Investigating The Impact of Organizational Culture on Employee Retention: Moderating Role of Employee Engagement

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Abstract. The purpose of current study is to examine the moderating effect of employee engagement on the relationship between organizational culture (OC) (Shared values, Organizational structure, Communication, Leadership, Teamwork and Adaptability) and employee retention from perspective of all employees within industrial organizations operating in the state of Kuwait. The method employed to reach the main aim was the quantitative methodology, and a survey was distributed on a sample of (371) employees within industrial organizations operating in the state of Kuwait. SPSS was used so as to realize aim through primary data and results indicated the acceptance of the hypotheses arguing that there is a positive relationship between organizational culture and employee retention through the moderating role of employee engagement, it meant that positive organizational culture can make employees more engaged in their work which leads to better retention and more intention to stay in their organization for longer time. Study recommended creating a strong sense of purpose and a set of guiding principles can help employees feel more connected to the organization and its goals, and feel like they are part of something meaningful. Further recommendations were presented in the study.

Keywords: Organizational Culture, Shared values, Organizational structure, Communication, Leadership, Teamwork, Adaptability, Retention, Engagement

1. Introduction

According to Meng and Berger (2019), organizational culture shapes the values, beliefs, attitudes, and behaviors of the people within an organization. Sahni (2019) stated that culture of an organization has a direct impact on how employees interact with each other, and how they approach their work, and ultimately, effects organization's performance. Book et al (2019) noted that a strong and positive organizational culture can provide several benefits for an organization's performance including promoting a sense of unity and common goals amongst employees, which can lead to more effective teamwork, collaboration and communication.

This can result in increased productivity, faster problem-solving, and improved decision-making. Roscoe et al (2019) argued that a positive culture can help attract and retain talented employees who share the same values and beliefs as the organization. This can lead to increased employee satisfaction, engagement, and motivation, which can ultimately drive better performance.

While Sapta et al (2021) saw that a strong and positive culture can help organizations adapt and respond to changing circumstances and challenges. Employees who are aligned with the organization's culture are more likely to be open to change, and more willing to embrace new ideas and approaches. Overall, organizational culture plays a critical role in shaping an organization's performance, and a positive and strong culture can provide significant benefits for an organization's success (Turner and Turner, 2020).

Going through previous literature, it was seen that the literary gap in investigating the moderating influence of employee engagement on the relationship between organizational culture and employee retention refers to the lack of research and written literature on this specific topic. Despite the importance of organizational culture and employee engagement on employee retention, there is still a gap in knowledge regarding how these factors interplay with each other. Thus, there is a need for further research to understand the moderating effect of employee engagement on the relationship between organizational culture and employee retention. This gap in the literature highlights the importance of conducting more studies to better understand how these factors impact each other and can be used to improve employee retention within organizations (Homsi, et al.,2020; Hashem & AlQirem, 2019; Al-Rifai & Hashem,2012).

Also, the literature gap in the relationship between organizational culture and employee retention is that while it is generally acknowledged that organizational culture has a significant impact on employee retention, there is still limited empirical evidence that clearly demonstrates this relationship. Many studies have focused on the conceptualization of organizational culture and its various dimensions, as well as the factors influencing employee retention, without exploring their correlation. Additionally, there is a gap in studies that examine the different types of organizational culture within different business sectors, and how they specifically affect employee retention. Therefore, further research is required to explore the complex relationship between organizational culture and employee retention comprehensively.

