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Driving Operational Excellence through Engagement: A Study on Cultural Enablers, Process Improvement, and Strategic Alignment

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Introduction

In today's dynamic and highly competitive business environment, the pursuit of sustainable operational excellence has evolved beyond the traditional focus on process efficiency, cost optimization, and technological innovation. Modern organizations increasingly recognize that the foundation of enduring excellence lies in cultivating a deeply engaged workforce whose commitment, motivation, and sense of purpose extend far beyond transactional work tasks. Employee engagement has been defined as the emotional and intellectual connection employees have with their organization, its goals, and its values and it serves as a critical driver of innovation, quality improvement, and organizational resilience. This human-centred approach not only enhances operational performance but also plays a pivotal role in achieving broader Environmental, Social, and Governance (ESG) objectives. The synergy between engagement and operational excellence is particularly significant in the context of ESG, where success depends on embedding sustainability, ethical responsibility, and stakeholder well-being into the fabric of day-to-day operations. Engaged employees drive operational excellence by actively supporting environmental sustainability, fostering inclusive and safe workplaces, and upholding strong governance through ethical, transparent practices. Aligning engagement initiatives with ESG priorities embeds sustainability into corporate culture and operations. This integration creates a virtuous cycle of efficiency, adaptability, and purpose, securing long-term competitive advantage.

Operational Excellence

Operational Excellence is often conceptualized through the integrated framework of Cultural Enablers, Continuous Process Improvement, and Enterprise Alignment—an approach notably encapsulated by the Shingo Model and validated via empirical scales. **Cultural Enablers** foster a supportive organizational mindset rooted in respect for every individual, leadership humility, empowerment, and collaboration, laying the psychological foundation necessary for improvement. **Continuous Process Improvement** drives ongoing refinement of processes through principles like flow and pull, scientific thinking, quality at the source, and the relentless pursuit of perfection—core tenets of methodologies such as Lean and Kaizen. Finally, **Enterprise Alignment** ensures that goals, roles, and planning are standardized and meaningfully integrated across all organizational layers, enabling clarity, coordination, and alignment with customers and strategic objectives (Saeed, B., et al., 2022). Research efforts, such as those employing an Operational Excellence scale, confirm this multi-dimensional structure, with robust factor loadings supporting the distinct but interrelated nature of CPI and EA constructs—from daily process improvement and defect prevention to standardized job roles and inclusive planning protocols.

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Employee Engagement

Employee engagement is defined as employees' emotional, cognitive, and behavioural investment in their work, marked by energy, dedication, and absorption (Kahn, 1990; Schaufeli et al., 2002). Research shows that engaged employees exhibit higher job satisfaction, commitment, and discretionary effort, leading to improved productivity, quality, customer satisfaction, and retention (Bakker & Demerouti, 2008; Saks, 2006). Meta-analyses, including Gallup's large-scale studies, confirm that high engagement correlates with greater profitability, sales, and safety, making it a critical driver of sustainable organizational performance (Harter et al., 2002; Harter et al., 2020).

Relationship between Employee Engagement and Operational Excellence

Employee engagement is a critical driver of operational excellence, fundamentally influencing a firm's Cultural Enablers (CE), Continuous Process Improvement (CPI), and Enterprise Alignment (EA). Research consistently shows that a supportive organizational culture enhances employee engagement (Sok et al., 2014), which in turn fosters a resilient and cohesive work environment. This dynamic makes employees more adaptable and willing to contribute beyond their defined roles. The link between engagement and CPI is also well-documented, as engaged employees' sense of ownership makes them a source of innovative ideas and process enhancements (6Sigma.us, 2024). This aligns with the Kaizen philosophy of incremental change, with empirical evidence showing that employee engagement, mediated by innovative behaviour, significantly impacts continuous improvement (Al-Gharaibeh, 2022). Finally, engagement is fundamental to achieving Enterprise Alignment. When employees perceive their work as aligned with strategic goals, their engagement and performance increase (Alagaraja & Shuck, 2015). This commitment to the company's vision leads to discretionary behaviours that are necessary for achieving organizational objectives (Khan et al., 2020), solidifying engagement as the human foundation for unified strategic action.

Rationale

Research has consistently demonstrated a strong, positive correlation between employee engagement and key business outcomes such as productivity, profitability, customer loyalty, and safety, positioning engagement as a vital contributor to operational excellence (Harter et al., 2002). Building on this foundation, Macey et al. (2008) clarified the theoretical distinction between engagement, satisfaction, and commitment, defining engagement as a motivational state marked by vigor, dedication, and absorption—elements essential for high performance. Sok et al. (2014) further linked engagement to organizational culture, showing that a supportive and collaborative environment enhances engagement, making culture both a driver and result of employee involvement. Similarly, Robinson et al. (2004) highlighted the importance of empowerment, involvement in decision-making, and alignment with organizational vision as key engagement drivers that support Continuous Process Improvement (CPI) and Enterprise Alignment (EA).

