Hospital Pharmacist’s Employee Engagement Fully Mediate the Organization Culture to Their Innovative Behavior and Individual Performance

Ahmad Muhtadi1, Indah L. Hilmi2, Supriyatna1, Angga P. Kautsar2, Sunu Widianto3, Rizky Abdulah4
1Faculty of Pharmacy, Universitas Padjadjaran, Indonesia.
2Department of Pharmacy, PINDAD General Hospital, Bandung, Indonesia.
3Faculty of Economics and Business, Universitas Padjadjaran, Indonesia.
*Corresponding author’s E-mail: muhtadi1955@gmail.com

Accepted on: 31-08-2013; Finalized on: 31-10-2013.

ABSTRACT

Hospital pharmacy as organization comprises several human resource critical issues related to organization success. The aim of the research is to examine relationships between organizational culture, employee engagement, innovative behavior and individual performance. Survey is conducted to 155 hospital pharmacy employees by distributing questions directly or by online survey. Data was analyzed by path analysis. The most distinguishing feature is that relationship from organization culture on innovative behavior and individual performance did not show positive influence by the t-value is below 1.620. However, the finding shows that organizational culture showed positive influence on employee engagement as mediator by the t-value 8.158. From employee engagement to innovative behavior and individual performance showed positive influence by the t-value 2.699 and 3.869. It can be concluded that hospital pharmacy employees’ organization culture showed positive influence on innovative behavior and individual performance through their engagement to the organization. This is proving that from some literatures explained those relationships is worked and also proved by statistic. In contrast, organization culture on both innovative behavior and individual performance did not show positive influence in direct way.

Keywords: Employee engagement, Innovative behavior, Individual performance, Organizational culture, Path analysis.

INTRODUCTION

Inside the hospital pharmacy, there could be occurred influence from organization culture on employees and some factors come from internal as well as external of organization. If employees were able to understand well organization culture then employee engagement will be improved as well.3 Organization culture involved of innovative behavior and individual performance of their organization members that could be influence work and operating outcomes.2

There was very close relationship between organization culture and behavior.3 Related to last variable was mentioned, there were many studies explain about relationship between behavior and leadership. In the recent study, term innovative behavior was used to explain more than only behavior. It was defined as a form of behavior of generating new ideas from hospital pharmacy employees related to hospital effectiveness of outcome.

Employee engagement consists of some levels in how they engaged start in on from the weak to stronger. Employee who has high involvement could bring organization success.4 To understand more and place self on to strong level of engagement then some of them through their positive perspective behavior could bring as well as in organization success.

Organization culture correlates with leadership where there was influence from empowering leadership on organization performance.5 Although it was seem like simple relationship, in fact that relationship is very complicated.

Organizational performance outcomes are influenced positively by employee engagement conforming financial profit for hospital that has been managed well.6 To measure individual performance influenced by employee engagement as mediator, furthermore use same tools for performance as an organization.

As an integral part of health service provider, hospital pharmacy has play important roles to support the clinical service given to the patients. In fact, in some countries hospital pharmacy contribute significantly to the hospital’s income. To provide the excellent pharmaceutical services, hospital pharmacy needs to manage their human capitals and working environment, because they will determine the success of other areas. It is widely reported a more engaging employee will lead to a greater efficiency and operational performance of hospital pharmacy. Employee engagement, however, is below optimal, especially in a profession that requires significant dedication and energy.7 With this background, the purpose of the study is to examine relationships between organizational culture, employee engagement, innovative behavior and individual performance. Subsequently, perhaps it can be seen the influence between those variables, particularly for the availability of the mediator.
Literature Review and Hypotheses

Organization Culture

Organization culture and the close term and suitable for this article is “assumptions, values, behaviors, and attitudes common in healthcare settings are rooted in traditions and are strictly adopted by the personnel”. In every organization consciously or not it must be a culture that we call organizational culture. To get deeper definition about organization culture we have to know the term “culture” and it has been pointed out that the term “culture” alludes to two “critical elements”: structural stability and integration. The first element, structural stability, refers to a set of commonly held beliefs “deep” within the organization, not easily identifiable when viewing surface behaviors and practices. These deeply held beliefs and/or values distinguish one organizational culture from another and establish the organization’s identity. The second element, integration, as the numerous of behavior patterns “rituals, climates, and values” is combining to mold of organization’s identity.

In this definition simply means culture in an organization cannot be realized without good and pervasive communication between the members. That definition a little bit different with definition by Frost et al (1985) in Schein (2004) ‘definition’ of organizational culture: ‘Talking about organizational culture seems to mean talking about the importance for people of symbolism – of rituals, myths, stories and legends – and about the interpretation of events, ideas, and experiences that are influenced and shaped by the groups within which they live.

