

IMPACT OF ORGANIZATION CULTURE ON EMPLOYEE PERFORMANCE IN IT COMPANIES IN NEPAL

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fulfilment of the requirements for the Master's Degree

By

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **“IMPACT OF ORGANIZATION CULTURE ON EMPLOYEE PERFORMANCE IN IT COMPANIES IN NEPAL”**. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

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APPROVAL SHEET

We have examined the dissertation entitled **“IMPACT OF ORGANIZATION CULTURE ON EMPLOYEE PERFORMANCE IN IT COMPANIES IN NEPAL”** presented by Mr. Anup Tiwari for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Table of Contents

CERTIFICATION OF AUTHORSHIP	ii
REPORT OF RESEARCH COMMITTEE	iii
APPROVAL SHEET	iv
ACKNOWLEDGEMENTS	v
LIST OF TABLES	ix
LIST OF FIGURE	x
ABBREVIATIONS	xi
ABSTRACT	xii
CHAPTER I INTRODUCTION	1-9
1.1 Background of the Study	1
1.2 Problem Statement	5
1.3 Objectives of the Study	6
1.4 Research Hypothesis	7
1.5 Rationale of the Study	7
1.6 Limitations of the Study	9
CHAPTER II LITERATURE REVIEW	10-48
2.1 Theoretical Review	10
2.1.1 Hofstede's 6-D Model of National Culture (1980)	10
2.1.2 Edgar Schein Model of Organizational Culture (1995)	13
2.1.3 Deal and Kennedy Model of Organizational Culture (1982)	14
2.1.4 Charles Handy Model of Organizational Culture (1999)	14

2.1.5 Information Technology (IT) Sector of Nepal	15
2.2 Conceptual Review	19
2.2.1 Concept of Organizational Culture	19
2.2.2 Characteristics of Organizational Culture	20
2.2.3 Levels of organizational culture	22
2.2.4 Employee Performance	24
2.3 Empirical Review	27
2.3 Research Gap	47
CHAPTER III RESEARCH METHODOLOGY	49-55
3.1 Research Design	49
3.2 Population and Sample, and Sampling Design	49
3.3 Nature and Sources of Data and the Instrument of Data Collection	50
3.4 Method of Analysis	50
3.4.1 Mean	51
3.4.2 Standard Deviation (S.D.)	51
3.4.3 Correlation Analysis	51
3.4.4 Regression Analysis	52
3.5 Research Framework and Definition of Variables	52
CHAPTER IV RESULTS AND DISCUSSION	56-71
4.1 Results	56
4.1.1 Demographic Profile of Respondents	56
4.1.2 Reliability Analysis	58
4.1.3 Descriptive Statistics	59
4.1.4 Correlation Analysis	60
4.1.5 Regression Analysis	63
4.1.6 Hypothesis Testing	66

4.1.7 Major Findings	68
4.2 Discussion	70
CHAPTER V SUMMARY AND CONCLUSION	72-77
5.1 Summary	72
5.2 Conclusion	74
5.3 Implications	75
5.3.1 Theoretical Implications	75
5.3.2 Practical Implications	76
REFERENCES	
APPENDICES	

LIST OF TABLES

Tables	Page No.
Table 1 Summary of Empirical Review	40
Table 2 Demographic Profile of Respondents	57
Table 3 Reliability Analysis	58
Table 4 Summary of Descriptive Statistics	59
Table 5 Rule of Thumb about Strength of Correlation	61
Table 6 Correlation Matrix	61
Table 7 Multicollinearity Test	63
Table 8 Model Summary of Regression Model	64
Table 9 ANOVA Table of Regression Model	64
Table 10 Beta Coefficient of Regression Model	64
Table 11 Hypothesis Testing	66

LIST OF FIGURE

Figure	Page No.
Figure 1 Research Framework of this Study	53

ABBREVIATIONS

AMOS	:	Analysis of Moment Structures
ANOVA	:	Analysis of Variances
BPO	:	Business Process Outsourcing
COM	:	Communication
EE	:	Employee Engagement
EMP	:	Employee Performance
FNCCI	:	Federation of Nepalese Chambers of Commerce and Industry
FY	:	Financial Years
GIDC	:	Government Integrated Data Center
ICT	:	Information and Communications Technology
INO	:	Innovation
IT	:	Information Technology
JOC	:	Job Challenges
KM	:	Knowledge Management
NITC	:	National Information Technology Center
NRB	:	Nepal Rastra Bank
PLS	:	Partial Least Squares
S.D.	:	Standard Deviation
SOC	:	Social Cohesion
SPSS	:	Statistical Package for the Social Sciences
TRU	:	Trust
VIF	:	Variance Inflation Factor

ABSTRACT

This study explores the impact of organizational culture on employee performance within Nepalese IT companies. It addresses the need to foster a supportive culture amidst technological advancements and competitive pressures, aiming to assess current organizational culture, its relationship with performance, and overall impact.

