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EXAMINING THE ASSOCIATION BETWEEN ORGANIZATIONAL CULTURE AND EMPLOYEE ENGAGEMENT: IS JOB SATISFACTION A MEDIATOR?

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Abstract

In knowledge-based industries, employee engagement has become one of the prominent factors in determining organizational success Organizations in India, especially in the IT and BPM Sector, are confronting compounded challenges with respect to retention efforts, employee productivity escalation, work-life balance preservation, and workforce commitment. Although organizational culture is one of the key factors in organizations that affect employee attitudes and behaviors, what are the mechanisms by which it impacts employee engagement is not well understood. This research explores organizational culture, employee engagement and job satisfaction as a mediator in the IT and BPM industry of India.

The study develops a conceptual framework between organizational culture, job satisfaction and employee engagement based on the Herzberg's Two-Factor Theory and Denison's Organizational Culture Model. Organizational culture is operationalized in terms of involvement, consistency, adaptability, and mission dimensions, and job satisfaction is operationalized in terms of satisfaction with compensation, supervision, work environment, and coworker relationships. Employee engagement is assessed in terms of vigor, dedication and absorption.

A quantitative research design is anticipated using the survey data collected from the employees working in the leading IT and BPM organizations across India. The Structural Equation Model (SEM) was used to examine the direct and indirect relationships of the constructs. The results are expected to show that the impact of organizational culture directly and indirectly through job satisfaction is significant to employee engagement. Furthermore, job satisfaction is expected to be a significant mediator that explains the mechanism through which organizational culture leads to higher employee engagement. This study assists to the organizational behavior literature by extending the knowledge of the mechanisms of employee engagement in the framework of emerging economies and provides practical implications for managers who seek to improve the engagement of the workforce through cultural and satisfaction-oriented interventions.

Keywords: *Organizational Culture, Employee Engagement, Job Satisfaction, Mediation Analysis, IT & BPM, Structural Equation Modelling*

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1. Introduction

The Indian Information Technology (IT) and Business Process Management (BPM) industry has now become one of the key providers to the country's economy and global competitiveness. Over the past two decades, the sector has positioned India as a global hub for technology services, software development, business process outsourcing, digital transformation and knowledge intensive operations (Rai et al., 2015). Despite the phenomenal growth and technological advancement, organizations in the sector still face significant human resource challenges in the form of employee turnover, declining organizational commitment, workplace stress, burnout and variable levels of engagement (Abdullahi, 2018).

Employee engagement has been widely investigated by scholars and practitioners due to its strong relationship with organisational effectiveness, innovation, customer satisfaction, and employee retention. The more engaged an employee is, the more enthusiasm, commitment and discretionary effort they will bring to their job responsibilities. They usually align their personal goals with the organizational goals and contribute positively to organizational performance. Thus, there is a strategic importance for organizations in understanding the antecedents of employee engagement in organizations working in highly competitive and dynamic environments like the IT and BPM industry (Das et al., 2022).

Among the many organizational factors that influence the way employees behave, organizational culture has been found to be the main determinants of employee attitudes and workplace outcomes. Organizational culture refers to the shared values, beliefs, norms, assumptions, and behavioral expectations that influence how employees interact and how organizational practices are carried out. A strong, supportive culture gives employees a sense of purpose, belongingness and alignment with organizational goals. The cultures that support engagement in knowledge work organizations are the cultures that support collaboration, innovation, trust and employee involvement (Soomro & Shah, 2019).

In the post-pandemic world, the impact of organizational culture has become more evident as hybrid work arrangements, virtual teams, and digital collaboration have shaken up the dynamics of the workplace. Employees in the IT and BPM sector often work under demanding workloads, tight deadlines, technological disruption and require continuous skill development. In such an environment, organizational culture becomes the key to influencing the employees' experience and keeping employee motivation (Sharma et al., 2015).

Organizational commitment, work performance, innovation capacity, employee well-being, and job satisfaction are just a few of the organizational outcomes that prior research has repeatedly shown to be positively correlated with organizational culture (Denison et al., 2006). Additionally, research has shown that employee engagement and corporate culture are directly related (Deal & Kennedy, 1982). Empirical results, however, indicate that the relationship might not always be clear-cut. If individual work expectations and satisfaction needs are not sufficiently met, employees may perceive a positive organizational culture but remain disengaged.

A significant psychological condition that reflects workers' overall assessment of their work experiences is job satisfaction. Herzberg's Two-Factor Theory states that both extrinsic hygienic aspects and intrinsic motivators contribute to satisfaction. Positive attitudes regarding their businesses are usually displayed by workers who are satisfied with their pay, possibilities for career progression, working conditions, supervisor support, and interpersonal interactions. As a result, employee engagement has been found to be significantly predicted by work satisfaction (Purnomo et al., 2020).

There is little empirical evidence about the mediating role of job satisfaction in the relationship between organizational culture and employee engagement, especially in the Indian IT and BPM context, despite the fact that a significant amount of research has independently examined organizational culture, job satisfaction, and employee engagement. Most of the earlier literature has concentrated on direct connections rather than examining the psychological mechanisms by which organizational culture leads to increased employee engagement (Nuhu et al., 2018).

