



“The Impact of Organizational Culture on Employee Engagement and Performance”

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Abstract

The connection between employee engagement and company culture has always been important in corporate management. As companies strive to boost productivity and stay competitive, it becomes essential to comprehend the key factors affecting employee performance. The study aims to investigate the significant influence that organizational culture has on worker behaviours, attitudes, and overall performance. Also, the present study helps to understand that an organization's culture is not just a backdrop for its operations but a crucial component that shapes its identity, guides its strategies, and ultimately determines its success. An organization's culture can inspire workers, foster a feeling of community, and motivate them to achieve greatness. However, a bad or misaligned culture can lead to low performance, excessive turnover, and disengagement.

The goal of this study is to link theoretical ideas with real-world applications. This research aims to discover best practices and offer practical insights for company leaders and HR professionals to establish a supportive work environment by examining different organizational settings and their unique cultures. Utilizing both qualitative and quantitative data, the analysis is grounded in empirical facts and offers a comprehensive understanding of the subject.

Keywords: Organizational Culture, Performance and Productivity, Trust and Communication.

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I. Introduction

A company's success is significantly influenced by its organization's culture. This culture includes the shared values and conducts that guide how employees collaborate and engage with one another. Understanding and utilizing company culture may have a big impact on employee engagement and performance as companies fight to stay competitive in a changing market. The purpose of this study is to examine the complex relationship between performance, corporate culture, and employee engagement in order to provide managers and leaders with essential information for creating a motivated and effective workforce.

1.1 Understanding Organizational Culture

Described as the collective personality of a company, organizational culture encapsulates shared assumptions, values, and norms that steer employees' behaviors and decision-making within the organization. These cultural components are manifested in various aspects of organizational life, such as communication styles, leadership approaches, conflict resolution strategies, and the overall work environment. Culture is dynamic, evolving alongside an organization's growth and its responses to internal and external shifts. Shaped by the organization's history, leadership, and employee encounters, it undergoes constant transformation. A robust organizational culture synchronizes the company's objectives with employees' personal and professional ambitions, fostering a unified and nurturing atmosphere. Conversely, a feeble or adverse culture may trigger disengagement, heightened turnover rates, and subpar performance.

1.2 The Role of Organization’s Culture in Employee Engagement

Employee engagement is a sign of workers' intellectual and emotional commitment to their company. Engaged employees are motivated to contribute to the company's success, feel a strong connection to their work, and are willing to go above and beyond their job responsibilities. Many variables affect employee engagement, such as chances for professional development, work satisfaction, recognition, and—most importantly—organizational culture.

A favorable organizational culture cultivates engagement by establishing a feeling of belonging and purpose among employees. When workers feel appreciated and supported, they are more inclined to engage fully in their task. Engagement levels can be raised through open communication, teamwork possibilities, and an innovative and creative culture. On the other hand, disengagement and decreased productivity might result from a culture that is marked by poor communication, a lack of recognition, and few prospects for advancement.

1.3 The Influence of Organization’s Culture on Employee Performances

Employee performance talks about in what way employees fulfill their job duties and contribute to achieving the organization's objectives. Efficiency, high-quality work, and meeting or surpassing goals are usually indicators of high performance. Employee motivation, conduct, and attitudes about work are all greatly influenced by an organization's culture. Efficiency, high-quality work, and meeting or surpassing goals are usually indicators of high performance. Employee motivation, conduct, and attitudes about work are all greatly influenced by an organization's culture.

A supportive culture that emphasizes excellence, continuous improvement, and accountability can drive high performance. Such a culture gives workers with clear expectations, resources, and the autonomy needed to excel in their roles. Leadership styles also play an essential role in this context; transformational leaders who inspire and motivate their teams can enhance performance through positive reinforcement and empowerment.

Conversely, a toxic culture can impede performance. Factors such as micromanagement, lack of support, unclear expectations, and negative interpersonal relationships can create a stressful and unproductive work environment. Employees in such environments may experience burnout, decreased motivation, and a decline in performance.

1.4 The Interconnection Between Culture, Engagement, and Performance

organizational culture, worker engagement, and performance have a dynamic and interrelated relationship. A positive culture enhances engagement, which in turn boosts performance. Apart from offering better customer support and being more likely to contribute to innovation and problem-solving initiatives, engaged workers are typically more productive. As a result, the company's culture is further strengthened by great performance, which draws and keeps top personnel.