Based on above argument, the purpose of current study is to examine the moderating effect of employee engagement on the relationship between organizational culture (Shared values, Organizational structure, Communication, Leadership, Teamwork and Adaptability) and employee retention from perspective of all employees within industrial organizations operating in the state of Kuwait. Researcher developed the following model as an approach to highlight the relationship between study variables:
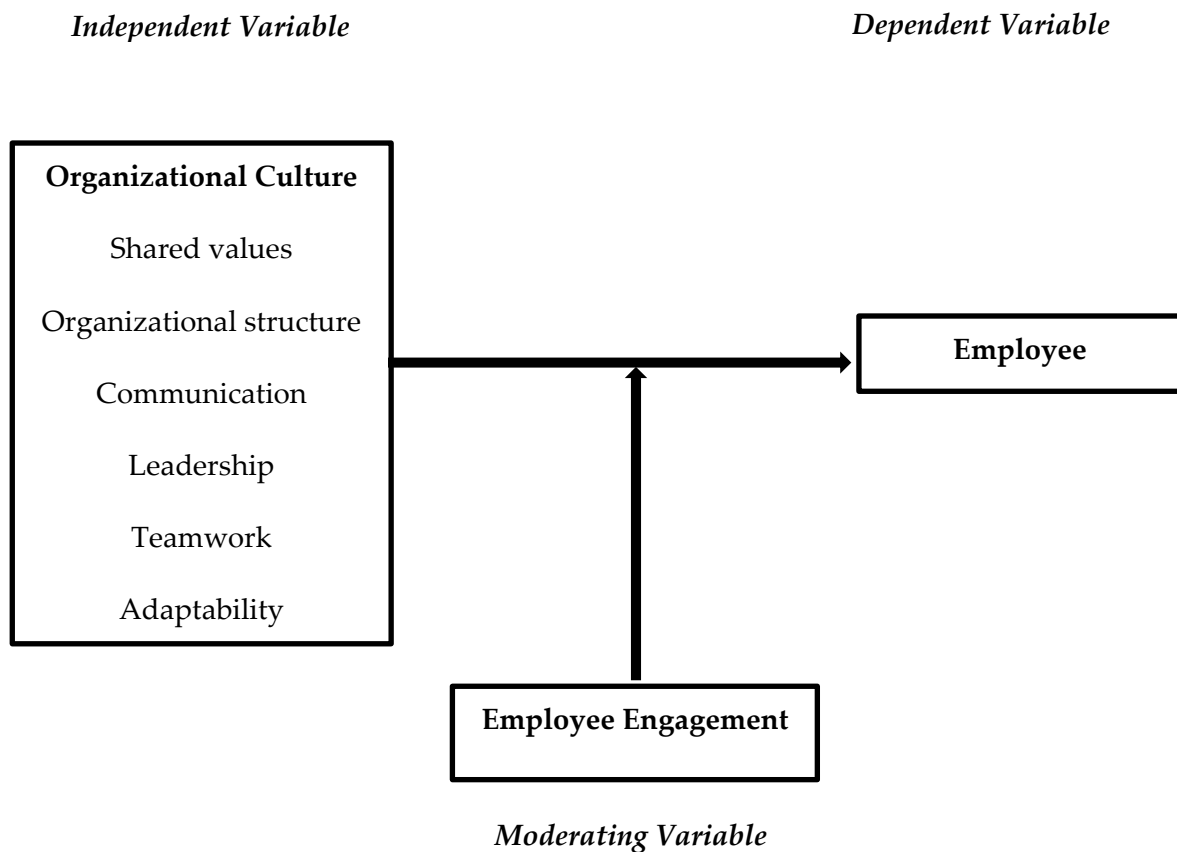
Independent Variable   *Dependent Variable*

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┌────────────────────────────┐
│   Organizational Culture   │
│                            │                    ┌──────────────────────┐
│       Shared values        │                    │                      │
│                            │                    │      Employee        │
│  Organizational structure  ├───────────────────▶│                      │
│                            │      ▲             └──────────────────────┘
│       Communication        │      │
│                            │      │
│        Leadership          │      │
│                            │      │
│         Teamwork           │      │
│                            │      │
│        Adaptability        │      │
└────────────────────────────┘      │
                          ┌─────────┴──────────────┐
                          │  Employee Engagement   │
                          │                        │
                          └────────────────────────┘
```

Moderating Variable

Fig.1: Study Model [(Pathiranage et al, 2020)]

Launching from above model and based on main aim of study, following set of hypotheses was extracted:

H1: Organizational culture can positively influence employee retention among employees of industrial organizations operating in the state of Kuwait

H2: Employee engagement moderates the relationship between organizational culture and employee retention among employees of industrial organizations operating in the state of Kuwait

The current study was motivated by the need to better understand how employee engagement plays a role in affecting the relationship between organizational culture and employee retention. The more engaged an employee is, the more likely they are to stay with an organization, even if the organizational culture is not perfect. Through examining this moderating effect, organizations can gain insights into how they can improve engagement levels to better retain employees, as well as identify specific aspects of their organizational culture that may be affecting retention rates. Ultimately, this research can help organizations to develop strategies that promote a positive organizational culture and engage their employees, which lead to increased retention rates and ultimately, improved organizational performance.

2. Literature Review

2.1. Organizational Culture (OC)

According to Spicer (2020) and Paais and Pattiruhu (2020) organizational culture refers to the values, beliefs, behaviors, and norms that shape the way people interact within an organization. It is the shared understanding of how things should be done within a team or company. A strong and positive culture can bring many benefits to an organization, such as higher employee engagement, better performance,

and a stronger sense of community. In this essay, we will explore the importance of organizational culture and how it can be built and maintained (Isensee et al, 2020).

2.1.1. Dimensions of Organizational Culture (OC)

Schmiedel et al (2019) stated that organizational culture refers to the values, beliefs, attitudes, and behaviors that characterize a company or an organization; it is a complex and multifaceted concept that includes various dimensions.

Understanding and managing these dimensions are important for creating a positive and productive work environment, so, Arif et al (2019), Soomro and Shah (2019) and Asbari et al (2020) presented some of the main dimensions of organizational culture which included:

Shared values:

These are the fundamental beliefs that guide the behavior of employees in an organization. They represent an organization's core principles and provide a sense of direction and purpose.

Organizational structure:

This refers to the way an organization is designed and how it functions. A well-structured organization provides a clear hierarchy, delineates roles and responsibilities, and promotes efficient communication.

Communication:

Communication is the cornerstone of organizational culture. It entails how information, ideas, and feedback are exchanged within the organization. Communication should be open, honest, and transparent.