Strong culture showed high agreement among members about what it maintained organization. Matters related an organization that may be driving employee engagement is organizational culture, vision and values of brand’s organization. Vision and organizational culture of an organization will have a positive impact for the creation of employee engagement. This will give the perception of employees that they have the support and leadership of the organization.

In relation with employee engagement, organizational culture can be thought of as a potential outcome to a positive organizational culture.

Employee Engagement

One of the most inordinate concerns relating to the concept of employee engagement is that there is no clear description. If we take a cross section of employee engagement descriptions from practitioners, corporations, and scholarly researchers you will find wide-ranging variations. Therefore, anyone interested in incorporating employee engagement into their business be required to first establish which definition to apply and next what that definition means to the rest of the business.

Some of the earliest work on engagement and definition of engagement described as, “the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. The Gallup Organization defined engaged employees as those who, “work with a passion and feel a profound connection to their company” and “drive innovation and move the organization forward”. Function of employee engagement is become a complex concept, with many issues influencing engagement levels. Consequently, there are many pathways to foster engagement, with no one 'kit' that fits all organizations. In other definition defined employee engagement basically as ‘passion for work’, a psychological condition which is seen to encompass the three dimensions of engagement discussed by Kahn (1990), and captures the common theme running through all these definitions.

However with very different situation and condition in each company, they may define employee engagement differently; ultimately, the key to effective engagement will be rooted in the flexibility of approach most appropriate for each individual firm. For example, in a research evaluated workers’ opinions of their organizations with regard to “green” initiatives. The latest research suggests that an organization’s business choices that support the environment such as recycling, energy conservation and vendor selection have a significant influence on employees’ engagement levels and views of senior management.

Innovative Behavior

Definition of innovative behavior is "an employee's intentional introduction or application of new ideas, products, processes, and procedures to his or her work role, work unit, or organization". Examples of such behavior include searching out new technologies, suggesting new ways to achieve objectives, applying new work methods, and investigating and securing resources to implement new.

The concept for innovative behavior is a complex behavior consisting of activities pertaining to both the generation /introduction of new ideas (either by oneself or adopted from others) and the realization or implementation of new ideas. Amabile (1988) described innovative as behavior pertaining to the generation of ideas that are both novel and useful.

The concept of culture has been found useful in explaining the achievement of broad organizational goals such as innovation, service, and quality enhancement.

In particular, employee innovative behavior (e.g., developing, adopting, and implementing new ideas for products and work methods) is an important asset that enables an organization to succeed in a dynamic business environment.
Individual Performance

Group and individual performance are different. The superiority of groups over individuals in abstract tasks seemed to be due mainly to the aggregation of member resources. When the task was difficult, group members pooled and integrated their resources and corrected each other’s errors. For easy tasks, performance was often determined by one competent member. The group’s size increased its probability of containing at least one member who could solve the problem. For multiple stage problems, groups had a greater probability than did individuals that at least one member would be able to solve each stage. It should be noted, however, that the concept of probability implies that highly competent members would be uncommon if the distribution of abilities followed a normal curve.

Sometimes individual performance is influenced by the perception of understanding of an event for example Meyerson (1991) argue that individuals’ understanding of an event can very throughout the organization. Further explanation that has ambiguity can exist within the organization as a whole as well as within individuals’ own cultural knowledge. As a result, different individuals in the organization can experience different kind of ambiguity at different intervals. Ambiguity in organizations has been identified and labeled many times. Instead, individuals share some viewpoints, disagree about some, and are ignorant of or indifferent to others.

Performance description is not defined by the action itself but by judgmental and evaluative processes. Individual performance is highly important for an organization as a whole and for the individuals working in it.

Individual performance same as team performance is empowered by leadership, which makes leadership becomes very important. Besides, expected performance outcomes are positive when employees believe that their innovative behaviors will bring performance improvement or efficiency gains for their work roles or work units. That means there is a strong influence between individual performance and innovative behaviors.

From the literatures it can be generated a model of study that followed by constructing 5 hypotheses:

1. Today, people start to realize the importance of innovation for organizational effectiveness. Further, employee engagement can be a deciding factor in organizational success. H1: employee engagement is positively influence innovative behavior

2. Creative behavior can be considered as one type of innovative behavior because innovative behavior includes not only generating novel ideas by oneself but also adopting others’ ideas that are new to one’s organization or work unit. Organizational culture is proposes that both formal and informal networks where “communication and interaction” are present must exist, as organizational culture cannot develop without pervasive communication. H2: organizational culture is positively influence innovative behavior.