On the contrary, an adverse culture can trigger disengagement, culminating in subpar performance and elevated turnover rates. Disengaged employees exhibit reduced productivity, heightened absenteeism, and diminished commitment to the organization's objectives. This scenario can initiate a detrimental cycle wherein deteriorating performance amplifies cultural shortcomings, fostering additional disengagement and organizational hurdles.

1.5 Factors Affecting Organization Culture

Many factors influence organizational culture, including leadership, organizational structure, policies, and the external environment. Leadership is perhaps the most significant factor; leaders set the tone for the culture through their behavior, communication, and decision-making processes. Transformational leaders who are visionary, supportive, and inclusive can cultivate a positive culture that promotes engagement and performance. Organizational structure also impacts culture. Flat structures with decentralized decision-making tend to foster open communication and collaboration, whereas hierarchical structures may emphasize formal communication and control. Equity-promoting policies and practices, transparency, and employee well-being contribute to a positive culture, while those that are overly rigid or punitive can have a detrimental effect.

The external environment, which includes market conditions, technological advancements, and socio-cultural trends, also shapes organizational culture.

II. Review of literature

Schein (1985) defined organizational culture as "a pattern of shared basic assumptions that a group learns as it solves its problems of external adaptation and internal integration." This definition underscores the importance of knowing how corporate culture shapes employee engagement. **Denison and Mishra et al. (1995)** recommend that companies with robust cultures characterized by clarity of purpose, consistency, and flexibility typically have better employee engagement levels. Conversely, organizations with dysfunctional cultures marked by ambiguity, inconsistency, and resistance to change may experience lower levels of employee engagement. **Cameron and Quinn (1999)** highlighted the purpose of leadership in shaping

organizational culture and fostering employee engagement. Leaders who embody the concepts and behaviors espoused by the culture of the organization are more likely to inspire trust, commitment, and motivation among employees. In conclusion, studies show that worker engagement is significantly impacted by business culture. Businesses that place a high priority on creating a supportive and upbeat culture are more likely to generate driven workers who are dedicated to accomplishing organizational objectives. **Kotter and Heskett (1992)** have discovered a strong correlation between excellent organizational performance and strong organizational cultures. Regarding financial success and market share, companies with cultures that prioritize innovation, customer attention, and staff development typically outperform their rivals. **Macey et al. (2013)** highlighted the function of individual characteristics and contextual factors in shaping the influence of corporate culture on employee performance. In conclusion, while there is ample empirical evidence supporting the connection between corporate culture and worker performance, further research is required to fully understand the mechanisms underlying this relationship and to identify methods for utilizing cultural management to enhance organizational performance.

III. Research Objectives

This study aims to explore the factors affecting organizational culture and examine how these cultural elements influence employee engagement and performance.

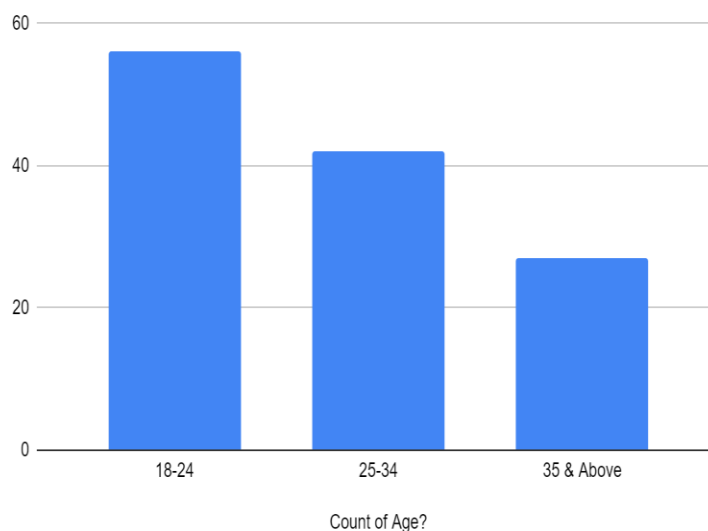
IV. Research Methodology

This study uses a quantitative methodology to examine the factors influencing organizational culture and its relationship to employee performance and engagement. The research used a descriptive research approach to examine how employees perceived corporate culture. Both primary and secondary data were used in the investigation. The primary data was acquired by an organized questionnaire consisting of 19 questions, designed to capture employees' perceptions of organizational culture, engagement, and performance. Google Forms was used to distribute the questionnaire, enabling respondents to participate electronically. This method facilitated the efficient gathering of information from employees employed in different organizations. The study was carried out on employees working in public, private, and multinational companies. The sampling frame consisted of employees from various organizations. A total of 125 respondents filled out the survey. The study employed a convenience sampling method, which enabled the researcher to collect responses from readily accessible participants.