Leadership:

Leadership plays a crucial role in shaping organizational culture. Leaders set the tone for the organization's culture and determine the overall vision and direction.

Teamwork:

Teamwork is critical for creating a positive work environment. When employees collaborate effectively, they can achieve common goals and objectives.

Adaptability:

An adaptable culture is one that can respond to changes in the environment. Organizations that are agile and flexible can adjust to new challenges and opportunities.

Employee engagement:

Employee engagement reflects the level of commitment and involvement of employees in their work. Engaged employees are happier, more productive, and more likely to contribute to the success of the organization.

So, Joseph and Kibera (2019) stated that by understanding and managing these dimensions of organizational culture, companies can build a positive and productive work environment that supports employee well-being and fosters growth and success for the organization as a whole.

2.1.2. Components of Organizational Culture (OC)

Khan et al (2020) argued that one important step is to establish clear values and beliefs that are shared by everyone in the organization; this can involve defining the organization's mission statement and values, as well as creating a code of conduct that outlines expected behaviors. Leaders within the organization must also demonstrate these values in their own actions and decisions. Sunarsi (2019) on the other hand argued that another important aspect of building and maintaining culture is communication. Leaders need to engage with employees and ensure that their voices are heard. This can involve regular meetings, feedback sessions, and other opportunities for employees to provide input and share their ideas. Communication should also be transparent and honest, so that employees feel that

they are trusted and respected (Meng and Berger, 2019).

From Dubey et al (2019) point of view, organizational culture can be strengthened through recognition and reward. When employees feel that their contributions are valued and appreciated, they are more likely to feel motivated and engaged. This can involve praising employees for a job well done, offering promotions or bonuses, or even just saying thank you for their hard work, the key is to create a culture of appreciation and positivity, where everyone feels that they are an important part of the team (Lee and Ng, 2021).

2.1.3. Benefits of OC

Oyemomi et al (2019) argued that one of the main benefits of a strong organizational culture is better employee engagement. When employees feel that they are part of a team that shares their values, they are more likely to be motivated and committed to their work. This can lead to higher productivity, better quality of work, and lower rates of absenteeism and turnover. Kosmajadi (2021) noted that a positive culture can also lead to a stronger sense of community within an organization, as employees feel a sense of belonging and are more likely to work together towards common goals.

Another benefit of a strong culture is – according to Helmreich and Merritt (2019) - better performance. Organizational culture can shape the behavior of employees and create a sense of accountability for achieving goals. When everyone is working towards the same purpose, it is easier to coordinate efforts and focus on what really matters. A strong culture can also help to create a shared vision for the future of an organization, which can inspire employees to work harder and reach for more ambitious targets (Wang, 2019).

2.2. Employee Retention

According to Singh (2019), employee retention is a crucial aspect for companies in today's highly competitive business environment. The cost associated with recruiting, hiring, and training new employees can be high and detrimental to a company's bottom line. Employers must recognize and understand the importance of employee retention and implement policies and strategies that will help retain valuable employees. Kamalaveni et al (2019) argued that in order to retain employees; employers need to examine the reasons that employees leave, such as lack of career advancement, lack of job security, low pay, and poor working conditions. Once employers have identified the reasons for high employee turnover, they can better address these issues by implementing changes that will satisfy and retain valuable employees (Aman-Ullah et al, 2020).

Employee retention is not only important for the financial health of the company but also for the employees themselves. A high employee turnover rate can result in decreased employee morale and motivation because employees feel that their company does not value them (Prasetyo et al, 2021). High employee turnover can also create disruption in the workplace and impede on the company's overall productivity (Kurdi and Alshurideh, 2020).

To conclude, employee retention is important for the success of a company. Losing valuable employees can be costly and detrimental to a company's growth and profitability (Biason, 2020). By examining the reasons for high employee turnover, implementing competitive compensation and benefits packages, providing professional development opportunities, promoting a positive working environment, and fostering open communication, employers can retain valuable employees and create a positive working environment for all employees (Alhmoud and Rjoub, 2019).

2.3. Drivers of Employee Retention

Hom et al (2019) argued that one strategy employers can use to improve employee retention rates is by offering competitive compensation packages. Offering competitive pay and benefits such as health insurance, retirement plans, and paid time off can help retain employees. Employees who feel that their worth and contribution to the company are being recognized are more likely to remain with the company. On the other hand, Narayanan et al (2019) noted that another strategy employers can use is by providing

professional development opportunities, such as career training and education. By offering opportunities to learn and acquire new skills, employers are showing their employees that they are invested in their growth and career advancement. This investment in their employees not only results in retaining valuable employees but also improves employee morale and motivation.

In addition to that, Silva et al (2019) argued that employers can also improve employee retention by promoting a positive working environment. This includes creating a positive work culture, providing a work-life balance, and fostering open communication. Promoting a positive work culture includes providing incentives such as team-building activities and recognition programs. Providing a work-life balance can be achieved by offering flexible work arrangements or allowing employees to work from home. This can help employees manage their personal life and work commitments which results in a better work-life balance. Open communication can be fostered by having regular meetings to discuss employee feedback on job satisfaction and work-related issues (Kim et al, 2020).

