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MASTER THESIS

Organizacinės kultūros įtaka darbuotojų įsitraukimui	The impact of organizational culture on employees' engagement

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INTRODUCTION

The relevance of the topic: In modern management, the importance of managing the involvement of personnel in the organization's affairs is increasing. In a highly competitive environment, there is a need for employees who quickly respond to changes, have an informal attitude to work, and effectively cope with assigned tasks. In other words, the organization needs engaged people who have a stake in its success. That is why employee engagement is becoming an essential object of management activity and the subject of sociological research.

In the last decade, organizational culture has become the subject of studies of several socio-economic and humanitarian sciences - sociology, economics, psychology, cultural studies, management theory, etc. Interest in the phenomenon of organizational culture is motivated by a number of circumstances:

1. Human capital becomes more important for the socio-economic development of an enterprise and society as a whole;
2. The social technologies are necessary for managing the development of society that are adequate to human nature;
3. Industrial and labor relations in the new socio-economic conditions of an "open society" have acquired a fundamentally different character, which determines the need for the emergence of new social technologies for managing society; and
4. Innovative development is required for the formation of the necessary motivation among personnel for creative activity.

In the conditions of the accelerating process of social, economic, political and technological transformations, the development of the enterprise is increasingly associated with innovations, organizational changes, professional growth of personnel, and readiness for these innovations. Today, innovations determine the competitiveness of an enterprise, become the most important means of its development, which covers not one narrow area, but includes all areas that affect the overall result - management, marketing, personnel training, finance, etc. Moreover, innovative development makes it necessary to change the management system, values, rules and norms that have developed at the enterprise, to significantly modify the ideas about the relationship with the external environment and the principles of organizing internal life.

Researches show that companies with high employee engagement rates are 48% more efficient than those with employee engagement rates below 60%. In addition, a study by

the American Institute of Public Opinion Gallup found that the average ratio of employed to unemployed companies is 2: 1, while the market leaders have this ratio of 10:1.

Organizational culture allows to:

- unite employees into a single team to achieve business goals, which will increase productivity, efficiency, and labor productivity several times;

- create a system of effective moral incentives. Satisfaction of basic human needs in the field of professional activity (achievement of a high level in the profession, influence on other people, recognition of colleagues, the opportunity to realize oneself)

- promotes the desire to work actively, and not only for the sake of a salary.

Today, to a certain extent, organizational culture acts as a lever of managerial influence, one of the methods of managing the work collective, capable of unobtrusively instilling certain values, traditions, and normative models of behavior leading to organizational unity.

Level of investigation of the topic analyzed: Since the beginning of the scientific research on the topic, several general researchers were conducted. According to the study results, organizational culture affects the attitude of employees towards their work and organization. Organizational culture, being by its nature a social innovation, allows for organizational changes in accordance with the needs of the innovative development of the enterprise and the staff to form the necessary motivation for their implementation. At the same time, conscious and purposeful management of cultural development processes at the enterprise can significantly influence the innovative activity of personnel. Employees who are engaged in work contribute to an increase in the company's competitiveness to a greater extent, since they are satisfied with the functional component of their work, are interested in their own professional growth, accept and support the organizational culture of the company, and contribute to the existence of a favorable microclimate in it. Unfortunately, there is a staff engagement crisis around the world today, which has the potential to lead to long-term negative consequences for employers' organizations.

Current state of scientific research: Scientific research on organizational culture and employee engagement shows that organizational culture affects employee satisfaction and engagement. These two notions have been a subject of various researches separately as well as together to show the impact of one on another. Firstly, researchers gave different definitions to the notions of organizational culture and employee engagement. Thus, Schein in 1997 gave the definition of organizational culture as common shared fundamental assumptions learnt together by employees while solving internal and external problems. Further scientists presented different models of organizational culture. Deal and Kennedy

in 1982 suggested the model based on risks/feedback speed basis defining four types of culture – Tough Guy, Work Hard/Play Hard, Bet-Your-Company and Process cultures. Cameron and Quinn's model based on core values hold by the company also suggests four types of culture - Clan, Adhocracy, Market and Hierarchical culture. However, Denison's model is completely different since it suggests the quantitative approach based on behavioral characteristics.

Employee engagement is defined by William Kahn as the manifestation of personal "self" in the work tasks that encourage the connection between workers and the organization. It affects a number of work-related indicators and overall is one of the elements defining company's success.

Further researches show the link between organizational culture and employee engagement. Daniel Denison who suggested his model of organizational culture also studies the connection between culture and engagement. Thus, study conducted among American companies in 2010 showed that some indexes of Denison Model are more significant for employee engagement - Empowerment (Involvement), Capability Development (Involvement), Core values (Consistency) and Vision (Mission). If one take Cameron's classification of organizational culture, research conducted in 2014 in Norway by Anja Krog shows that clan culture has a minimal positive affect, while other types do not affect employee engagement. Such controversial results make present research on the effect of organizational culture on employee engagement on the example of logistics companies in Lithuania more vital and important.

Research gap: However, the research findings are general and do not present information on specific sector of economics. Thus, there is no research on the organizational culture of the Baltic countries, especially in Lithuania, in the sphere of logistics services.

Novelty of the master thesis: This study aims to analyze the influence of organizational culture on the employees' engagement in the sphere of logistics services and determine the key factors of the culture that affect the performance of employees and the level of work satisfaction. The practical significance of this work lies in the fact that the measures developed based on the analysis carried out will improve the organizational culture of the company, which will help to increase the involvement of personnel in work, thereby increasing labor productivity, which aims at achieving the strategic goal of the company.

Research question (problem) of the master thesis: How does organizational culture influence employee engagement?

Purpose of the master thesis: To determine how organizational culture influences employees' engagement.

Objectives:

- To conduct theoretical analysis on organization culture;
- To conduct comparative analysis of theoretical and semantic constructions in the definition of the term "corporate culture", as well as methods of its assessment;
- To examine theoretical aspects of employees' engagement;
- To create the methodological part for the research;
- To conduct a research based on the questionnaire among companies of logistics services present on the Lithuanian market;
- To interpret the results of the survey and compose a list of improvements that can be used in the sector of logistics in Lithuania for the increasing of employees' engagement.

Research method: The primary purpose of the master thesis is to identify the impact of the organizational culture on the employees' engagement and work satisfaction and to develop possible ways of engagement improvements. Therefore, existing available literature will be analyzed, and a sociological survey will be conducted among the workers in Lithuania's logistics services sphere. The quantitative method will be used for the survey, and the statistical method will be used for the survey results analysis. Results will be presented using descriptive statistics that involve percentage distribution, mean and standard deviation. Also in order to evaluate the relations between organizational culture and employee engagement correlation and regression analysis will be used.

Structure of the master thesis: The master thesis is divided into three major parts. The first one is focused on the analysis and structure of scientific literature about organization culture and its connection with employees' engagement. The second part focuses on the creation of research model and hypothesis formulation to determine whether organization culture influences employees' engagement and in which ways. Finally, the third part is focused on survey results calculations and evaluation as well as the application of the data received in practice.

Literature Analysis Plan: Employees' performance and engagement depend on several factors, and organizational culture is one of the keys factors. Therefore, this work focuses solely on the organizational culture of companies. The involvement of employees and their organizations is the result of two-way interaction between employees and organizations

(Robbinson et al., 2004). The creation of strong cultures can play a significant role in the success of organizations and that, conversely, neglecting cultures can have many costs to organizations and their employees, customers, and stakeholders (Warrick, 2017). In modern society, organizational culture is considered a tool for the development of an organization and acquires significance as a subject of the formation of a global cultural space. Global values change the functions of organizational culture, while organizational culture, under the influence of globalization processes, turns into a subculture that carries its norms, values and rituals into society. Moreover, flexible organization culture helps the company stay in business even in difficult crises situations such as the Covid-19 pandemic.

Culture eats strategy for breakfast

Peter Drucker

I. LITERATURE REVIEW OF ORGANIZATIONAL CULTURE AND EMPLOYEES ENGAGEMENT THEORY

1. Theory of organizational culture

1.1. The concept of organizational culture

In the modern world, the rise of competitiveness between companies raised the question of improving companies' performance. Nowadays organizations and companies work in a constantly changing environment when it is hard to predict future changes, especially in the times of Covid-19 pandemic. So, organizations have to find the best solutions to stay afloat and show performance excellence. So, to achieve such excellence, companies need to identify factors influencing performance. Company is people who work there. Therefore, performance and employees' satisfaction play a vital role. Studies show that one of the factors affecting employees' engagement is organizational culture. Over time scientists and business leaders noticed a significant correlation between organizational culture and employees' satisfaction with the work and, thus, work engagement.

However, despite the extensive research in the area, there is no commonly accepted definition of organizational culture (Øgaard, Larsen, & Marnburg, 2005). According to Professor Harrison Trice of Cornell University (USA), the first attempt to study the organizational culture of management is considered to be the works of American scientists led by E. Mayo in the early 1930s. In the American company Western Electric in Chicago, an experiment was conducted for the first time during 1927-1932 to find out the influence of the organizational culture of management on labor productivity. Thus, a group of scientists led by E. Mayo is considered the founders of research in the field of organizational management culture. In the 1950s, the famous American scientist M. Dalton conducted studies of medium-sized and large firms in the USA and Canada on the formation of organizational culture and their subcultures based on the different needs of employees. During the same period, a group of English sociologists from the Tavistock Institute conducted a detailed study of organizational culture. Organizational cultures include self-determination, participation, teamwork, needs exploration, personality and creativity, the ability to compromise, and decentralization, according to a 1984 Batell Institute study. Later, two books by E. Schein and V. Sate appeared, completely devoted to organizational culture problems.

Over time, many authors have come up with definitions of organizational culture. One of the most simple definitions is "how we do things there" (Lundy and Cowling, 1996). Schein in 1997 defined organizational culture as a set of common shared fundamental assumptions that employees learn together while solving problems of external adaptation and integration within a company. According to Schein, organizational culture has four key elements:

1. Organizational culture is a shared phenomenon (Schein, 1998, Baumgartner, 2009);

2. Organizational culture has visible and less visible levels (Schein, 1998, Baumgartner, 2009);

3. Each new member of an organization or company learns organizational culture (Baumgartner, 2009);

4. Organizational culture changes slowly over time (Baumgartner, 2009).

Further, based on these factors, Brown in 1998 defined organizational culture as a set of beliefs, values and ways of thinking, and dealing with experience in the form of troubles and difficulties, which tends to be demonstrated in employees' behavior (Brown, 1998). Organizational culture is a product of company's history, development, market, management strategy, management style, and national culture (Needle, 2004).

Harris and Moran (2007) consider a specific organizational culture based on characteristics:

- awareness of oneself and one's place in the organization;

- communication system and language of communication;

- appearance, clothing, and presentation of oneself at work;

- awareness of time, attitude towards it and its use;

- relationships between people;

- values;

- belief in something and attitude or disposition towards something;

- employee development process and learning;

- work ethic and motivation;

- employee engagement (Moran *et al*., 2007).

In 2009 Tharp noticed the similarities between all definitions. Firstly, all of them employ the concept of shared values, ideas indicating that organizational culture develops only within groups. Secondly, it is a social construct associated with the work environment, history of the company. Thirdly, organizational culture is multidimensional and has many

levels, including cognitive and symbolic. Finally, as a result of organizational culture, a lot of different individuals are brought together in a community with the help of shared values, ideas, and patterns of behavior (Ogbonna, 1992). Therefore, organizational culture is a thing that differentiate organizations from one another.

Organizational culture influences how members of the company interact with each other on an organizational level and on the inter-organizational level. The function of organizational culture serves to produce what is achieved within the organization when performing tasks and responsibilities in groups to achieve agreed organizational goals and objectives (Saad & Abbas, 2018). Organizational culture is a mechanism that shapes the behavior and attitudes of members of an organization. The stronger the culture, the more it affects the behavior of employees (Robbins & Judge,2012). Deal and Kennedy in 1982 stated that a strong organizational culture is a driving force of the success and company's performance can be predicted by analyzing components of corporate culture. Moreover, a strong culture is a powerful tool for guiding behavior (Deal and Kennedy, 1982, p. 15).

