DO ORGANIZATIONAL CULTURAL FACTORS STILL AFFECT EMPLOYEE ENGAGEMENT? A STUDY OF TWO APPAREL COMPANIES IN SRI LANKA AMIDST ECONOMIC INSTABILITY

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ARTICLE INFO	ABSTRACT
	Purpose: The objective of this study is to identify the impact of six main components of organizational culture namely; main characteristics, institutional leadership, management of employees, the glue that holds the organization, emphasis on strategy, and measures of success impact on employee engagement in the apparel industry in Sri Lanka. **Theoretical framework:** Recent literature suggests a positive correlation between the organizational culture that values employee empowerment and employee engagement (Jain et al., 2023). However, further research is needed to explore the impact of organizational cultural factors on employee engagement, particularly during economic crises. **Design/Methodology/Approach:** The study design is descriptive, focusing on all employees in X and Y apparel companies in Sri Lanka. The sample comprised 150 middle-level employees, chosen through simple random sampling from the target population. Primary data was collected using a structured questionnaire. **Findings:** The findings highlight the significant influence of organizational culture on employee engagement, with 'management of employees' and 'main characteristics' being positively related to employee engagement. **Research, Practical & Social implications:** Apparel companies should enhance their organizational culture by providing sufficient facilities and opportunities for employees to achieve their goals and objectives, thereby contributing to increased engagement levels. **Originality/Value:** This study is the first to incorporate the Organizational Culture Assessment Instrument (OCAI) in analyzing employee engagement during an economic crisis. Doi: https://doi.org/10.26668/businessreview/2023.v8i11.3664

OS FATORES CULTURAIS ORGANIZACIONAIS AINDA AFETAM O ENGAJAMENTO DOS FUNCIONÁRIOS? UM ESTUDO DE DUAS EMPRESAS DE VESTUÁRIO NO SRI LANKA EM MEIO À INSTABILIDADE ECONÔMICA

RESUMO

Objetivo: O objetivo deste estudo é identificar o impacto de seis componentes principais da cultura organizacional, nomeadamente; características principais, liderança institucional, gestão de funcionários, a cola que mantém a organização, ênfase na estratégia e medidas de impacto do sucesso no envolvimento dos funcionários na indústria de vestuário no Sri Lanka.

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Enquadramento teórico: A literatura recente sugere uma correlação positiva entre a cultura organizacional que valoriza o empoderamento dos funcionários e o envolvimento dos funcionários (Jain et al., 2023). No entanto, é necessária mais investigação para explorar o impacto dos factores culturais organizacionais no envolvimento dos trabalhadores, especialmente durante crises económicas.

Desenho/Metodologia/Abordagem: O desenho do estudo é descritivo, com foco em todos os funcionários das empresas de vestuário X e Y no Sri Lanka. A amostra foi composta por 150 funcionários de nível médio, escolhidos por meio de amostragem aleatória simples da população-alvo. Os dados primários foram coletados por meio de questionário estruturado.

Constatações: As conclusões destacam a influência significativa da cultura organizacional no envolvimento dos funcionários, sendo que a "gestão dos funcionários" e as "características principais" estão positivamente relacionadas com o envolvimento dos funcionários.

Implicações de investigação, práticas e sociais: As empresas de vestuário devem melhorar a sua cultura organizacional, proporcionando instalações e oportunidades suficientes para os funcionários atingirem as suas metas e objectivos, contribuindo assim para maiores níveis de envolvimento.

Originalidade/Valor: Este estudo é o primeiro a incorporar o Instrumento de Avaliação da Cultura Organizacional (OCAI) na análise do envolvimento dos funcionários durante uma crise económica.

Palavras-chave: Cultura Organizacional, Envolvimento dos funcionários, Instrumento de Avaliação da Cultura Organizacional (OCAI), Crise econômica, Indústria de Vestuário.

¿LOS FACTORES CULTURALES ORGANIZACIONALES AÚN AFECTAN EL COMPROMISO DE LOS EMPLEADOS? UN ESTUDIO DE DOS EMPRESAS DE ROPA EN SRI LANKA EN MEDIO DE INESTABILIDAD ECONÓMICA

RESUMEN

Propósito: El objetivo de este estudio es identificar el impacto de seis componentes principales de la cultura organizacional, a saber; Características principales, liderazgo institucional, gestión de los empleados, el pegamento que sostiene a la organización, énfasis en la estrategia y medidas del impacto del éxito en el compromiso de los empleados en la industria de la confección en Sri Lanka.

Marco teórico: La literatura reciente sugiere una correlación positiva entre la cultura organizacional que valora el empoderamiento de los empleados y el compromiso de los empleados (Jain et al., 2023). Sin embargo, se necesitan más investigaciones para explorar el impacto de los factores culturales organizacionales en el compromiso de los empleados, particularmente durante las crisis económicas.