Because it offers deeper insights into the mechanisms behind employee behavior, it is especially vital to understand the mediating function of job satisfaction. Organizations may need to emphasize employee satisfaction initiatives alongside cultural change programs if job satisfaction is the primary way that company culture affects employee engagement. This knowledge can help managers create human resource strategies that are more successful in enhancing engagement results (Mohd et al., 2018).

Furthermore, because of its highly qualified workforce, multicultural environment, rapid technological progress, and fierce talent competition, the Indian IT and BPM business offers a unique framework for examining these relationships. Employee engagement is a crucial organizational concern because workers in this industry frequently have substantial career mobility and varied job expectations. Thus, analyzing how

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work satisfaction and organizational culture interact to affect engagement can yield important theoretical and practical insights (Mossholder et al., 2005).

By examining whether job satisfaction mediates the relationship between organizational culture and employee engagement among workers in the Indian IT and BPM industries, the current study aims to close this gap. (Priya et al., 2024) The study creates a thorough background for understanding the ways in which organizational culture affects engagement outcomes by fusing Herzberg's Two-Factor Theory with Denison's Organizational Culture Model. Following the primary objective, the specific objectives addressed are:

1. To examine the effect of organizational culture on employee engagement in the Indian IT and BPM industry.
2. To investigate the effect of job satisfaction on employee engagement.
3. To determine the effect of organizational culture on job satisfaction.
4. To assess the mediating role of job satisfaction in the relationship between organizational culture and employee engagement.

2. Literature Review and Hypotheses Development

2.1 Theoretical Foundation

Two well-known theoretical stances serve as the foundation for this research: Herzberg's Two-Factor Theory of Motivation and Denison's Organizational Culture Theory.

According to Denison (1990), four aspects of organizational culture—involvement, consistency, adaptability, and mission—have a major impact on an organization's effectiveness. Strong cultural characteristics enable organizations to achieve sustainable performance outcomes, encourage employee commitment, and facilitate organizational learning (Denison et al., 2006).

According to Herzberg's Two-Factor Theory (1966), both hygienic and motivational variables affect how employees feel about their jobs. While hygienic factors like pay, supervision, and working circumstances prevent discontent, motivational factors like accomplishment, recognition, and personal development foster work pleasure. The theory offers a helpful foundation for comprehending how workers cultivate favorable attitudes at work, which eventually result in increased involvement (Mukherjee, 2018).

The current study suggests that corporate culture affects employee engagement both directly and indirectly through workers' contentment with their work experiences by incorporating these theoretical viewpoints.

2.2 Organizational Culture

One of the concepts in organizational behavior and management literature that has been explored the most is organizational culture. Organizational culture, according to Schein (2004), is a pattern of shared presumptions that a group develops as it learns to deal with issues of internal integration and outward adaptation. New employees are demonstrated these assumptions as the proper way to see, think, and feel about organizational problems (Natalia et al., 2020).

Employee attitudes, actions, and decision-making processes are influenced by culture, which serves as a social control mechanism. It gives workers a feeling of identity and sets standards for proper behavior at work. Denison (1990) identified four essential components of organizational culture which are Involvement, Consistency, Adaptability and Mission. Employees' level of empowerment and participation in decision-making processes is reflected in their level of involvement. Teamwork, employee participation, and ownership of company objectives are all encouraged in companies with high involvement cultures. Coordination and integration are facilitated by shared values, agreements, and systems, all of which are represented by consistency. Organizational stability, collaboration, and trust are all enhanced by consistent cultures. The capacity of a company to efficiently adjust to changes in the atmosphere and consumer needs is referred to as adaptability. Adaptive cultures promote creativity, education, and ongoing development. The degree to which staff members comprehend the long-term goals, strategic direction, and organizational purpose is reflected in the mission. A well-defined mission gives workers purpose and guidance (Denison et al., 2006).

Positive organizational cultures have been linked to workplace well-being, employee dedication, organizational effectiveness, and innovation capacity, according to numerous studies. Because employees in knowledge-intensive businesses like IT and BPM rely so largely on teamwork, knowledge sharing, and ongoing education, organizational culture becomes especially crucial.

Rapid technical advancements, project-based work structures, and high staff mobility are characteristics of the Indian IT and BPM industry. Organizational culture is a vital tool for promoting employee alignment and preserving worker stability in these situations.

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2.3 Employee Engagement

Since employee engagement has a high correlation with both individual and organizational outcomes, it has become a key concept in modern human resource management.

The term "engagement" was first used by Kahn (1990) to describe how people simultaneously use and express their physical, mental, and emotional energies in their jobs. Building on this foundation, Schaufeli et al. (2002) defined engagement as a positive and satisfying condition associated to work that is marked by vigor, devotion, and absorption. High levels of energy, mental resilience, and perseverance at workplace are all indicative of vigor. Employees' sense of importance, zeal, inspiration, and pride in their work are all considered aspects of dedication. The extent to which workers become totally focused and engrossed in their work activities is referred to as absorption (Schaufeli et al., 2002).

