THE IMPACT OF REMOTE WORK ON EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL CULTURE

Dr Pooja Sharma,

Asst Prof, Institute of Management Sciences,Lucknow.

University of Lucknow

ABSTRACT

The shift towards remote work has brought about significant changes in employee engagement and organizational culture. Remote work arrangements, enabled by advancements in technology and changing attitudes towards flexible work arrangements, have revolutionized the traditional workplace dynamic. Remote work offers benefits such as increased independence and reduced stress from commuting, but it also presents challenges in maintaining employee engagement and developing a strong organisational culture. Employee engagement and collaboration may deteriorate as a result of physical distance between them. Moreover, the absence of face-to-face interactions may hinder the development of interpersonal relationships and the transmission of organizational values, thereby affecting organizational culture. However, organizations can mitigate these challenges through deliberate efforts to promote virtual communication, collaboration tools, and employee recognition programs tailored to remote work environments. Cultivating a sense of belonging and shared purpose through virtual team-building activities, regular check-ins, and transparent communication channels can help maintain employee engagement and strengthen organizational culture in remote settings. By embracing remote work as a permanent or hybrid model, organizations have the opportunity to redefine their approach to employee engagement and organizational culture, fostering a more inclusive and adaptable work environment that aligns with the evolving needs and preferences of their workforce.

Keywords: *Remote Work, Work From Home, COVID-19, Employee Performance, Employee Motivation, Employee Engagement Millennial*

1. INTRODUCTION

Due in part to the COVID-19 epidemic, remote work is becoming increasingly popular in today's globalised and technologically advanced society. Understanding the effects of remote work on employee

Journal of Interdisciplinary and Multidisciplinary Research

Email:- researchjimr@gmail.com, https://www.jimrjournal.com/

(An open access scholarly, peer-reviewed, interdisciplinary, monthly, and fully refereed journal.)

578

engagement and corporate culture has emerged as a critical area of research as businesses adapt to changing circumstances and embrace flexible work arrangements. Employee engagement refers to workers' emotional commitment to their professions and businesses, and it is critical for encouraging innovation, productivity, and overall organisational success. organizational culture encompasses the shared values, beliefs, and behaviours that characterize an organization, influencing employee satisfaction, retention, and performance.

The shift towards remote work has significant implications for both employee engagement and organizational culture. On one hand, remote work offers employees increased flexibility, autonomy, and work-life balance, potentially leading to higher levels of engagement and job satisfaction. Remote work can empower employees to manage their time more effectively, reduce commuting stress, and create a conducive environment for focused work. However, it also presents challenges such as feelings of isolation, communication barriers, and difficulty in maintaining social connections with colleagues, which can negatively impact engagement and sense of belonging. Remote work may reshape organizational culture by redefining norms around communication, collaboration, and performance evaluation. Virtual interactions and digital communication platforms may alter traditional modes of interaction, requiring organizations to adapt their cultural norms and practices accordingly. Additionally, remote work may foster a culture of trust, autonomy, and results-oriented performance, where employees are evaluated based on outcomes rather than physical presence.

Given the complexities of the interactions involved, it is critical to investigate the full spectrum of consequences that remote work has on corporate culture and employee engagement. Organisations can develop strategies to harness the benefits of remote work while limiting the drawbacks by understanding the elements that drive engagement in remote contexts. By investigating the complicated relationship between remote work, employee engagement, and organisational culture, this study hopes to advance our understanding of the subject and provide organisations with important information as they negotiate the changing nature of work in the digital age.

Need of the Study

The need for this study arises from the increasing prevalence of remote work in contemporary organizational settings, accelerated by the COVID-19 pandemic. As the number of staff working remotely grows, it is critical to understand the effects on employee engagement and organisational culture. The impact of remote work on employee engagement may be significantly diminished. It offers certain

advantages, like as freedom and flexibility, but it also has some disadvantages, including loneliness and communication difficulties. Understanding how remote work affects employee engagement is crucial for firms striving to maintain high levels of productivity and employee happiness in virtual environments. organizational culture plays a vital role in shaping employee attitudes, behaviors, and performance. The shift to remote work may necessitate a reevaluation of cultural norms and practices to ensure alignment with the realities of virtual workspaces. Exploring the impact of remote work on organizational culture can provide insights into how organizations can cultivate a positive and inclusive culture in distributed settings.