Diseño/Metodología/Enfoque: El diseño del estudio es descriptivo y se centra en todos los empleados de las empresas de indumentaria X e Y en Sri Lanka. La muestra estuvo compuesta por 150 empleados de nivel medio, elegidos mediante muestreo aleatorio simple de la población objetivo. Los datos primarios se recogieron mediante un cuestionario estructurado.

Hallazgos: Los hallazgos resaltan la influencia significativa de la cultura organizacional en el compromiso de los empleados, donde la "gestión de los empleados" y las "características principales" se relacionan positivamente con el compromiso de los empleados.

Implicaciones de investigación, prácticas y sociales: las empresas de indumentaria deben mejorar su cultura organizacional proporcionando suficientes instalaciones y oportunidades para que los empleados alcancen sus metas y objetivos, contribuyendo así a mayores niveles de compromiso.

Originalidad/Valor: Este estudio es el primero en incorporar el Instrumento de Evaluación de la Cultura Organizacional (OCAI) al analizar el compromiso de los empleados durante una crisis económica.

Palabras clave: Cultura Organizacional, Compromiso de los empleados, Instrumento de Evaluación de la Cultura Organizacional (OCAI), Crisis económica, Industria del Vestido.

INTRODUCTION

The organizational culture is evident in observable practices and how individuals perceive the ongoing dynamics within the organization. Organizations that cultivate a positive culture derive numerous benefits (Robbins & Judge, 2012). Such cultures reward employees and foster an environment that facilitates personal growth, development, and the realization of

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their full potential. French and Holden (2012) further emphasize that positive organizational cultures serve as a shield during times of change, mitigating the negative impact of bad news and facilitating effective change management. Moreover, supportive organizational cultures extend benefits to remote work arrangements by minimizing negative spillover effects (Manjaree & Perera, 2021; Sok et al., 2014).

The web theory proposed by Johnson and Schole (2002) presents a significant framework for conceptualizing the development and transformation of traditional cultures. Within this theory, they have identified six interconnected processes that shape the emergence and evolution of culture. These processes encompass power structures, organizational structures, control systems, stories, rituals, and symbols. Notably, the dynamics of these six processes may vary across different industries, adding a layer of complexity to the understanding of cultural evolution within specific contexts. Hence, this research mainly focuses on the apparel industry, which consists of different organizational structures and controls, power dynamics, symbols, and storytelling routines.

The apparel industry is highly competitive and fast-paced, demanding constant adaptation to changing trends and consumer demands. This dynamic nature fosters a culture that emphasizes innovation, creativity, and meeting tight deadlines (Wanniarachchi et al., 2020). The apparel industry has a distinct individualistic culture, encouraging employees to be self-motivated, take initiative, and be flexible in response to changes. This culture supports a workforce more willing to take risks, embrace innovation, and adapt to emerging technologies and trends. At the same time, managers must realize that changing the current culture is one of the most powerful business tasks and many organizations stumble in this endeavor (Linnenluecke & Griffiths, 2010).

Researchers have extensively explored the negative aspects of organizational culture in the apparel industry. These studies shed light on various issues, including poor working conditions, high-pressure and fast-paced work environments, limited job security, lack of employee empowerment, and ethical concerns (Meadows et al., 2011; Michie, 2002). Moreover, the industry's culture is connected with extended work hours, instances of abusive supervisory conduct, and unfavorable working conditions (Ho et al., 1996). In addition, the apparel industry in Sri Lanka has been the subject of several studies focusing on its organizational culture. These research works have shed light on various negative aspects of the culture within the industry. For instance, a study revealed that a lack of employee participation in decision-making, limited opportunities for personal development, and inadequate

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communication among employees were significant factors contributing to low employee motivation in the Sri Lankan apparel industry (Samarasinghe et al., 2015; Welmilla, 2020). Furthermore, Kelegama (2005) identified poor working environment, worker stress, and poor social local perception as key elements of a negative culture that causes high turnover and absenteeism of apparel workers in Sri Lanka.

Despite the negative impacts of poor organizational cultures, several studies have explored the connection between organizational culture and employee engagement, specifically within the apparel industry. According to Hasan et al. (2020), organizational culture has a positive effect on employee engagement and employee performance. Similarly, Chan et al. (2020) found that a positive organizational culture, characterized by trust, communication, and teamwork, is positively associated with employee engagement in the apparel industry in China. Moreover, Alam (2016) mentioned that a positive organizational culture, comprising confrontation, authenticity, autonomy, collaboration, and experimentation in the apparel industry in Bangladesh. These studies, along with others, consistently demonstrate a robust positive relationship between a positive organizational culture and employee engagement in the apparel industry.