3. “Good team performance is the end point to every organizational key to achieve the success; therefore every team performance must be consisting of individual performance”. For instance, Employee engagement is defined as “the extent to which employees commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment”. H3: employee engagement is positively influence individual performance.

4. Individual performance is also influenced by organizational culture, that organizational culture perspective extends that anthropological perspective to explain differences in performance between different organizations within the same national culture. H4: organizational culture is positively influence individual performance.

5. It is very important to maintain the condition of an organizational structure in any level nowadays. One of the key points is employee engagement which is a key business driver for organizational success. In other side employee engagement has also emerged as critical driver of business success in today’s competitive marketplace. H5: organizational culture is positively influence employee engagement.

MATERIALS AND METHODS

This study applied a cross-sectional, survey research design with the sample of hospital pharmacy employees of three selected general hospital in Bandung city. The city is in 5 top rank big cities in Indonesia, located in West Java Province.

The respondents were involved in survey are 155 employees from 200 target respondents. Thus, the response rate was 77.5 per cent. Limited numbers of pharmacist’s population who worked in hospital pharmacy in Bandung is one of limitations in distributing questionnaires.

There are 34 questions inside the questionnaires and the answers provided was developed into scale from the negative meaning into positive one. The questions from questionnaires were adopted from some publications that have similarities in study’s topic and variables. Perceptions of respondents were measured using a five-point Likert’s scale (1 = strong disagreement; 5 = strong agreement).

Organizational culture describes shared belief, perception, and expectation of individuals in organizations. Measurement of organizational culture variables consisted of 10 items. This instrument measures the interpersonal relationships between the members of the organization and understanding of
organizational tasks. Questions of measurement of employee engagement variable are as much as 12 items. Variable that measure the performance of individual perceived performance is amount 6 question items. This instrument assessing individual performance based on one's perception, or commonly referred to as a subjective measurement. Innovative behavior’s variable was measured by Scott and Bruce’s (1994) with six-item scale ranging from 1, “not at all characteristic,” to 5, “very characteristic.” Following Scott and Bruce (1994), we combined the six items to create an overall scale of innovative behavior.

The questionnaires were tested its validity and reliability using software. Afterward data was analyzed by PLS and continued to test the hypotheses and showed path analysis with significances level at 95% (two tailed t-test).

RESULTS AND DISCUSSION
Respondents comprised were both male and female with majoring pharmacy included vocational school graduated, technician pharmacist, pharmacist, and only one specialist pharmacist. The table 1 shows that respondents’ level of education in majority is high school or vocational school which has number around 68 per cent. Half of respondents were new employee in their organization since they started join to work 2 years ago. It was also noticed from minimum working period in general which is about two until five years. However, this demographic condition will influence respondent’s perception in responding the questionnaire.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>62</td>
<td>40</td>
</tr>
<tr>
<td>Female</td>
<td>93</td>
<td>60</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High/vocational school</td>
<td>105</td>
<td>68</td>
</tr>
<tr>
<td>Vocational college</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>40</td>
<td>26</td>
</tr>
<tr>
<td>Specialist/Master</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Working Period (years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-2</td>
<td>61</td>
<td>39</td>
</tr>
<tr>
<td>3-5</td>
<td>33</td>
<td>21</td>
</tr>
<tr>
<td>5-10</td>
<td>41</td>
<td>26</td>
</tr>
<tr>
<td>11-20</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>21-30</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>&gt;30</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>155</td>
<td>100</td>
</tr>
</tbody>
</table>

Afterward for the advanced data analysis, general issues of the reliability and validity of the proposed measurement tools should be ensured at the first stage of data analysis. To ensure that the hypothesized measurements are valid and reliable in the Indonesian perspective, several analyses were applied. First, zero-order correlation analysis and scale reliability tests were used. Item inter-correlation and Cronbach’s coefficient alpha estimations are the initial steps to examine the proposed items’ reliability in terms of internal consistency of the measures.

<table>
<thead>
<tr>
<th>Table 2: Correlations result</th>
</tr>
</thead>
<tbody>
<tr>
<td>oc</td>
</tr>
<tr>
<td>oc</td>
</tr>
<tr>
<td>ee</td>
</tr>
<tr>
<td>ip</td>
</tr>
<tr>
<td>ib</td>
</tr>
</tbody>
</table>

Cronbach’s coefficient alphas are given on the diagonal in parentheses: Organization Culture: oc; Employee Engagement: ee; Individual Performance: ip; Innovative Behavior: ib; ** Correlation is significant at the 0.01 level (1-tailed).