There are several functions organizational culture fulfills:

- Giving members of the organization a distinctive identity which differentiate them from members of other organizations;
- Strengthening cooperation between colleagues so that the working environment is comfortable;
- Helping members to understand their surrounding environment;
- Interacting between members of one organization and between members of different organizations.

So, the function of organizational culture is to produce what is required by creating the environment necessary for the work and achieving goals set at the beginning. The function of organizational culture has many advantages if the members adhere to the established values and norms and will form habits for the members themselves (Kalaichelvi, Antony, Vimalanathan, 2017).

Studies of the last years show that organizational culture is an important factor for employees' attraction and to a particular company, it influences the choice of the workplace and affects how much efforts workers put in their work. 90 % of respondents felt that organizational culture influences their desire to work at that particular place. 80 % of respondents contented held that organizational culture influenced whether they want to put efforts into their work (Limeade Organizational culture: Research paper, 2020).

1.2. Organizational Culture Models

In studying organizational culture, researchers identified several organizational culture models. In this work three of them will be analyzed and compared.

Deal and Kennedy's Model of Organizational Culture

In 1982 in a book "Corporate Cultures: The Rites and Rituals of corporate Life" Terrence Deal and Allan Kennedy created their organizational culture model identifying four types of corporate cultures – Tough Guy (Macho) Culture, Work Hard/Play Hard Culture, Bet-Your-Company Culture and Process Culture. The model is created on two key dimensions – the degree of risk (defined by the magnitude of consequences if an activity goes wrong) and the feedback speed (the speed of the reaction if an activity is a success). The feedback does not only mean bonuses or reward for success, but generally means the knowledge of the results of the action. The focus of this model is on what kinds of decisions have to be made and how quickly the decision maker knows if the decision was right.

They suggested five specific elements influencing organizational culture:

- Business environment;
- Values and beliefs;
- Rituals and Ceremonies;
- Personification (company's heroes);
- Cultural network (Harris, 1984, p. 130).

Their model can be depicted in the figure.

Figure 1 Organizational culture model

Feedback Speed	High	Work Hard/Play Hard Culture	Tough Guy (Macho) Culture
	Low	Process Culture	Bet-Your-Company Culture
		Low	**High**
Degree of Risk			

Source: Deal and Kennedy, 1982.

a. Tough Guy (Macho) Culture

As Allan Kennedy and Terrence Deal identified this type of culture – it is *"a world of individualists, who regularly take high risks and get quick feedback on whether their actions were right or wrong"* (Deal and Kennedy, 1982, p. 107). This type of culture is inherent in such companies as sports companies, film industry financial services companies where managers have to make decisions quickly and take high risks. This type companies are characterized by high aggressive internal competition which can produce internal conflicts and tension. This makes tough guy culture similar to market culture of Cameron and Quinn. However, Kennedy asserts that this type of culture is the least discriminatory among all since high competition and individualistic approach make it a meritocracy where success is acknowledged and rewarded (Deal and Kennedy, 1982).

b. Work Hard/Play Hard Culture

Researches describe this type as *"fun and action are the rule here, and employees take few risks, all with quick feedback; to succeed, the culture encourages them to maintain a high level of relatively low-risk activities"* (Deal and Kennedy, 1982, p. 108). Employees in such companies take low risks, however, the success is reached with persistence. Therefore, since company does not take high risks and success is measured by persistence, managers there have to ensure that employees' energy is directed at right tasks and company maintains high level of activity. Companies with such type of culture are usually large and include real estate agencies, car sales companies, IT and others. The main value for a company is a customer and their needs.

c. Bet-Your-Company Culture

It is described as *"culture with big-stakes decisions, where years pass before employees know whether their decisions have paid off"* (Deal and Kennedy, 1982, p. 108). Usually these companies include huge innovative companies with large investments and resources. They can be aerospace companies such as Airbus, or innovative space companies such as Space-X. Other examples include big construction companies and oil companies. All of them are risky and, usually, it takes a lot of time to realize them. Decisions in such companies are made from top to down, thus, they are very hierarchical and formal. If a problem arises managers on the basis of detailed plan create a working group of experts who make necessary decisions.

d. Process Culture

Deal and Kennedy describe this type of culture as follows *"a world of little or no feedback where employees find it hard to measure what they do; instead they are concentrate on how it is done. Another word for it – bureaucracy"* (Deal and Kennedy, 1982, p. 108). In companies of this culture procedures are essential. Since the focus is on how it is done and no what is done, if employee makes a mistake, he or she fears an attack and take defensive role.

Researches themselves admitted that their model is simple and does not represent an ideal model. No company is a representative of a pure type of culture. Sometimes even different departments of one company may have different culture. However, this model is a useful guideline considering understanding of conditions under which companies work. Moreover, researchers concluded that a strong culture involves the majority of organization's employees through adherence to common values and norms, which leaders supports and promote.

Cameron and Quinn's Model of Organizational Culture

Other researchers Kim Cameron and Robert Quinn introduced an element of cultural evolution and focused on values hold by companies. According to their study, culture defines the core values and assumptions of the organization. They developed one of the most used classifications of organizational cultures. They used two dimensions of focus representing a preference for stability & flexibility and structure representing the contrast between internal focus & external focus (Quinn and Rohrbaugh, 1983) to identify four types of organizational culture – clan, adhocracy, market, and hierarchical types of organizational culture which are discussed later in this work.

Figure 2 Two-dimensional base for four types of organization culture

Flexibility		
Internal focus	**Clan culture**	**Adhocracy culture**
	Hierarchy culture	**Market culture**

External focus

Stability

*Source:*Cameron & Quinn, 2006.

a. Clan culture

Clan type of organization is based on employees' collaboration. Managers are caring mentors and moderators. They tend to create friendly, cozy atmosphere for employees working together as an extended family. The focus in the organization is on teamwork and consensus between workers and stability. Basis values for such companies are dedication, cooperation, communication, and development. Such organizations believe that human resources development and, thus, high commitment are effective. The word clan itself says that such companies work as a single-family in a friendly working environment. Employees communicate freely, share their stories from private life. As a result, the organization cares a lot about customers and pays attention to customers' sensitivity (Cameron & Quinn, 2011).

b. Adhocracy culture

This type of organization is focused on creativity. The leaders of the company are creators, innovators, and risk-takers. They believe that innovations and constant changes ensure the efficiency of the work.

The most important values are creativity, innovative results, and the ability to change and be flexible. Such organizations are eager to experiment and introduce new products and be the first on the market. The company's long-term goal is constant growth and development, maybe the establishment of new departments or branches. Adhocracy companies promote individualism and personal freedom (Cameron and Quinn, 2011).

c. Hierarchical culture

Hierarchical companies support the importance of stability and predictability. Organizations with such an organizational culture value control and focus on internal structure. Values important in such organizations are discipline, complying with the rules and regulations. The hierarchy culture has a well-defined organizational structure, standardized rules and procedures, strict control, and well-defined responsibilities. Stability inside the organization is the most crucial factor, attained through several fixed rules. The company's success depends on how much employees can do their tasks and duties correctly, following the standard procedures and maintaining stability simultaneously.

The long-term concerns of companies are stability, predictability of work, and efficiency, which are ensured by a high level of control. Therefore, the leadership is concentrated on coordinating and organizing (Cameron and Quinn, 2011).

d. Market culture

Market culture aims at the competition. According to Cameron and Quinn (2011), the market culture focuses on transactions with external stakeholders, including suppliers, customers, contractors, licensees, unions, regulators, etc. (Cameron and Quinn, 2011).

The market is a result-oriented environment; market share, goals achievement, and profitability are the central values. Competitiveness and productivity are among the main values for such market-type organizations. Market culture considers competitiveness and customer orientation to bring more efficiency. At the same time, competition is a common condition for the development of people, which reduces flexibility in personal relationships.

The main focus is on the work and achieving a company's business outcomes and competitive performance.

The long-time goals of such companies are the realization of competitiveness and measurable goals (OCAI online, 2019; Cameron and Quinn, 2011).

All types have their advantages and disadvantages analyzed in the following table.

Table 1 Advantages and disadvantages of organizational culture types of Cameron and Quinn Model

Type of culture	Advantages	Disadvantages
Clan	• Horizontal internal structure; • Clear communication between colleagues and between employees and management leaders; • Constant feedback; • People's needs are put first; • Regular team meetings (Down, 2019)	• Limits of employees growing; • Too much communication can distract from work; • Boundaries between leader and team are required; • Too much freedom may cause inappropriate behavior (Down, 2019)
Adhocracy	• Encourages creativity and confidence; • Creates environment for personal growth; • Excellent flexibility	• Individualistic approach and competition can create anxiety and stress; • High risks not always pay off
Market	• Clearly distributed roles, duties and responsibilities;	• Control, no place for creativity;

	- Feeling of security and predictability; - Employees become experts in their fields; - Strong bonds between team members	- Not flexible; - Less competitive; - Massive layer of upper management
Hierarchical	- Higher profitability; - Constant market monitoring; - Employees are constantly motivated to do more	- Extra resources for constant market monitoring; - Burn-out as a result of high competitiveness; - Possible tension inside the team as a result of high competitiveness

Source: composed by the author.

As one can see, all four types of organizational cultures have their positive and negative sides. Therefore, there is no universal model, and it is not necessary. Each type of culture may be suitable for each particular kind of company in any given industry or branch.

Present model focuses on competing values that define each type of culture. Therefore, it is essential to identify which values are shared by members of each particular type of organizational culture.

Table 2 Types of organizational culture and their core values

Type of organizational culture	Values
Clan culture	Dedication, communication, development, high commitment
Adhocracy culture	Innovations, results, changes and agility
Hierarchical culture	Coordination, uniformity, internal efficiency, close adherence to rules and regulations
Market culture	Market share, goal achievement and profitability

Source: composed by the author.

Denison's Organizational Culture Model

This research focuses on Denison's Model that was created by Daniel R. Denison and is now used for learning an organizational culture. The proposed model is based on four cultural traits that are believed to influence the organizational performance – mission, consistency, involvement and adaptability (Denison, 1990; Denison & Mishra, 1995). Each trait is measured with three indexes each of them measured by five survey questions.

Mission – represents goals and sense of purpose of a company. It provides a clear direction of a company and serves to define the course of actions of a company. Moreover, the ability of employees to identify themselves, their goals and actions with the company's mission helps to develop short-term and long-term employees' loyalty and engagement. The main question of this trait – "Do we know, where we are going" (Denison & Mishra, 1995). This trait is measured by three indexes:

- *Strategic Direction and Intent* – clear strategic direction and intent make it clear how each employee can contribute to the common goal of a company clearly dividing functions and actions;
- *Goals and objectives* – when employees know their goals and mission and higher management often remind them of the goals, people understand direction in their work;
- *Vision* – organization for clear and stable future provides for a shared clear view of a desired future of a company. When people see the state they strive for they know what they work for and have better sense of security.

Consistency – researches show that companies are more effective when they are consistent and integrated (Saffold, 1988). Consistency is the main source of stability, integrity, coordination and control. Organization with consistency as a key trait have more engaged and loyal employees sharing common values. Internal system of such organizations is built on the consensual support. The main question to be answered is – "Do we have a set of values and processes for coordination?". This trait is measured by the following three indexes:

- *Coordination and integration* – different and divided departments performing different functions are able to work together for achieving common goals;
- *Agreement* – employees performing different tasks and functions can reach an agreement on critical issues;
- *Core values* – employees share common values creating a sense of identity of a particular organization.

Involvement – researches show that effective organizations engage their employees, create team environment and build the sense of belonging to an organization (Katzenbach

& Smith, 1993). Employees of all levels feel the sense of belonging and feel that they have some impact ad input into company's decisions and they know that their work affects the organization's goals. Sense of significance and belonging helps to create the internal (voluntary) system of control rather than formal one (carried out by the leader). This trait responds to the question – "Are our people engaged and committed?". This trait is measured by other three indexes:

- *Capability of development* – organization's management invest in learning of employees and development of their skills and knowledge creating in this way a more competitive team;
- *Team orientation* – employees work together in a team to achieve a common goal. Organization relies on team work rather than individual.
- *Empowerment* – each employee has an authority and opportunity to manage their own tasks and take responsibility for own actions and decisions. This helps to create the sense of ownership and responsibility.