As remote work becomes more common, organisations must adapt their policies, processes, and leadership styles to support remote teams. This study intends to provide evidence-based strategies for businesses transitioning to remote work and leveraging the benefits of virtual work arrangements by increasing our understanding of the links between remote work, employee engagement, and organisational culture.

Digitalization in the Banking Industry

Remote work significantly influences employee engagement, impacting their emotional commitment and motivation towards their work and organization. While remote work offers flexibility and autonomy, it also introduces challenges such as feelings of isolation and communication barriers. Studies have shown that remote employees may struggle with maintaining a sense of connection with their colleagues and the organization, which can negatively impact their engagement levels. Factors such as clear communication, effective leadership, and opportunities for social interaction play crucial roles in fostering employee engagement in remote work settings. If businesses wish to develop strategies that promote a good work environment, boost employee satisfaction, and drive organisational success in virtual settings, they must first understand how remote work influences employee engagement.

Remote Work and Organizational Culture

Remote work has a profound impact on organizational culture, reshaping norms, values, and communication patterns within the organization. The transition to remote work often necessitates a reevaluation of traditional cultural elements, such as shared rituals, symbols, and social interactions. Virtual work environments may foster a culture of trust, autonomy, and results-oriented performance, where employees are evaluated based on outcomes rather than physical presence. However, remote work

can also challenge aspects of organizational culture, such as collaboration, teamwork, and cohesion, which are typically facilitated through in-person interactions. Maintaining a strong organizational culture in remote settings requires intentional efforts to nurture relationships, reinforce cultural values, and foster a sense of belonging among remote employees. Strategies such as regular virtual meetings, virtual team-building activities, and transparent communication channels can help sustain organizational culture in a remote work environment. Understanding the interplay between remote work and organizational culture is crucial for organizations to effectively navigate the transition to virtual workspaces while preserving their cultural identity and values.
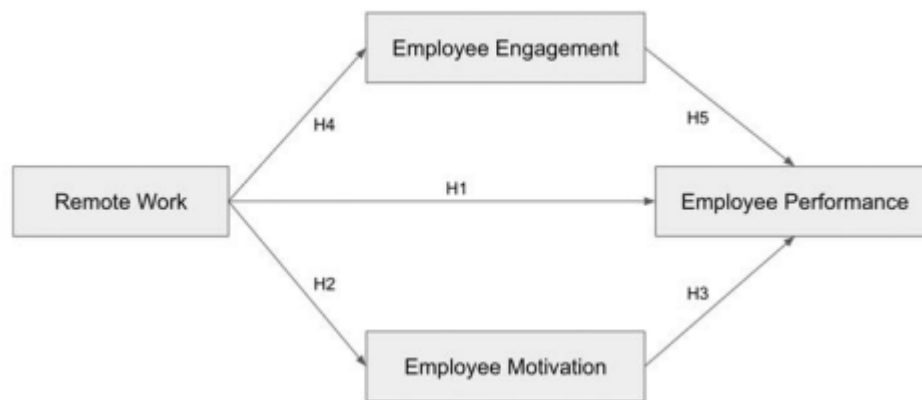

Figure 1: Conceptual Model

2. Literature Review

Adisa, T. A.,et al (2021) This qualitative study examines the relationship between remote working and employee engagement among British workers amidst the COVID-19 pandemic. Through in-depth interviews and thematic analysis, the study explores how remote work has influenced employees' levels of engagement, satisfaction, and overall well-being. By focusing on the experiences and perspectives of British workers, the research aims to uncover the unique challenges and opportunities associated with remote working in the context of the pandemic. To better understand their impact on employee engagement in remote work scenarios, key themes such as work-life balance, effective communication, and organisational support are discussed. The findings contribute to the existing body of literature on remote work and employee engagement by providing sophisticated insights into employees' real-world

experiences throughout this historic period. the study aims to inform organizational policies and practices to support employee engagement and well-being in remote work environments.