However, the apparel industry in Sri Lanka has implemented aggressive strategies to sustain itself during and after the COVID-19 pandemic, neglecting the well-being of employees and their engagement. These strategies primarily focused on cost reduction, presented significant challenges for apparel companies to maintain a sustainable model during the initial stages of the pandemic. As a result, companies are forced to salary cuts, reduced bonuses, and employee layoffs as drastic cost-cutting measures to counterbalance reduced profitability (Rajapakshe et al., 2023). Unfortunately, the sector continues to face unrest due to the economic crisis in the country. Given this context, it becomes crucial to study the overlooked aspect of organizational culture and its impact on employee engagement in the Sri Lankan apparel industry. Such a study is essential for companies seeking to enhance their performance, attract and retain talented employees, and remain competitive in the market amid the present crisis. Because, the apparel industry in Sri Lanka has been identified as a major contributor to the country's economy, accounting for around 6% of the country's GDP and providing employment for around 15% of the country's workforce. The industry is also a major source of foreign exchange, with apparel exports accounting for around 60% of Sri Lanka's total exports (Central Bank Sri Lanka, 2022).

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The present study aims to bridge these gaps by addressing the following question: 'How do six main components of organizational culture namely; main characteristics, institutional leadership, management of employees, the glue that holds the organization, emphasis on strategy, and measures of success impact on employee engagement in the apparel industry in Sri Lanka?'.

THEORETICAL REFERENTIAL

Extensive research in the field of management and organizational behavior has been dedicated to understanding organizational culture. Scholars have approached the concept from different angles, some focusing on shared values and beliefs among organization members, while others highlight the observable artifacts and practices that shape an organization's distinct identity (Denison, 1990). Schein (1992, p.9) has provided one of the most widely cited definitions of organizational culture, describing it as a pattern of fundamental assumptions that guide how the group deals with the external world, influencing how members perceive, think, and feel about challenges. Schein's definition underscores the significance of shared and ingrained aspects of organizational culture, which can be challenging to alter once established.

Hofstede (1980) has demonstrated through research that organizational culture significantly influences various organizational outcomes, including employee behavior, performance, and well-being. Expanding on the above findings, it is evident that the organizational culture significantly influences employee behaviour within the workplace (Ariani, 2023). A positive organizational culture, characterized by strong values, effective communication, and a supportive environment, has been linked to higher levels of employee engagement, job satisfaction, and commitment (Cameron & Quinn, 2006).

Moreover, organizational culture plays a pivotal role in determining an organization's ability to innovate and adapt to change (O'Reilly & Tushman, 2004). A culture that values creativity and experimentation tends to create an environment where employees feel encouraged to propose new ideas and take calculated risks. On the contrary, a culture that resists change and emphasizes stability is less likely to foster innovation and adaptation (Peve et al., 2023).

The Organizational Culture Assessment Instrument (OCAI)

The Organizational Culture Assessment Instrument (OCAI) is a widely utilized tool for evaluating organizational culture. OCAI was developed by Cameron and Quinn (2006) based

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on the Competing Values Framework (CVF), which categorizes organizational cultures into four types: clan, adhocracy, market, and hierarchy. The OCAI assessment comprises two parts namely the culture assessment and the leadership assessment. The culture assessment gauges the organization's current and preferred culture by evaluating the relative strength of the four culture types (Cameron & Quinn, 2006). The leadership assessment measures the alignment of the leadership style with the current and preferred culture. The OCAI assessment has been validated as a reliable measure of organizational culture, effectively distinguishing between different types of organizational cultures in various studies (David et al., 2018)

Research has shown that organizations utilizing the OCAI to assess their culture and leadership practices can effectively align them with their strategic goals and objectives. Moreover, the OCAI has been utilized to evaluate the effectiveness of culture change efforts and identify areas for improvement (Cameron & Quinn, 2006). It offers normative data, allowing comparisons with other organizations in the same industry or sector, and comparative data to track an organization's own historical changes (Bass, 1990).

The OCAI measures six cultural dimensions, contributing to its comprehensive approach to understanding and improving organizational culture. It typically assesses the main characteristics of organizational culture, including assumptions, values, norms, behavioral patterns, artifacts, and the organization's history, traditions, and legends. These components provide a comprehensive understanding of the organization's culture and its influence on member behavior (Cameron & Quinn, 2006). Furthermore, OCAI can evaluate organizational leadership styles, behaviors, and practices across individual, group, and organizational levels, offering insights into their impact on the organization's culture (Wolf, 2006). The management of employees is another aspect that OCAI can assess, encompassing management styles, practices, and policies that shape employee behavior and attitudes. This includes evaluations of employee motivation, empowerment, and engagement.