It should be mentioned that Empowerment and Capability Development are critical for a high level of employee engagement (Denison Consulting, 2021).

Adaptability – it is one of the most important factors in the modern changing world, especially during the Covid-19 pandemic. Organizations have to respond to changing market needs and world challenges. Adaptable organizations monitor the market, take risks and have the capability and willingness to create their own changes and set trends (Katz & Kahn, 1978). The main question is "Are we responding to the demands of external environment?". This trait is measured by the following three indexes:

- *Creating change* – organization creates new ways of changes responding. It is constantly monitoring the environment to correspond to the changing needs;
- *Customer focus* – needs of customers also change and company is attentive to customer needs. Organization has a customer satisfaction as one of the key values;
- *Organizational learning* – to react to the current needs organization studies the environment and use this knowledge for learning and developing new capabilities for future changes.

All of these traits and indexes are connected and create a single model depicted below.

Figure 3 Denison Model

Sourse: Creating by Denison Consulting Europe - https://denisonconsultingeurope.com/denison-organisational-culture-survey/.
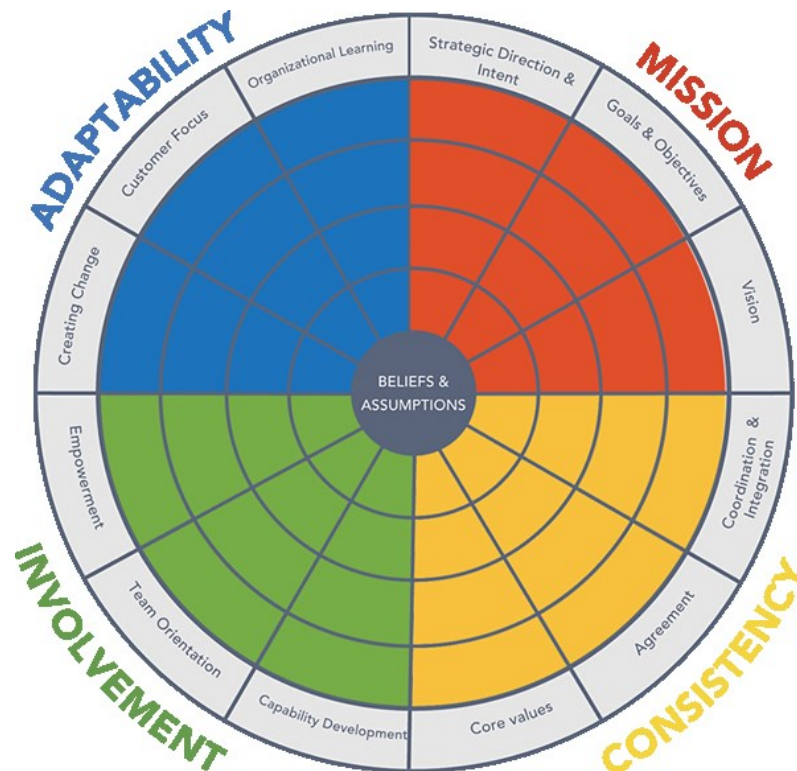
Presented model had two-dimensional basis. One of them is focus – external and internal. Adaptability + Mission create external focus. An organization with a strong external focus responds to environmental changes and challenges. It is constantly monitoring a market and always ready to respond to changes. Involvement + Consistency create internal focus. Organizations with strong internal focus are well-integrated. The main value is employees and their satisfaction. This focus is particularly important for establishing high employee engagement level.

Another dimension is stability/flexibility. Mission + Consistency create stability. Company with a high stability remains focused on its goals and is more predictable. Employees in such companies feel more secure about tomorrow. Such organization attract more investments since investors are not afraid to lose their money investing in them. Involvement + adaptability create flexibility. Flexible companies are capable to change to the changing demands of environment and respond to customers' needs.

Present model has been successfully used by various researches. Thus, Denison Consulting used Denison Organizational Culture Survey developed on the basis of Denison Model together with Denison Employee Engagement Module were employed to measure the health of organization and link it with the level of employee performance (Denison Consulting). The results showed that companies with lower scores on organizational culture have lower level of engagement and, on the opposite, organizations with high scores of the culture have higher employee engagement. Moreover, researchers found that the key predictors of engagement are Vision (Mission), Core (Consistency), Empowerment and Capability Development (Involvement) (Denison Consulting Research Notes).

On the basis of Denison Model a Survey was created. The survey consists of 60 questions that is designed to give a comprehensive view on how organization culture affects business performance and organizational effectiveness. This survey is an effective tool in different situations: for general business work (strength and weakness, organizational goals, common expectations etc.), during merger and acquisition, industry restructuring, hiring a new CEO, development of new strategic initiatives or customer service challenges. The difference of this survey from other is prominent. It helps to measure relevant behavior and beliefs and not just describe the emotional environment of a company.

Since this model was successfully used for the research on the connection between organizational culture and employee engagement, it would be used in present work to analyze the link between organizational culture of Lithuanian companies and the level of employee engagement.

Comparison of three presented models of organizational culture

Despite the fact that all three models are different and use different basis for them, they have some similarities. Thus, Deal and Kennedy focus on what kind of decisions are made and how quickly decision-makers receive the results of their decisions. Cameron used the system of values as a basis for the model. Denison took behavioral approach, at the same time using the two-dimensional system of Cameron (internal focus/external focus, stability/flexibility).

The first two models are more similar. Thus, we can compare the common features the four types of organizational culture of Kennedy and four types of Cameron.

Table 3 Comparison of Deal and Kennedy Model with Cameron and Quinn Organizational Culture Model

Deal and Kennedy Model	Cameron and Quinn Model
Tough Guy Culture • all-or-nothing culture with high competitiveness; • attention to individual approach in work; • taking high risks and receiving quick feedbacks.	**Market Culture** • high competitiveness; • aggressive and demanding, result-oriented approach; • focus on individualism.
Work Hard/Play Hard Culture • attention to group activities and team work; • "our energy and unity create the company's results"; • the main value is customer's needs.	**Clan Culture** • focus on collaboration and team work; • clear communication and close-knit work; • attention to customer's needs
Bet-Your-Company Culture • large amount of resources and a lot of time to realize the goals together with the high risks; • creativity and innovation.	**Adhocracy Culture** • high risks in the work; • creativity and innovation.
Process Culture • focus on formality, therefore, procedures are important; • great subordination and hierarchy; • defensive workers.	**Hierarchical Culture** • focus on stability and control; • standardized rules and procedures.

Source: composed by the author.

Despite the similarity of two-dimensional basis of Denison Model and Cameron and Quinn Model, the first one is different. Firstly, it is behaviorally based. Secondly, it was created within the business environment. Thirdly, it is fast and easy to conduct and implement. Fourthly, it is can be applied on all levels of organizational hierarchy (Denison and Neale, 2000)

2. Theoretical analysis of employee engagement

2.1. Concept of employees' engagement

The concept of employee engagement is comparatively young. It has been forming for almost twenty years now. For the first time, the idea of the meaning we perceive now

appeared in the 1990s. Until that time, HR specialists used the term "satisfaction". However, it is worth clarifying the concept since it is sometimes confused with similar concepts such as satisfaction or employee motivation. For example, engagement is different from commitment since commitment refers to a person's attitudes and attachment to the organization, while engagement is not an attitude but a degree to which a person is attentive and absorbed by the work (Saks, 2006).

Kahn in 1990 defined employee engagement as "the harnessing of organization members' selves to their work roles" (Kahn, 1990). He held that engagement is a manifestation of personal "self" in work tasks, that encourage the connection and relation between a person and others and work. He argued that engagement depends on three psychological conditions - meaningfulness, psychological safety, and accessibility (Kahn, 1990).

Meaningfulness is the value the person attaches to their work. It depends on the tasks the employee receives and the roles they perform (May et al., 2004). Psychological security refers to understanding a person's freedom while acting on a position assigned. And finally, accessibility means beliefs a person has, whether they have the necessary psychological, physical, and moral resources to invest in the work. This is largely determined by individual perceptions of the quantity and quality of available resources and the degree of involvement in activities outside of work (May et al., 2004; Schaufeli and Bakker, 2004). Altogether, these three conditions determine whether employees will be more involved or not (Kahn, 1990).

Other researchers identify employee engagement as a "positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption" (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002). Vigor, dedication, and absorption comprise three dimensions of employee engagement. Vigor refers to a person's physical and mental activity in the workplace. It is characterized by being mentally resilient, persistent, and having a lot of energy and willingness to invest efforts and energy into work (Schaufeli et al., 2002). Dedication refers to strong involvement in job tasks a person receives and the organization. Dedication is characterized by a feeling of significance, enthusiasm, and pride over the work (Bakker & Demerouti, 2008; Schaufeli et al., 2002). And absorption means total concentration. When a person is absorbed, it is complicated to distract them as they are fully concentrated on the work (Bakker et al., 2011; Schaufeli et al., 2002).

Figure 4 Three dimensions of work engagement
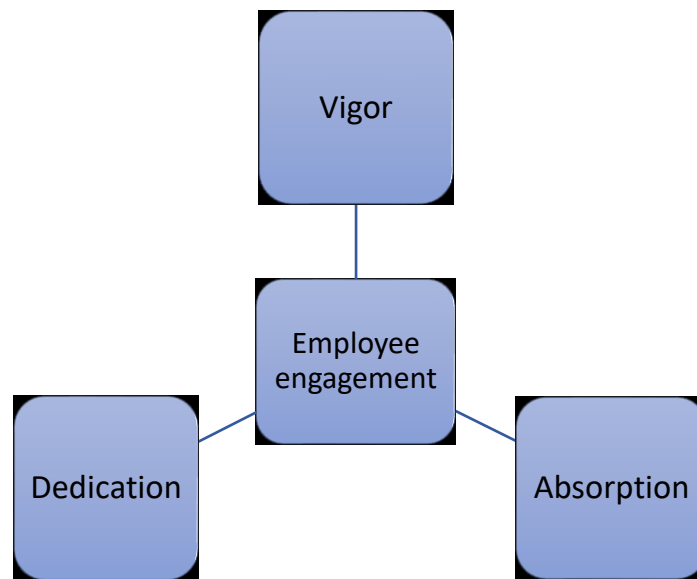
Source: composed by the author based on Schaufeli et al., 2002 research.

Another definition of engagement comes from burnout researches defining engagement as positive or opposite antithesis of burnout (Maslach *et al.,* 2001). According to the study of Maslach, six factors cause burnout and engagement – workload, control, reward and recognition, community, and social support, perceived fairness and values.

Engagement is considered to be a work-related state of mind. Therefore it is not restricted to any event, individual, or object, but rather depends on the physical and social environment of the organization (Bakker et al., 2011). Such an environment formulates an individual's attitudes, beliefs, and perceptions. Work engagement is not just about cognitive attention to work, expressing positive emotions at work, or doing specific work tasks just for the sake of doing them; it reflects human activity and focuses on costs that the employee mainly controls. Behavioral characteristics have several dimensions; it provides specific concepts and behaviors of employees that affect the interaction's purpose, outcome, and competence.

The concept of engagement includes the following basic principles:

- Engagement depends on physical, emotional, and mental investments and energy;
- Efficiency and effectiveness of work relates to the focus of this work on increasing employee engagement;

- Various employee manifests, engagement movements are floating indicators that may vary;
- Employee engagement has quantitative and qualitative measurements (Burdiene, Diskiene, 2020).

Sanford's survey conducted in 2002 and reported to Harvard Business Review shows that about 30% of workers are actively engaged in the company while 20% are actively disengaged (Sanford, 2002).