Anand, A. A.,et al (2022) Employee engagement in remote work situations is influenced by a number of complex, virtual environment-specific factors. While remote work may be flexible and provide employees more freedom, it can also make it more difficult for them to feel like they belong. With the increasing popularity of virtual connections replacing in-person encounters, good communication is important to maintaining engagement. Employers must establish clear expectations, provide regular feedback, and facilitate opportunities for social interaction to keep employees engaged. Furthermore, promoting a positive work culture remotely requires intentional efforts to build trust, support collaboration, and recognize employee contributions. Providing resources for professional development and promoting work-life balance are also essential for sustaining engagement in remote settings. Additionally, technology plays a crucial role in facilitating remote work and enhancing employee engagement. Utilizing collaboration tools, virtual team-building activities, and digital platforms for recognition and communication can help bridge the distance and foster a sense of community among remote employees. Overall, employee engagement in a remote working scenario hinges on effective communication, supportive leadership, a positive work culture, and leveraging technology to facilitate connections and collaboration among remote teams.

Atoko, S. R. (2021). The Coronavirus (COVID-19) pandemic precipitated an unprecedented global shift towards remote working, prompting organizations to grapple with its impact on employee performance. Remote working, while offering newfound flexibility and autonomy, has presented a mixed bag of challenges and opportunities in this regard. On one hand, the absence of office distractions and reduced commuting time have enabled some employees to enhance their productivity and efficiency. The ability to structure their workday according to individual preferences has empowered workers to optimize their time and energy towards task completion. However, remote work also introduces hurdles that can impede employee performance. The virtual nature of remote work may lead to communication barriers, hindering effective collaboration and decision-making processes. Moreover, the lack of face-to-face interaction can exacerbate feelings of isolation and disconnection, impacting morale and motivation levels. The blurred boundaries between work and personal life further compound these challenges, potentially resulting in burnout and diminished productivity. Consequently, organizations must navigate these complexities to

establish strategies and support systems that foster employee well-being and performance in the remote work landscape shaped by the COVID-19 pandemic.

Bakker, A. B., & Bal, M. P. (2010). The study focusing on weekly work engagement and performance among starting teachers delves into a critical aspect of organizational dynamics, particularly within the educational sector. As starting teachers embark on their careers, understanding the intricacies of their weekly work engagement and its subsequent impact on performance becomes paramount. Through a granular examination of engagement levels throughout the week, the research illuminates how variations in engagement influence day-to-day performance outcomes. This nuanced perspective offers valuable insights into the factors shaping productivity and job satisfaction among this demographic. Moreover, by honing in on starting teachers, who may face unique challenges during the early stages of their careers, the study provides targeted insights that can inform tailored interventions and support strategies. Ultimately, the findings contribute to the broader understanding of employee engagement and performance dynamics, offering actionable recommendations for educators, administrators, and policymakers seeking to enhance outcomes in educational settings.

3. METHODOLOGY

This study seeks to investigate how remote work during the COVID-19 pandemic has influenced the performance, motivation, and engagement of millennial employees at PT Bank Mandiri (Persero) Tbk in Indonesia. Specifically focusing on individuals born between 1980 and 2000 who have previous experience with remote work, the research employs a quantitative cross-sectional approach utilizing surveys for data collection. The sampling method chosen is purposive, targeting millennial employees who have engaged in remote work. The questionnaire comprises 19 questions, each corresponding to one of four constructs: employee engagement, employee performance, employee motivation, and the effectiveness of remote work. The constructs under examination are derived from established measuring scales, with items adapted from prior studies to gauge remote work effectiveness, employee performance, motivation, and engagement. Respondents utilize a Likert scale spanning from 1 to 5 to indicate their agreement levels, where 1 signifies "strongly disagree" and 5 signifies "strongly agree." This research design facilitates a thorough exploration of the correlation between remote work and employee outcomes within the millennial demographic, furnishing organizations with valuable insights for managing remote work setups.