Elsafty and Oraby (2022) added that there are several factors that may influence employee retention, some of which include:

1. Compensation and Benefits: Competitive compensation and benefits packages can help to attract and retain employees.

2. Organizational Culture: Employees are likely to stay in an organization with a culture that aligns with their beliefs and values.

3. Career Development Opportunities: Opportunities for career advancement and learning new skills can motivate employees to stay with an organization.

4. Work-life Balance: Employees may be more likely to stay with an organization that provides flexible work arrangements and a good work-life balance.

5. Leadership and Management: Effective leadership and management practices can help to encourage employee loyalty and commitment to an organization.

6. Job Security: A sense of job security can be a significant factor that influences employee retention, as employees are less likely to leave an organization if they feel their job is secure.

7. Recognition and Rewards: Regular recognition and rewards for high performance can help to increase employee motivation and satisfaction, which can in turn improve retention.

8. Workplace Environment: A healthy and supportive workplace environment can also contribute significantly to employee retention

2.4. Employee Engagement

Sun and Bunchapattanasakda (2019) defined employee engagement as a crucial aspect of any organization; it refers to the level of commitment, involvement, and enthusiasm that employees have towards the goals and objectives of their employers. Highly engaged employees are known to be more productive, proactive, and loyal to their organizations. In contrast, disengaged employees tend to be less productive, less innovative, and more likely to leave their jobs. Thus, employee engagement is vital for the success of any business or organization (Turner and Turner, 2020).

From another point of view, Lee et al (2020) argued that there are various factors that contribute to employee engagement. One of the most important factors is a sense of purpose. When employees understand the purpose and goals of their organization, they are more likely to feel invested in achieving those goals. They are also more likely to feel a sense of commitment and pride in their work, which can increase their motivation and productivity (Chanana, 2021). Thus, it is essential for companies to clearly communicate their mission and values to their employees and ensure that they are aligned with the goals of the organization.

Another critical factor that affects employee engagement is leadership. Leaders who are supportive, inspiring, and communicative tend to foster a more engaged workforce; leaders who create a positive

work environment and encourage employee development and growth can help employees feel valued and appreciated, leading to higher levels of engagement (Byrne, 2022). Additionally, leaders who provide regular feedback and recognition to employees can boost their confidence and motivation, enhancing their engagement and performance (Kwon and Kim, 2020).

Moreover, employee engagement is also influenced by the work itself. When employees have challenging and meaningful work, they are more likely to be engaged and invested in their work (Saks, 2022). They are also likely to be more innovative and creative, leading to better business outcomes. Thus, it is essential for organizations to offer opportunities for professional growth and development, as well as ensure that employees have the resources and support they need to perform their roles effectively (Heslina and Syahruni, 2021).

Furthermore, employee engagement can also be fostered through a positive workplace culture. When employees feel that they are part of a supportive, inclusive, and respectful culture, they are more likely to feel engaged and committed to their work. A culture that values diversity and promotes collaboration can also promote engagement and enable employees to work together towards common goals (Lemon, 2019).

In addition, communication is also a key factor in employee engagement. When employees are informed and involved in decision making, they are more likely to feel engaged and invested in the outcome. Communication can also help build trust and foster a sense of transparency within the organization, which can lead to greater engagement (Riyanto et al, 2021).

Finally, recognition and rewards can also contribute to employee engagement. When employees feel that their work is valued and recognized, they are more likely to feel motivated and engaged. Thus, organizations should regularly acknowledge and reward employees for their contributions, which can also help boost morale and foster a more positive work environment (Shrotryia and Dhanda, 2019).

In conclusion, employee engagement is a critical component of organizational success. It can help boost productivity, innovation, and employee retention. Factors that contribute to employee engagement include providing a sense of purpose, leadership, challenging work, positive workplace culture, communication, and recognition and rewards. Companies that prioritize employee engagement can reap significant benefits, in terms of business outcomes and employee satisfaction.

2.5. Hypotheses Development

In a study by Pham et al (2021), authors examined the influence of organizational culture on employees' satisfaction and commitment in Small and Medium Enterprises (SMEs) in Vietnam. The study was conducted using a case study approach, and data was collected through a survey administered to employees in SMEs in Vietnam. The survey collected information on employees' perceptions of their organization's culture, their satisfaction with their job, and their level of commitment to the organization. The results of study showed that the organizational culture in SMEs in Vietnam has a significant influence on employees' satisfaction and commitment. Specifically, employees who perceive their organization's culture as strong and positive are more satisfied with their job and more committed to the organization. This has important implications for SMEs in Vietnam, as fostering a positive organizational culture can lead to increased employee satisfaction and commitment, which in turn can contribute to the success of the organization.

