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Organizational Culture and Employee Engagement in Multinational Corporations: An Empirical Study Based on the OCTAPACE Framework

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Abstract

In the contemporary knowledge-driven economy, organizational culture has emerged as a strategic determinant of employee engagement, innovation, talent retention, and organizational sustainability. Multinational corporations (MNCs), particularly those operating in highly competitive environments, increasingly recognize that a supportive and value-driven culture significantly influences employee attitudes and workplace behaviour. The present study examines the relationship between organizational culture and employee engagement among employees working in multinational companies in Delhi NCR. The study specifically investigates the influence of the OCTAPACE dimensions—Openness, Confrontation, Trust, Authenticity, Pro-action, Autonomy, Collaboration, and Experimentation—on employee engagement.

The study adopts an exploratory and descriptive research design using both primary and secondary data sources. Primary data were collected through structured questionnaires administered to employees of multinational companies in Delhi NCR. Out of 700 distributed questionnaires, 450 valid responses were used for final analysis. Statistical techniques including Pearson's correlation and multiple regression analysis were applied using SPSS.

The findings reveal that organizational culture has a significant positive relationship with employee engagement. Among the OCTAPACE dimensions, Trust, Openness, Authenticity, Collaboration, and Autonomy emerged as the strongest predictors of employee engagement. The study contributes to the growing literature on organizational behaviour by highlighting the strategic role of organizational culture in fostering an engaged workforce. The results provide practical implications for HR managers and organizational leaders seeking to enhance employee engagement and organizational effectiveness through culture-building initiatives.

Keywords: Organizational Culture, Employee Engagement, OCTAPACE, Multinational Companies, Human Resource Management, Workplace Culture.

Introduction

The rapidly changing global business environment has intensified the need for organizations to build resilient, innovative, and employee-centric workplaces. In this context, organizational culture has become a critical strategic resource that influences organizational effectiveness, employee well-being, innovation, productivity, and sustainability. Organizations today compete not only through technology and financial capital but also through their ability to create a work culture that motivates and engages employees.

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Organizational culture refers to the shared values, assumptions, beliefs, behavioural norms, and practices that shape how employees think, interact, and perform within an organization (Schein & Schein, 2021). A strong organizational culture creates alignment between organizational goals and employee behaviour, thereby enhancing commitment, trust, collaboration, and employee engagement.

Employee engagement has gained significant attention among researchers and practitioners because engaged employees contribute positively toward organizational performance, customer satisfaction, innovation, and reduced turnover intentions. Kahn (1990) conceptualized employee engagement as the psychological presence of employees in their work roles, characterized by emotional, cognitive, and physical involvement. Contemporary studies indicate that organizational culture acts as a major antecedent of employee engagement (Albrecht et al., 2021).

In multinational corporations (MNCs), where employees work in culturally diverse and highly competitive environments, organizational culture becomes even more significant. MNCs require adaptive and collaborative cultures that promote trust, autonomy, transparency, and continuous learning. Employees in such organizations seek meaningful work, recognition, psychological safety, and opportunities for professional growth.

Among various frameworks of organizational culture, the OCTAPACE culture developed by Udai Pareek and T.V. Rao has been widely used in the Indian organizational context. The OCTAPACE framework includes eight cultural dimensions—Openness, Confrontation, Trust, Authenticity, Pro-action, Autonomy, Collaboration, and Experimentation—that collectively create a developmental organizational climate.

The present study aims to examine the relationship between organizational culture and employee engagement among employees working in multinational companies in Delhi NCR. The study also seeks to identify the dimensions of organizational culture that most significantly influence employee engagement.

Review of Literature

Organizational Culture

The concept of organizational culture was first introduced by Jaques (1951), who described culture as the customary and traditional ways of thinking and acting within organizations. Later, Pettigrew (1979) emphasized that organizational culture comprises symbols, rituals, myths, and shared meanings that evolve over time.

Schein and Schein (2021) define organizational culture as a pattern of shared assumptions learned by a group while solving problems of external adaptation and internal integration. These assumptions are taught to new members as the correct way to perceive, think, and feel in relation to organizational issues.