The research employs a combination of descriptive and causal-comparative research designs, focusing on organizational culture and employee performance within Nepalese IT firms. The study population includes all employees across IT companies in Nepal, with a sample size of 250 employees selected via convenience sampling for data collection using structured questionnaire surveys.

Statistical software like Microsoft Excel and SPSS is utilized for data analysis, encompassing descriptive statistics, reliability analysis, correlation studies, and multivariate regression models. The research framework examines organizational culture dimensions—communication, job challenge, social cohesion, innovation, and trust—as determinants of employee behavior and attitudes.

Findings indicate that job challenge, innovation, and trust significantly impact employee performance in Nepalese IT companies, highlighting the importance of fostering challenging roles, encouraging innovation, and cultivating trust within organizational structures. Effective communication and social cohesion, while essential for organizational dynamics and employee satisfaction, exhibit weaker direct impacts on performance.

Practical implications suggest that Nepalese IT companies should prioritize enhancing job challenge, innovation, and trust to improve employee performance. Theoretical insights underscore the critical role of these organizational culture factors in shaping employee outcomes. Recommendations include implementing strategies to increase job complexity, promote innovation, and enhance trust through transparent communication and supportive leadership practices.

Keywords: Organizational culture, employee performance, communication, social cohesion, innovation, trust

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Organizational culture encompasses the behaviors of individuals within an organization and the significance they attach to those behaviors (Ahamed & Mahmood, 2015). It includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. This culture manifests as collective behaviors and assumptions imparted to new members as a way of perceiving, thinking, and feeling within the organization. Essentially, organizational culture shapes how people and groups interact with each other, clients, and stakeholders (Mohammed, 2017). It defines the philosophies, attitudes, beliefs, behaviors, and practices that set one organization apart from another, influencing internal policies, public relations, and customer interactions. Consequently, organizational culture impacts the daily experiences of employees and shapes public perception of the company. It is the culmination of various factors, including history, product, market, technology, strategy, employee types, management style, and national culture (Padhi, 2017).

Corporate culture, a subset of organizational culture, is deliberately cultivated by management to achieve specific strategic goals (Ahamed & Mahmood, 2015). It is reflected in how the organization conducts business, treats employees, customers, and the community, the degree of freedom allowed in decision-making, idea development, personal expression, and the flow of power and information through its hierarchy. Corporate culture also gauges employees' commitment to collective objectives. Understanding organizational culture is crucial for multiple reasons: it significantly impacts working relationships, procedures, and interactions between employees and employers, which is vital for employees, consultants, or contractors (Padhi, 2017). Additionally, for marketers, organizational culture directly influences a company's marketing strategies and messages, as it often reflects in the company's public persona and communication tactics (Mohammed, 2017).

Job satisfaction, or employee satisfaction, has been interpreted in various ways. At its most basic, it is the level of contentment an individual feels with their job, whether they enjoy the job overall or specific aspects such as the nature of work or supervision. However, many believe job satisfaction is more complex than merely liking or disliking one's job. It involves multidimensional psychological responses to one's job, encompassing emotional, cognitive, and behavioral components (Purnomo et al., 2020). These responses can be influenced by factors such as work environment, job role, compensation, relationships with colleagues and supervisors, and opportunities for growth and advancement (Purnomo et al., 2020). Employee satisfaction is vital because it can affect overall job performance, employee retention, and the organization's success.

Employee engagement, while often conflated with job satisfaction, goes beyond mere contentment. Engaged employees are motivated and committed to contributing to the organization's success. They are willing to go the extra mile, demonstrating higher levels of enthusiasm and dedication to their work. Engagement is characterized by an emotional and intellectual connection to one's job and organization (Purnomo et al., 2020). Engaged employees often exhibit greater job performance, creativity, and willingness to advocate for their organization. While job satisfaction is an important component, employee engagement encompasses a broader range of factors, including alignment with organizational goals, a sense of purpose, and the opportunity to use one's strengths and skills effectively (Cherian et al., 2021). Engagement also reflects the extent to which employees feel valued, supported, and involved in the organizational processes.