Secondary data has been collected from academic journals, books, and credible online sources related to organizational culture, employee engagement, and employee performance. These sources helped establish the theoretical foundation of the study and supported the interpretation of the results. The collected data were compiled and analyzed using Microsoft Excel. Descriptive statistical techniques, particularly percentage analysis, were applied to summarize the survey responses. Data visualization tools such as bar charts, column charts, and line graphs were used to present the findings clearly and to facilitate the interpretation of patterns in employee responses.

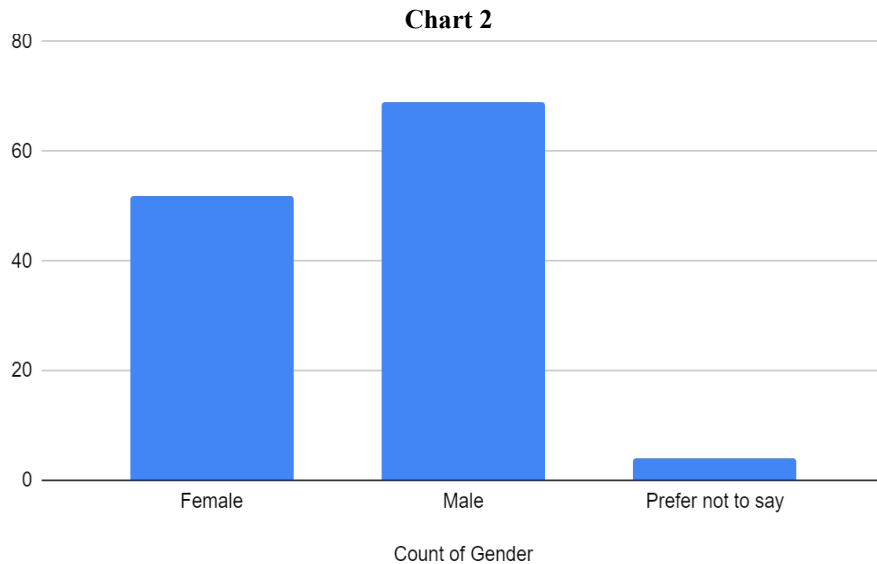
V. Data Analysis and Interpretation

Chart1



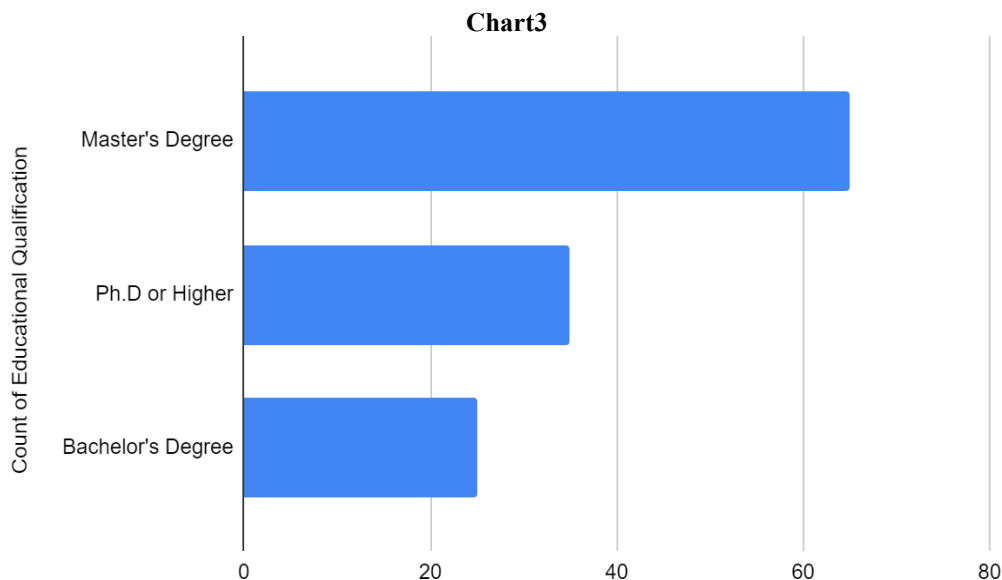
Inference:

The chart depicting the age distribution of respondents reveals that the majority, 44.8%, fall within the 18-24 age range. This shows that approximately the participants are relatively young and possibly early in their careers. The next largest group, made up of 33.6% of respondents, is between the ages of 25 and 34, indicating that a sizable majority of respondents are in the middle of their careers. Lastly, 21.6% of participants are older than 35, indicating a smaller representation of more experienced professionals. This age distribution suggests that the survey's findings might be more representative of younger and mid-career workers' perspectives and experiences.