OCAI also explores the factors that bind an organization together (Organization glue), such as trust, communication, and shared values. These cohesive elements significantly influence the organization's culture and overall effectiveness (Kotter, 1996). Moreover, OCAI may examine the strategic priorities of the organization, such as its focus on innovation, growth, or efficiency. These strategic emphases can have a profound impact on the organization's culture and its ability to achieve its goals (Bass, 1990). Finally, the OCAI assesses the criteria that the organization employs to define success, such as financial performance, customer

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satisfaction, or employee engagement. These criteria play a pivotal role in shaping the organization's culture and overall effectiveness (Cameron & Quinn, 2006).

Employee Engagement

In recent years, employee engagement has garnered increasing attention from scholars and practitioners. It is commonly defined as a state where employees are emotionally and cognitively invested in their work, going the extra mile to achieve organizational goals (Macey & Schneider, 2008). Extensive research consistently highlights the positive impact of employee engagement on various organizational outcomes. Engaged employees cause to increase productivity, profitability, and customer satisfaction, and also lower absenteeism and turnover (Harter et al., 2002). Moreover, they demonstrate enhanced resilience to stress and a greater ability to adapt to changes within the organization. Furthermore, an organizational culture that values employee empowerment and engagement has been found to have a positive correlation with employee engagement (Jain et al., 2023).

The Utrecht Work Engagement Scale (UWES) is a widely employed tool for gauging employee engagement, developed by Schaufeli et al. (2006). This scale is built upon the three-component model of engagement, comprising vigor, dedication, and absorption.

Vigor denotes the level of energy and mental resilience an employee possesses when dealing with work demands, characterized by high enthusiasm and persistence. Research has consistently linked vigor to positive outcomes such as job satisfaction, organizational commitment, and performance (Bakker et al., 2004). Dedication pertains to the degree of involvement and enthusiasm an employee exhibits towards their work (Schaufeli et al., 2006). It entails a sense of significance and meaning in one's job, and like vigor, dedication has been found to be positively correlated with job satisfaction, organizational commitment, and performance (Bakker et al., 2004). Absorption captures the level of concentration and engagement an employee experiences during work tasks (Schaufeli et al., 2006). It describes being fully absorbed and losing track of time while working. As with vigor and dedication, absorption is positively associated with job satisfaction, organizational commitment, and performance (Bakker et al., 2004).

Based on the empirical evidence reported above, the current study proposes the following hypotheses. These hypotheses were tested using primary data collected for the research.

H_{A1}: Main characteristics have a significant positive impact on employee engagement

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H_{A2}: Organizational leadership has a significant positive impact on employee engagement

H_{A3}: Management of employees has a significant positive impact on employee engagement

H_{A4}: Organization glue has a significant positive impact on employee engagement

H_{A5}: Strategic emphasis has a significant positive impact on employee engagement

H_{A6}: Criteria success has a significant positive impact on employee engagement

METHODOLOGY

Following a comprehensive literature survey, the study's conceptual framework was formulated to illustrate the relationship between the independent variables and the dependent variable. Figure 1 depicts the hypothesized relationships, presenting the conceptual framework of the study.

Figure 1: The Conceptual Framework of the Study
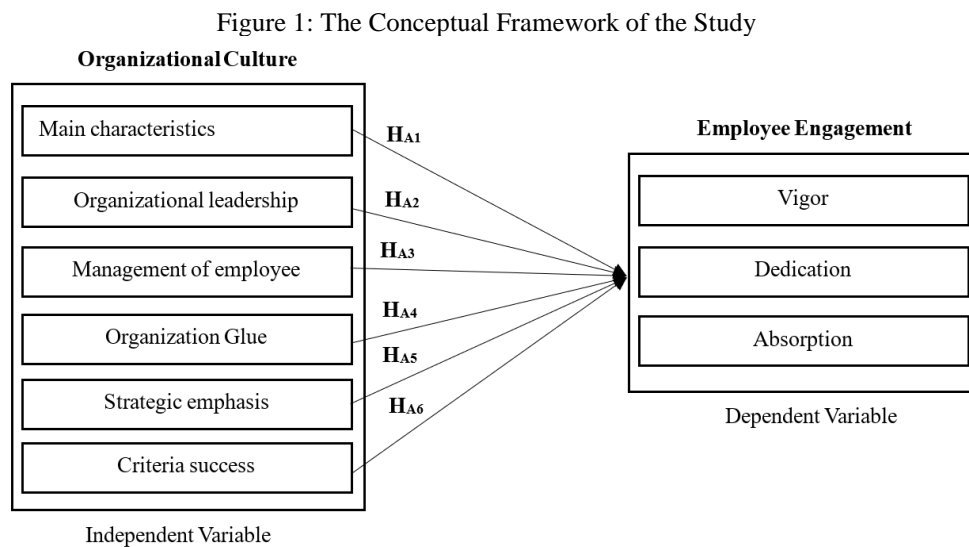
Source: (Cameron & Quinn, 2006; Schaufeli et al., 2006)

The research followed a positivist philosophy, utilizing existing theories and empirical evidence from the existing literature to develop and test hypotheses. As a result, the hypothetic-deductive strategy was predominantly employed in this quantitative study.