In order to process all of the information that was gathered from the responders, SmartPLS-3 was utilized. Validity and reliability tests were conducted beforehand to assess the accuracy and consistency of the indicators within each variable being measured, ensuring the effectiveness of the data. Furthermore, multivariate analysis is employed to examine the relationship between remote work, employee performance, motivation, and engagement within the context of PT. Bank Mandiri.

4. DATA ANALYSIS

a. Respondent Characteristics

Out of the total 395 respondents from PT. Bank Mandiri (Persero) Tbk who participated in the questionnaire administered via Google Form, 367 were selected for the study based on specific criteria. These criteria required respondents to be born between 1980 and 2000 and to have experienced remote work during the COVID-19 pandemic. Among these selected respondents, approximately 44% are employed within the Greater Jakarta Area. In terms of demographics, the majority of respondents working from home during the pandemic are male, accounting for 57% of the sample. Furthermore, the age group most represented is between 21 and 35 years old, comprising 87% of the respondents. Regarding tenure at the bank, 39% of respondents have been with the bank for one to five years, while 34% have worked there for six to ten years. Marital status among the respondents is evenly distributed, with 49% being married and an equal proportion being unmarried, totaling 180 respondents each.

b. Descriptive Statistics

Through a descriptive analysis of the variables encompassing remote work, employee performance, work motivation, and work engagement, the average values for each were determined based on the responses of the participants. The results indicate a prevailing consensus among respondents, with remote work (RM) scoring an average value of 4.14, showcasing widespread agreement with the statement items related to remote work. the average value for employee performance (EP) stands at 4.33, suggesting a high level of agreement among respondents regarding their performance at work. This is further supported by the mean value of 4.18 for employee motivation (EM), indicating a strong perception among respondents regarding the significance of motivation in their work. Furthermore, the average value of 4.33 for employee engagement (EE) reflects a high regard for their level of engagement in their workplace among the respondents. Overall, these findings suggest a positive outlook on remote work, performance, motivation, and engagement among the surveyed employees.

c. Validity and Reliability Test (Measurement Model)

As per Sreejesh et al. (2014), The validity of a measurement scale is determined by its ability to accurately measure the intended constructs. Construct validity, as defined by Lo et al. (2001), ensures that the measurement model aligns with the conceptual framework required for the study. To evaluate the quality of measurement instruments, the study assessed convergent and construct validity using Factor Loading and Average Variance Extracted (AVE). According to Hair et al. (2019), a factor loading score exceeding 0.5 in relation to the average variance extracted (AVE) indicates satisfactory validity. Additionally, the research project included a test of discriminant validity, which examines the correlation between each construct and its indicators, as well as indicators from other constructs. Adequate discriminant validity is achieved when the correlation between a construct and its indicators is stronger than the correlation with indicators from different constructs.

The study utilized the composite reliability (CR) method to assess the trustworthiness of the elements constituting each variable. According to Hair et al. (2021), a CR value of 0.7 or higher indicates that all items on the scale measure the same construct effectively. Additionally, Cronbach's Alpha coefficient, widely used for determining internal consistency, is particularly suitable when employing the Likert-scale technique in research (Taherdoost, 2016). It signifies the extent to which a set of items are closely interrelated. Hair et al. (2019) suggest that an alpha score exceeding 0.6 indicates reliability for each variable. The outer loadings of each item, presented in Table 1, demonstrate that every measuring item has a factor loading score exceeding 0.5, and all possess AVE values surpassing 0.5. Moreover, the reliability and validity test, as depicted in Table 2, incorporates scores of Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). Importantly, the Fornell-Larcker criteria for each variable exceed the average value of cross-loadings, confirming the validity of all components within the constructs. Furthermore, the results of the test reveal that each variable exhibits Cronbach's alpha scores above 0.6 and CR values exceeding 0.7. Based on these findings, it can be concluded that every measurement item demonstrates reliability.