Inference

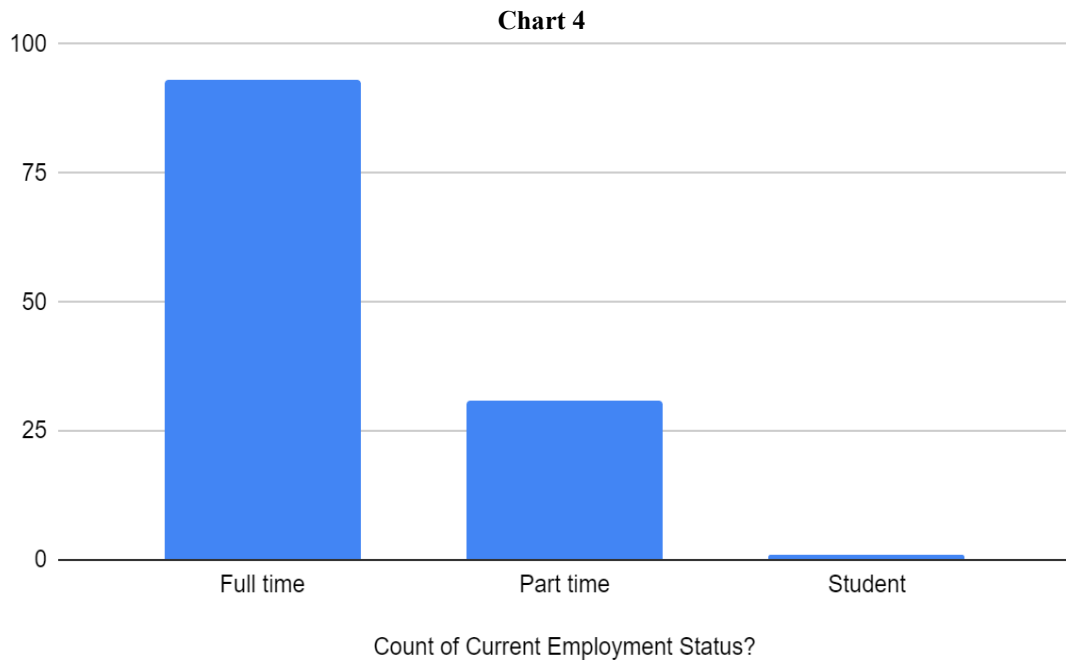
The chart illustrating the gender distribution of respondents shows that 55.2% of the participants are male, while 41.6% are female. Additionally, 3.2% of respondents chose to not disclose their gender. Despite the fact that men make up the majority of respondents, this suggests that there is a sizable representation of women in the survey sample. The inclusion of those who prefer not to say ensures that the data respects participants' privacy and provides a more inclusive demographic overview. This gender distribution will help in understanding if and how perceptions and experiences related to employee engagement, corporate culture, and performance differ across genders.



Inference

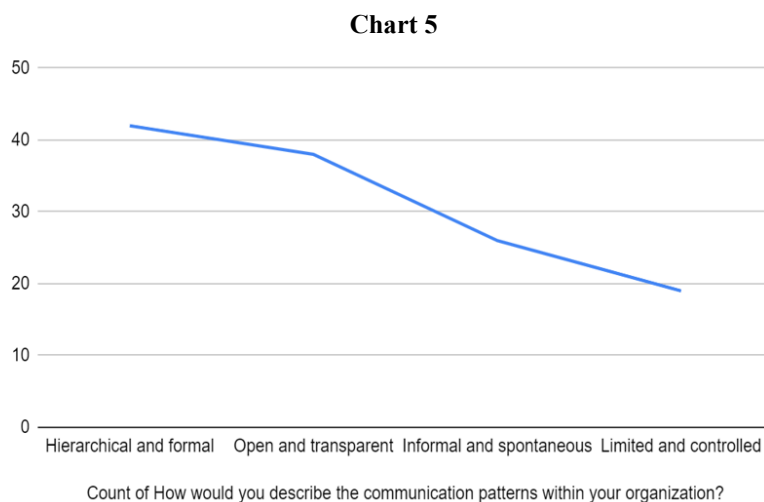
The chart representing the educational qualifications of the respondents indicates that a significant majority, 52.0%, hold a Master's degree. This suggests that more than half of the participants have completed advanced