The population for this study consisted of middle-level employees in two key players in the apparel industry in Sri Lanka, namely 'X' and 'Y' Organizations. According to the Export Development Board (2017), there are 13 major apparel players in the industry. The specific focus of this study was on middle-level employees within the main players, X and Y. These

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companies were chosen purposefully due to their willingness to provide data for the research. A sample of 150 middle-level employees, evenly distributed between companies X and Y (75 employees from each), was selected using a straightforward random sampling approach from the larger population under study.

Since this is a quantitative study, a structured questionnaire was employed for data collection. The questionnaire consisted of two parts: the first part gathered demographic information from the respondents, while the second part contained questions related to the independent and dependent variables.

RESULTS AND DISCUSSION

Out of the total of 150 questionnaires administered, 129 were successfully completed, resulting in an 86% response rate. After eliminating incomplete questionnaires and outliers, the researcher retained 101 questionnaires for further analysis, representing 78% of the initially responded questionnaires.

Out of the total respondents, 51.5% were female participants, while 48.5% were male. The majority of respondents fell within the age range of 20-30 years, constituting 49% of the total respondents. The age group of 31-40 years comprised approximately 31.7% of the participants, while those aged between 41-50 years accounted for only 19.8% of the respondents. These findings indicate that a significant proportion of the participants can be categorized as middle-aged.

Participants were required to specify their highest level of education. The analysis of the data revealed that the majority of respondents (59.4%) had completed Bachelor's degrees from universities. Approximately 26.7% of the participants held master's degrees, while a smaller segment of respondents (13.9%) possessed diploma certificates as their highest educational qualification.

Approximately 40.6% of the respondents reported having worked in the organization for less than one year, while 31.7% indicated that they have been with the organization for a duration ranging from 1 to 5 years. Moreover, 18.8% of the respondents mentioned having been associated with the organization for a period of 6 to 10 years. Additionally, a smaller proportion of approximately 4.0% stated their tenure to be between 11 and 15 years, and 5.0% of the respondents reported having been with the organization for over 15 years. Cumulatively, 72.3% of the respondents have remained in the organization for less than 5 years, and a substantial 91.1% have a tenure of less than 10 years.

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Regarding proximity to the organization's location, the majority of respondents, approximately 36.6%, reside within a distance of 10-25 km from the organization. A considerable 26.7% of the respondents live within a distance of below 10 km, while 13.9% of respondents reside at a distance exceeding 55 km. Moreover, around 4% of respondents reported residing within a range of 40-55 km from the organization, and roughly 19% of the respondents live more than 55 km away from the organization. Regarding residence, a significant majority of respondents, approximately 76.2%, travel from their homes, while 22.8% of respondents come from boarding places. Furthermore, about 1% of respondents indicated coming from other locations not specified in the survey.

Table 1 - Respondents' Demographic Profile

Demographic Variable	Classifications	Frequency	Percentage (%)
Gender	Male	49	48.5
	Female	52	51.5
Age	20-30 Years	49	48.5
	31-40 Years	32	31.7
	41-50 Years	20	19.8
Highest level of education	Master's	27	26.7
	Bachelor's	60	59.4
	Diploma	14	13.9
Tenure in organization	Less than 1 year	41	40.6
	1-5 years	32	31.7
	6-10 years	19	18.8
	11-15 years	4	4.0
	Over 15	5	5.0
Distance from home to the organization	Below 10 km	27	26.7
	10-25km	37	36.6
	25-40km	14	13.9
	40-55km	4	4.0
	Above 55	19	18.8
Residence	Home	77	76.2
	Boarding Place	23	22.8
	Any other	1	1.0

Source: Prepared by the authors using survey data (2023).

The Cronbach's Alpha test was done as the reliability test of the study to ensure that the outcomes derived from a study are not merely a result of chance or measurement errors. As described by Cronbach (1951), the Cronbach's Alpha test computes the correlation between the items comprising a scale and subsequently provides a coefficient (alpha) representing the scale's internal consistency. The alpha coefficient ranges from 0 to 1, with higher values indicating greater internal consistency within the scale or survey. A generally accepted threshold for internal consistency is an alpha coefficient of at least 0.7, as outlined by Shrout and Fleiss (1979). Meeting or surpassing this criterion ensures a satisfactory level of internal consistency in the scale or survey, bolstering the credibility of the research findings.