Hofstede et al. (2010) conceptualized organizational culture as the collective programming of the mind that differentiates members of one organization from another. Similarly, Schneider,

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Ehrhart, and Macey (2013) identified organizational culture as a set of norms and values influencing employee behaviour and organizational effectiveness.

Recent studies have highlighted the role of organizational culture in enhancing innovation, employee well-being, organizational resilience, and sustainability (Pathiranage et al., 2020; Alvesson, 2016). Organizations with supportive cultures tend to experience higher employee satisfaction, stronger organizational commitment, and improved productivity.

OCTAPACE Culture

The OCTAPACE framework developed by Pareek and Rao is one of the most widely recognized models for understanding organizational culture in the Indian context. The eight dimensions are:

- **Openness:** Freedom to express ideas and communicate transparently.
- **Confrontation:** Facing issues and solving problems constructively.
- **Trust:** Mutual faith and confidence among employees and management.
- **Authenticity:** Congruence between feelings, actions, and communication.
- **Pro-action:** Initiative-taking and future-oriented thinking.
- **Autonomy:** Freedom to act independently within defined boundaries.
- **Collaboration:** Teamwork and collective problem-solving.
- **Experimentation:** Encouragement of innovation and risk-taking.

Studies suggest that OCTAPACE values create a positive organizational climate and facilitate employee development, organizational learning, and commitment.

Employee Engagement

Employee engagement refers to the emotional, cognitive, and behavioural connection employees have with their work and organization. Kahn (1990) introduced the concept as the harnessing of organizational members' selves to their work roles.

Schaufeli et al. (2002) conceptualized engagement through three dimensions: vigor, dedication, and absorption. Engaged employees exhibit high energy levels, enthusiasm, involvement, and persistence in their work.

Bakker and Albrecht (2018) argued that employee engagement is strongly associated with organizational performance, creativity, and employee well-being. Organizations with engaged employees generally report lower absenteeism, reduced turnover, and higher productivity.

Organizational Culture and Employee Engagement

Several empirical studies have established a positive relationship between organizational culture and employee engagement. Kalia and Verma (2017) found that organizational culture significantly influences employee engagement in the hospitality industry. Similarly, Bhavani et al. (2015) reported that employee-centric organizational cultures enhance employee involvement and organizational commitment.

Albrecht et al. (2021) observed that organizations promoting trust, collaboration, and supportive leadership demonstrate higher levels of employee engagement. Research by Ilyasa et al. (2018) further revealed that organizational culture directly influences employee engagement and knowledge sharing.

Despite substantial research globally, limited studies have examined the relationship between OCTAPACE culture and employee engagement specifically within multinational companies operating in India. This study attempts to address this research gap.

Research Gap

Although several studies have explored organizational culture and employee engagement independently, limited empirical research has examined the impact of OCTAPACE culture dimensions on employee engagement in multinational companies in the Indian context. Existing studies primarily focus on western organizational settings or sector-specific analysis. Therefore, this study attempts to provide empirical evidence regarding the influence of OCTAPACE culture on employee engagement among employees working in multinational companies in Delhi NCR.

Research Objectives

The present study is based on the following objectives:

1. To examine the relationship between organizational culture and employee engagement among employees working in multinational companies.
2. To analyze the influence of OCTAPACE culture dimensions on employee engagement.
3. To identify the organizational culture dimensions that significantly influence employee engagement.
4. To provide managerial implications for enhancing employee engagement through organizational culture.

Research Hypotheses

The following hypotheses were formulated for the study:

H1: Organizational culture has a significant positive relationship with employee engagement.

H2: OCTAPACE dimensions significantly influence employee engagement.

H3: Trust, openness, collaboration, and autonomy positively predict employee engagement.

Research Methodology

Research Design

The study adopts an exploratory and descriptive research design.

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Sources of Data

Both primary and secondary data were used for the study.

- **Primary Data:** Structured questionnaires administered to employees working in multinational companies in Delhi NCR.
- **Secondary Data:** Research articles, books, reports, journals, theses, and online databases.

Sampling Design

The study employed non-probability convenience sampling.