Stronger organizational commitment, better productivity, enhanced creativity, decreased absenteeism, and decreased inclinations to leave are all characteristics of engaged workers. Because employee knowledge, creativity, and problem-solving skills are crucial to corporate success, employee engagement is especially important in the IT and BPM industries (Saks, 2006).

According to recent research, motivated workers are more likely to put in extra effort, work well with others, and stick with a company while things are changing. As a result, organizations are looking more and more for elements that encourage long-term employee engagement.

2.4 Job Satisfaction

One of the concepts in organizational research that has been studied the most is job satisfaction. According to Locke (1976), job satisfaction is a pleasant or good emotional state that arises from evaluating one's work or work-related activities.

Employee assessments of several elements of their workplace are included in job satisfaction, such as rewards and compensation, conditions at work, opportunities for career advancement, support from supervisors, relationships among coworkers and organizational guidelines (Sharma & Nambudiri, 2015). Herzberg's Two-Factor Theory states that while shortcomings in hygienic aspects lead to discontent, intrinsic motivating elements are the main cause of job satisfaction. Higher levels of satisfaction are mostly reported by employees who believe they have good working conditions, fair pay, encouraging supervision, and chances for professional advancement (Maryati et al., 2019).

Employee attitudes and actions are substantially influenced by job satisfaction in the IT and BPM sectors. Workers regularly deal with challenging workloads, long workdays, project demands, and questionable technology. In these circumstances, retaining employee commitment and motivation depends more on their level of satisfaction with organizational support systems (Shahriari et al., 2023).

Job satisfaction is regularly linked to better performance, lower aspirations to leave the company, increased organizational commitment, and higher psychological well-being, according to empirical research (Tampubolon, 2017).

2.5 Organizational Culture and Employee Engagement

Growing evidence of research indicates that company culture has a big impact on employee engagement. Higher levels of engagement are a result of supportive organizational cultures, which give workers a sense of belonging, participation opportunities, and psychological safety (Rai, 2015).

Employers that prioritize learning, teamwork, trust, and employee empowerment foster cultures where workers feel appreciated and motivated to go above and beyond the assignment. These cultural traits promote active participation in organizational operations and increase employees' emotional attachment to the organization's objectives (Bakker & Demerouti, 2008).

According to Denison (1990), cultures that value participation and flexibility foster an environment that encourages employee dedication and drive. In a similar vein, Schein (2004) highlighted that robust cultures give workers a sense of purpose and meaning, which improves work engagement (Denison et al., 2006).

Organizational culture is crucial for managing geographically distributed teams, promoting information sharing, and maintaining innovation in the Indian IT and BPM sector. Workers are more likely to be enthusiastic, dedicated, and committed to their work when they work in culturally welcoming surroundings (Suharti & Suliyanto, 2012).

Positive correlations between organizational culture and employee engagement have been found in several empirical research in a variety of industries. These results imply that engagement-related outcomes are significantly influenced by corporate culture (Shahriari et al., 2023).

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H1: Organizational culture has a significant positive effect on employee engagement.

2.6 Organizational Culture and Job Satisfaction

Organizational research has provided an abundance of evidence regarding the connection between job satisfaction and organizational culture. Employee impressions of fairness, support, recognition, communication, and corporate values are influenced by culture (Akmalia et al., 2023). Organizations with supportive cultures usually offer their staff member's chances for involvement, professional growth, and group decision-making. Employees' favorable assessments of their work experiences are improved by such methods, which also raise employee satisfaction (Bhatt et al., 2024).

Because cultural values influence workplace relationships and determine the availability of organizational resources, research shows that individuals who work in good organizational cultures are more likely to be satisfied. Positive workplace experiences are fostered by cultures that prioritize openness, trust, and employee well-being (Dasgupta & Dey, 2021).

Organizational culture affects how workers in the IT and BPM sector view prospects for professional progression, work-life balance, supervisor assistance, and workload management. All these elements work together to influence total job satisfaction (Homans, 1958). Organizational culture and job satisfaction have been proven to be significantly positively correlated in numerous empirical research, indicating that culture is a significant organizational predictor of employee attitudes (Kawiana et al., 2018).

H2: Organizational culture has a significant positive effect on job satisfaction.

2.7 Job Satisfaction and Employee Engagement

Employee engagement is often seen to be preceded by job satisfaction. Workers are more inclined to devote emotional, mental, and behavioral resources to their organizational duties if they are happy in their workplaces. Stronger organizational commitment, higher motivation, and a greater desire to put in extra effort are all characteristics of contented workers. They frequently feel happy, which encourages zeal, commitment, and engagement in work-related tasks (Anitha, 2014).

Social Exchange Theory states that workers who believe their companies treat them well return the favor by adopting positive attitudes and actions. Employees' positive assessments of how they are treated by the company are reflected in job satisfaction, which forms the basis for engagement (Blau, 1964). Employee willingness to stay psychologically committed in their work can be strongly influenced by factors like as work-life balance, growth possibilities, leadership support, and salary in the IT and BPM sectors (Lambe et al., 2001). Strong positive correlations between job satisfaction and employee engagement are routinely reported by empirical studies in a variety of organizational contexts and sectors.