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Table 2 - Reliability Statistics

Variable	Cronbach's Alpha	No. of Items	Result
Main Characteristics	0.813	4	>0.7
Institutional Leadership	0.852	4	>0.7
Management of Employees	0.881	4	>0.7
Glue that holds the organization	0.914	4	>0.7
Emphasis on Strategy	0.906	4	>0.7
Measures of Success	0.889	4	>0.7
Vigor	0.871	6	>0.7
Dedication	0.917	5	>0.7
Absorption	0.881	6	>0.7

Source: Prepared by the authors using survey data (2023).

Table 2 displays the results of the Cronbach's alpha test assessing the reliability of variables. All variables demonstrate a high level of reliability, with alpha coefficients exceeding 0.7. Overall, these findings indicate that the survey data is highly reliable, implying that the results obtained from the survey are consistent, stable, and not influenced by measurement errors. Consequently, any discrepancies observed in the results are attributed to the phenomenon of interest rather than measurement inaccuracies.

Validity refers to the extent to which a measure accurately assesses the specific construct or concept it is intended to evaluate. It represents the degree to which a test effectively measures what it is designed to measure. In this study, the validity test adopted is the Kaiser-Meyer-Olkin (KMO) test, which employs factor analysis to assess sampling adequacy. The KMO test gauges the proportion of variance among all variables that may represent common variance. As Kaiser (1970) pointed out, the KMO test serves as an essential tool to evaluate the suitability of data for factor analysis, with values ranging from 0 to 1. A KMO value close to 1 indicates that the data is highly appropriate for factor analysis. The results of the KMO test, as presented in Table 3, indicate that the KMO measures of all variables are generally acceptable.

Table 3- KMO Test Statistics

Variable	Kaiser-Meyer-Olkin Measure of Sampling Adequacy	Bartlett's Test of Sphericity		
		Approx. Chi-Square	df	Sig.
Main characteristics	.751	142.714	6	.000
Institutional leadership	.747	181.292	6	.000
Management of employees	.806	215.840	6	.000
Glue that holds the organization	.850	274.213	6	.000
Emphasis on strategy	.831	267.061	6	.000
Measure of success	.630	265.837	6	.000
Vigor	.828	312.062	15	.000
Dedication	.799	367.741	10	.000
Absorption	.720	417.615	15	.000

Source: Prepared by the authors using survey data (2023).

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The outcomes of Bartlett's test of sphericity provide compelling evidence that the variables within this dataset exhibit significant correlations, as indicated by the p-value of .000 for all variables. This p-value, being less than the conventional threshold of .05 for statistical significance, confirms that the intercorrelations among the variables are notably different from zero, implying a substantial level of correlation among them.

The assumption of normality plays a crucial role in numerous statistical tests and models, as it enables the utilization of parametric methods that rely on the characteristics of the normal distribution (Field, 2013). To assess whether a sample comes from a population that follows a normal distribution, researchers commonly employ the Kolmogorov-Smirnov test and the Shapiro-Wilk test. Both tests aim to test the null hypothesis that the sample originates from a normally distributed population.

The Kolmogorov-Smirnov test (K-S test) is particularly useful when dealing with a sample size larger than 50 (n>50). Therefore, the K-S test was used as the sample size of the study is 101. It compares the sample distribution to a normal distribution and evaluates whether the data aligns well with the characteristics of a normal distribution. Table 4 presents the p-values obtained from the K-S test for all dependent variables. Since the p-values are less than the usual threshold of 0.05 for statistical significance, the alternative hypothesis is accepted. Therefore, it is concluded that the sample does not come from a normally distributed population.

Table 4 - Normality Test

	Kolmogorov-Smirnov		
	Statistic	**df**	**Sig.**
Average of Vigor	.200	101	.000
Average of Dedication	.317	101	.000
Average of Absorption	.275	101	.000

Source: Prepared by the authors using survey data (2023).

Correlation measures the strength and direction of the linear relationship between two variables, ranging from -1 to 1. A positive correlation indicates both variables increase, while a negative correlation indicates one variable increases and the other decreases (Kendall, 1948). Spearman's rank correlation coefficient was used for the study as data is not normally distributed.

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Table 5 - Correlation

		Main Characteristics	Institutional Leadership	Management of Employees	Glue that holds the Organization	Emphasis on Strategy	Measures of Success
EE	Correlation Coefficient	.617**	.442**	.638**	.582**	.534**	.363**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	101	101	101	101	101	101

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Prepared by the authors using survey data (2023).