Numerous researches show the positive effects of employees' engagement. Researchers observed that employee engagement positively affects performance rates (Demerouti & Verbeke, 2004). Thus, for example, in Marks&Spencer it was found that a 1% improvement of workers' engagement brings a 3 % increase in sales. In addition, JCPenney recognized that stores with top-rated employees' engagement generate 10% more sales and 36% more operating income (Krueger and Killham, 2006; Engen, 2008).

2.2. Drivers of employee engagement

Understanding what affects the employees' engagement is essential for companies to increase engagement and thus the effectiveness of the work. Engagement depends on many factors. For example, what happens during the day at work, even if these are minor incidents, affects the level of employee engagement: low or high. In addition, such work resources as social support of colleagues, job reviews, training opportunities, variety of skills that are learned, autonomy-positively affects engagement and others.

All factors affecting engagement may be grouped into three categories – personal resources, job resources, and job demands (Bakker & Demerouti, 2008). According to studies, job-related resources contribute the most. Job resources concern physical, psychological, social, and organizational aspects of work. Such factors are autonomy, innovativeness, the existence of a coach, and appreciation of job (Bakker & Demerouti, 2007; Rich *et al*., 2010). Several studies recognized job resources as the most influential factors. Thus, the job demands-resources model (JB-R) designed in 2001 asserts that job resources directly affect employee engagement (Demerouti *et al*., 2001). Moreover, studies conducted in 2010 show that such resources as autonomy, social support, feedback, positive organizational culture, and environment have a strong positive direct effect on work engagement (Halbesleben, 2010). Job resources can be found on different levels of organizational structure. Thus, on an individual level they include skills variety, tasks significance. On group level, it is interpersonal support of colleagues. On management level, they are positive feedback, information sharing, and creating of work-stimulating

environment. The organization itself creates such job resources through job security and opportunities for career growth.

Figure 5 Job demands-resources model
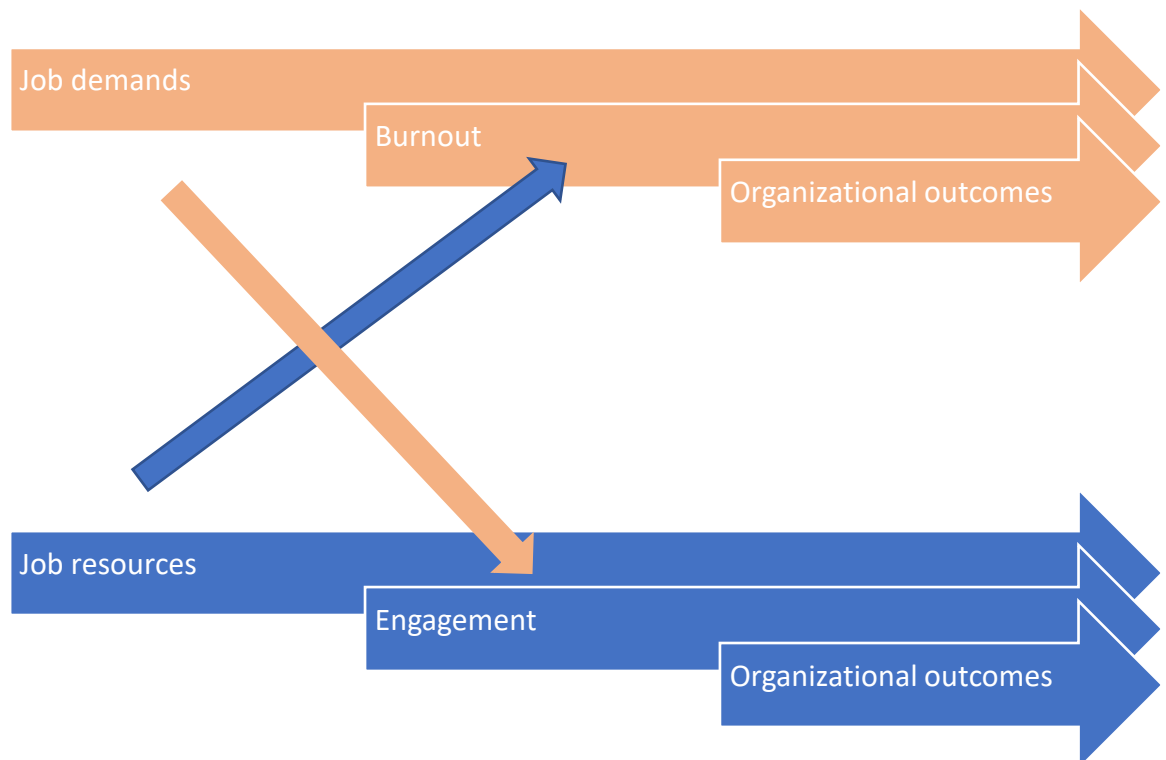
Source: composed by the author based on Schaufeli & Bakker, 2004, 2009.

All of these factors influence organizational culture, which in its turn affects employees' engagement. The relation between all elements may be traced with the following figure.

Figure 6 Relation between job resources, organizational culture and employee engagement

Source: composed by the author.

Alan Saks also developed six factors (antecedents) influencing engagement – job characteristics, perceived organizational support, supervisor support, reward and recognition, procedural justice, and distributive justice (Saks, 2006). His study shows that job characteristics such as autonomy, tasks identity and variety, feedback from colleagues and leaders, and organizational support are significant for employee engagement.

2.3. Types of employee engagement

Sometimes the classification of employee engagement may confuse because different classification may be created for various studies. However, based on research of Alan M. Saks (2006) and Christina Maslach (2001) employee engagement may be divided into two categories – job engagement and organizational engagement.

Job engagement relates to a person's work-related tasks and roles. It can be conceptualized by two components – attention to functions and absorption into one's tasks (Saks, 2006). On the other hand, **organizational engagement** relates to one's fitness into the organization and focuses on one's role within the organization (Robinson *et al.,*2005).

Job engagement is based on a positive and fulfilling working environment. Thus, it depends on emotional and cognitive focus on work-related goals and aims. Organizational engagement represents one's attitudes and enthusiasm towards the organization and its values. An organizationally engaged person knows the strategy and values of the organization and, therefore, works together with the team to realize goals. It depends on the manager's and colleagues' support, external motivation, and constant feedback from the manager's level.

Another significant researcher William Kahn developed three types of employee engagement – cognitive, emotional, and physical.

Cognitive engagement means that a person is generally aware of the organization's plans, strategy. A person knows what is required and what to do to achieve the organization's goals. A person is aware of their duties and roles in a company. People poses all necessary information since it is one of the critical elements. Lack of information necessary for work may cause stress.

Emotional engagement concerns the sense of belonging to the organization. It relates to the emotional connection between employee and organization and employer. Kahn noted that positive interpersonal communication, group dynamics, and management style make people trust the organization and feel safe, which impacts emotional engagement positively. For example, companies offering mental health support and coaching sessions have higher engagement rates. People have to fee safe and confident in

their tomorrow to be engaged with workplace and exort their efforts for successful performance of work tasks.

Physical engagement relates to the extent to which people invest their physical and mental resources and energy into their job. Kahn connected physical and mental energy at work with increased confidence.

American Institute of Public Opinion Gallup define three types of employees based on the level of commitment:

- **Actively engaged**

Actively engaged people are passionate about what they do and feel the meaning of their work. They are creative and generate new ideas on development and further work. They perform their tasks and often go beyond of what is asked to do. Moreover, such employees are more collaborative and have tighter bonds with their colleagues.

- **Not engaged**

Not engaged people perform their tasks but feel neutral about their organization. They work for money and not for development or other "high" goals.

- **Actively disengaged**

Actively disengaged people often show bad performance results. They do not see the meaning in their work. They do not invest time in their education, learning and organization development. They speak negatively about their company. Such people do not only underperform, but also spread negative environment among other colleagues, reducing productivity.

Table 4 Types of employees based on commitment level

Actively engaged	Not engaged	Actively disengaged

• Psychologically committed to workplace; • Optimistic; • Team-oriented, likely to stay with the company; • People catch any opportunities for learning.	• May be productive, but not psychologically committed; • No positive emotions; • They are likely to miss workdays and leave the workplace; • They are indifferent to learning opportunities, they do not learn on their own initiative.	• Physically present, but psychologically absent; • Pessimistic; • They are unhappy about their work and try to persuade others of their unhappiness, most likely to leave the company; • They focus on monetary reward and miss opportunities for learning.

Source: Gallup, 2017.

Level of employee engagement affects the business. Thus, for example, engaged employees are more likely to stay with their organization. High-turnover organizations with engaged workers have 24% less turnover (Gallup, 2017). Low-turnover organizations have even higher percentage – 59% less turnover. Moreover, people who are actively engaged on their workplace are 87% less likely to leave that place.

Moreover, highly engaged departments achieve a 10% increase in customer ratings and 20% increase in sales (Gallup, 2017).

Employee engagement is also linked to important areas of work and life, such as workload, control, recognition and reward, communication and social support, perceived fairness, and valuable work (Maslach *et.al*., 2001). Schaufeli and Bakker (2004) suggested that the engaged employees are more likely to be more attached to their organization and less likely to leave it. The results confirmed that engagement is important for predicting employee performance, productivity, and company's reputation (Saks, 2006).

Companies with highly engaged workers have some common features:

- They create the culture of engagement from the top level of management;
- The leaders of the organization place engagement as a top priority in their strategies;
- They have clear and consistent communication within the organization;
- They put a lot of efforts in employees' development.

So, there are several classifications of employee's engagement based on different characteristics. For the purposes of this research, the classification of the American Institute f Public Opinion is of the paramount consideration.

2.4. Organizational culture and employee engagement during the Covid-19 pandemic

Covid-19 affected every sphere of our live, particularly business. It might be expected that Covid-19 would be harmful for organizational culture. However, organizational culture and values rate increased during the first months of the pandemic. The great influence had the communication between leaders and their teams. Thus, with the absence of face-to-face communication the honesty and transparency of communication increased. Moreover, employees were 57% more likely to talk about compliance with ethics of the company and 51 % more likely to give positive feedback on compliance with regulations during the pandemic. However, on the other side, there are also negative consequences. Thus, employees' flexibility with responding to global issues decreased (Sull & Sull, 2020)

Also Covid-19 influenced employee engagement. During crises like Covid-19 pandemic only three scenarios may happen – employee engagement can fall, rise or remain the same. One may think that during a crises employee engagement falls. However, research of Quantum Workplace (a human resources technology provider in the U.S.) shows that the level of engagement is not stable. Thus, firstly, there was a sudden drop in employee engagement level – from 78% of highly engaged employee in January to 70% in mid-February (Quantum Workplace, 2020). However, after introduction of restrictions in U.S. the level of highly engaged employees grew to 83%. Such a growth represents an 11% increase compared to the same period of 2019. Overall, 73% of organizations increased their employee engagement. For example, from 2017 to 2018 level of highly engaged employees increased only on 0.4% while the percentage of disengaged decreased on 0.6.

Researches show that there are five factors influencing employee engagement during Covid-19: conciliation (combination of home and work life in the one space during remote work from home), cultivation (development of schemes for employee work), confidence (ensuring safety and health together with effective leadership), compensation (rewarding and compensating workers working in difficult conditions), communication (one of the most important during remote work) (Kahn, 1990). Remote work was one of the earliest decisions to stop the spreading of disease while saving work places. Benefits of remote work deprive people from healthy work-life balance. However, during Covid-19 workers are confident about their working hours and, therefore, are more confident about holding their positions after the pandemic. So, smart conciliation positively affects employee engagement and well-being (De-la-Calle-Durán and Rodríguez-Sánchez, 2021). According to Mehta research, there is a high correlation between big opportunities for development and low intention to leave the job, thus higher employee engagement (Mehta, 2013). In the

modern times of Covid-19 employees must be instructed on new work scenarios and technology tools. At the same time coaching is a great tool to keep employees motivated, focused and engaged. Then, one of the greatest concerns for an employee is the safety of workplace. Employees should be confident about their safety. However, employers shall also be concerned about mental health since pandemic with work from home affected people's mental health very much. If all of these are secured by management, employees feel more trust which influence the engagement. Moreover, people should feel they are important and their work in such difficult time is appreciated and valued. Therefore, the system of reward both monetary and non-monetary is important. For example, the most successful tips are to provide for children services, health insurance benefits, childcare services etc. Such measures shall help parent in their daily life with work from home. Such benefits show that a company cares about every individual employee, thus, increasing their loyalty and engagement. And, finally, but also very important, the communication between employees and leaders shall be constant and effective. Good organizational culture fosters such communication even during remote work. Also companies should think about networking between employees, such as shared activities, daily calls and creation of the area for meetings. All of these keep employees within their organization and, as a result, people feel more connected to the firm and are more engaged.