Murtiningsih (2020) explored the impact of compensation, training & development, and organizational culture on job satisfaction and employee retention. The article employs a literature review to gather and synthesize relevant findings on the topic. The review includes both qualitative and quantitative studies that have investigated the relationship between compensation, training & development, organizational culture, job satisfaction, and employee retention. The articled concludes that compensation, training & development, and organizational culture are crucial factors that impact job satisfaction and employee retention. Organizations that put effort into providing fair compensation, relevant training, and a positive organizational culture are likely to have higher levels of job satisfaction

and employee retention. Additionally, the article emphasizes the need for organizations to take a comprehensive approach towards employee retention, focusing on creating a work environment that fosters employee engagement and satisfaction. Overall, the article provides valuable insights into the factors that influence job satisfaction and employee retention and highlights the need for organizations to prioritize these factors to create a motivated and engaged workforce.

Samanta (2021) reviewed and analyzed selected studies on the relationship between organizational culture and employee engagement. The author conducted a comprehensive review of relevant literature from various sources, including academic journals, books, and other publications. They analyzed the studies to identify key findings and themes regarding the relationship between organizational culture and employee engagement. The author concluded that there was a strong and positive relationship between organizational culture and employee engagement. Specifically, a positive and supportive culture can lead to higher levels of engagement among employees, which, in turn, can lead to improved performance, job satisfaction, and overall organizational success. They also highlight the importance of developing and maintaining a positive organizational culture to enhance employee engagement and organizational effectiveness.

Ashraf and Siddiqui (2020) investigated the impact of employee engagement on employee retention, with a particular focus on the role of psychological capital, control at work, general well-being, and job satisfaction. The research involved the analysis of data gathered from a sample of employees across multiple organizations. The data was collected through surveys and questionnaires, and statistical analysis was used to identify the relationship between employee engagement, psychological capital, control at work, general well-being, and job satisfaction. The study found that there was a significant relationship between employee engagement and employee retention, and that this relationship is manifested through the employee's psychological capital, control at work, general well-being, and job satisfaction. In particular, employees who experience high levels of engagement tend to have higher levels of psychological capital, greater control at work, better overall well-being, and greater job satisfaction. These findings suggest that organizations should prioritize employee engagement in order to improve retention rates, and those efforts to enhance psychological capital, control at work, general well-being, and job satisfaction may be effective in achieving this goal.

Fidyah and Setiawati (2020) explored the influence of organizational culture and employee engagement on employee performance, with job satisfaction as the intervening variable. The study utilized a survey method to collect data from 300 employees working in diverse organizations in a developing country. Structural equation modeling (SEM) was used to analyze the data and test the hypotheses. The study found that a positive organizational culture and high employee engagement have a significant positive effect on employee performance. Additionally, the study found that employee job satisfaction mediates the relationship between organizational culture, employee engagement, and employee performance. Therefore, it is recommended that organizations should strive to cultivate a positive and supportive culture and embrace practices that promote employee engagement in order to enhance job satisfaction and ultimately improve employee performance.

3. Materials and Methods

3.1. Methodological Approach
Achieving the aim of current study was done depending on quantitative approach; this approach was chosen due to the suitability of its numerical results in generalizing and proving the phenomenon under examination.

3.2. Tool of Study
A questionnaire was built to be the main tool of current study, the questionnaire appeared in two main sections; the first took into perspective demographics of study sample (gender, age, and experience); while the other section presented statements related to study variables with the aid of previous studies.

In its first version, the questionnaire was presented before a group of academic specialists for the sake of arbitration. After arbitration, the questionnaire consisted of (41) statements based on likert 5 point scale (1) Strongly disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (5) Strongly agree.

3.3. Population and Sampling

Population of study consisted of all employees within industrial organizations operating in the state of Kuwait during the fiscal year 2022-2023. A convenient sample of (400) individuals was chosen to represent population of study. After application process, researcher was able to retrieve (371) properly filled questionnaires which indicated a response rate of (92.7%) as statistically accepted.

3.4. Statistical Processing

Statistical package for social sciences SPSS was chosen in order to screen and analyze gathered primary data. Cronbach's alpha was used to conduct an analysis of the reliability of the questionnaire, and the findings are presented in the table that can be seen below. All of the Alpha values for the variables are over the cutoff of 0.70, which indicates that they are satisfactory:

Table 1. Reliability Test

Variable	Alpha value
Shared values	0.926
Organizational structure	0.894
Communication	0.84
Leadership	0.903
Teamwork	0.815
Adaptability	0.918
Employee Retention	0.902
Employee Engagement	0.911

4. Results and Discussion

4.1. Demographic Statistics

Based on frequencies and percentages of demographic results, it was seen as in table 2 below that majority of respondents were males forming 69.5% of total sample who were more than 43 years old forming 35.6% and who had an experience in the field that was more than 17 years forming 42.3% of total sample.