Table 5 displays the outcomes of Spearman's rho correlation analysis, exploring the associations between various factors related to organizational culture and employee engagement. These factors include the main characteristics of the organization, institutional leadership, management of employees, the glue that holds the organization together, emphasis on strategy, and measures of success. The significance (Sig.) value is utilized to determine the statistical significance of the correlations, where a significance level of 0.01 indicates statistical significance at the 0.01 level. According to the data in Table 5, there are strong positive correlations between the dependent variable of employee engagement and all independent variables representing different aspects of the organizational culture. The correlation coefficients range from 0.375 to 0.608, indicating a robust positive relationship between each cultural measurement and employee engagement.

The regression analysis is used to determine the impact observed among the variables (Draper and Smith, 1998) and to test hypotheses.

Table 6 - Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.857ᵃ	.735	.718	.23422	2.243

a. Predictors: (Constant), Measures of Success, Emphasis on Strategy, Main Characteristics, Institutional Leadership, Glue that holds the Organization, Management of Employees
b. Dependent Variable: EE
Source: Prepared by the authors using survey data (2023).

Table 6 summarizes a regression analysis between the dependent variable (EE, employee engagement) and several independent variables (measures of success, emphasis on strategy, main characteristics, average of institutional leadership, glue that holds the organization, and management of employees). The R-value (coefficient of determination) is .857, indicating a strong positive correlation between predicted and actual values of employee engagement. The R-squared value (proportion of variance explained) is .735, explaining 73.5% of the variance in employee engagement. The adjusted R-squared value, considering the number of independent variables, is .718, explaining 71.8% of the variance. The std. error of

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the estimate is .23422, showing differences between predicted and actual values distributed around a mean of 0 with a standard deviation of .23422. The Durbin-Watson value of 2.243 indicates no significant autocorrelation in the residuals.

Table 7 - ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.306	6	2.384	43.463	.000[b]
	Residual	5.157	94	.055		
	Total	19.463	100			

a. Dependent Variable: EE
b. Predictors: (Constant), Average of Measures of Success, Average of Emphasis on Strategy, Average of Main Characteristics, Average of Institutional Leadership, Average of Glue that holds the Organization, Average of Management of Employees
Source: Prepared by the authors using survey data (2023).

Table 7 presents the results of an ANOVA (Analysis of Variance) analysis, used to assess whether there is a statistically significant difference in the means of the dependent variable (EE, employee engagement) among different levels of one or more independent variables. The sum of squares column displays the total variation in the dependent variable, explained by the independent variables (regression sum of squares), and the variation not explained by the independent variables (residual sum of squares). The df column shows the degrees of freedom for each source of variation. The mean square column reveals the mean square for each source of variation, calculated by dividing the sum of squares by the degrees of freedom. The F column shows the F-ratio for each source of variation, obtained by dividing the mean square for the regression by the mean square for the residuals. The F-ratio helps determine whether the variation explained by the independent variables is statistically significant. The sig. column displays the significance level for each source of variation, used to assess the statistical significance of the F-ratio. A significance level of .000 (indicated by "b" in the table) indicates that the variation explained by the independent variables is statistically significant at the .01 level or less (Freedman, 2009).

Table 8 – Validation of Hypothesis

Hypothesis	Coefficient	t value	p value	Result
H_{A1}	.409	4.600	.000	Accepted
H_{A2}	.010	.096	.923	Rejected
H_{A3}	.438	3.412	.001	Accepted
H_{A4}	.119	1.294	.199	Rejected
H_{A5}	.010	.135	.893	Rejected
H_{A6}	-.062	-.614	.541	Rejected

Source: Prepared by the authors using survey data (2023).

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In Model 1, the results show that the sum of squares for the regression is 14.306, with 6 degrees of freedom, resulting in a mean square of 2.384. The F-ratio is 43.463, and the significance value is <0.05. This indicates that the independent variables explain a significant amount of the variation in employee engagement, suggesting that Model 1 is a good fit for the data.

Table 8 displays the Beta (standardized coefficient) values used to assess the strength and direction of the relationship between independent and dependent variables. The t column shows the t-value for each independent variable, determining the statistical significance of the coefficient. The Sig. column presents the significance level for each independent variable, used to determine the statistical significance of the t-value. A significance level of <0.05 indicates that the coefficient is statistically significant, leading to the rejection of the null hypothesis of no impact.

For the main characteristics and management of employees, the significance level is <0.05, indicating that the alternative hypotheses of H1 and H3 are accepted. This means that the main characteristics and management of employees have a significant impact on employee engagement.