- Questionnaires distributed: 700
- Responses received: 525
- Valid responses analyzed: 450

Instrumentation

The questionnaire consisted of two sections:

1. Demographic details of respondents.
2. Statements measuring organizational culture and employee engagement.

Table 1: Scales used for Questionnaire

Name of the Scale	Developed/Adopted	Dimensions	No. of Items
Employee Engagement	Developed by Researcher	Pride and Energy	3
		Perceived Management Support	3
		Relationship with co workers	3
		Fairness and Equality	3
		Trust and Integrity	3
		Growth and Development Opportunities	3
		Commitment and Dedication	3
		Job Satisfaction	3
		Reward and Recognition	3
		Communication and Feedback	3
Organizational Culture (OCTAPACE)	Udai Pareek and T. V. Rao	Openness	5
		Collaboration	5
		Trust	5
		Authenticity	5

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		Pro-action	5
		Autonomy	5
		Confrontation	5
		Experimentation	5

Source: Author's compilation

Statistical Tools Used

Data analysis was performed using SPSS software. The following statistical tools were used:

- Descriptive statistics
- Pearson's correlation analysis
- Multiple regression analysis

Conceptual Framework

The study proposes that organizational culture dimensions (OCTAPACE) significantly influence employee engagement.

Independent Variables:

- Openness
- Confrontation
- Trust
- Authenticity
- Pro-action
- Autonomy
- Collaboration
- Experimentation

Dependent Variable:

- Employee Engagement

Results and Discussion

Correlation Analysis

Table 2: Pearson's Correlation for Relationship between Employee Engagement and Corporate Culture

Correlations								
	Openness	**Confrontation**	**Trust**	**Authenticity**	**Pro-action**	**Autonomy**	**Collaboration**	**Experimentation**
Pride and Energy	.210**	.271**	.330**	.274**	.187**	.227**	.176**	.239**

Perceived Management Support	.272**	.331**	.456**	.320**	.273**	.296**	.183**	.313**
Relationship with co-workers	.281**	.319**	.456**	.312**	.309**	.341**	.173**	.294**
Fairness and Equality	.369**	.420**	.500**	.342**	.256**	.371**	.249**	.350**
Trust and Integrity	.259**	.307**	.370**	.308**	.212**	.308**	.221**	.300**
Growth and Development opportunities	.269**	.365**	.498**	.376**	.271**	.402**	.214**	.376**
Commitment and Dedication	.232**	.361**	.420**	.353**	.260**	.335**	.231**	.279**
Job Satisfaction	.254**	.369**	.491**	.331**	.235**	.302**	.206**	.374**
Reward and Recognition	.355**	.389**	.477**	.283**	.244**	.295**	.224**	.274**
Communication and Feedback	.306**	.304**	.402**	.286**	.212**	.239**	.245**	.220**

**. Correlation is significant at 0.01 level (2-tailed).
*. Correlation is significant at 0.05 level (2-tailed).

The table above demonstrates the positive Pearson's correlation between all organizational culture aspects and employee engagement, which was significant at the 0.01 and 0.05 level of significance. Highest coefficient of correlation was found to be 0.500 between Fairness and Equality (employee engagement) and trust (organizational culture).

The results indicate that employees working in organizations characterized by openness, trust, authenticity, collaboration, and autonomy tend to exhibit higher levels of engagement, commitment, job satisfaction, and organizational loyalty.

Regression Analysis

Table 3: Results of Regression Model for Relation between OCTAPACE Variables and Employee Engagement Factors

		O	C	T	A	P	A	C	E
P&E	t	2.147	1.35	2.503	2.889	-0.013	2.178	2.519	-0.03
	p	0.032	**0.178**	0.013	0.004	**0.99**	0.03	0.012	**0.976**
PMS	t	2.588	1.664	4.986	2.706	-0.572	2.888	2.051	-1.381
	p	0.01	**0.097**	0	0.007	**0.568**	0.004	0.041	**0.168**
RCW	t	3.077	1.114	4.793	2.684	0.485	4.166	1.954	-0.821