Understanding organizational culture, job satisfaction, and employee engagement is essential for fostering a productive and harmonious workplace. Organizational culture shapes the environment and behaviors within a company, influencing both internal and external perceptions (Cherian et al., 2021). Job satisfaction reflects an individual's contentment with various aspects of their job, impacting overall performance and retention. Employee engagement goes a step further, indicating a deeper level of motivation and commitment to the organization's success. By cultivating a positive organizational culture, enhancing job satisfaction, and promoting employee engagement, organizations can achieve higher performance levels, innovation, and sustainable growth. These elements are

interconnected, and their collective impact can significantly influence an organization's success and competitive edge in the marketplace (Cherian et al., 2021).

Employee performance is a crucial determinant of an organization's success, reflecting the efficiency and effectiveness with which employees fulfill their job roles and responsibilities (Cherian et al., 2021; Parihar & Sinha, 2021). High levels of employee performance are characterized by enhanced productivity, innovation, and commitment to organizational goals. Employees who perform well contribute to the overall achievement of the organization's objectives, which in turn fosters a competitive edge in the market. Several factors influence employee performance, including job satisfaction, organizational commitment, and the work environment. Job satisfaction, in particular, is linked to better performance as satisfied employees are more likely to be motivated, engaged, and loyal to the organization (Gürlek & Tuna, 2018; Daito et al., 2020). Moreover, organizational support, such as providing adequate resources, opportunities for professional development, and recognition, plays a significant role in enhancing employee performance. Organizations that invest in their employees' growth and well-being are more likely to see improved performance outcomes, which contribute to long-term business sustainability and success.

Organizational commitment is another critical factor that impacts employee performance (Sadavoy & Zube, 2021). Employees who are committed to their organization exhibit a strong desire to contribute to its success and are more likely to go above and beyond their job requirements. This commitment fosters a sense of belonging and loyalty, which reduces turnover rates and ensures a stable and experienced workforce. High organizational commitment also leads to higher levels of engagement and job satisfaction, which are essential for optimal performance (Schleu & Hüffmeier, 2021). Conversely, employees with low organizational commitment may seek better job opportunities, leading to higher turnover rates and potential disruptions in organizational operations (Hutagalung et al., 2020). Therefore, organizations must cultivate a culture of commitment by aligning employees' personal goals with organizational objectives, providing career development opportunities, and fostering a supportive and inclusive work environment. Empirical studies indicate that strong organizational commitment positively influences employee

performance, thereby enhancing overall organizational effectiveness (Purnomo et al., 2020).

Organizational culture significantly influences employee performance by shaping the behaviors, attitudes, and values within an organization (Schleu & Hüffmeier, 2021). A positive organizational culture fosters an environment where employees feel valued, supported, and motivated to perform at their best. This culture is often characterized by clear communication, mutual respect, and shared values that align with the organization's mission and vision. When employees perceive their organizational culture as supportive and empowering, they are more likely to exhibit high levels of job satisfaction and engagement, which directly translates to improved performance. Organizational culture acts as a guiding force that influences how employees interact with one another, approach their tasks, and respond to challenges (Hutagalung et al., 2020). It creates a sense of stability and predictability, allowing employees to focus on their work without unnecessary distractions.

Moreover, a strong organizational culture promotes innovation and continuous improvement by encouraging employees to share ideas and take initiative (Ahmed & Wiadi, 2020; Purnomo et al., 2020). In such environments, employees are more likely to collaborate and work towards common goals, leading to enhanced team performance and overall productivity. Organizations that prioritize building and maintaining a positive culture are better positioned to attract and retain top talent, as employees are drawn to workplaces that offer a supportive and motivating atmosphere. Furthermore, the alignment of organizational culture with business strategies ensures that employees' efforts are directed towards achieving the organization's objectives, thereby enhancing performance outcomes (Schleu & Hüffmeier, 2021). Therefore, investing in the development of a positive organizational culture is essential for optimizing employee performance and achieving long-term business success.

This study focused on examining the impact of organizational culture on employee performance in the context of IT companies in Nepal. The objective was to investigate how the organization culture, values, norms, and practices within IT organizations influence and affects their overall performance. By collecting data from a representative sample of

employees across various IT firms in Nepal, the study aimed to identify the specific elements of organizational culture that significantly contribute to enhanced employee performance. Using structural equation modeling (SEM) to analyze the data, the research sought to elucidate the direct and indirect relationships between organizational culture and employee performance, providing valuable insights for IT companies striving to improve their workplace environment and achieve greater organizational success. This study holds importance for understanding how fostering a positive organizational culture can lead to increase the better performance outcomes among employees in the rapidly growing IT sector of Nepal.