H3: Job satisfaction has a significant positive effect on employee engagement.

2.8 Mediating Role of Job Satisfaction

Even though it has been demonstrated that organizational culture directly affects employee engagement, it is still crucial to investigate the underlying mechanisms by which this influence takes place (Agarwal et al., 2025).

Job satisfaction may serve as an explanatory mechanism linking organizational culture and employee engagement. Favorable workplace conditions that increase employee satisfaction are established by positive organizational cultures. Consequently, contented workers exhibit higher levels of engagement and become more emotionally committed in their work (Fidyah & Setiawati, 2020).

According to this mediating viewpoint, organizational culture shapes workers' work experiences and satisfaction levels in addition to having direct effects on engagement. Social Exchange Theory and Herzberg's Two-Factor Theory both support the mediation approach. Workplace experiences are influenced by organizational culture, which in turn affects results related to engagement and satisfaction (Burns, 1973). Employee satisfaction with organizational procedures, managerial support, recognition programs, and career chances may help to understand how cultural settings affect engagement behavior in the Indian IT and BPM sectors (Hendrato & Subyantoro, 2021). As a result, the current study suggests that job satisfaction serves as a mediating factor that communicates organizational culture's effects to employee engagement.

H4: Job satisfaction significantly mediates the relationship between organizational culture and employee engagement.

2.9 Conceptual Framework

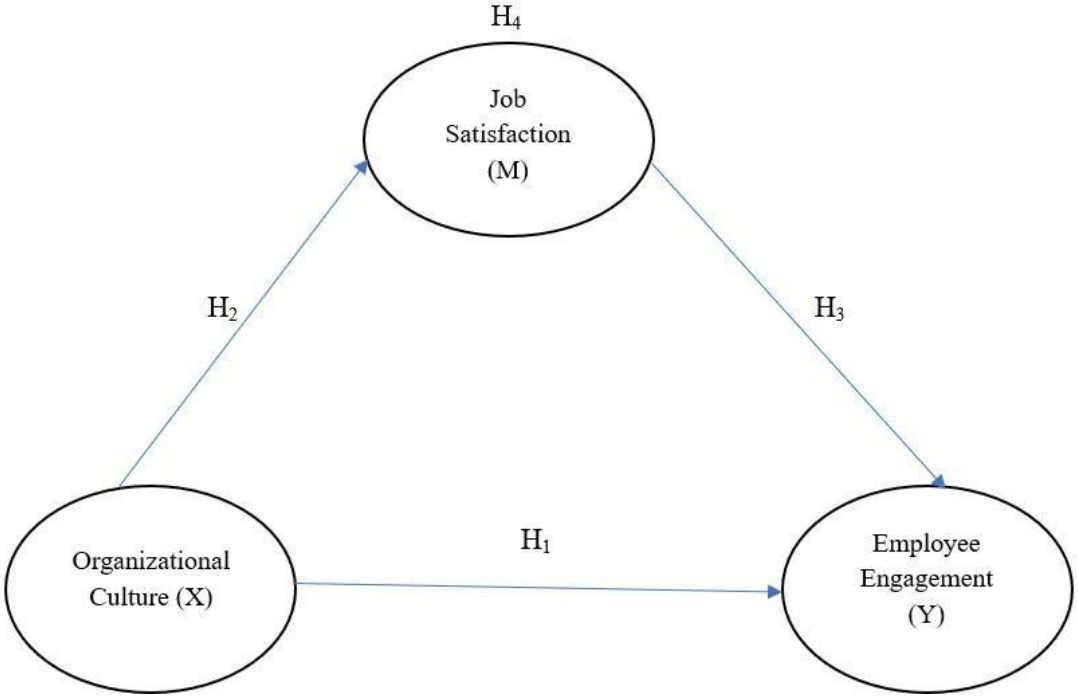
The following conceptual framework is suggested considering the studied theoretical and empirical literature:

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Employee Engagement → Job Satisfaction → Organizational Culture

To compare partial versus full mediation effects, a direct route from organizational culture to employee engagement is also suggested (Dasgupta & Dey, 2021).

According to the framework, job satisfaction is a direct and indirect way that organizational culture affects employee engagement (Pathan, 2023).



3. Research Methodology

3.1 Research Design and Philosophy

The existing research work empirically examines the interrelationships between organizational culture, job satisfaction, and employee engagement using quantitative research design in the IT & BPM sector of India. Based on positivist epistemology paradigm, the organizational constructs can be statistically analyzed. A cross-sectional survey design was conducted to collect data and figure out the association between the variables. Structural Equation Modelling (SEM) was employed to study the relationship between the variables (Babbie, 1973).