	p	0.002	**0.266**	0	0.008	**0.628**	0	0.051	**0.412**
F&E	t	4.662	3.031	4.58	2.839	0.072	4.828	3.783	1.179
	p	0	0.003	0	0.005	**0.942**	0	0	**0.239**
T&I	t	3.065	1.375	2.238	3.38	-0.298	3.996	3.554	-0.883
	p	0.002	**0.17**	0.026	0.001	**0.766**	0	0	**0.378**
GDO	t	2.583	1.645	5.087	3.795	1.093	5.573	3.098	-0.437
	p	0.01	**0.101**	0	0	**0.275**	0	0.002	**0.662**
C&D	t	1.774	2.567	3.258	3.497	0.103	4.21	3.695	-1.09
	p	0.077	0.011	0.001	0.001	**0.918**	0	0	**0.276**
JS	t	1.584	2.675	6.075	2.169	1.328	2.729	2.493	-3.126
	p	**0.114**	0.008	0	0.031	**0.185**	0.007	0.013	0.002
R&R	t	4.373	2.718	5.203	1.719	2.215	2.861	3.103	-0.238
	p	0	0.007	0	**0.086**	0.027	0.004	0.002	**0.812**
C&F	t	4.244	0.832	3.555	3.21	1.848	2.071	3.99	0.158
	p	0	**0.406**	0	0.001	**0.065**	0.039	0	**0.874**

From table it can be observed that the **p value is greater than 0.05** for OCTAPACE variables such as: **Pro-action, Experimentation and Confrontation** in majority of employee engagement factors. Therefore, it can be said that these variables have comparatively no significant effect on the various dimensions of employee engagement at 5% level of significance.

On the other hand, the variables such as **Openness, Authenticity, Trust, Autonomy, and Collaboration** of organization culture are statistically significant at 5% significance level because for these variables **p value is less than 0.05** therefore, they have significant influence on the various factors influencing engagement of the employees.

Hence, from the above results, it can be said that out of all dimensions of organizational culture; some of the variables such as Openness, Authenticity, Trust, Autonomy, Collaboration have more impact on employee engagement as compared to other variables like Pro-action, Experimentation, Confrontation in most of the cases.

Discussion

The results align with earlier studies conducted by Albrecht et al. (2021), Kalia and Verma (2017), and Bhavani et al. (2015), which reported that organizational culture positively affects employee engagement.

The findings further support Social Exchange Theory, which proposes that employees reciprocate organizational support and trust through greater involvement and commitment. Employees who perceive fairness, openness, and collaboration within the organization are more likely to contribute positively toward organizational goals.

The study also emphasizes the relevance of OCTAPACE culture in contemporary organizations. In multinational companies where employees operate in diverse and dynamic environments, trust, transparency, autonomy, and collaboration become essential drivers of engagement.

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Managerial Implications

The study provides several practical implications for organizational leaders and HR professionals:

1. Organizations should cultivate trust-based relationships to improve employee engagement.
2. HR policies should encourage open communication and transparency.
3. Employee empowerment and autonomy should be enhanced through participative decision-making.
4. Organizations should create collaborative work environments that promote teamwork and innovation.
5. Continuous learning and development opportunities should be provided to employees.
6. Leadership development initiatives should focus on authenticity and emotional intelligence.

Conclusion

Organizational culture plays a pivotal role in shaping employee attitudes, behaviours, and engagement levels. The present study establishes that organizational culture significantly influences employee engagement among employees working in multinational companies in Delhi NCR.

Among the OCTAPACE dimensions, trust, openness, authenticity, collaboration, and autonomy emerged as the strongest predictors of employee engagement. Employees working in organizations characterized by transparency, mutual trust, empowerment, and teamwork demonstrate greater commitment, satisfaction, motivation, and organizational involvement.

The study concludes that organizations seeking sustainable competitive advantage must focus on building positive organizational cultures that foster employee engagement and well-being. In the era of globalization and workforce transformation, organizational culture has become a strategic tool for attracting, retaining, and engaging talent.

Limitations of the Study

1. The study was limited to multinational companies operating in Delhi NCR.
2. The study used non-probability sampling, which may limit generalizability.
3. Responses were based on employee perceptions and may involve response bias.
4. The study focused only on OCTAPACE dimensions of organizational culture.

Future Research Directions

1. Future studies may include comparative analysis across industries.
2. Researchers may explore the mediating role of leadership, psychological safety, or job satisfaction.
3. Longitudinal studies can be conducted to examine changes in organizational culture over time.

4. Future research may examine the role of digital transformation and hybrid work culture on employee engagement.

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