Expanding on engagement's operational implications, Al-Gharaibeh (2022) showed that engaged employees are more likely to exhibit innovative behaviors, a crucial mechanism for driving continuous improvement, even in non-profit and public sectors. Alagaraja and Shuck (2015) introduced a conceptual model linking employee engagement to organizational alignment, asserting that engagement increases when employees see their work as connected to organizational goals. Zehir and Sadikoglu (2010) reinforced this view by demonstrating that engagement fosters innovation, which in turn enhances performance. Finally, Womack and Jones (2003) emphasized the importance of

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employee involvement in Lean Thinking, arguing that empowering employees to solve problems at all levels is essential for reducing waste and driving sustained operational excellence. Together, these studies present a compelling case for viewing employee engagement as a central pillar in achieving continuous improvement and strategic alignment.

Although extensive research highlights the positive influence of **Employee Engagement (EE)** on **organizational performance, productivity**, and individual-level outcomes, there remains a **notable gap in understanding its integrated role across the core dimensions of operational excellence**—namely, **Cultural Enablers (CE), Continuous Process Improvement (CPI), and Enterprise Alignment (EA)**. Current studies often examine these elements in isolation or explore engagement's impact on one or two dimensions without providing a **holistic, system-wide perspective**. The present study aims to examine the influence of Employee Engagement on Operational Excellence consisting of Cultural Enablers, Continuous Process Improvement and Enterprise Alignment.

Method:

This study employed a quantitative survey design to examine the influence of employee engagement on operational excellence across three core dimensions: Cultural Enablers (CE), Continuous Process Improvement (CPI), and Enterprise Alignment (EA). A structured survey was administered to a stratified sample of 300 employees from mid-sized and large firms in both the manufacturing and services sectors. Employee Engagement was measured using Gallup's 12-item Workplace Audit, covering purpose, recognition, support, and growth, while operational excellence was assessed through items related to trust, empowerment (CE), innovation, feedback (CPI), and strategic alignment, communication (EA). Responses were collected on a five-point Likert scale. Statistical analysis was done with Pearson correlations and multiple regression. Based on the analysis findings and conclusion were provided.

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Findings:

Demographics

Table 1: Demographic profile of the respondents

Demographic	Details	Percentage
Age	25-30 years	45.7
	31-35 years	32.7
	More than 35 years	21.7
Gender	Male	60.3
	Female	39.7
Education	Graduate	38.7
	Post Graduate	46
	Professional Qualification	15.3
Experience	1-5 years	37.7
	5-10 years	30.3
	10-15 years	17.3
	More than 15 years	14.7

The demographic data reveals that the study's respondents are predominantly male (60.3%) and are primarily between 25 and 30 years old (45.7%). A significant portion of the participants have a Post Graduate degree (46%). In terms of experience, the largest group of respondents have worked for 1 to 5 years (37.7%).

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Relationship between Employee Engagement and Operational Excellence.

Table 2: Correlation between Employee Engagement and components of Operational Excellence

		Correlations			
		Cultural Enablers	Continuous Process Improvement	Enterprise Alignment	Employee Engagement
Cultural Enablers	Pearson Correlation	1			
Continuous Process Improvement	Pearson Correlation	.408**	1		
Enterprise Alignment	Pearson Correlation	.344**	.774**	1	
Employee Engagement	Pearson Correlation	.231**	.542**	.718**	1

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

The data shows that all four variables—Employee Engagement, Cultural Enablers (CE), Continuous Process Improvement (CPI), and Enterprise Alignment (EA)—have a positive and statistically significant relationship with each other.

The strongest correlation is a very high positive relationship between Continuous Process Improvement (CPI) and Enterprise Alignment (EA), with a correlation coefficient of 0.774. This suggests that efforts to improve processes are closely linked with the organization's strategic direction.

The next strongest correlation is a robust positive relationship between Employee Engagement (GWA) and Enterprise Alignment (EA), with a coefficient of 0.718. This indicates that engagement is most strongly tied to an employee's connection to the company's purpose and strategy.

The weakest, though still significant, correlation is between Cultural Enablers (CE) and Employee Engagement (GWA), with a coefficient of 0.231. This implies that while a positive culture is foundational, its direct relationship to engagement is not as strong as the more action-oriented factors of alignment and process improvement.