3.2 Target Population and Sampling

The sample targeted for research comprised of full-time employees working in the Indian IT & BPM industry and having more than two years of working experience in the same organization in Delhi NCR and Chandigarh region. Employees with less two-year experience were excluded from the sample. A Questionnaire was distributed among the 400 employees of IT & BPM industry and 318 respondents were selected for the study adopting the simple random sampling technique (Barlett et al., 2001).

3.3 Data Collection Instrument

A Self-administered questionnaire was used to accumulate data from the respondents. A Questionnaire comprises of demographic statements and statements of organizational culture, job satisfaction and employee engagement. All the items were measured on a five-point Likert Scale where 1 represents Strongly disagree and 5 represents Strongly agree.

3.4 Measurement of Constructs

Organizational Culture. Organizational Culture was measured using the 12 items adapted from the Denison Organizational Culture Model (Denison & Mishra, 1995). The construct comprises of four dimensions namely involvement, consistency, adaptability, and mission and is validated across different organizational settings extensively.

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Job Satisfaction. Job Satisfaction was measured using the 8 items adapted from the Job Satisfaction Survey (JSS) developed by Paul E. Spector (1985), which includes eight dimensions: pay, promotion, supervision, communication, co-workers, nature of work, operating procedures and fringe benefits.
Employee Engagement. Employee engagement was measured using 9 items adapted from the Utrecht Work Engagement Scale (UWES; Schaufeli et al., 2002). The scale measures the employee engagement through three dimensions: vigor, dedication, and absorption.

Table 1. Variable Measurement

S. No	Measured Variables	Constructs	Source
1	Consistency	Organizational Culture	Denison & Mishra, 1995
2	Involvement		
3	Adaptability		
4	Mission		
1	Pay	Job Satisfaction	Paul E. Spector, 1985
2	Promotion		
3	Supervision		
4	Communication		
5	Co-workers		
6	Nature of Work		
7	Operating Procedures		
8	Fringe Benefits		
1	Vigor	Employee Engagement	UWES; Schaufeli et al., 2002
2	Dedication		
3	Absorption		

Source: Created by Authors.

3.5 Pilot Study & Reliability Assessment

Pilot study was conducted before the complete data collection on the 45 respondents of the IT & BPM Industry to check the reliability and validity of the data (Johanson & Brooks, 2010). The internal consistency reliability was checked using the Cronbach Alpha (α) test. The values of Cronbach Alpha (α) for organizational culture is 0.894, job satisfaction is 0.841 and employee engagement is 0.871, which indicates that the research instrument is reliable and valid. Consequently, the finalized questionnaire was administered for the complete data collection and analysis.

3.6 Common Method Bias

Given that all constructs were assessed via single-source, self-reported questionnaires, appropriate procedural and statistical remedies were employed to report the potential thwart of common method bias (Podsakoff et al., 2003). Procedural measures included confirming respondent privacy, deliberate participation, clear item instructions, and randomization of questionnaire items. Harman's Single-Factor Test was employed to figure out the presence of common method variance; a condition in which a single factor accounts for less than 50% of the total explained variance was taken as evidence that common method bias did not substantially distort the findings (Lindner & Wingenbach, 2002).

3.7 Conceptual Framework

According to the theoretical framework, job satisfaction has a mediating role in the direct and indirect positive effects that organizational culture has on employee engagement. As a result, job satisfaction is thought of as a mediating mechanism that translates the impact of organizational cultural characteristics to outcomes related to employee engagement. SEM was used to experimentally evaluate this model, allowing for the concurrent evaluation of measurement and structural correlations among the latent constructs (Chin, 1998).

4. Data Analysis

To analyze the study Hypothesis, the present research work utilized the Partial Least Square-Structural Equation Modeling (PLS-SEM) with SmartPLS software version 3.0.

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4.1 Assessment of Measurement Model

The validity and reliability of the measures is assessed by performing the anlysis. The convergent validity of the measurement model is described in Table 2. Hair, et al. (2006) indicated that items that have factor loading below 0.60 should be removed. Furthermore, it is recommended that any item with an outer loading that is < 0.40 should be deleted (Hair et al., 2012). This research is based on the guidance of Hair et al. (2012) which stated that any factor loading < 0.40 should be deleted. As illustrated in Figure 1 and Table 2, five statements were eliminated: EE6, JS7, JS8, OC1, and OC2, due to their low factor loadings. The factor loadings of the remaining items, as shown in Figure 1 and Table 2, range from 0.502 to 0.805, surpassing the 0.40 threshold recommended by Hair et al. (2012). According to Hair et al. (2012), each variable's AVE should be higher than 0.5. As illustrated in Table 2, each of the variable's AVE falls between 0.503 and 0.551, each one of which is higher than the Hair et al. (2012) recommended acceptable value of 0.50. Convergent validity necessitates the procedure of composite reliability (CR) and Cronbach's α for reliability testing. According to Hair et al. (2016), composite reliability and the Cronbach's α value should be at least 0.7. As indicated in Table 2, the results demonstrated a strong internal consistency ranging from 0.832 to 0.890, and the CR outcome as depicted in Table 2 also had a satisfying value ranging from 0.910 to 0.898, both of which are greater than the acceptable value of 0.70 as recommended by Hair et al. (2016). As suggested by Hair et al. (2011), the discriminant validity (DV) of the instrument was assessed by investigating the square root of the AVE. The DV was evaluated using the Fornell and Laker (1981) method, which meets the criteria if the exogenous variance is higher than the common value with other variables, as shown in Table 3 (Hair et al., 2011) (Fornell & Larcker, 1981). The square root of the AVE is characterised by the diagonal numbers in the bold text of Table 3 below, whereby the correlations are depicted by the off-diagonals. The square root of the construct's AVEs is more than the correlations of the other constructs, in accordance with the Fornell-Larcker criterion results. Henceforth, every requirement for the measurement model DV was satisfied. Therefore, the convergence and DV of this research have been established in Tables 2 and 3.