1.2 Problem Statement

Organizational culture plays a pivotal role in shaping employee behavior and attitudes, significantly influence the performance outcomes within IT companies. In the IT sector, where innovation, agility, and rapid adaptation are crucial, a positive organizational culture can be the differentiator that enhances employee engagement and commitment (Kanungo et al., 2001). However, individuals with low organizational commitment often seek better job opportunities, leading to high turnover rates. This turnover presents a grave problem for IT organizations, as the lack of human resources can disrupt operations, delay project timelines, and increase recruitment and training costs. Ensuring a supportive and engaging organizational culture is essential for retaining talent and fostering high-quality work (Xiao & Dasgupta, 2005).

Empirical studies have shown that organizational commitment supports employee performance, underscoring the need for IT companies to provide adequate facilities and technologies (Kanungo et al., 2001). These resources are fundamental to creating a conducive work environment that promotes innovation and efficiency. Furthermore, allowing employees the freedom to express their ideas and contribute creatively can lead to high-quality business outputs. In the context of IT companies in Nepal, the challenge lies in cultivating an organizational culture that not only attracts top talent but also sustains their engagement and commitment over time (Ghimire, 2021). Addressing this challenge involves understanding the specific cultural elements that resonate with IT professionals and leveraging them to enhance the performance.

The rapid pace of technological advancements and the continuous emergence of new market players in the IT sector create a challenging environment for companies to maintain a strong and consistent organizational culture (Ghimire, 2021). This instability can lead to a disconnect between the company's vision and the actual practices and values upheld by employees, ultimately affecting overall corporate performance and employee engagement. In the IT sector, employees are often highly motivated by competitive salaries and financial incentives. However, an overemphasis on monetary rewards can overshadow other critical aspects of job satisfaction such as professional growth, recognition, and work-life balance (Brodbeck et al., 2004). This misalignment can result in high turnover rates and a lack of long-term commitment, undermining the stability and cohesiveness of the organizational culture.

Many IT companies struggle with hierarchical structures that hinder effective communication and decision-making. Additionally, the rapid expansion and dynamic nature of the sector can lead to situations where the right talent is not placed in the right positions, either due to rapid promotions, insufficient vetting processes, or organizational politics (Ghimire, 2021). This mismanagement can create a culture of frustration and disengagement among employees, impeding the company's ability to innovate and stay competitive. The research questions of this study are as follows.

- i. What is the current status of organizational culture and employee performance among employees in Nepalese IT companies?
- ii. Is there any relationship between organizational culture and employee performance in Nepalese IT companies?
- iii. What is the impact of organizational culture on employee performance in Nepalese IT companies?

1.3 Objectives of the Study

The objective of the study are as follows

- i. To assess the current status of organizational culture and employee performance in Nepalese IT companies
- ii. To examine the relationship between organizational culture and employee performance in Nepalese IT companies.

- iii. To analyze the impact of organizational culture on employee performance in Nepalese IT companies.

1.4 Research Hypothesis

The following research hypotheses was established and tested for empirical verification in order to meet the objectives of study and answer the research questions.

Hypothesis I

H₁: There is a significant impact of communication on employee performance in Nepalese IT companies.

Hypothesis II

H₂: There is a significant impact of job challenge on employee performance in Nepalese IT companies.

Hypothesis III

H₃: There is a significant impact of social cohesion on employee performance in Nepalese IT companies.

Hypothesis IV

H₄: There is a significant impact of innovation on employee performance in Nepalese IT companies.

Hypothesis V

H₅: There is a significant impact of trust on employee performance in Nepalese IT companies.

1.5 Rationale of the Study

This study has significant implications across various stakeholders. Understanding the impact of organizational culture on employee performance in the IT sector is crucial for government agencies responsible for labor and economic policies. By recognizing the importance of a positive organizational culture, governments can develop policies and frameworks that encourage companies to invest in creating supportive work environments. This can lead to increased job satisfaction, higher employee retention, and overall

economic growth. Additionally, governments can use these insights to promote best practices in organizational management, which can be extended to other sectors as well.

For policymakers, this study provides valuable data that can inform the development of regulations and guidelines aimed at enhancing employee well-being and productivity in the IT sector. Policymakers can leverage the findings to advocate for standards that ensure fair treatment of employees, promote work-life balance, and foster inclusive workplace cultures. By doing so, they can help create a more competitive and sustainable IT industry, which is essential for driving innovation and economic development.

The IT sector itself stands to benefit significantly from this research. Companies can gain insights into how their organizational culture affects employee performance and identify areas for improvement. By understanding the impact of organizational culture on the employee performance, IT firms can implement strategies to boost morale, enhance job satisfaction, and ultimately improve performance outcomes. This can lead to better employee retention, reduced turnover costs, and a more engaged workforce, which are critical for maintaining a competitive edge in a rapidly evolving industry.