Influence of Employee Engagement on components of Operational Excellence

Table 3: Regression between Employee Engagement and components of Operational Excellence

Regression	R Square	F-value	Independent variable	Dependent variable	B	t-value	Sig
1	.053	16.841	EE	CE	.512	4.104	0.000
2	.294	61.809	EE	CPI	.584	10.056	0.000
3	.516	105.202	EE	EA	1.185	11.656	0.000

Employee Engagement (EE) is a positive and statistically reliable predictor for all three dimensions of operational excellence—Cultural Enablers (CE), Continuous Process Improvement (CPI), and Enterprise

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Alignment (EA). The results demonstrate a clear hierarchy in the strength of these relationships. GWA has the most powerful predictive ability for Enterprise Alignment, accounting for a remarkable 51.6% of its variance and showing the strongest B coefficient ($B = 1.185$). This is followed by Continuous Process Improvement, which explains 29.4% of the variance ($B = 0.584$), while Cultural Enablers accounts for the smallest portion at 5.3% ($B = 0.512$). This suggests that while a positive culture is linked to engagement, a company's performance is most strongly connected to its capacity for strategic alignment and process improvement.

Discussion

Multiple studies have underscored the pivotal role of employee engagement in continuous improvement efforts. A statistically significant strong correlation has been found between employee engagement and continuous improvement initiatives in public health contexts (Hrgović, A. V., et al., 2020). Furthermore, it has been highlighted that engaged employees are more likely to participate, propose ideas, and act on process enhancements when supported by organizational frameworks such as Kaizen (Employee Engagement in Continuous Improvement, 2024). Research focusing on quality management systems has also demonstrated a strong linkage between employee engagement and organizational effectiveness within such systems (Employee Engagement in Continuous Improvement, 2024).

In the literature on HR and organizational development, employee engagement—the cognitive, emotional, and behavioural investment of employees—is increasingly recognized as closely intertwined with organizational alignment, referring to the extent to which employees' work and perspectives are aligned with broader strategic goals (Alagaraja, M., & Shuck, B., 2015). The strongest correlation observed between Continuous Process Improvement (CPI) and Enterprise Alignment (EA) ($r = 0.774$) is strongly supported by theory. For instance, research into dynamic enterprise architecture (EA) capabilities has shown that when process innovation (i.e., CPI) is strengthened, it significantly contributes to stronger business/IT alignment and results in organizational benefits (Van De Wetering, R., 2021).

The considerable predictive power of employee engagement for EA (52% of variance in the model) aligns with well-established dynamics, suggesting that engaged employees are more attuned to organizational purpose, strategy, and shared goals. While empirical studies quantifying this mediation are limited, the conceptual framework in HRD research consistently positions engagement as a bridge to alignment and individual performance outcomes (Alagaraja, M., & Shuck, B., 2015b). The data further indicates that Cultural Enablers (CE) have the smallest effect on Employee Engagement (EE) ($r = 0.231$) and account for only 5.3% of the variance in EA. This suggests that culture, while important, functions more as a supportive infrastructure than as a direct driver like CPI or engagement. Research on organizational culture and knowledge sharing has reinforced this perspective, indicating that a strong culture facilitates other mechanisms—such as communication and trust—that may, in turn, foster performance or drive change (Alattas, M., & Kang, K., 2016).

Implications

In order to enhance organizational performance, it is essential to prioritize employee engagement through the development of initiatives that promote empowerment, trust, psychological safety, and meaningful work. These factors have been shown to facilitate continuous process improvement (CPI) and enterprise alignment (EA). The integration of CPI mechanisms—such as Kaizen, suggestion

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systems, and cross-functional forums—coupled with managerial coaching, enables the transformation of engagement into tangible actions. While organizational culture may not serve as the primary driver, it plays a critical supporting role by cultivating the conditions necessary for engagement and improvement, such as knowledge sharing and openness. Furthermore, aligning these efforts with the organization's strategic goals and embedding process improvement within the enterprise architecture ensures that incremental advancements contribute to sustained organizational success.

Conclusion

In conclusion, employee engagement plays a crucial role in driving continuous improvement and aligning individual efforts with organizational goals. Engaged employees are more likely to actively contribute to process enhancements and ensure their work aligns with broader strategic objectives, thereby strengthening both continuous process improvement and enterprise alignment. While organizational culture serves as an important support system, its influence on engagement and performance is less direct compared to more action-oriented drivers like engagement and process improvement. Prioritizing engagement initiatives, along with embedding continuous improvement frameworks and fostering a culture of trust and knowledge sharing, creates an environment where strategic alignment and operational performance can thrive. This approach highlights the importance of engagement as a central element for achieving long-term organizational success.

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