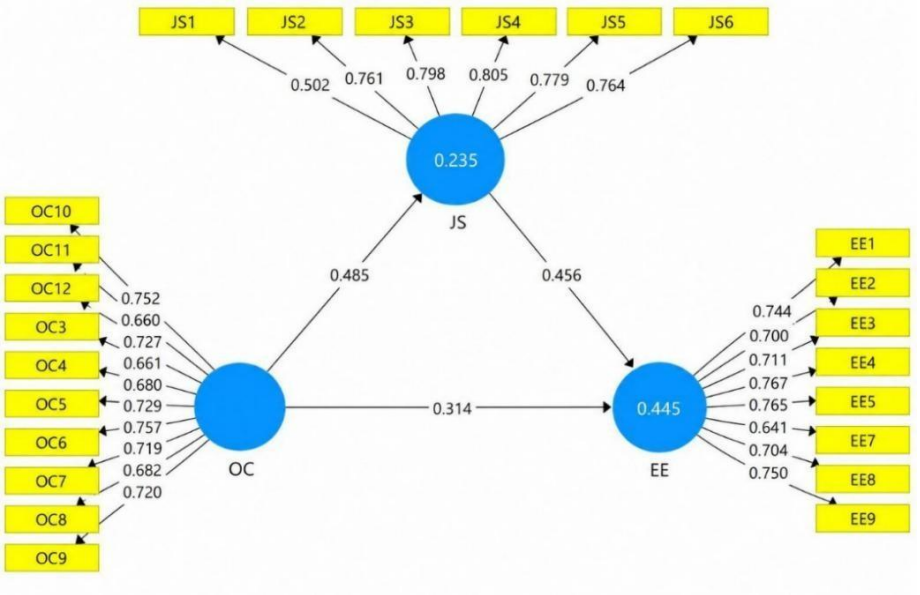


Figure 1. Measurement Model

Table 2. Latent Variable Coefficients

Items	Factor loadings	Cronbach's α	Composite Reliability	Average Variance Extracted
Employee Engagement (EE)		0.869	0.898	0.524
EE1	0.744			
EE2	0.7			
EE3	0.711			
EE4	0.767			

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EE5	0.765			
EE6	Eliminated			
EE7	0.641			
EE8	0.704			
EE9	0.75			
Job Satisfaction (JS)		0.831	0.878	0.551
JS1	0.502			
JS2	0.761			
JS3	0.798			
JS4	0.805			
JS5	0.779			
JS6	0.764			
JS7	Eliminated			
JS8	Eliminated			
Organizational Culture (OC)		0.89	0.91	0.503
OC1	Eliminated			
OC2	Eliminated			
OC3	0.661			
OC4	0.68			
OC5	0.729			
OC6	0.757			
OC7	0.719			
OC8	0.682			
OC9	0.72			
OC10	0.752			
OC11	0.66			
OC12	0.727			

Table 3. Discriminant Validity Results

	JS	**EE**	**OC**	**VIF**
JS	**0.742**			1.307
EE	0.608	**0.724**		
OC	0.485	0.535	**0.71**	1.307

Note: JS= Job satisfaction; EE = Employee engagement; OC =Organization culture.
Diagonals depict the square-root of AVE whereas the off-diagonals represent the correlations.

4.2 Evaluation of Structural Model

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According to the PLS-algorithm results, the JS and EE R2 values were concurrently 0.420 and 0.605, indicating a considerable level of explanatory strength (Chin et al., 1998). First, the analysis evaluated the predictor variables' collinearity. The results in Table 3 demonstrated that collinearity is not an issue because all VIF values are much below 5, as recommended by Hair et al. (2013).

We computed the R2 to ascertain the structural models' coefficient of determination. The independent variable's degree of variation was indicated by the R2 (Hair et al., 2010; Hair et al., 2013). The PLS-algorithm findings showed that the JS and EE R2 values were concurrently 0.235 and 0.445 in Figure 2, indicating a moderate level of explanatory strength (Chin et al., 1998). The Q2 values for JS (0.123) and EE (0.228) are above 0 following the blindfolding procedure (Hair et al., 2013), indicating that the structural model has sufficient predictive relevance. The hypotheses are then examined following a review of the study VIF, R2, and Q2.