For researchers, this study provides a comprehensive analysis of the relationship between organizational culture and employee performance in the IT sector. It adds to the existing body of knowledge by highlighting specific factors that influence these dynamics in the context of Nepal. Future researchers can build on this work to explore similar relationships in different sectors or geographical regions, contributing to a more nuanced understanding of organizational behavior and performance management.

Students studying business management, organizational behavior, or human resources can benefit from this study by gaining practical insights into the real-world applications of theoretical concepts. Understanding how organizational culture impacts employee performance can help students develop more effective management strategies. Moreover, the case study of IT companies in Nepal provides a localized context that students can relate to and learn from, making their academic pursuits more relevant and applicable.

For academicians, this research offers a rich source of empirical data that can be used to enhance teaching and curriculum development. The findings can be incorporated into coursework related to organizational behavior, human resource management, and strategic

management. Academicians can also use this study as a basis for further research, exploring related themes or testing new hypotheses. By integrating these insights into their teaching, academicians can prepare students to become more effective leaders and managers in their future careers.

Overall, this study provides a multi-faceted rationale that benefits a wide range of stakeholders, from government and policymakers to IT companies, researchers, students, and academicians. By analyzing the impact of organizational culture on employee performance, the research offers valuable insights that can drive positive change across various levels of the IT sector and beyond.

1.6 Limitations of the Study

The limitation of this study are as follows.

- i. The study relied solely on primary data collected from IT companies in Nepal, which may restrict the generalizability of findings to other sectors or geographical regions.
- ii. The research is specifically focused on IT companies in Nepal, potentially limiting the applicability of findings to industries outside the IT sector.
- iii. While the study examined organizational culture as key variables, other potentially influential factors on employee performance, such as individual traits or external market conditions, are not extensively explored.
- iv. The sample size of IT companies and employees surveyed, while sufficient for the study's scope, may restrict the ability to draw broader conclusions or generalize findings beyond the sampled population.
- v. The research adopts a descriptive and causal comparative design, capturing data at a single point in time, which may not fully capture the dynamic nature of organizational culture and its long-term impact on employee performance.

CHAPTER II

LITERATURE REVIEW

The literature review for this study extensively explores related concepts, terms, previous articles, journals, theories, and research gaps pertinent to organizational culture and employee performance. It synthesizes findings from seminal works in organizational behavior and human resource management, highlighting the theoretical frameworks that underpin the study. Key topics covered include the impact of organizational culture on employee attitudes and behaviors in enhancing performance outcomes, and empirical studies examining similar dynamics in diverse organizational settings. The review identifies gaps in existing literature, particularly within the context of IT companies in Nepal, setting the stage for this research to contribute new insights and empirical evidence to the field.

2.1 Theoretical Review

2.1.1 Hofstede's 6-D Model of National Culture (1980)

Geert Hofstede's model of national culture, also known as the 6-D model, provides a comprehensive framework for understanding the various cultural dimensions that influence organizational behavior and employee interactions. Developed in 1980, this model highlights six key dimensions that distinguish one organization's culture from another and help in understanding how cultural differences impact the workplace. These dimensions are Power Distance Index, Uncertainty Avoidance Index, Individualism vs. Collectivism, Masculinity vs. Femininity, Long-term vs. Short-term Orientation, and Indulgence vs. Restraint. Each dimension offers insight into the values and behaviors prevalent within an organization, influencing how employees interact with each other and approach their work (Arogundade, 2020).

Dimension 1: Power Distance Index (PDI)

Power Distance Index refers to the extent to which less powerful members of organizations accept and expect that power is distributed unequally. High power distance cultures tend to have a clear hierarchy where subordinates are dependent on their supervisors and accept that power is concentrated at the top. For example, in such organizations, employees may

follow their supervisor's directives strictly because of their positional authority. Arogundade, (2020) illustrate this with questions like whether employees obey supervisors because of their position (high power distance) or because they believe the supervisor has the right answers (low power distance). In organizations with low power distance, employees expect to be consulted and value equality in power distribution (Arogundade, 2020).

Dimension 2: Uncertainty Avoidance Index (UAI)

Uncertainty Avoidance Index measures the extent to which members of a culture feel threatened by ambiguous situations and have created beliefs and institutions to avoid such uncertainty. High uncertainty avoidance cultures prefer structured conditions and clear rules, as they provide security and reduce the uncertainty of future outcomes (Hofstede, 1980). People in these cultures tend to avoid taking risks and are uncomfortable with change and innovation. In contrast, low uncertainty avoidance cultures are more tolerant of ambiguity and risk, allowing for more flexibility and adaptability (Arogundade, 2020).