Therefore, although, there is no sudden drop of employee engagement it can happen in the future if the remote work remains the dominant business tool. So, organizations shall consider five elements critical during Covid-19 crises – conciliation, cultivation, confidence, compensation and communication. In order to keep people engaged organizations shall focus on facilitating online work from home for better conciliation of work and family life. Another issue is to keep employees infirmed about company's strategies and work tools and teach them. Online trainings can be of great benefit in such a case. Confidence about workplace is also of great importance. It concerns not only hygienic measure, but also work tools and equipment. Leaders also hall consider adopting new compensation systems corresponding to new work realities. Finally, companies should provide for constant communication and information sharing among workers and their managers (De-la-Calle-Durán and Rodríguez-Sánchez, 2021).

2.5. Relation between Organizational Culture and Employee Engagement

Numerous researches show that organizational culture affects a list of employee-related characteristics. Therefore, it is evident that organizational culture affects employee engagement in a certain way. The notion that organizational culture may affect employee

engagement and, thus, have a far-reaching effect on business makes it essential to analyze the connection between organizational culture and employee engagement. Organizational Culture and Employee Engagement, and relationships are the vital issues companies face today. 87% of companies indicate culture and engagement as one of their most critical challenges.

Even though the topic is relatively new, several studies have been conducted. The research conducted by Anja Krog from the University of Oslo in 2014 on the relations between organizational culture and engagement showed a bit unexpected result. The researcher presumed that clan and adhocracy culture positively affect employee engagement, while hierarchy and market culture have a negative effect. However, the results of the study indicated that clan culture has a moderately positive effect on engagement, while adhocracy culture did not show any positive impact. Moreover, the hypotheses on hierarchy and market culture also were not supported by the data. As the result shows, hierarchy and market culture do not significantly negatively affect engagement. Therefore, the researcher concluded that organizational culture has a minimal direct effect on work engagement (Krog, 2014).

On the other hand, Naidoo and Martins, in 2019, found a strong relationship between organizational culture and employee engagement (Naidoo and Martins, 2019). Moreover, a positive perception of a company's organizational culture is likely to be related to a higher level of employee engagement (Alarcon *et al*., 2010). Therefore, it is better for companies to cultivate a positive organizational culture for better employee engagement.

Another study conducted by Denison (2010) among organizations of North America found that employee engagement is the result of a healthy organizational culture. According to him, if organizations only look at employee engagement without considering the culture in which they work, they potentially do not see the strategic strengths and weaknesses of the organization that affect employee productivity and, ultimately, the organization's performance. Research showed that some indexes of Denison Model are more significant for employee engagement. Thus, Empowerment (Involvement), Capability Development (Involvement), Core values (Consistency) and Vision (Mission) are the strongest predictors of employee engagement (Denison Consulting Research Notes).

Research conducted in Brazil in 2016 by Reis, Trullen and Story among 890 individuals concluded that cultures that support people's autonomy and development (clan and adhocracy cultures) do not significantly affect the attitude to work and engagement. However, cultures that value control and stability in a company (hierarchy and market

culture) negatively affect the authenticity of an employee and, therefore, negatively affect employee engagement (Reis, Trullen & Story, 2016).

General information on different researches conducted on the issue can be represented in the table below.

Table 5 Comparable researchers

Researcher	Year	Work	Conclusions
Denison Consulting	2010	Research notes "Organizational culture & Employee engagement. What's the relationship?"	Employee engagement is a result of healthy organizational culture. Empowerment (Involvement), Capability Development (Involvement), Core values (Consistency) and Vision (Mission) are the strongest predictors of employee engagement.
Anja Krog	2014	The relationship between organizational culture and work engagement: A multilevel investigation	Clan culture has a moderate positive effect on engagement while adhocracy culture does not show any positive effect. Hierarchy and market culture do not significantly negatively affect the employee engagement.
Pervashnee Naidoo Nico Martins	2014	Investigating the relationship between organizational culture and work engagement	Positive perception of organizational culture is likely to be related to higher level of employee engagement. Leadership, goals and objectives, and management process have

			greater influence on the variables of employee engagement – vigour, dedication and absorption.
Reis, Trullen & Story	2016	Perceived organizational culture and engagement: the mediating role of authenticity	Cultures that support people's autonomy and development (clan and adhocracy cultures) do not significantly affect the attitude to work and engagement. However, cultures that value control and stability in a company (hierarchy and market culture) negatively affect the authenticity of an employee and, therefore, negatively affect employee engagement.

Source: composed by the author.

Numerous researchers conducted their studies on the issue of relations between organizational culture and employee engagement, defining every element of this relation. However, for the purposes of this study, organizational culture means a set of beliefs, values, and fundamental assumptions commonly shared by employees while dealing with problems of external adaptation and integration within a company. Such values and beliefs that formulate an employee's behavior are characteristics of all workers of the same organization. Organizational culture differentiates organizations from each other.

Despite the existence of several classifications of organizational cultures, for this research, the classification of Cameron and Quinn is used. Therefore, potentially, companies chosen for this study may have predominantly clan, adhocracy, hierarchical or market culture, based on two dimensions – stability & flexibility and external focus & internal focus. However, no organization has clearly defined one type of organizational culture.

For the purposes of this study, employee engagement means a work-related, positive, and fulfilling state of mind characterized by vigor, dedication, and absorption. When the work environment is positive, supporting and appreciating employees' efforts, people, as a result, are more likely to respond and invest their time and efforts into work. There are a lot of benefits of actively engaged employees. Therefore, it is essential to find out what affects employee engagement and, mainly, whether organizational culture affects engagement and in which ways.

II. METHODOLOGY FOR RESEARCHING THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEES ENGAGEMENT

2.1. Research model

Taking into consideration all researches conducted in the sphere, the research model for this particular research consists of five interconnected parts: research goals, conceptual framework, research methods, validity and research questions, in our case – hypothesis.

Figure 7 Elements of the research methodology
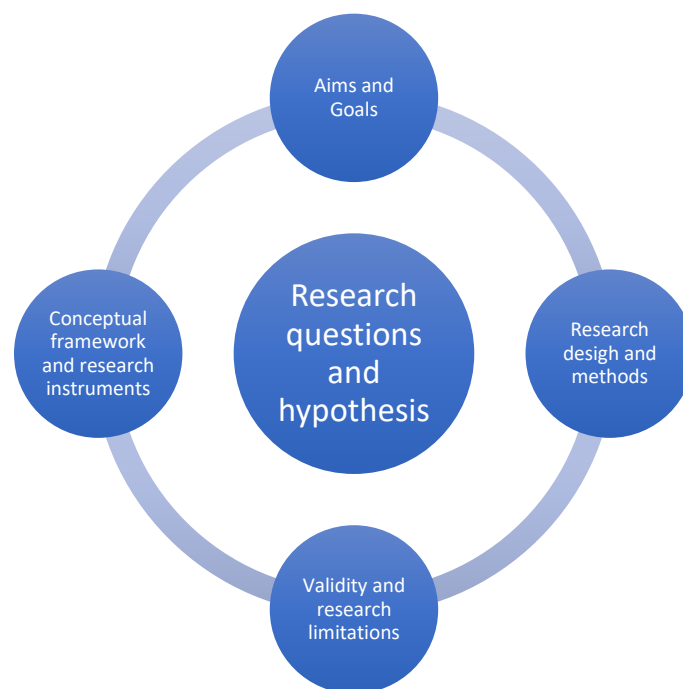
Source: composed by the author.

Research model represents a plan for conducting research, based on which the researcher proceeds with the analysis. Present model consists of five components necessary for the research and addressing specific types of concerns. Thus, **aims and goals** of the study encompass the results the researcher tries to pursue. They include the issues to clarify and practices and policies to influence by the results. This component also includes the drivers of researcher decision to conduct the survey.

Conceptual framework includes theoretical knowledge about the issue at question. It includes previous research findings, theories and beliefs on the issue necessary to study, and also personal experience in the sphere.

Research question and hypothesis part is the most important component in the research. The outcomes of the study directly depend on the formulated questions. These

questions shall outline the issues the researcher wants to understand better. Also, questions should reflect the connection between knowledge in the sphere and desired outcomes.

Research design and methods of the research include operations performed by the researcher, techniques and approaches applied. Such methods shall indicate:

- the relationship between the participants of the study;
- description of the selection of settings, participants, time and place;
- a method of collecting data;
- data analysis strategies and techniques.

Finally, **validity** includes information on possible mistake in the research. It shall mention possible alternative interpretation of study results. Validity also encompasses the ways study results may influence ideals and beliefs on the issue.

Taking into account all the information available for researcher about the theory of organizational culture and employee engagement a Denison Model for organizational culture and Schaufeli Model for employee engagement have been selected for further research. Research model looks as follows.

Figure 8 Research model
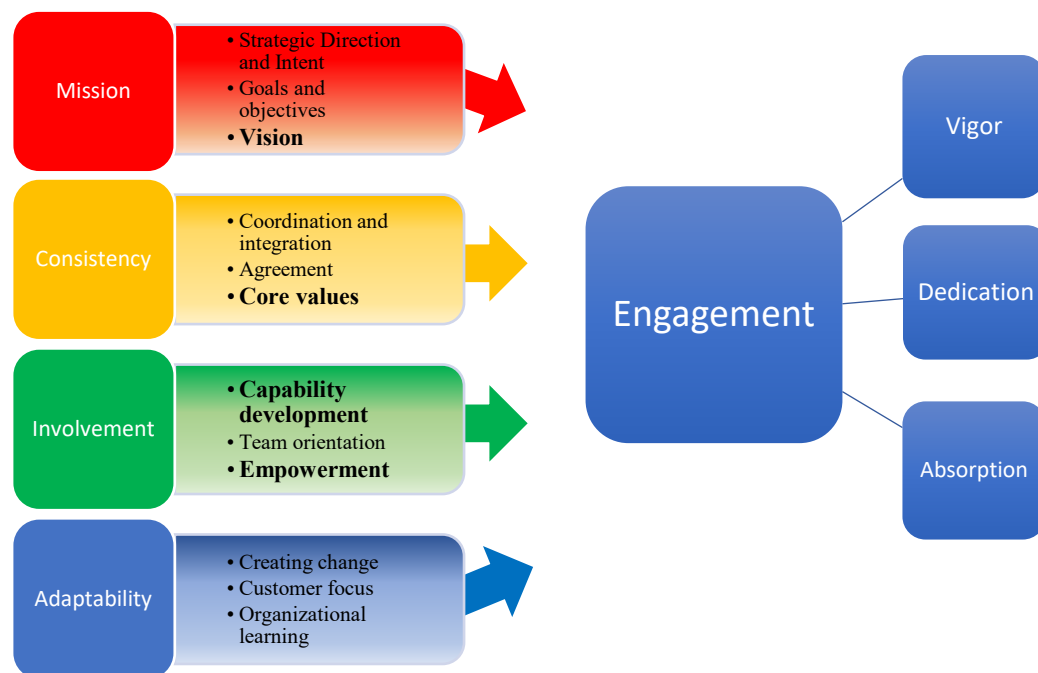
Source: composed by the author based on Denison Organizational Culture Model (1990) and Schaufeli Employee Engagement Model (2002).

Aim and goals of the present research

Research's aim is to examine the impact of organizational culture on employee engagement of logistics sector of Lithuanian economy.