<table>
<thead>
<tr>
<th>Table 3: Descriptive and hypotheses test results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>oc → ee</td>
</tr>
<tr>
<td>oc → ib</td>
</tr>
<tr>
<td>oc → ip</td>
</tr>
<tr>
<td>ee → ib</td>
</tr>
<tr>
<td>ee → ip</td>
</tr>
</tbody>
</table>

The correlation coefficients for all variables were statistically weak at the level of lower 0.05 (Table 2). Meanwhile, the Cronbach’s coefficient alpha reliability estimates for organization culture, employee engagement, individual performance and innovative behavior were reasonably acceptable (all were above 0.006). According to those initial analyses for the reliabilities of the measurements, the overall reliability estimates were acceptable.

In Table 3, the means and standard deviations are described and particularly for hypotheses result indices of the key variables of the study are described. It can be seen as well in figure 1 that organizational culture correlated significantly with employee engagement (t=8.158, p<.05). The relationship between employee engagement and innovative behavior (t=2.699, p<.05) was also found to be significant, followed by significant result between employee engagement and individual performance (t=3.869, p<.05).

Dissimilar with previous results, the relationship between organizational culture to innovative behavior and to individual performance (t=0.601 and t=1.134, p<.05) were not significant. On the other hand, there is no significant relationship between organizational culture to innovative behavior and to individual performance. The result can be
emphasized as the main finding of the study because in some studies the relationship mostly showed significant.

To answer the hypotheses in this study, PLS was utilized and tested H1, H2, H3, H4 and H5.

**Figure 1: Path analysis of model’s research**

The mediator status of employee engagement was as well checked. To establish employee engagement as a mediator, there are some conditions should be taken into consideration. However, only one condition that utilized in giving mediator status for employee engagement in this study that is literatures studying. Therefore, the relationship of the employee engagement and other variables dependent could be change and did not influence as the result.

**Employee Engagement on Innovative Behavior**

As Perrin’s Global Workforce Study (2003) explained the definition of “employees’ willingness and ability to help their business succeed, mostly by providing discretionary effort on a sustainable foundation. According to the study, engagement is affected by numerous factors which involve both emotional and rational factors relating to work and the overall work experience." Instead, they create a trusting and challenging environment, in which employees are encouraged to input and innovate to move forward the organization.25

Recent researches also indicated that employee commitment is important part and predictor of employee engagement in that commitment is conceptualized as positive attachment and willingness to exert energy for success of the organization, feeling proud of being a member of that organization and identifying oneself with it and Organizational Culture Behavior (OCB) is a behavior observed within the work context that demonstrates itself through taking innovative initiatives proactively seeking opportunities to contribute one’s best and going extra mile beyond employment contract. However, these constructs constitute the bigger construct employee engagement and they cannot independently act as a replacement for engagement.5

**Employee engagement on Individual Performance**

There was positive relationship between individual-level factors such as public service motivation, job satisfaction, employee engagement, organizational citizenship behavior and organizational performance in government organizations.26 Those employees with a higher level of public service motivation would be more committed to the organization belonging to them or in other word have a higher employee engagement.27

Furthermore with higher job satisfaction has a positive correlation with individual job performance.28 Study included 111 samples from 93 to conduct a meta-analysis research and found out the positive significant relationship between engagement and individual performance.29

Engagement is one of predictor of individual performance which is declared by researchs.30,31,8 For addition, engagement was more strongly related to performance when employees had more job experience.32 Employees with higher level of engagement have more work orientation than those of lower level.32 They are satisfied and can get more pleasure from work. And then they are more willing to make efforts to achieve organizational goals and values and show higher performance.

However, research in public organization suggested that employee commitment might probably not effective mechanisms for increasing employees’ performance in public organization.33 This finding was supported by the empirical study.34 The mixed results suggested there might be some moderator variables between them.