In contrast, institutional leadership, emphasis on strategy, the glue that holds the organization, and measures of success have a significance level of >0.05, leading to the acceptance of the null hypotheses. It suggests that there is no significant impact of institutional leadership, emphasis on strategy, the glue that holds the organization, and measures of success on employee engagement.

The findings of this study indicate that, during an economic crisis, employee engagement in the Apparel Industry in Sri Lanka is significantly influenced by only two main factors in the OCAI assessment of organizational culture. Specifically, the factors of 'management of employees' and 'main characteristics' positively impact employee engagement. On the other hand, the factors of 'institutional leadership', 'glue that holds the organization', 'emphasis on strategy', and 'measures of success' do not show a significant impact on employee engagement.

The main characteristics of organizational culture encompass values, beliefs, and behaviors, which are reflected in shared values, communication style, power and authority dynamics, control systems, organizational structure, goals and objectives, norms and expectations, organizational climate, and attitudes towards innovation and risk-taking. In the apparel industry of Sri Lanka, the predominant organizational culture features a strong

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emphasis on teamwork and collaboration among employees, coupled with a robust work ethic and dedication to maintaining quality standards. Additionally, cultural values in this industry encompass a deep-rooted sense of tradition and respect for authority. The findings from X and Y companies reveal an open organizational culture, fostering a sense of unity between employees and employers. Notably, both companies adopt a personal approach by addressing employees using their first names regardless of their hierarchical level. Moreover, these organizations prioritize inclusivity by respecting and celebrating diverse religious and cultural festivals. Employees are granted the freedom to embrace their individual values without constraints.

Furthermore, both X and Y organizations provide various facilities that allow employees to maintain their normal routines. For instance, Y company offers designated smoking and calling areas, while X company provides a recreational play area with pool tables. Such employee-centric initiatives contribute to higher levels of engagement within these organizations.

The management of employees refers to the practices, policies, and styles adopted within an organization to shape employee behavior and attitudes. This encompasses assessments of employee motivation, empowerment, and engagement.

In the apparel industry of Sri Lanka, the management of employees is formed by various factors, including the country's labor laws, cultural norms, and the specific nature of the industry. According to the study's findings, both X and Y organizations have implemented management systems that prioritize worker empowerment and engagement. This includes involving employees in decision-making processes, offering training and development opportunities, and fostering open communication between management and employees. Moreover, these companies have taken steps to enhance working conditions, ensuring a safe and healthy environment while adhering to labor laws. For instance, they conduct health and safety workshops in collaboration with NIOSH (National Institute for Occupational Safety and Health).

The friendly and peaceful working environment provided by these companies, coupled with the availability of learning opportunities, has significantly contributed to increased employee engagement. Compliance with Sri Lanka's labor laws is imperative for companies operating in the country, as non-compliance can result in penalties and legal consequences. Overall, effective management of employees plays a pivotal role in fostering a culture of engagement and empowerment within the organization.

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The study findings indicate that while aspects like the glue that holds the organization, institutional leadership, emphasis on strategy, and measures of success are essential in an organization, relying solely on these factors may not be sufficient to enhance employee engagement in the apparel industry of Sri Lanka. To truly engage employees, organizations in this industry must take a multifaceted approach. Creating a positive work culture and providing opportunities for professional development are crucial steps to foster employee engagement. Addressing the unique challenges of the Sri Lankan apparel industry during an economic crisis is crucial, particularly the high turnover rate caused by employees leaving the country. A holistic approach that considers multiple factors is necessary to improve employee engagement in this context. The Y company is currently facing a leadership issue that could be having a negative impact on employee engagement. Leaders are facing the challenge of making labor-sensitive decisions, such as layoffs and cutting down bonuses and payments, in order to sustain the business. These decisions can significantly influence employee morale and engagement within the organization.

CONCLUSION

In conclusion, this study aimed to examine the impact of organizational culture on employee engagement in the apparel industry in Sri Lanka during an economic crisis. By utilizing six main parameters from the OCAI assessment instrument and the Utrecht work engagement scale, the results highlight the significant influence of organizational culture on employee engagement. Notably, "management of employees" and "main characteristics" demonstrate a positive impact on employee engagement.

The main characteristics of organizational culture in the Sri Lankan apparel industry include a strong emphasis on efficiency, productivity, teamwork, collaboration, and a robust work ethic. The management of employees in this industry is shaped by various factors, including labor laws, cultural norms, and industry-specific considerations.

The study also highlighted the implementation of worker empowerment and engagement strategies by "X" and "Y" organizations. These companies should provide sufficient facilities and opportunities for employees to achieve their goals and objectives, contributing to enhanced engagement levels. Overall, the findings underscore the significance of organizational culture in fostering employee engagement within the apparel industry in Sri Lanka during challenging economic times.

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