First of all, the main goal of the present research is to analyze the overall connection between organizational culture and employee engagement. The main idea is to study the influence of organizational culture on the level of employee engagement. Secondly, in order to go deeper, research also focuses on the elements of organizational culture that have decisive influence on employee engagement. Therefore, research goals are as follows:

1. To examine organizational culture in logistics companies in Lithuania;
2. To examine employee engagement in logistics companies located in Lithuania;
3. To examine relationship between organizational culture and employee engagement;
4. To examine the influence of organizational culture on employee engagement on the example of logistics companies located in Lithuania.

Conceptual framework and research instruments

Even though there has been a lot of organizational culture models, the one suggested by Daniel Denison (1990) was selected as an essential for present study. The Denison Organizational Culture Survey (DOCS) created on the basis of Denison's Model is a core of the study. It provides for the measurement of the overall health of organizational culture, company's strong and weak elements.

The most often used instrument for employee engagement measurement is the Utrecht Work Engagement Scale designed on the basis of Schaufeli three-dimensional model (Schaufeli *et al*., 2002). It includes three dimensions – vigor, dedication and absorption. This model has been often used in Europe, North America, Australia, Asia and Africa.

Research questions and hypothesis

Research hypotheses drawn from theoretical information provided and the main research questions are as follows:

H1: There is a positive influence of organizational culture on employee engagement;

H2: There is a negative influence of organizational culture on employee engagement.

2.2. Research approach

For this research a quantitative approach is used to achieve the goals of the study and to test the hypothesis of the present research. For data collection survey method has been chosen. After the collection of all necessary data for comparison of organizational culture and employee engagement level the correlation analysis method is used in order to reach the conclusion on the research hypothesis.

Research methods

a) Sampling and research procedure

Current study is conducted in logistics industry in Lithuania to reach the goals of the research through survey method. Position of Lithuania between three significant markets – Western Europe, the Nordic countries and CIS make Lithuania's logistics sector very important. It accounts for 12% of GDP and is one of the drivers of state's economy (Liesytė D, 2020).

A list of companies belonging to logistics sector was made from the information available online. The researcher contacts the human resources manager of chosen specific organization to facilitate data collection from the participants. All participants are asked to fill in the survey with questions electronically via the Google Forms. In the invitation to answer the questions it was clearly indicated that participation in the survey is voluntary and anonymous. No information is linked to the identity of a specific person.

The steps of the empirical research are as follows:

Figure 9 Steps of the research procedure

Source: composed by the author.

b) Research questionnaires

For this research two instruments are used – Denison Organizational Culture Model for organizational culture measurement and Schaufeli Model (Denison, 1990; Shaufeli *et*

al., 2002). The core questionnaire of the study is the Denison Organizational Culture Survey (DOCS). This survey is based on the Denison Organizational Culture Model. The survey consists of 48 statements describing daily life, thoughts and ideas about their work and organization. Participants shall give points 1-5 to each statement where 1 is the minimal point and 5 – the maximum.

The Utrecht Work Engagement Scale was developed for the purpose of engagement measurement based on the Schaufeli three-dimensional model. Originally, the survey consisted of 24 items (9 vigor items, 8 dedication items and 7 absorption items). However, lately 17-items survey was created and, then, short version of 9 items (UWES-9). For this research a questionnaire of 17 items was chosen. The survey consists of 17 items (6 items for vigor, 5 – dedication and 6 - absorption). Each statement has to be evaluated from 0 to 6 indicating how often a person had a feeling (0 – never, 1 – almost never, a few times a year or less, 2 – rarely, once a month or less, 3 – sometimes, a few times a month, 4 – often, once a week, 5 – very often, a few times a week, 6 – always, every day) (Schaufeli & Bakker, 2003).

The reason why the method of questionnaire was used is that it helps to eliminate biases in the interviewing and preserve the anonymity since questions concern not only the work of a particular person, but also the work of management and an organization as a whole. However, questionnaire was advantages for the researcher. One of the biggest is that it requires the least amount of resources. However, such a method also has disadvantages. Thus, questionnaire is standardized, and researcher does not have an opportunity to explain questions to the participants. Another disadvantage is that research is conducted in English and some participants might have problems with clear understanding of the questions. However, all the questions are composed of simple English and average knowledge of a language must be enough. One more disadvantage is that participants might answer the questions in superficial way when the questionnaire takes a long time to answer. In order to eliminate that obstacle, the recommended time for answering the questions is 10-15 min. Taking into consideration all advantages and disadvantages of questionnaire method of data collection, it was used in the present research.

In order to calculate the necessary number of participants the comparative table was created in order to evaluate how many participants were engaged in similar researches.

Table 6 Comparative analysis of study participants

Name	Research	Year	Number of participants
Anja Krog	The relationship between organizational culture and work engagement: A multilevel investigation	2014	227 participants
Carla Monzer	The relationship between organizational culture and job satisfaction	2015	53 participants
Karina Jurkeviciute	The impact of leadership styles on employee empowerment in global companies located in Lithuania	2020	222 participants
Ümit Alnıaçık., Esra Alnıaçık, Kültigin Akçin, Serhat Erat	Relationship between career motivation, affective commitment and job satisfaction	2012	250 participants

Source: composed by the author.

The participants amount of these similar researches was taken into consideration for the calculation of necessary number of participants for the research at hand. The amount of 53 participants was not taken into consideration as too little, therefore, the necessary amount of participants range from 222 to 250 participants.

2.3. Validity and research limitations

Some issues may influence the results of the study. However, the researcher tries to eliminate all possible threads to the validity of the research. Thus, a researcher does not have any bias towards any survey questions, respondents or companies participating in the

survey. Researcher is aware of all study technique and methods. Researcher warned people participating in the survey to give true answers to the questions and give particular attention to the survey without any need to please researcher or the company.

The method and measurement technique are proven and targeted to measure the issue in question – organizational culture and employee engagement and their relation. Such methods were already used in previous studies and are based on existing knowledge. Moreover, the sampling of the research was carefully studied, and participants represent a particular sector of economy.

Even though this study was planned carefully, there are several limitations found. Firstly, the researcher limited the scope of the study intentionally to the logistics sector of Lithuanian economy. Other sectors can be a subject of further studies. Secondly, current research applies only quantitative method, though qualitative methods could be also used to provide more information and insights on the issue. Finally, the fact that study was conducted in English and it is a language of the questionnaire can also influence the study since English is not the first language of most employees in logistics sector in Lithuania. It could cause the low response rate and the time of conduction the survey. However, since the study is conducted in global international companies this effect can be mitigated since there is a requirement in most cases for employees to have a sufficient level of English knowledge. Further researches may be conducted in different languages.

In order to meet the goals of the research, namely, to examine the relation between organizational culture and employee engagement on the example of logistics sector of the Lithuania, a survey, particularly questionnaire is to be conducted among the employees. A questionnaire based on the Denison Organizational Culture Survey and Schaufeli Model is to be circulated among workers. Based on the data received from them the researcher intends to examine two hypotheses: whether there is positive or negative relation between organizational culture and employee engagement.

III. IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEES' ENGAGEMENT

3.1. Analysis of the study participants

Overall 228 respondents participated in the survey on the relations between organizational culture and employee engagement. All the responses originated from people working in logistics sector of Lithuanian economy. The ratio between men and women is not equal, being 62,3 % of responses from men and 37,3 % of responses from women. There was one response from a person who preferred not to identify the gender. Age ratio is more diverse. The most respondents are in age 21-30 years (37,3 %), then 41-50 years (25,9 %), 31-40 years (21,9 %), 51-60 years (10,1 %) and there were people under 20 years (3,9 %) and people of 60 years and more (0,9 %).

Table 7 Socio-demographic statistics of respondents (educational degree)

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Bachelor's degree	103	31.4	45.2	45.2
	College	45	13.7	19.7	64.9
	Master degree or higher	61	18.6	26.8	91.7
	School diploma	19	5.8	8.3	100
	Total	228	69.5	100	
Missing	5	100	30.5		
Total		328	100		

Statistical data shows that majority of respondents have bachelor's degree of University, while only 19 respondents only finished school.

Table 8 Socio-demographic statistics of respondents (age)

		Frequency	Percent	Valid percent	Cumulative percent
Valid	21-30	85	25.9	37.3	37.3
	31-40	50	15.2	21.9	59.2
	41-50	59	18.0	25.9	85.1
	51-60	23	7.0	10.1	95.2
	60 and more	2	.6	.9	96.1
	Up to 20	9	2.7	3.9	100.0
	Total	228	69.5	100.0	
Missing	7	100	30.5		
Total		328	100.0		

Majority of survey participants are in the age group of 21-30 years. Although age might have an effect on employee engagement, this work does not have the aim to investigate that.

Table 9 Socio-demographic statistics of respondents (time of relations with a company)

		Frequency	Percent	Valid percent	Cumulative Percent
Valid	1-3 years	87	26.5	38.2	38.2
	4-6 years	55	16.8	24.1	62.3
	Less than a year	43	13.1	18.9	81.1
	More than 7 years	43	13.1	18.9	100.0
	Total	228	69.5	100.0	
Missing	5	100	30.5		
Total		328	100.0		

Most people who participated in the survey have been working for their companies for 1-3 years.

Table 10 Socio-demographic statistics of respondents (gender)

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Female	85	25.9	37.3	37.3
	Male	142	43.3	62.3	99.6
	Prefer not to say	1	.3	.4	100.0
	Total	228	69.5	100.0	
Missing	4	100	30.5		
Total		328	100.0		

Table 11 Socio-demographical statistics of respondents (size of a company)

		Frequency	Percent	Valid percent	Cumulative percent
Valid	51-100	87	26.5	38.3	38.3
	More than 100	71	21.6	31.3	69.3
	Up to 50	69	21.0	30.4	100.0
	Total	227	69.2	100.0	
Missing	4	101	30.8		
Total		328	100.0		

According to the data, in total 72 % of respondents have university degree. Also, 45 respondents graduated college (19,7 %) and 19 people finished school (8,3 %). The last number also includes people who studied at universities, but because of different reasons did not get university degree. Comparing size of organizations, majority (38,3 %) are working in companies of 51-100 employees, then 69 participants responded that they are working in companies of up to 50 employees (30,4 %) and 71 people are working in large companies of more than 100 employees (21,3 %). People have different work experience in current workplaces. Thus, 43 persons (18,9 %) are working less than 1 year, so they are new people in their companies. 87 respondents are working up to 3 years (38,2 %), while 55 persons are working for 4-6 years (24,1%). And, finally, 43 participants are working for more than 7 years (18,9 %). So, participants of different categories are represented in the present survey.

3.2.Descriptive statistics and scale reliability

This part of the study shows the mean, standard deviation and the reliability of the variables used in the study.

For the descriptive statistics of the organizational culture selected questions were chosen. The analysis of all 48 questions would be time consuming and unnecessary for the need of the research at hand.

Table 12 Descriptive statistics for organizational culture (SPSS)

		2	4	5	6	7	8	12	14	19	28	36	37	45	47	48
N	Valid	228	227	228	228	228	228	228	228	228	228	228	227	228	228	228
	Missing	100	101	100	100	100	100	100	100	100	100	100	101	100	100	100
Mean		3.48	3.56	3.58	3.75	3.82	3.65	3.72	3.68	3.77	3.6	3.73	3.8	3.6	3.76	3.81
Std. Deviation		.873	1.093	.904	.906	.922	.956	.880	.913	.886	.968	.887	.931	.902	.822	.879

Total mean = 3.87

According to the analysis described in the table above, total mean is 3.87, which indicates that organizational culture is somewhat established. The research found out that in participants' organizations teamwork is usually used to get work done rather than hierarchy (question 7, mean = 3.82), also people usually meet their short-term goals without compromising their long-term ones. However, at the same time the information is not shared so that everyone can reach the information they need (question 2, mean = 3.48). So,

surprisingly, involvement, which was represented in questions 1-12 including, indicated the lowest and highest mean. This can be a clear indication for companies in which areas they should improve more.