Table 2. Demographics

		Frequency	Percent
Gender			
Valid	Male	258	69.5
	Female	113	30.5
Age			
Valid	25-30	36	9.7
	31-36	86	23.2
	37-42	117	31.5
	+43	132	35.6
Experience			
Valid	2-6	30	8.1
	7-11	53	14.3
	12-16	131	35.3
	+17	157	42.3
	Total	371	100.0

4.2. Questionnaire Analysis

In table 3 below, mean and standard deviation of statements were calculated, as it was seen that all statements scored higher than mean of scale 3.00 which indicated that statements were positively received.

Regarding variables, it was seen that the highest variable (*communication*) scored a mean of 4.21/5.00 compared to the lowest variable which was (*shared values*) scoring a mean of 3.80/5.00 but still positive. As for statement, the highest statement scored 4.34/5.00 and was articulated "*Our organization utilizes a variety of communication channels, including email, instant messaging, and face-to-face meetings*." compared to the lowest statement which scored 3.68/5.00 and articulated "*We value continuous learning and encourage our employees to seek out growth opportunities*".

Table 3. Descriptive Statistics

Statement	Mean	Std. Deviation
Our company values respect and inclusivity in all aspects of our business practices	3.75	1.13
At our organization, we prioritize honesty and open communication	3.90	1.15
We value continuous learning and encourage our employees to seek out growth opportunities	3.68	1.15
Collaboration and teamwork are an essential part of our company culture	3.93	1.13
Our organization strives for innovation and creativity in everything we do	3.75	1.14
Shared values	**3.80**	**1.00**
Our company operates within a flat organizational structure with minimal hierarchy.	4.24	.79
We employ a team-based approach to decision-making and problem-solving	3.96	.96
As a decentralized organization, we allow for autonomy and self-management among departments	4.16	.74
The roles and responsibilities of employees are clearly defined and communicated throughout the organization	4.12	.91
We prioritize cross-functional collaboration to achieve organizational goals	4.01	.76
Organizational structure	**4.10**	**.70**
We have an open-door policy that encourages employees to share their ideas and feedback	4.33	.69
Our organization utilizes a variety of communication channels, including email, instant messaging, and face-to-face meetings.	4.34	.70
We value active listening and encourage employees to communicate with empathy and understanding.	4.21	.66
Clear and concise communication is essential to our company culture.	4.33	.76
We prioritize regular communication and check-ins with team members and managers	3.86	.99
Communication	**4.21**	**.60**
Our leaders prioritize coaching and mentorship as a means of employee development.	4.21	.88
We prioritize hiring leaders who embody our company values and demonstrate strong emotional intelligence.	3.94	1.01

Leaders at our organization are accountable and transparent in their decision-making.	3.90	1.04
We encourage our leaders to lead by example and embody a growth mindset.	3.87	.86
Our leadership team prioritizes creating a positive work environment for employees.	4.29	.66
Leadership	**4.04**	**.77**
Our organization values building strong relationships and creating a sense of community among employees.	3.92	.73
Collaboration is essential to our company culture and is encouraged in all aspects of work.	4.12	.83
We prioritize creating a diverse and inclusive team to foster innovation and creativity.	4.19	.89
We encourage open communication and active listening within teams and between departments.	4.22	.74
Our organization values recognizing and celebrating individual and team achievements	3.81	1.13
Teamwork	**4.05**	**.66**
Our organization values agility and the ability to pivot quickly in response to changes in the market.	3.92	1.14
We prioritize creating a learning culture that encourages employees to embrace new ideas and approaches.	3.72	1.16
Our organization values innovation and experimentation, even if it means taking risks.	3.96	1.13
We prioritize continuous improvement and creating a culture of experimentation.	3.81	1.14
We value the ability to remain calm and flexible in a fast-paced work environment	4.27	.82
Our organization values agility and the ability to pivot quickly in response to changes in the market.	3.96	1.01
Adaptability	**3.93**	**.94**
Retaining top employees within an organization can be done by creating a work environment that is engaging and fulfilling.	3.89	1.17
High employee retention rates can benefit an organization, as it reduces the need to continually recruit and train new employees	3.69	1.18
Positive organizational culture, fair and competitive compensation packages, opportunities for career growth and development, and supportive and effective management	3.91	1.16
Organizations that value employee feedback and actively seek to address concerns and issues raised can also experience better employee retention rates	3.76	1.17
Employee Retention	**3.84**	**.97**
Employee engagement mean that employees are invested in their work and committed to the success of their organization	4.24	.89
Engaged employees are more likely to be productive, innovative, and committed to meeting organizational goals	3.99	1.03
Organizations that prioritize employee engagement typically see higher rates of employee retention and lower rates of absenteeism	3.95	1.12
Employee engagement initiatives can include training and development programs, career growth opportunities, and regular performance feedback	3.76	1.14

Regular communication from leadership and management is crucial to maintaining high levels of employee engagement	3.99	1.10
Employee engagement is not limited to traditional office settings - remote workers and freelancers can benefit from engagement initiatives as well	3.84	1.12
Employee Engagement	**3.97**	**.89**

4.3. Hypotheses Testing

Testing hypotheses of current study was done depending on multiple regression, it was found that there was a strong positive relationship between the independent factors and the dependent variable (r = 0.953), supporting the aforementioned hypothesis. A further 90.8% of the dependent variable's total variance may be explained by the independent variables. Furthermore, the F value was significant at the 0.05 level, suggesting that Organizational culture can positively influence employee retention.