Dimension 3: Individualism vs. Collectivism (IDV)

This dimension contrasts the degree to which individuals are integrated into groups. Individualistic cultures emphasize personal achievement and individual rights, encouraging independence and self-reliance. In such cultures, employees prioritize their personal goals over the group's objectives and value individual opinions and autonomy. In collectivist cultures, on the other hand, individuals are part of strong, cohesive in-groups that protect them in exchange for loyalty (Hofstede, 2011). These cultures emphasize teamwork, group harmony, and collective decision-making. Relationships and community are highly valued, and the success of the group is prioritized over individual achievements (Arogundade, 2020).

Dimension 4: Masculinity vs. Femininity (MAS)

Masculinity versus Femininity refers to the distribution of roles between genders and the value placed on traditionally male or female attributes. Masculine cultures value competitiveness, assertiveness, material success, and achievement. They are driven by performance and tangible results, with an emphasis on task-oriented behavior and ambition

(Dowling et al., 2017). Feminine cultures, however, value care, quality of life, and nurturing roles. They emphasize relationships, cooperation, and empathy, prioritizing people-oriented behavior and work-life balance. Organizations with a feminine culture are more likely to foster collaboration and support among employees, promoting a more inclusive and harmonious work environment (Arogundade, 2020).

Dimension 5: Long-term vs. Short-term Orientation (LTO)

This dimension describes the extent to which a culture programs its members to accept delayed gratification of their material, social, and emotional needs. Long-term oriented cultures focus on future rewards, emphasizing perseverance, thrift, and adapting to changing circumstances. These cultures value long-term investments, sustainable growth, and strategic planning for future benefits (Dowling et al., 2017). Short-term oriented cultures, in contrast, value immediate results and are oriented towards present benefits. They emphasize efficiency, productivity, and achieving quick outcomes, often prioritizing short-term gains over long-term sustainability (Arogundade, 2020).

Dimension 6: Indulgence vs. Restraint (IVR)

Indulgence versus Restraint pertains to the degree to which a culture allows relatively free gratification of basic human drives related to enjoying life and having fun. Indulgent cultures encourage the free expression of emotions and desires, with a focus on personal happiness and well-being. These cultures promote leisure activities, spending on personal enjoyment, and a generally optimistic outlook on life. Restraint cultures, on the other hand, regulate the gratification of needs through strict social norms, promoting a sense of duty and control over desires. These cultures prioritize frugality, self-discipline, and adherence to social rules and expectations (Arogundade, 2020).

Understanding these dimensions is crucial for organizations operating in diverse cultural environments. It helps managers and leaders to navigate cultural differences, tailor their management practices, and create strategies that align with the cultural values of their workforce. For example, in high power distance cultures, implementing a hierarchical structure with clear authority lines may be more effective, while in low power distance cultures, a participative leadership style may yield better results. Similarly, organizations in high uncertainty avoidance cultures may need to establish clear policies and procedures

to mitigate employees' anxiety, whereas those in low uncertainty avoidance cultures can promote innovation and flexibility (Arogundade, 2020).

Hofstede's 6-D model provides valuable insights into the cultural factors that shape organizational behavior and employee interactions. By understanding these dimensions, organizations can better manage cultural diversity, enhance employee engagement, and improve overall organizational performance. Each dimension offers a lens through which to view and address the unique challenges and opportunities presented by different cultural contexts, ultimately contributing to a more effective and harmonious workplace (Arogundade, 2020).

2.1.2 Edgar Schein Model of Organizational Culture (1995)

Edgar Schein's model of organizational culture is grounded in the idea that an entity's culture can be understood through observing employees' reactions and choices, as well as by investigating their beliefs and cognitions regarding what is considered right and proper conduct. According to Schein (1995), culture is a pattern of shared basic assumptions that a group has learned as it solves its problems of external adaptation and internal integration. These assumptions have worked well enough to be considered valid and, therefore, are taught to new members as the correct way to perceive, think, and feel in relation to those problems. Schein's model employs a functionalist perspective, viewing culture as a set of core beliefs that are created, discovered, or developed by a specific group as they work together to address their challenges (Arogundade, 2020).