A bootstrapping technique with a 5000 resampling was used to establish the path estimates and t-statistics for the proposed associations. The structural model analysis was shown in Figure 2 and Table 4. According to the evaluation in Figure 2 and Table 4, OC has a significant impact on EE ($\beta = 0.314$, t-value = 5.621, $p < 0.01$). The mediating effect of JS on OC and EE connections was then assessed. According to the literature, the indirect impact was also assessed using the bootstrapping approach. Table 4's results showed that the indirect effect ($\beta = 0.221$, t-value = 6.965, $p < 0.01$) was significant, suggesting the presence of a mediating influence. Variance accounted for (VAF), as suggested by Hair et al. (2013), has been assessed. The indirect impact magnitude in relation to the total or overall effect is determined by the VAF. VAF stands for indirect effect/total effect. In this investigation, the VAF was evaluated; the result was 0.41, which was classified as partial mediation (Hair et al., 2013). Consequently, the link between OC and EE in IT & BPM industry is partially mediated by JS (Baron & Kenny, 1986).

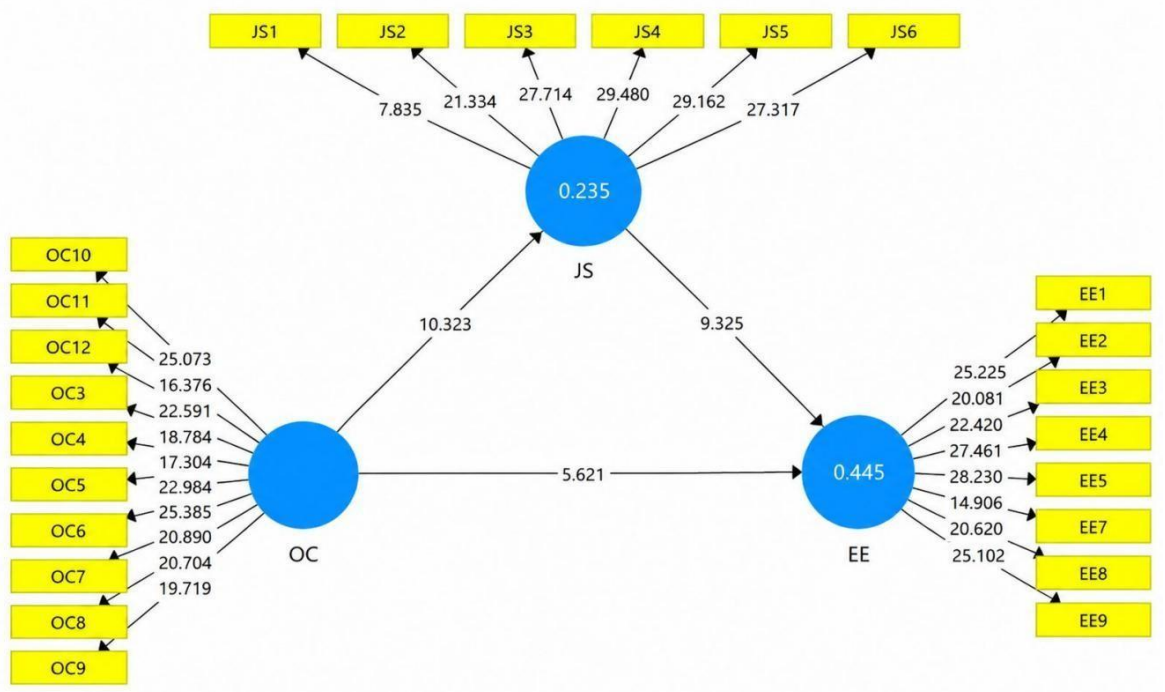


Figure 2. Structural model assessment

Table 4. Hypothesis Testing Results

Hypothesized Paths	Path Coefficient	Std. Error	T-value	P-value	Decision
JS -> EE	0.456	0.049	9.325**	0.000	Accepted
OC -> JS	0.485	0.047	10.323**	0.000	Accepted
OC -> EE	0.314	0.056	5.621**	0.000	Accepted
OC -> JS -> EE	0.221	0.032	6.965**	0.000	Accepted

Notes: **p _ 0.01; *p _ 0.05. JS = Job satisfaction; EE = Employee engagement; OC =Organization culture.

