the hypothesized relationship between organizational culture and employee engagement in private sector respondents, ensuring the reliability and validity of the study findings.



### 4.3 Confirmatory Factor Analysis for Measuring Impact of Organisational Culture on Employee Engagement in the Public Sector



**Figure 5: SEM Model for Measuring Impact of Organisational Culture on Employee Engagement in the Public Sector Respondents**

Figure 5 presents the results of the confirmatory factor analysis conducted to examine the impact of organizational culture on employee engagement in public sector respondents. Hypothesis H01(b) was formulated to test the null hypothesis that organizational culture has no significant impact on employee engagement in the public sector.

The SEM model ( $F=9.123$ ,  $p=0.129$ ) revealed that organizational culture does not have a significant impact on employee engagement in public sector respondents at a 5% level of confidence ( $\beta=0.26$ ,  $p=0.123$ ). In terms of prediction, the model demonstrated a CMIN of 4.640, which is outside the recommended range between 1 to 3. The CFI was 0.868, which is less than the recommended threshold of 0.95, and the RMSEA was 0.094, which is greater than the recommended threshold of 0.06. Based on these results, there is full support for Hypothesis H01(b), and the null hypothesis should be accepted. This suggests that there is no significant impact of organizational culture on employee engagement when considering responses from public sector employees.

Overall, the results of the confirmatory factor analysis conducted on public sector respondents provide insights into the relationship between organizational culture and employee engagement in the context of public hospitals. The use of SEM as a statistical tool provides a robust and systematic approach to testing the hypothesized relationship between organizational culture and employee engagement, ensuring the reliability and validity of the study findings.

## 5. DISCUSSION

Based on the results as shown in Table 3, it can be observed that the null hypothesis (H0) was rejected, indicating that there is a significant impact of organisational culture on employee engagement. This finding is consistent with the results of the confirmatory factor analysis conducted in the study.

Null Hypothesis	Test	Sig.	Decision
H0	SEM	0.000	Reject Null Hypothesis
H01(a)	SEM	0.002	Reject Null Hypothesis
H01(b)	SEM	0.129	Fail to Reject Null Hypothesis

When considering the responses from private sector employees, the null hypothesis (H01(a)) was rejected, indicating that there is a significant impact of organisational culture on employee engagement in the private sector. On the other hand, when considering the responses from public sector employees, the null hypothesis (H01(b)) was not rejected, indicating that there is no significant impact of organisational culture on employee engagement in the public sector.

Overall, the results of the hypothesis testing provide important insights into the relationship between organisational culture and employee engagement, highlighting the importance of considering the sector-specific context when examining this relationship. The findings of the study can help organisations develop effective strategies for improving employee engagement by focusing on enhancing their organisational culture.

## 6. CONCLUSION

The present study examined the impact of organisational culture on employee engagement in the healthcare sector in India, taking into account the responses from both public and private sector employees. The results of the confirmatory factor analysis revealed that organisational culture has a significant impact on employee engagement, which is consistent with previous research in the field. However, the impact of organisational culture on employee engagement varies significantly when considering the responses from public and private sector employees.

The results indicated that there is a significant impact of organisational culture on employee engagement in the private sector, while there is no significant impact in the public sector. This suggests that the organisational culture in public sector hospitals needs to be improved to enhance employee engagement and overall performance.

## 7. FUTURE SCOPE

There is a need for further research to identify the specific factors that contribute to the differences in the impact of organisational culture on employee engagement in public and private healthcare organisations. Additionally, future research can explore the impact of other factors such as leadership style, work environment, and job satisfaction on employee engagement in the healthcare sector.

The findings of the present study can guide healthcare organisations in developing effective strategies for enhancing employee engagement by focusing on improving their organisational

culture, particularly in public sector hospitals. The study highlights the importance of sector-specific context in understanding the impact of organisational culture on employee engagement, which can inform policymakers and managers in the healthcare sector to improve overall performance and quality of care.

## 8. LIMITATION OF THE STUDY

The present study has a few limitations that need to be considered while interpreting the results.

Firstly, the study was conducted in a specific region of India, and the findings may not be generalizable to other regions with different cultural and contextual factors.

Secondly, the study used a cross-sectional design, which limits the ability to establish causality between organisational culture and employee engagement. Future research can employ longitudinal designs to better understand the temporal relationship between these variables.

Thirdly, the study used self-reported data, which is subject to bias and may not accurately reflect the actual behaviour of employees. Future research can use objective measures to overcome this limitation.

Fourthly, the study focused only on two variables, organisational culture and employee engagement, and did not consider other variables that may influence employee engagement in the healthcare sector. Future research can expand the scope of variables considered in the study to obtain a more comprehensive understanding of employee engagement in healthcare.

Despite these limitations, the present study provides valuable insights into the impact of organisational culture on employee engagement in the healthcare sector in India.

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