Understanding an organization's culture, according to Schein (1995), begins with studying its artifacts, which are the visible and tangible elements within the organization. These include the physical environment, the behavior of employees, company policies, reward systems, and other observable features. Artifacts provide an initial insight into the culture but require deeper inquiry into the underlying values and assumptions that drive these visible aspects. By examining how employees interact, the norms they follow, and the principles they uphold, one can uncover the fundamental beliefs that shape the organization's culture (Arogundade, 2020). Schein's model emphasizes that to truly understand an organization's culture, it is essential to look beyond superficial elements and

explore the deeper layers of shared assumptions and values that influence behavior and decision-making within the organization.

2.1.3 Deal and Kennedy Model of Organizational Culture (1982)

The Deal and Kennedy model, introduced by Deal and Kennedy in 1982, categorizes organizational culture based on the type of feedback and the degree of risk-taking within an organization. According to Nigussie (2018), this model identifies four distinct types of organizational culture: tough-guy macho culture, work hard/play hard culture, bet your company culture, and process culture. Each type is characterized by different levels of feedback speed and risk-taking behavior. The tough-guy macho culture is marked by rapid feedback and high rewards, creating a high-pressure environment where employees are motivated by quick recognition and tangible rewards for their efforts. On the other hand, the work hard/play hard culture involves minimal risk-taking and is defined by fast-paced feedback, fostering a dynamic atmosphere where employees are encouraged to work diligently and enjoy their accomplishments in a relatively low-risk setting (Arogundade, 2020).

In contrast, the bet your company culture is associated with high-risk decision-making, where the consequences of actions and decisions unfold over several years. This type of culture is common in industries such as oil exploration and pharmaceuticals, where significant investments are made with long-term payoffs. Lastly, the process culture is characterized by minimal or non-existent feedback, where the focus is on how things are done rather than the results. This culture often prevails in bureaucratic organizations where procedures and processes are emphasized over outcomes, leading to a more predictable and stable environment (Arogundade, 2020). By examining these different cultural types, the Deal and Kennedy model provides a framework for understanding how feedback and risk-taking shape organizational behavior and influence the overall work environment.

2.1.4 Charles Handy Model of Organizational Culture (1999)

The Charles Handy model, as discussed by Dolan and Lingham (2012), categorizes organizational culture into four distinct classes based on organizational structure: power culture, role culture, task culture, and person culture. In a power culture, power is concentrated among a few individuals, creating a web-like structure where control radiates

from the center. This culture is characterized by minimal rules and bureaucracy, with decision-making centralized among those at the top. Organizations with a power culture often operate in a fast-paced environment where quick decisions are paramount, but this can also lead to issues if the central figures become bottlenecks. The role culture, on the other hand, features a well-defined hierarchical structure where power is derived from one's position within the organizational chart. These organizations have clearly specified roles and responsibilities, with authority and power linked to an individual's rank (Arogundade, 2020). This culture is typically found in bureaucratic organizations where adherence to rules and procedures is essential, but it can stifle innovation and flexibility.

In contrast, the task culture focuses on achieving specific goals through the formation of teams with the necessary skills and expertise. Power in this culture stems from competency and expertise, making it a dynamic and flexible environment where teams are created to solve particular problems. Task cultures often utilize a matrix structure, characterized by multiple reporting lines that enhance collaboration and adaptability (Arogundade, 2020). Lastly, the person culture is centered around individuals who believe they are more important than the organization itself. In such cultures, the organization's survival can be challenging as individuals prioritize their own needs and goals over those of the collective entity. This type of culture is less common and can lead to difficulties in cohesion and unified direction, as the fundamental notion of an organization—working together towards common objectives—becomes compromised (Nigussie, 2018).

2.1.5 Information Technology (IT) Sector of Nepal

In 2001, the Government of Nepal established the National Information Technology Center (NITC) and Government Integrated Data Center (GIDC), marking a new era in information and communication technology. Initially designed to record data for government offices, ministries, and departments, it quickly evolved into a key player in developing and expanding ICT infrastructure (Shrestha, 2023).

One of Nepal's primary goals is to create local employment opportunities, reducing the need for youth to migrate abroad for work. The IT sector holds significant potential for job creation, and the Government has prioritized IT and business process outsourcing as key export service sectors under the Nepal Trade Integration Strategy. With increasing internet

access, the IT sector has experienced significant growth in recent years, providing vibrant career opportunities. The industry has expanded rapidly, not just in Kathmandu but also in other areas, aiming to establish Nepal on the global IT map by 2025. Nepal's tech-savvy environment promises a bright future for the IT industry and tech enthusiasts, benefiting the country's economy (Shrestha, 2023).

According to Nepal Rastra Bank, the IT services' contribution to the nation's total exports increased by 17.1 percent in the fiscal year 2020-21, despite the pandemic. This growth is attributed to the rising demand for online services and IT-related jobs as more businesses shifted to remote work and online operations. Nepal's e-commerce is currently experiencing over 40 percent annual growth, according to the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) Investment Memorandum report for FY 2020/2021 (Shrestha, 2023).