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4.3 Discussion

Hypothesis H1 stated that organizational culture exerts a significant positive impact on employee engagement. Outcome presented within Figure 2 and Table 4 demonstrated that organizational culture results in a meaningful favorable impact on employee engagement. Many researchers believe that organizational culture functions as a primary factor influencing employee engagement for individuals employed in the Indian IT and BPM industry (Akmalia et al., 2023). When a co-operative organizational culture characterized by involvement, consistency, adaptability, and mission is present, stronger emotional attachment and dedication toward work is delivered by the employees (Sangadji & Sopiah, 2013). Indian IT and BPM sector need to emphasize building value systems which promote collaboration, sharing, confidence, creativity, and harmony with organizational goals. These specific cultural methods establish a professional atmosphere where personnel feel recognized, inspired, and mentally linked to their work because organizational culture provides a sense of belonging (Bhatt et al., 2024). It has been observed that organizations possessing firm cultural foundations achieve better results in increasing the energy, loyalty, and concentration of staff members regarding their job related tasks. Observations from this investigation align with earlier scholarly work produced by Denison (1990), Schein (2004), and Schaufeli et al. (2002), which confirmed a helpful link between organizational culture and employee engagement. Social Exchange Theory supports this discovery by explaining that employees reciprocate favourable organizational conduct with optimistic workplace perspectives and habits, including increased levels of employee engagement (Cropanzano & Mitchell, 2005).
The hypothesized H2 proposed that organizational culture has a significant positive effect on job satisfaction. Researchers found that organizational culture has a great influence on job satisfaction among workers in the Indian IT and BPM industry (Fidyah & Setiawati, 2020). The data shows that workers who work in working institutions with helpful cultural values usually feel better job satisfaction regarding monitoring, talking, payment, working place, and teammate relationships (Saha & Kumar, 2018). Favorable working conditions are created by a positive organizational culture so that workers feel respected and supported by the organization (Sharma & Nambudiri, 2015). Organizations that help with employee participation, recognition, learning chances, and clear talking can reach higher levels of job satisfaction. Previous empirical studies which identified organizational culture as a strong predictor of employee's opinions are consistent with this result. Herzberg's Two-Factor Theory is supported by this result because positive workplace conditions help the overall job satisfaction of workers (Mukherjee, 2018).
The hypothesized H3 stated that job satisfaction has a significant positive effect on employee engagement. Data showed that job satisfaction strongly impacts employee engagement among workers in the IT and BPM sector. Physical, emotional, and cognitive energies are invested into working duties by employees who feel satisfied with their work experiences. Satisfied employees show more enthusiasm and dedication toward organizational goals because they feel happy with their work (Mohd et al., 2018). Keeping good working conditions and fair payment systems remains important while maintaining employee engagement levels. Organizations that make job satisfaction better will see more workforce commitment and motivation (Schaufeli et al., 2002). Social Exchange Theory agrees with this result even though workers respond to good experiences with better work attitudes. Previous studies which showed a strong relationship between job satisfaction and employee engagement in different places also align with this result (Blau, 1964).
The hypothesized H4 stated that job satisfaction significantly mediates the relationship between organizational culture and employee engagement. Research results proved that job satisfaction serves as a partial bridge between organizational culture and employee engagement. Organizational culture affects employee engagement through job satisfaction and also directly (Wei et al., 2011). Higher employee engagement is produced by a positive organizational culture through the increase of job satisfaction. Because the direct relationship is strong, organizational culture also touches employee engagement on its own. Organizations should emphasis on cultural values in addition to implementing practices that increase job satisfaction (Taormina, 2009). The partial mediation reflects that job satisfaction acts as an important mechanism through which organizational culture impacts employee engagement (Zhao et al., 2010). Both Herzberg's Two-Factor Theory and Social Exchange Theory agree with this result because positive workplace experiences shape how workers act. Therefore, job satisfaction explains why organizational culture helps create better employee engagement in the Indian IT and BPM industry (Burns, 1973).

5. Conclusion

The present study was conducted to analyze the connection between organizational culture and employee engagement where job satisfaction acts as a mediating factor for individuals in a working position within the Indian IT and BPM industry. Many people believe that organizational culture has a strong helpful effect on

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employee engagement and job satisfaction, because job satisfaction also produces a strong helpful impact on employee engagement (Upasna & Arora, 2024). This analysis proven that job satisfaction acts as a mediating factor for the relationship between organizational culture and employee engagement.

Evidence indicates that organizational culture holds a very important function for the way employee attitudes and actions are formed in knowledge-intensive industries (Pahuja et al., 2025). When a culture is defined by employee involvement, consistency, flexibility, and a clear mission, positive working experiences are created which make job satisfaction and employee engagement better (Saini & Ghai, 2015). It has been observed that individuals who see their work organizations as helpful, fair, and based on values will feel happy with their tasks and then show more energy and loyalty for organizational goals.

Academic literature regarding organizational behavior is expanded by this paper because the paper explains the way organizational culture affects employee engagement. Experts claim that job satisfaction is a path that connects organizational culture and employee engagement in the Indian IT and BPM sector. A complete structure for understanding employee attitudes was built by combining Denison's Organizational Culture Model and Herzberg's Two-Factor Theory (Agarwal et al., 2025).

From Managerial perspective, Individuals in leadership roles should spend resources to build helpful cultures while making job satisfaction better through good human resource practices. Many people believe that management must work on making environments where people participate, making communication systems stronger, and giving individuals in the workplace credit for their help. Employee satisfaction levels can be increased when these actions are taken, which makes employee engagement better.

In total, the research concludes that organizational culture and job satisfaction are vital organizational aspects for promoting employee engagement. Organizations that effectively align organizational values with employee expectations are more likely to build an engaged, motivated, and committed employees accomplished of supporting long-term organizational success in the dynamic and competitive IT and BPM industry.

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