Table 1. Outer loading of each Indicator in the measurement model items

Category	Item	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Employee Engagement	EE1	0.892	0.902	0.721
	EE2	0.9		
	EE3	0.871		
	EE4	0.741		
	EE5	0.831		
Employee Motivation	EM1	0.739	0.761	0.579
	EM2	0.74		
	EM3	0.813		
	EM4	Removed		
	EM5	0.749		
Employee Performance	EP1	0.854	0.921	0.716
	EP2	0.849		
	EP3	0.843		
	EP4	0.84		
	EP5	0.859		
	EP6	0.832		
Remote Working	RM1	0.738	0.706	0.529
	RM2	0.748		
	RM3	0.677		
	RM4	0.743		

Table 2. Discriminant Validity Test (Fornell-Larcker Criterion)

	Employee Engagement	Employee Motivation	Employee Performance	Remote Working
Employee Engagement	0.849	0.683	0.719	0.581
Employee Motivation	0.683	0.761	0.729	0.638
Employee Performance	0.719	0.729	0.846	0.586
Remote Working	0.581	0.638	0.586	0.727

In the Table correlation matrix illustrates the relationships between Employee Engagement, Employee Motivation, Employee Performance, and Remote Working. Each coefficient denotes the strength and direction of the correlation between pairs of variables. For instance, the moderate positive correlations between Employee Engagement and Employee Motivation (0.683) and between Employee Performance and Remote Working (0.586) indicate that changes in one variable are associated with changes in the other in a similar direction. This analysis aids in understanding how these key factors interrelate within the context of the study, offering valuable insights for further research or decision-making processes.

Hypothesis Test (Structural Model)

To determine the t-values, a bootstrap method was utilized as the methodology of choice. The connections between working remotely, employee motivation, employee engagement, and employee performance are illustrated in Figure 3. For any path coefficient to be considered significant, the t-statistics must be greater than or equal to the t-table value of 1.967. A confidence level of 95% was utilized in the research, and the p-value of the analysis had to be greater than 0.05 in order for it to be regarded genuine. The results of the results of the hypothesis testing for direct and indirect effects are presented in Table 2.
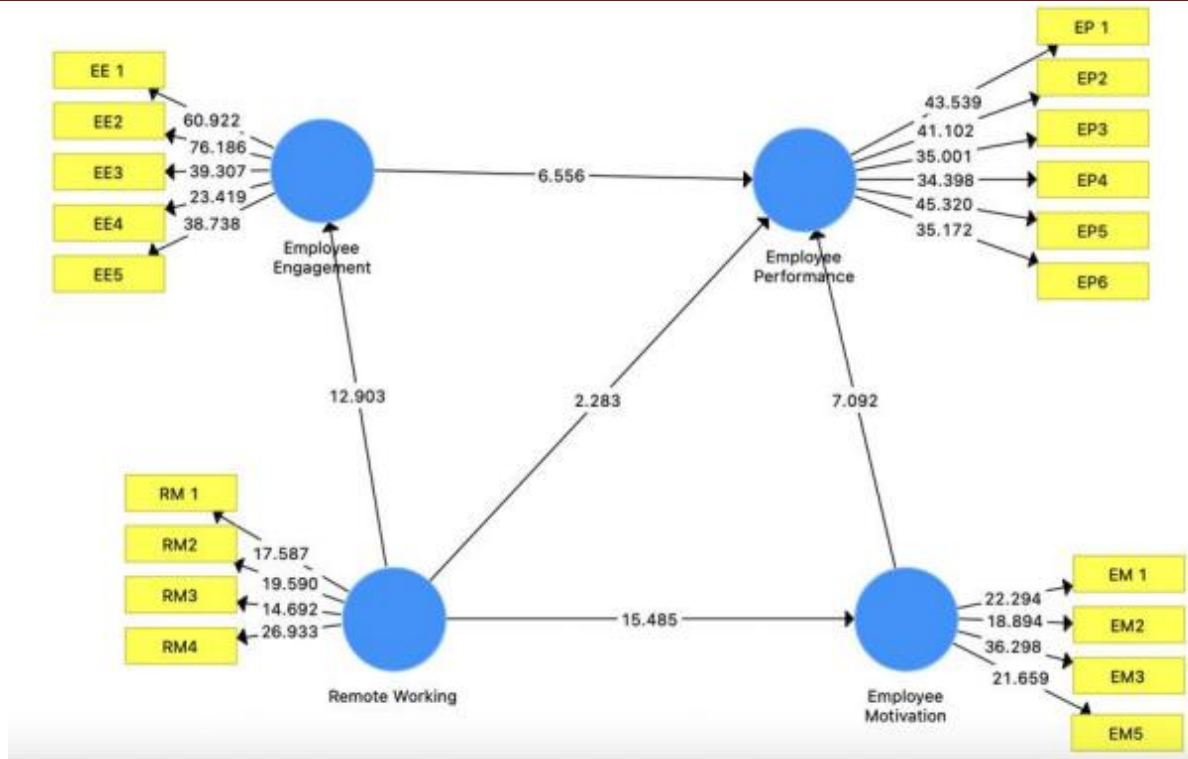
Figure 3: Research Model