H1: Organizational culture **can positively influence employee retention**

Table 4. H1 Testing

		Unstandardized Coefficients		Standardized Coefficients				
Model		B	Std. Error	Beta	t	Sig.	R	R Square
1	(Constant)	-.112	.118		-.953	.341	**.953a**	**.908**
	Shared values	.250	.044	.259	5.701	.000		
	Organizational structure	.179	.040	.130	4.423	.000		
	Communication	.077	.048	.048	1.612	.108		
	Leadership	-.032	.050	-.025	-.632	.528		
	Teamwork	-.219	.062	-.150	-3.534	.000		
	Adaptability	.753	.041	.735	18.155	.000		

A look at Table 5 revealed that there is a statistically significant relationship between organizational culture and employee retention, with a value of ($R2 = 0.721$, p=0.000). In the second stage, we incorporated the Employee engagement variable, and we discovered that it significantly increased the overall interpretation factor by $\Delta R2 = 6.1\%$. We discovered that the addition of the Employee engagement -organizational-culture interaction variable increased the overall interpretation factor by $\Delta R2 = 0.5\%$ (which is a significant value). That means Employee engagement moderates the relationship between organizational culture and employee retention

H2: Employee engagement **moderates the relationship between organizational culture and employee retention**

Table 5. H2 Testing

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
						Change Statistics			
1	.849[a]	.721	.721	.51062	.721	955.271	1	369	.000
2	.885[b]	.782	.781	.45189	.061	103.149	1	368	.000
3	.887[c]	.787	.785	.44756	.005	8.167	1	367	.005

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	249.075	1	249.075	955.271	.000[b]
	Residual	96.212	369	.261		
	Total	345.287	370			
2	Regression	270.139	2	135.069	661.432	.000[c]
	Residual	75.148	368	.204		
	Total	345.287	370			
3	Regression	271.775	3	90.592	452.264	.000[d]
	Residual	73.513	367	.200		
	Total	345.287	370			

The author also used Pearson correlation to test the relationship between the independent variables and the dependent variable, following results are found:

Table 6. Pearson Correlation

		Employee Retention
Shared values	Pearson Correlation	.891[**]
	Sig. (2-tailed)	.000
	N	371
Organizational structure	Pearson Correlation	.666[**]
	Sig. (2-tailed)	.000
	N	371
Communication	Pearson Correlation	.281[**]
	Sig. (2-tailed)	.000
	N	371
Leadership	Pearson Correlation	.693[**]
	Sig. (2-tailed)	.000
	N	371
Teamwork	Pearson Correlation	.666[**]
	Sig. (2-tailed)	.000
	N	371
Adaptability	Pearson Correlation	**.946[**]**
	Sig. (2-tailed)	.000
	N	371

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

Above table shows that the highest relationship is between adaptability and Employee Retention with r= 0.946, whereas the lowest relationship was between communication and Employee Retention with r= 0.281.

4.4. Discussion

Current study aimed at exploring the moderating effect of employee engagement on the relationship between organizational culture (Shared values, Organizational structure, Communication, Leadership, Teamwork and Adaptability) and employee retention from perspective of all employees within industrial organizations operating in the state of Kuwait. Quantitative methodology was chosen, and a survey was distributed on a sample of (371) employees and SPSS was used in order to realize aim of study through a questionnaire. Results of study indicated that employee engagement is a critical factor in determining employee retention, as it serves as a moderating influence on the relationship between organizational culture and employee retention. Organizational culture refers to the shared values, beliefs, and behaviors that are present within an organization. A strong organizational culture positively impacts employee retention by creating a sense of belonging, job satisfaction, and motivation. However, the moderating influence of employee engagement on this relationship is important to consider. Employee engagement is the degree to which employees are committed to their work, feel valued, and have a sense of personal investment in the organization's success. When employees are engaged, they are more likely to remain with the organization, even when faced with challenges or opportunities elsewhere.

Thus, a strong organizational culture alone does not guarantee employee retention; the organization must also foster an environment that encourages employee engagement. This involves open communication, a clear understanding of roles and expectations, recognition of employee contributions, and opportunities for growth and development.

In addition to that, study was able to prove that organizational culture is a critical aspect of any successful organization. A strong and positive culture can lead to higher employee engagement, better performance, and a stronger sense of community within an organization. Building and maintaining a

strong culture involves establishing clear values and beliefs, open communication and recognition and reward for employees; by investing in organizational culture, organizations can create a more productive, efficient, and enjoyable work environment for everyone involved.