Table 13 Descriptive statistics for employee engagement (SPSS)

		2	5	4	6	7	10	16	9	15	12
N	Valid	228	227	228	228	227	228	228	228	228	228
	Missing	100	101	100	100	101	100	100	100	100	100
Mean		4.24	4.23	4.42	4.19	4.33	4.38	4.26	4.15	4.34	4.31
Std. Deviation		1.102	1.220	1.252	1.109	1.172	1.109	1.091	1.159	1.137	1.123

Total mean = 4.2

The same as with organizational culture, selective questions were analyzed. According to the analysis, total mean is 4.2, which indicates that participants feel highly engaged with the work and feel satisfied. Research showed that most employees are proud of the work they do (question 10, mean = 4.38). So, research shows that employees are highly engaged.

Since there is a disproportion of the men and women who participated in the questionnaire (62.3% of men and 37.3% of women) the employee engagement was calculated for men and women separately.

Table 14 Employee engagement in terms of gender for men (SPSS)

		2	5	4	6	7	10	16	9	15	12
N	Valid	142	142	142	142	142	142	142	142	142	142
	Missing	0	0	0	0	0	0	0	0	0	0
Mean		4.18	4.11	4.37	4.31	4.25	4.34	4.18	3.96	4.33	4.23
Std. Deviation		1.093	1.244	1.253	1.106	1.210	1.243	1.105	1.116	1.177	1.128

Total mean = 4.2

Table 15 Employee engagement in terms of gender for women (SPSS)

		2	5	4	6	7	10	16	9	15	12
N	Valid	85	84	85	85	84	85	85	85	85	85
	Missing	0	1	0	0	1	0	0	0	0	0
Mean		4.33	4.42	4.49	2.99	4.45	4.44	4.4	4.45	4.34	4.41
Std. Deviaion		1.106	1.153	1.259	1.305	1.091	1.107	1.060	1.160	1.064	1.105

Total mean = 4.3

According to the tables 14-15, generally women are more engaged with the work and satisfied than men, although they are less represented in the questionnaire, than men. Other researches also support the results of this work, showing that women are more likely to be more engaged than men at work (Gallup,2016).

Since in the survey different age groups are represented, it is worth looking how engaged different age groups are.

Table 16 Employee engagement in terms of age (up to 20 years)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
N	Valid	85	85	85	85	84	85	85	85	85	85	85	85	85	85	85	85	85
	Missing	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Mean		4.46	4.15	4.46	4.53	4.17	4.09	4.33	4.19	4.29	4.48	4.51	4.32	4.36	4.24	4.42	4.39	4.33
Std. Deviation		1.053	1.180	1.180	1.170	1.260	1.211	1.084	1.126	1.173	1.223	1.007	1.104	1.184	1.202	1.073	1.039	1.040

Total mean = 4.34

Table 17 Employee engagement in terms of age (21-30 years)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
N	Valid	50	50	50	50	50	50	50	50	50	50	49	50	49	40	50	50	49
	Missing	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1
Mean		4.48	4.42	4.36	4.54	4.24	4.24	4.30	4.26	4.18	4.24	4.29	4.40	4.24	4.34	4.36	4.26	4.29
Std. Deviation		1.565	.959	1.139	1.199	1.222	1.188	1.165	1.121	1.844	1.153	1.007	1.107	1.031	1.042	1.139	.944	1.080

Total mean = 4.38

Table 18 Employee engagement in terms of age (31-40 years)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
N	Valid	59	59	59	59	59	59	58	59	59	59	59	59	59	59	59	59	49
	Missing	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Mean		4.19	4.17	4.07	4.08	4.29	4.44	4.22	4.12	4.76	4.32	4.53	4.17	4.12	4.02	4.25	4.27	4
Std. Deviation		1.105	1.065	1.258	1.358	1.218	1.118	1.285	1.115	1.208	1.166	1.165	1.117	1.161	1.137	1.294	1.172	.981

Total mean = 4.1

Table 19 Employee engagement in terms of age (41-50 years)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
N	Valid	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23
	Missing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mean		4.43	4.00	4.87	4.35	4.39	4.74	4.26	4.61	4.39	4.39	4.96	3.40	4.53	4.13	4.30	3.87	4.43
Std. Deviation		1.181	1.129	1.140	1.265	1.118	1.176	1.214	1.118	1.376	1.158	1.430	1.178	1.201	1.058	.974	1.254	1.037

Total mean = 4.2

Table 20 Employee engagement in terms of age (51-60 years)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
N	Valid	2	2	2	2	2	2	2	2	2	2	2	3	2	2	2	2	2
	Missing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mean		3.00	5.50	3.50	4.50	5.00	3.50	5.00	4.50	3.50	4.50	4.50	4.00	4.00	5.50	3.50	3.00	4.50
Std. Deviation		.000	.707	.707	2.121	.000	0.707	.000	.707	.707	2.121	.707	1.414	1.414	.707	.707	.000	.707

Total mean = 4.2

According to Tables 16-20, employees of age group 21-30 are more engaged and satisfied with their work (total mean = 4.38).

For the research reliability scale was also calculated in order to study the items which compose the scale. With reliability scale researcher can determine the reliability and consistency of a scale.

Table 21 Scale reliability

Case processing summary			N	%
Cases	Valid		222	67.7
	Excluded		106	32.3
	Total		328	100.0

Reliability Statisticss	
Cronbach's Alpha	N of Items
.913	48

Cronbach's alpha shows how closely the items of a group are related. It is a measure of scale reliability.

Thus, the results described in the table indicate that Cronbach's Alpha is greater than 0.7 (0.9 in our case) which indicates good internal consistency and means high reliability and acceptable index of selected questions.

3.3.Correlation analysis

This part of the research will show the results of the correlation analysis of relationship between organizational culture and employee engagement. Correlation is used to find out the strength and direction of the relationship with each other. The method Pearson correlation is utilized. The correlation can range from 0 (means no correlation) to 1 (means perfect relationship between variables) (Bryman& Cramer, 2002). This analysis meets one of the objectives of the research – to find out if organizational culture relates to employee engagement. Organizational culture consists of four traits – involvement,

consistency, adaptability and mission. Questions of the questionnaire represent all four traits (Involvement – 1-12 questions, consistency – 13-24 questions, adaptability 25-36 questions and mission – 37-48 questions). Therefore, analysis is also divided into four stages. Table 15 shows the list of variables and their correlations. The 47 correlations between employee engagement variables (dependent variables) and organizational culture (involvement) (independent variables) are interpreted.

Table 22 Correlation between organizational culture (involvement) and employee engagement

Correlation		Involvement	Employee engagement
Involvement	Pearson correlation	1	.711
	Sig. (2-tailed)		.000
	N	225	221
Employee engagement	Pearson Correlation	.711	1
	Sig. (2-tailed)	.000	
	N	221	224
**Correlation is significant at the 0.01 level (2-tailed)			

Significance is lower than 0.05 so results are valid. This indicates that involvement as one of organizational culture areas has correlation to employee engagement.

According to the Table 22, the relation between organizational culture (involvement) and employee engagement are strong and positive (R=0.7; p<0.01).

Table 23 Correlation between organizational culture (consistency) and employee engagement

Correlation		Consistency	Employee engagement
Involvement	Pearson correlation	.734	1
	Sig. (2-tailed)	.000	
	N	223	224
	Pearson Correlation	1	.734

Employee	Sig. (2-tailed)		.000
engagement	N	227	223
**Correlation is significant at the 0.01 level (2-tailed)			

According to the Table 23, the relation between organizational culture (consistency) and employee engagement are strong and positive (R=0.7; p<0.01).

Table 24 Correlation between organizational culture (adaptability) and employee engagement

Correlation			
		Adaptability	Employee engagement
Involvement	Pearson correlation	.754	1
	Sig. (2-tailed)	.000	
	N	224	224
Employee engagement	Pearson Correlation	1	.757
	Sig. (2-tailed)		.000
	N	228	224
**Correlation is significant at the 0.01 level (2-tailed)			

According to the Table 24, the relation between organizational culture (adaptability) and employee engagement are strong and positive (R=0.7; p<0.01).

Table 25 Correlation between organizational culture (mission) and employee engagement

Correlation			
		Mission	Employee engagement
Involvement	Pearson correlation	.791	1
	Sig. (2-tailed)	.000	
	N	222	224
	Pearson Correlation	1	.791

Employee	Sig. (2-tailed)		0.000
engagement	N	226	222
**Correlation is significant at the 0.01 level (2-tailed)			

According to the Table 25, the relation between organizational culture (mission) and employee engagement are strong and positive (R=0.7; p<0.01).

This indicates that all four traits of organizational culture correlate positively with employee engagement. Therefore, good organizational culture positively affects employee engagement. So people, highly measuring their companies in all four organizational culture traits are engaged, which is demonstrated through the correlation analysis of the data.

3.4.Regression analysis

Regression analysis is used in the present work in order to identify which variables have an effect on the topic. This analysis makes it possible to determine which factors have the biggest impact, which do not matter, and which factors influence each other. Regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables.

The independent variables are the mission, adaptability, consistency, involvement while the dependent variable is employee engagement.

Table 26 Regression analysis for organizational culture and employee engagement

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.806	.650	.643	.31208
a. Predictors; (Constant), mission, adaptability, consistency, involvement				

ANOVA(a)						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.477	4	9.619	98.764	.000(b)
	Residual	20.745	213	.097		
	Total	59.222	217			
a. Dependent variable: employee engagement						
b. Predictors: (Constant), mission, adaptability, consistency, involvement						

Coefficients(a)						
Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.463	.197		2.352	.020
	consistency	.215	.102	.182	2.116	.036
	adaptability	.310	.104	.247	2.290	.003
	involvement	-.043	.111	-.035	-.390	.697
	mission	.549	.115	.454	4.761	.000
a. Dependent Variables: employee engagement						

In Table 26, R is Pearson's correlation between the predicted values and the actual value of employee engagement, it is 0.65 which means that 65 percent of the variation of the employee engagement can be explained by the variability of organizational culture. The value of F is statistically significant since the significance level is $p < 0.05$ and as seen as in the figure the significance is 0.00. Thus, this suggests a **linear relationship** between the variable, and it means there is a 95 percent chance that the relationship among the variables is not due to chance.

The coefficient for **consistency** is 0.21, which means that for every unit increase in consistency, a 0.21 increase in employee engagement is predicted.

The coefficient for **adaptability** is 0.31, which implies that for every unit increase in adaptability, a 0.31 increase in employee engagement is predicted.

The coefficient for **mission** is 0.54, which implies that for every unit increase in mission, a 0.54 increase in employee engagement is predicted.

Since all the variables except of the involvement are less than 0.05, thus they are statistically significant.

IV.   DISCUSSION

The discussion part of the thesis is devoted to discussion and evaluation of the research conducted and the findings of the research. Furthermore, limitations of the study and further recommendations.

The purpose of the research was to analyze the organizational culture and employee engagement and their relations on the example of logistics companies in Lithuania. The model presented in the work shows that organizational culture has a relation to employee engagement. The main question of the work was to investigate in which ways they are related and in which ways organizational culture affects employee engagement. For this the survey among employees was conducted, based on Denison's model of organizational culture and Utrecht Work Engagement Scale.

According to Denison model, there are four key drivers of organizational culture (cultural areas) – involvement, consistency, adaptability and mission. All of them were represented in the questions suggested for the participants. For individual assessment the special graph is built with the strongest and weakest points of organizational culture. For the sake of this research such graphs were not built, because the main aim was to investigate the relations between organizational culture and employee engagement.

The research was conducted among 228 participants from different logistics companies in Lithuania. The gender and age distribution of participants are quite interesting to discuss, since 62.3 % of participants are men and 37.3 % participants are women. However, this did not influence the results if the research a lot, since the employee engagement is not very different for men and women (mean 4.2 for men and 4.3 for women). Also it should be taken into account, that the majority of respondents are young people of 21-30 years of age. Also, since four areas – involvement, consistency, adaptability and mission were analyzed separately, the research shows that the highest score if in involvement. That means thar involvement area is developed in better way.

The analysis of employee engagement shows that people participating in the questionnaire are highly engaged in their work. Moreover, it shows that both men and women are almost equally engaged.