5. CONCLUSION

The evolving landscape of remote work presents both challenges and opportunities for organizations striving to maintain high levels of employee engagement and a strong organizational culture. As remote work becomes increasingly prevalent, further research is essential to deepen our understanding of its impact in these areas. By exploring the long-term effects, dynamics of virtual teams, role of leadership, influence of technology, and impact on work-life balance, researchers can provide valuable insights for organizations navigating the transition to remote work. Longitudinal studies tracking changes over time will offer valuable perspective on how remote work arrangements evolve and shape employee engagement and cultural norms. the unique dynamics of virtual teams and identifying effective communication strategies will be critical for fostering engagement and cultural cohesion in remote settings. insights into the role of leadership in supporting remote teams and nurturing a positive organizational culture will guide leadership development efforts in remote work environments. examining the influence of technology on remote work experiences will inform decisions about digital infrastructure and tools to enhance engagement and cultural alignment. Lastly, understanding the impact of remote work

on work-life balance will help organizations prioritize employee well-being while maintaining productivity and engagement. further research in these areas will provide evidence-based strategies for organizations to optimize remote work practices, ensuring that they continue to foster strong employee engagement and a vibrant organizational culture in an increasingly remote world.

Limitations and Further Study Recommendations

Limitations arise in the implementation of remote work, potentially hindering its effectiveness in fostering employee engagement and preserving organizational culture. Among these limitations are the risk of isolation and disconnection among remote workers, which can erode engagement and cultural cohesion. Technological barriers and disparities in resource access may impede seamless communication and collaboration within remote teams. Moreover, the blurred boundaries between work and personal life inherent in remote settings can lead to burnout and decreased engagement over time. The swift transition to remote work prompted by global events may introduce unique factors necessitating further exploration to fully grasp their impact on engagement and culture.

Addressing these limitations calls for targeted research endeavors. Qualitative inquiries into the experiences and perspectives of remote workers can shed light on their challenges and coping mechanisms. Longitudinal studies tracking remote work trends can offer insights into the evolution of engagement levels and cultural dynamics over time. Experimental research testing interventions like virtual team-building activities or tailored leadership development programs can yield evidence-based strategies for bolstering engagement and nurturing a positive culture remotely. Comparative studies contrasting engagement and cultural outcomes across different work arrangements—fully remote, hybrid, and traditional in-person—can identify best practices for organizations navigating remote work transitions while sustaining robust engagement and vibrant cultures.