Positive organizational culture means more employee retention

The study hypothesized that "organizational culture can positively influence employee retention" which appeared to be a common statement among human resources professionals and business leaders. The hypothesis launched from the fact that organizational culture is a group of values, beliefs, norms, and behaviors that govern how people interact within an organization, such factors can play a crucial role in determining an employee's level of satisfaction and engagement with their job. From analysis, there appeared strong evidence that supports the idea that a positive organizational culture can have a lasting impact on employee retention. When employees believe that their values are aligned with those of the company, they are more likely to stay in their jobs for a longer period. This is because they feel a sense of belonging, purpose, and shared vision with their colleagues and managers. These results agreed with Pham et al (2021), Murtiningsih (2020) and Samanta (2021) who argued that organizations with positive organizational cultures tend to offer a range of benefits and perks that can also contribute to employee retention. For example, they may provide opportunities for professional growth and development, create a supportive work environment, offer flexible schedules, and provide comprehensive benefits packages. All of these factors work together to create a workplace culture where employees feel valued, motivated, and supported. In conclusion, the hypothesis that organizational culture can positively influence employee retention is well-supported by research and practical experience. By fostering a positive and supportive environment for employees, businesses can increase retention rates and build a stronger and more committed workforce.

Employee engagement supports the relationship between culture and retention

Study was based on hypothesizing that "employee engagement moderates the relationship between organizational culture and employee retention", and results accepted this hypothesis arguing that the degree to which employees are engaged in their work and in their organization can affect the relationship between the organizational culture and employee retention rates. Results also suggested that a positive organizational culture has a positive effect on employee retention, but this effect will be strengthened or weakened depending on the level of employee engagement. In addition to that, it was found out through analysis that when employees are highly engaged, they will be more likely to respond positively to an organizational culture that supports their well-being and job satisfaction. Such results agreed with Ashraf and Siddiqui (2020) and Fidyah and Setiawati (2020) who argued that positive culture, in turn, will be a key factor in retaining employees within the organization. Conversely, a negative organizational culture can be detrimental to employee retention regardless of the level of engagement. Thus, the degree to which employee engagement moderates the relationship between organizational culture and employee retention is an important consideration for managers and researchers alike. By understanding this relationship, organizations can work to create a positive culture that promotes employee engagement and retention, leading to increased productivity and overall success.

It is worth to add here that the study was limited to the following:

There are several possible limitations in investigating the impact of organizational culture on employee retention with the moderating role of employee engagement, including:

Limited Generalizability: The study may have limited generalizability if it focuses on a specific industry or geographic location, making it difficult to apply the findings to other settings.

Single Source Data: Using a single data source to collect data may be limiting, as the data may not reflect all of the factors that influence employee retention in an organization.

Employee Engagement Measurement: Employee engagement is a complex and multifaceted

construct and measuring it can be challenging. If the study uses an inadequate measurement tool, it may not accurately reflect the level of engagement among employees.

5. Conclusion and Recommendations

5.1. Conclusion

In conclusion, study found out that fostering a positive work culture promotes teamwork, collaboration, and mutual respect can help increase employee loyalty and satisfaction. Encourage open communication, celebrate successes, and address issues promptly and professionally. In addition to that, providing opportunities for employees to learn and grow, both within their current roles and in preparation for future opportunities, can include training, coaching, and mentoring programs that help employees develop new skills and advance their careers within the organization. However, engaged employees are more likely to be committed to the organization and stay for the long term. Provide opportunities for employees to provide feedback, get involved in decision-making, and develop their skills.

5.2. Theoretical and Practical Implications

Investigating the moderating influence of employee engagement on the relationship between organizational culture and employee retention can have significant theoretical and practical implications. Theoretically, this research can help organizations understand the factors that influence employee retention. By examining the role of employee engagement as a moderating factor in the relationship between organizational culture and employee retention, researchers can gain a deeper understanding of the mechanisms that contribute to employee retention. This can lead to the development of theories and models that explain the complexities of retention in organizations.

Practically, this research can inform organizational practices and policies aimed at employee retention. By identifying the role of employee engagement in mitigating the impact of organizational culture on employee retention, organizations can develop interventions that target employee engagement. This can include initiatives to improve organizational culture, such as promoting a positive work environment or providing opportunities for employee development and growth. Additionally, organizations can develop engagement initiatives aimed at enhancing the employee experience, such as providing greater autonomy and flexibility or increasing social support within the workplace.

5.3. Future Studies

Based on previously presented results and discussion, researcher presented some areas in which future studies can be carried out within the same scope of current study which included:

- A longitudinal analysis of the impact of organizational culture on employee engagement and retention based on evidence from SMEs in Kuwait
- Investigating the impact of ethical leadership on employee retention through the mediating role of organizational culture

5.4. Recommendations

Based on analysis, results, and conclusion; current study suggested the following recommendations:

1. Creating a strong sense of purpose and a set of guiding principles can help employees feel more connected to the organization and its goals, and feel like they are part of something meaningful.

2. Prioritizing employee well-being by offering flexible work arrangements, wellness programs, and other initiatives that promote work-life balance can help reduce burnout and increase employee satisfaction.

3. Recognizing and reward employees for their hard work and achievements can include bonuses, promotions, and other forms of recognition that make employees feel valued and appreciated.

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