coursework, which may indicate a deeper comprehension and more knowledgeable viewpoints on performance, employee engagement, and corporate culture. Furthermore, 28.0% of those surveyed had a Ph.D or higher, further indicating a highly educated sample group. The remaining 20.0% of respondents possess a Bachelor's degree, contributing to a well-rounded and diverse range of educational backgrounds. This distribution highlights that the survey data predominantly reflects insights from highly qualified experts, which could influence the study's findings and interpretations.



Inference

The chart reveals a clear distribution of employment status among the respondents. The majority, 74.4%, are engaged in full-time employment, while 24.8% work part-time. A small minority, 0.8%, report no current employment. This data indicates that a substantial percentage of the respondent population balances full-time work with their other commitments, suggesting a high level of time management and dedication among these individuals. The notable presence of part-time workers also reflects the flexibility some respondents maintain in their professional lives.



Inference:

The chart depicts how employees participating in the survey described the communication patterns within their organizations. The largest proportion of respondents (33.6%) described the communication as hierarchical and formal, followed by open and transparent (30.4%), informal and open (20.8%), and limited and controlled (15.2%).

The findings imply that a significant number of the surveyed employees experience communication structures that may limit information sharing and collaboration.

Table 5.1

<i>Current COUNT of Employment Status?</i>	<i>Current Employment Status?</i>				
		Full time	Part time	Student	Grand Total
Gender					
	0				0
Female		37	15		52
Male		55	13	1	69
Prefer not to say		1	3		4
Grand Total	0	93	31	1	125

Inference:

The table provides an overview of the present employment situation of individuals categorized by gender. Among the respondents, there are 52 females, 69 males, and 4 individuals who preferred not to disclose their gender, making a total of 125 participants. The data reveal that full-time employment is the most common status overall, with 93 individuals employed full-time. This includes 37 females, 55 males, and 1 individual who chose not to specify their gender. Part-time employment accounts for 31 respondents, with 15 females, 13 males, and 3 individuals from the undisclosed gender category. Additionally, there is only one individual, a male, recognized as a student. The table highlights that males are marginally more represented in the workforce compared to females, and the preference for full-time over part-time employment is clear across all gender categories. Overall, the distribution of employment status shows a strong inclination towards full-time employment among the surveyed group.

VI. Findings

The examination of the survey data produced a number of significant insights regarding how organizational culture affects worker performance and engagement. The majority of respondents, who were primarily between the ages of 18-24 and predominantly male, highlighted communication style, team collaboration, and innovation as the most significant aspects of their organizational culture. Open and transparent communication was commonly cited, although some organizations were described as having more hierarchical and formal communication patterns. While some respondents expressed uneven support for new ideas, many respondents claimed that their organizations promoted innovation. Conflict resolution practices also varied, with some organizations promoting open dialogue while others relied on formal procedures or management decisions. Leadership styles were identified as a major influence on organizational culture, significantly shaping how employees interacted and collaborated.

There was a moderate level of trust between workers and management, and numerous responders said that their job satisfaction and productivity were positively impacted by the company culture. Aligning personal ideals with organizational values was linked to better performance, and a supportive organizational culture was seen as facilitating professional development through training, mentorship, and career advancement opportunities. In summary, the findings indicate that a positive organizational culture, marked by open communication, support for innovation, effective conflict resolution, and impactful leadership, plays an essential role in improving employee engagement and performance.

VII. Conclusion

This research highlights that organizational culture is a primary driver of human performance instead of

a secondary administrative concern. Data from 125 professionals verifies that a supportive environment directly scales with employee output. Key drivers such as a strong feeling of inclusion (76%) and consistent recognition (54.4%) provide the necessary foundation for high engagement. The study specifically identifies transformational leadership as the most effective catalyst for cultural health, with nearly 48.8% of respondents citing it as the most influential factor. When employees operate in high-trust environments where their individual ideas align with organizational goals, their willingness to exceed standard job requirements increases significantly.

While the investigation is limited by its sample size and cross-sectional nature, the implications for management are clear. To maintain a competitive edge, companies need to move beyond passive cultural observation and actively invest in transparent communication, professional development, and value-based alignment. Future research should utilize longitudinal data to further track how these cultural dynamics evolve alongside shifting market conditions.

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