A research purposed to investigate the relationships among goal setting, employee engagement, workplace optimism, and individual performance constructs found out that formal, structured goal setting processes lead to higher levels of employee engagement, that higher levels of engagement lead to improved workplace optimism, and that improved optimism in turn leads to higher levels of individual performance.35

**Employee Engagement on Organizational Culture**

Organization’s culture helps it cope with its environment.3 For simple organizational culture can be thought of as nothing more than “the way we do things around here”.3 An electronic survey-questionnaire comprised of demographic questions, questions from the Organizational Climate Measure to measure organizational culture, and questions from The Utrecht Work Engagement Scale-17 to measure employee engagement was used to collect data from 94 full-time Non-Profit Organization employees to determine whether a relationship between age, gender, organizational culture, and employee engagement and the moderation of age and gender on organizational culture and employee engagement existed.36 The result indicates that male employees were no more affected by organizational culture than the female employees were. The relationship
between organizational culture and employee engagement and age illustrated that employees are cognizant of and impacted by factors within the organizational culture. Absence such changes can stifle creativity and growth thereby creating unproductive employees. Unproductive employees then become disengaged, exhausting the available limited organizational resources.

**Organizational Culture on Innovative Behavior**

Culture is the set of shared values, shared beliefs, and customary ways of thinking and doing things which shape and guide the behavior of organizational members. Today, one of the variables considered to have a significant influence on innovation is organizational culture. Since it shows influence on employee behavior, it may lead them to accept innovation as a fundamental value of the organization and to feel more involved in the business. Consequently, the literature considers organizational culture to be one of the factors that can stimulate the most innovative behavior among the members of the organization.

Organizational culture has many effects on employees’ behavior. On the investigation of interaction effect of organizational support and human capital on the innovative performance found out that management support for idea development and tolerance for risk taking are found to exert positive effects on innovative performance. However, in that research also found that the reward based and free time culture of organizations has no impact on innovativeness, while work discretion has a negative effect.

One of the researches aimed to analyze the organizational culture that fosters or inhibits organizational innovation and imitation strategy stated that "organizational culture is a clear determinant of innovation strategy." Moreover, advocacy cultures foster innovation strategies and hierarchical cultures promote imitation cultures. That research also implicates that manager should pay more attention to their organization culture if they pursue innovation/imitation strategies. They suggest that different organizational cultures will be required depending on the innovation strategic orientation of the company, innovative or imitative.

Innovation is complex work; nevertheless it is also important work for health care. Local innovation in search of national goals for improving health care quality should be optimistic.

Organizational culture occupies a significant role in motivating innovative behavior, as it can build commitment among members of an organization in terms of believing in innovation as a value of organization and accepting innovation-related norms established within the organization.

Although there is significant evidence that suggests culture is a determinant of employee attitudes, their motivation, and subsequent organizational performance, the result in our study showed reverse way. This is because that rewards distribution rules that generate intergroup competition did not directly improve or impair individual creative behavior or the final group creative outcome. It was also stated that "individuals who had to compete with teammates reported slightly higher levels of task motivation than those who did not". Which means that the organizational culture that controls the connection between individuals has its role? Overall, the direct influence of the type of rewards on creative behavior and on group creative outcome was minimal.

Employee’s responses to a culture questionnaire in one of the excellent companies did not differ from those in two other companies with less impressive results. A few years later, it was found that differences for nine out of the ten characteristics reported by Peters and Waterman (1982) were not statistically significant.

Cultural factors were used by organizational members in perceiving and interpreting thematic messages occurring in a work-related context.

**CONCLUSION**

By and large, from the given data it can be concluded that hospital pharmacy employees’ organization culture showed positive influence on innovative behavior and individual performance through their engagement to the organization. This is proving that from some literatures explained those relationships is worked and also proved by statistic. In contrast, organization culture on innovative behavior did not show positive influence in direct way because of probably reason is lack of attention to their organization culture if they pursued innovation or took imitation strategies. Moreover, organization culture did not significant relationship on individual performance as a consequence of system of rewards and low level of competition.

**Limitations**

It is possible the occurrence of common method bias in this study that respondents answered the question only rely on subjective assessments of respondents, or commonly referred to as self-reporting that the respondent’s answer is equally harmful to the perceptual bias of systematic errors in understanding others perceptions. Then, number of samples in this study is not so large, in the use of larger samples expected to have better results anyway.

**REFERENCES**


20. Farrell, Sean M, Organizational cultures and values as they impact on job satisfaction and organizational commitment, Wright State University, 1993.


38 Hartmann A, The role of organizational culture in motivating innovative behavior in construction firms, Construction Innovation, 6(3), 2006, 159-172.


41 Martins E, Terblanche F, Building organizational culture that stimulates creativity and innovation, European Journal of Innovation Management, 6(1), 2003, 64-74.

42 McLean L, Organizational culture’s influence on creativity and innovation: a review of the literature and implications for human resource development, Advances in Developing Human Resources, 7(2), 2005, 226-246.


Source of Support: Nil, Conflict of Interest: None.