Previous researches showed contradictory results. Thus, research of Anja Krog in 2014 showed that organizational culture does not have a significant impact on employee engagement, only moderate effect. On the opposite, this research showed that organizational culture has a positive effect on employee engagement. That implies that better organizational culture means better employee engagement.

The research itself is unique in the sense that it is one of the several researches on the topic of relation between organizational culture and employee engagement and possible one in the logistics sector of Lithuanian economy. On the example of logistics companies the first hypothesis was proved to be right – organizational culture has a positive impact on employee engagement.

As for the limitations, there are not that many researches on the topic. Moreover, this type of research has not been performed in the Lithuanian companies of logistics sector. The results of the research are limited themselves, since not all questions were taken for the analysis. The analysis of all 48 questions of organizational culture survey and 17 questions of employee engagement survey would have taken additional time and bring additional unnecessary for this work findings.

Also, we cannot guarantee that participants answered all questions sincerely. This may be due to the lack of the English language knowledge or lack of time. This can be traced in some questions, where answers were not given by participants. This limitation can be eliminated in further researches by adding the option of compulsory answers.

Additionally, the research was focused on internal factors of participants' organizations, however, external factors, such as mentality and national differences can be investigated and researched in future works. Further researches on the topic may include the participants not only from logistics sector, but other companies from Lithuania. Also, since the research was conducted within Lithuanian companies, national factor was not taken into account. In further researches it would be useful to investigate international companies and how national and cultural factors influence organizational culture and employee engagement.

CONCLUSIONS AND RECOMMENDATIONS

In conclusion, this study has investigated the relations between organizational culture and employee engagement.

Previous researches on the topic used different model for organizational culture. Thus, Reis, Trullen & Story (2016) and most of others used Cameroon and Quinn model of organizational culture. However, in the work at hand Denison's model was used for organizational culture. This model was chosen because it shows the overall state of organizational culture. The model is easy to interpret, and it shows the strongest and weakest points of organizational culture. Denison's has been successfully used in the real work of companies all over the world. It gives the clear vision of the traits that work well and areas that need to be improved. Also, it is easier to follow the link between organizational culture and employee engagement.

Overall conclusions of the work reflect the objectives that were set at the beginning of the work. Therefore, conclusion to the work are as follows.

1. Before getting to the practical part, the theoretical analysis on the organizational culture was conducted. Authors presented great findings in different theoretical works. Three organizational culture models were described and one of them – Denison model was chosen as a core for the present study. It represents organizational culture on the best form and makes it possible to see the strongest and weakest sides of organizational culture.

2. The second objective was to compare theoretical models of organizational culture. For this comparative table was created in order to find out which model is best suited for the present research. Deal and Kennedy and Cameron and Quinn models are similar in the way that they both separate some kinds of organizational cultures with the similar traits, however, Denison model does not separate any kind of cultures. It simple investigate the overall health of organizational culture and gives the ideas of which areas should be improved. Since the aim was to identify the overall organizational culture, this research was based on Denison model.

3. The third objective was to investigate the theoretical basis of employee engagement. It turned out that employee engagement as a state of mind of a person concerning their work is affected by numerous factors, including job demands, job resources and personal resources.

4. For practical aspect of the study a methodological part was created, where research model was created. This model depicts how organizational culture has an impact on employee engagement. It shows that all areas of organizational culture somehow influence engagement, so the survey had to analyze that connection.

5. The next objective of the work was to conduct the survey among employees of logistics companies in Lithuania. For that purpose the questionnaire was created based on Denison model survey of organizational culture and Utrecht Work Engagement Scale. Overall 228 participants gave their answers to the questionnaire sent to them. People were willing and ready to participate, what provided for high level of response rate.

6. The last objective was to interpret the results of the survey and prove one of the hypotheses – if the organizational culture has a positive or negative impact on employee engagement. The analysis conducted showed that organizational culture has a strong positive effect on employee engagement. Therefore, the first hypothesis proved to be correct.

Furthermore, some recommendations can be made for future researches.

1. For full and proper analysis the investigation of all questions should be made (all 48 questions of organizational culture and employee engagement).

2. For future questionnaire the option of all compulsory questions should be made, since in the questionnaire used in the work several questions were left unanswered, which in the greater scale can influence the results of the analysis.

3. For the purpose of this study only internal factors were taken into consideration, such factors as national and cultural differences were not investigated. Further research could also take into account such factors. For example, research can be conducted in international organizations, where people from different countries and with different cultural backgrounds work.

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SUMMARY

**THE IMPACT OF ORGANIZATIONAL CULTURE ON
EMPLOYEES' ENGAGEMENT**
Viktoryia Danilovich
Master Thesis

Global Business And Economics Programme

Faculty of Economics and Business Administration, Vilnius University
Supervisor Prof. dr. Danuta Diskienė, Vilnius, 2022

Size: 68 pages, 9 figures, 24 tables, 52 references, 1 appendix

The relation between organizational culture and employee engagement recently was the core of many researches.   This research made its contribution into the matter on the example of logistics sector of Lithuanian economy.

The main aim and objectives of the work was to investigate theoretical aspects of organizational culture and employee engagement and to see in practice in what way – positive or negative – organizational culture influences employee engagement. For that the methods of descriptive statistics, correlation and regression analysis were used. Correlation method made it possible to see of there is a link and relation between organizational culture and employee engagement. For this purpose the program SPSS was used.

The main conclusion of the work is that indeed organizational culture has a positive impact on employee engagement.

Also, some recommendations for further researches were elaborated based on the experience got by making the research at hand. Overall, all the objectives and aims set at the beginning of the work were reached by the author and the recommendations for further work on the topic made.

SANTRAUKA

ORGANIZACINĖS KULTŪROS ĮTAKA DARBUOTOJŲ ĮSITRAUKIMUI
Viktoryia Danilovich

Baigiamasis magistro darbas

Globalus verslas ir ekonomika

Ekonomikos Ir Verslo Administravimo Fakultetas,
Vilniaus Universiteto
Darbo vadovas Prof. dr. Danuta Diskienė, Vilniaus, 2022

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Santykis tarp organizacijos kultūros ir darbuotojų įsitraukimo pastaruoju metu buvo daugelio tyrimų pagrindas. Šis tyrimas įnėšė savo indėlį į šią temą Lietuvos ūkio logistikos sektoriaus kontekste.

Pagrindinis darbo tikslas ir uždaviniai buvo ištirti teorinius organizacijos kultūros ir darbuotojų įsitraukimo aspektus bei praktiškai atskleisti, kaip teigiamai ar neigiamai organizacijos kultūra įtakoja darbuotojų įsitraukimą. Tam panaudoti aprašomosios statistikos, koreliacinės ir regresinės analizės metodai. Koreliacijos metodas leido nustatyti, kad yra ryšys tarp organizacijos kultūros ir darbuotojų įsitraukimo. Tam buvo naudojama programa SPSS.

Pagrindinė darbo išvada – organizacinė kultūra iš tiesų turi teigiamos įtakos darbuotojų įsitraukimui.

Taip pat buvo parengtos kai kurios rekomendacijos tolesniems tyrimams, remiantis patirtimi, įgyta atliekant tyrimą. Apskritai visus darbe užsibrėžtus tikslus autorė pasiekė ir pateikė rekomendacijas tolesniam darbui šia tema.

ANNEXES

Annex 1. Research Questionnaire

Hello, my name is Viktoriya Danilovich. You are invited to participate in the research study about the organizational culture and employees' engagement. The researcher is a Master student at Vilnius University in the program of Global Business and Economics. The participation in the research takes 10-15 min. Information you provide is confidential and will be used for educational purposes only. The survey consists of two parts assessing organizational culture and employees' engagement. Please, fill in both parts of the survey. Thank you in advance for participation and if you have any questions about the survey or research in general feel free to contact me via e-mail – danilovichvika@gmail.com

DEMOGRAPHICAL QUESTIONS:

1. What is your gender?
   - Female
   - Male
   - Other (please, specify)
2. What is your age?
   - Up to 20
   - 21-30
   - 31-40
   - 41-50
   - 51-60
   - 60 and more
3. What is your educational degree?
   - School diploma
   - College
   - Bachelor's degree
   - Master's degree or higher
4. What is the size of your organization (how many people work there)?
   - Up to 50
   - 51-100
   - More than 100
5. How long have you been working for a company?
   - Less than a year
   - 1 – 3 years
   - 4 – 6 years
   - More than 7 years

Organizational culture questions.

1. Decisions are usually made at the level where the best information is available.

2. Information is widely shared so that everyone can get the information he or she needs when it's needed.

3. Everyone believes that he or she can have a positive impact.

4. Business planning is ongoing and involves everyone in the process to some degree.

5. Cooperation across different parts of the organization is actively encouraged.

6. People work like they are part of a team.

7. Teamwork is used to get work done, rather than hierarchy.

8. Work is organized so that each person can see the relationship between his or her job and the goals of the organization.

9. Authority is delegated so that people can act on their own.

10. The "bench strength" (capability of people) is constantly improving.

11. There is continuous investment in the skills of employees.

12. The capabilities of people are viewed as an important source of competitive advantage.

13. The leaders and managers "practice what they preach".

14. There is a clear and consistent set of values that governs the way we do business.

15. When people ignore our core values, they are held accountable.

16. There is an ethical code that guides our behavior and tells us right from wrong.

17. When disagreements occur, we work hard to achieve "win-win" solutions.

18. There is a clearly defined culture.

19. It is easy to reach consensus, even on difficult issues.

20. There is a clear agreement about the right way and the wrong way to do things.

21. Our approach to doing business is very consistent and predictable.

22. People from different parts of the organization share a common perspective.

23. It is easy to coordinate projects across different parts of the organization.

24. There is good alignment of goals across levels.

25. The way things are done is very flexible and easy to change.

26. We respond well to competitors and other changes in the business environment.

27. New and improved ways to do work are continually adopted.

28. Different parts of the organization often cooperate to create change.

29. Customer comments and recommendations often lead to changes.

30. Customer input directly influences our decisions.

31. All members have a deep understanding of customer wants and needs.

32. We encourage direct contact with customers by our people.

33. We view failure as an opportunity for learning and improvement.

34. Innovation and risk taking are encouraged and rewarded.

35. Learning is an important objective in our day-to-day work.

36. We make certain that the everyone is informed about what is going on across the organization.

37. There is a long-term purpose and direction.

38. Our strategy leads other organizations to change the way they compete in the industry.

39. There is a clear mission that gives meaning and direction to our work.

40. There is a clear strategy for the future.

41. There is widespread agreement about goals.

42. Leaders set goals that are ambitious, but realistic.

43. The leadership has clearly stated the objectives we are trying to meet.

44. We continuously track our progress against our stated goals.

45. We have a shared vision of what the organization will be like in the future.

46. Leaders have a long-term viewpoint.

47. Our vision creates excitement and motivation for our employees.

48. We are able to meet short-term demands without compromising our long-term vision.

Employee engagement questions

The following 17 statements are about how you feel at work. Please read each statement carefully and decide if you ever feel this way about your job. If you have never had this feeling, cross the '0' (zero) in the space after the statement. If you have had this feeling, indicate how often you feel it by crossing the number (from 1 to 6) that best describes how frequently you feel that way.

0 – Never

1 – Almost never (A few times a year or less)

2 – Rarely (Once a month or less)

3 – Sometimes (A few times a month)

4 – Often (Once a week)

5 – Very often (A few times a week)

6 – Always (Every day)

1. At my work, I feel bursting with energy

2. I find the work that I do full of meaning and purpose

3. Time flies when I'm working

4. At my job, I feel strong and vigorous

5. I am enthusiastic about my job

6. When I am working, I forget everything else around me

7. My job inspires me

8. When I get up in the morning, I feel like going to work

9. I feel happy when I am working intensely

10. I am proud on the work that I do

11. I am immersed in my work

12. I can continue working for very long periods at a time

13. To me, my job is challenging

14. I get carried away when I'm working

15. At my job, I am very resilient, mentally

16. It is difficult to detach myself from my job

17. At my work I always persevere, even when things do not go well