Suggestions for Further Research

Further research on the impact of remote work on employee engagement and organizational culture could delve into several areas. Investigating the long-term effects would provide valuable insights into how remote work arrangements evolve over time and how they shape employee engagement and cultural dynamics in the organization. Longitudinal studies could track changes in engagement levels and cultural norms as remote work becomes more prevalent and ingrained in organizational practices. Exploring the dynamics of virtual teams would offer a deeper understanding of how different team structures and

communication strategies impact employee engagement and cultural cohesion. This could involve comparing fully remote teams with hybrid or traditional in-person teams to identify best practices for fostering engagement in remote settings. Additionally, examining the role of leadership in remote work environments could uncover effective leadership practices for cultivating engagement and shaping culture from a distance. Understanding how leaders can effectively support remote teams and nurture a positive organizational culture will be crucial for the long-term success of remote work initiatives. Investigating the influence of technology on remote work experiences would shed light on how digital tools and platforms contribute to employee engagement and cultural alignment in virtual settings. Finally, exploring the impact of remote work on work-life balance could provide insights into how flexibility, autonomy, and boundaries between work and personal life influence engagement and cultural dynamics in remote teams. By addressing these areas, researchers can contribute to a more comprehensive understanding of how remote work shapes employee engagement and organizational culture, ultimately informing strategies for optimizing remote work practices.

REFERENCES

1. Adisa, T. A., Ogbonnaya, C., & Adekoya, O. D. (2021). Remote working and employee engagement: a qualitative study of British workers during the pandemic. Information Technology & People.

2. Agbozo, G. K., Owusu, I. S., Hoedoafia, M. A., & Atakorah, Y. B. (2017). The effect of work environment on job satisfaction: Evidence from the banking sector in Ghana. Journal of human resource management, 5(1), 12-18.

3. Ahluwalia, A. K., & Preet, K. (2017). The Influence of Organizational Commitment on Work Motivation: A Comparative Study of State and Private University Teachers. IUP Journal of Organizational Behavior, 16(2).

4. Allen, T. D., Golden, T. D., & Shockley, K. M. (2015). How effective is telecommuting? Assessing the status of our scientific findings. Psychological science in the public interest, 16(2), 40-68.

5. Anand, A. A., & Acharya, S. N. (2022). Employee Engagement in A Remote Working Scenario. INTERNATIONAL RESEARCH JOURNAL OF BUSINESS STUDIES, 14(2), 119-127.

6. Anwar, A., Kee, D. M. H., Salman, A., & Jabeen, G. (2021). Impact of Covid-19 social media news on employee behavior: The mediating role of psychological well-being and depression. Asian Education and Development Studies. https://doi.org/10.1108/AEDS-07- 2020-0159).

7. Atoko, S. R. (2021). The Impact of Remote Working on Employee Performance During the Coronavirus (COVID19) Pandemic. International Journal of Economics, Commerce and Management. 9(2).

8. Bakker, A. B., & Bal, M. P. (2010). Weekly work engagement and performance: A study among starting teachers. Journal of occupational and organizational psychology, 83(1), 189-206.

9. Bannon, S., Ford, K., & Meltzer, L. (2011). Understanding millennials in the workplace. The CPA Journal, 81(11), 61.

10. Bawono, I. R., Setyadi, E., & Hamid, S. A. (2020). Work motivation effect on state civil apparatus performance during WFH with discipline variable. AKRUAL: Jurnal Akuntansi, 11(2), 110-121.

11. Becton, J. B., Walker, H. J., & Jones-Farmer, A. (2014). Generational differences in workplace behavior. Journal of Applied Social Psychology, 44(3), 175-189. Boyatzis, R. E. (2008). Competencies in the 21st century. Journal of management development, 27(1), 5-12.

12. Cabell, J., Wood, K., High, C., Cooper, A., Dogan, I., Gannon, M., Ragsdale, J. and Gruys, K. (2022) Staying in touch during COVID-19: How communication methods varied by age and COVID-related experiences, Qualitative Research Reports in Communication, Prepublication, pp. 1-13.

13. Clark, M. A., Michel, J. S., Stevens, G. W., Howell, J. W., & Scruggs, R. S. (2014). Workaholism, work engagement and work–home outcomes: Exploring the mediating role of positive and negative emotions. Stress and Health, 30(4), 287-300.

14. Conway, J.M. (1999). Distinguishing contextual performance from task performance for managerial jobs. Journal of Applied Psychology, 84(3), 3–13.

15. Dajani, D., & Zaki, M. A. (2015). The impact of employee engagement on job performance and organisational commitment in the Egyptian banking sector.