The widespread use of technology today has transformed business models, making society increasingly reliant on it. This shift has led to the emergence of numerous job opportunities in the IT sector due to continuous development. Recognizing the global trend of technological expansion, Nepal's policymakers have integrated IT into the country's development agenda, gradually making Nepal a hub for IT outsourcing services (Shrestha, 2023).

According to the Department of Labor and Occupational Safety, workers from around 100 countries are engaged in various projects in Nepal, with Chinese nationals being the most numerous. Significant numbers of workers from the UK, the USA, South Korea, India, and Japan are also present. Since 2017, over 7,500 Chinese nationals have obtained labor permits for Nepal, including 2,594 renewals. Foreign workers typically hold technical positions such as project engineering, tunnel and hydro-engineering, maintenance engineering, and mechanical engineering, according to the Department (Shrestha, 2023).

The IT sector has become a revolutionary field for employment in Nepal, second only to tourism. According to the Report of Investment Board Nepal, there are around 500 IT services companies, some with more than 300 employees each, catering to emerging IT elites. With new policies, skilled youngsters, and training, Nepal offers lower development costs and access to a vast tech talent pool, making it an ideal offshore outsourcing location

for companies from Europe and America. Several IT companies have established their businesses in Nepal, developing a niche market for their products and creating a new profile in the IT industry (Shrestha, 2023).

The Information and Communications Technology (ICT) sector is one of the fastest-growing sectors in Nepal, with significant potential for continued growth. It comprises sub-sectors and services such as Communications Services (internet, telephone, mobile communication) and IT services (IT Enabled Services (ITES) Business Process Outsourcing (BPO)). Popular companies offering BPO services in Nepal include Verisk Information Technologies, Deerwalk, Javra Software, Leapfrog, F1Soft, Incessant Rain Animation, and Cloud Factory. Many Nepalese companies provide services for companies in Europe, America, Australia, and other Asian countries. IT-BPO can catalyze Nepal's tech-based job creation, similar to neighboring India, the Philippines, and Vietnam, while contributing to the services sector (Shrestha, 2023).

With improvements in IT infrastructure, the start-up sector can enhance the app ecosystem in Nepal, unlocking new employment opportunities combined with mobile devices. The job market impact has been impressive, with each job in the App economy creating 2.9 jobs in direct, indirect, and induced forms. From ordering food, applying for citizenship, and paying electricity bills to booking healthcare appointments, mobile apps facilitate our daily transactions. The digital economy, including digital payments, e-commerce, and the app economy, is expanding rapidly. Apps like Khalti, e-Sewa, HamroKrishi, and Daraz, along with specific apps from financial institutions, keep data updated and transactions easy for customers. The growing demand for app development, driven by increased dependency, calls for candidates skilled in complex programming languages and digital tools, offering innovative youths app developer jobs (Shrestha, 2023).

The IT industry's viability in Nepal is expected to drive strong demand for skilled IT professionals in the coming years. IT professionals in Nepal often earn higher salaries than those in other fields, and IT education helps individuals develop technical and problem-solving skills. The constantly evolving IT industry allows individuals to continue learning and growing. Various career paths are available in Nepal's IT field, including software development, web development, digital marketing, data science, startup founding, AI and

machine learning, IT project management, DevOps, database administration, VFX artistry, programming, and IT/network administration (Shrestha, 2023).

The IT sector in Nepal has created alternative career opportunities for Nepali professionals in high-paying jobs in areas such as software development, data analysis, IT project management, and cybersecurity. It fosters entrepreneurship by providing a favorable environment for tech startups to thrive and supports remote work, enabling Nepalis to work for global companies from home. This contributes to the overall economic growth and retention of local talent (Shrestha, 2023).

Freelance work in IT offers a flexible schedule, particularly beneficial for young professionals seeking work-life balance. One can work from home or anywhere with an internet connection and set their schedule. It provides opportunities to work with global clients, exposing professionals to diverse cultures, working styles, and perspectives, enhancing skills and broadening horizons. "With the option to work from home for reputed companies, individuals can earn a decent salary while staying in Nepal. This has helped retain talented professionals in the country, reducing brain drain and contributing to the IT sector's growth in Nepal," states Rojal Bati, a 28-year-old Software QA Automation Engineer at Plerion (Shrestha, 2023).

The COVID-19 pandemic significantly impacted Nepal's job market, with many businesses shutting down or reducing their workforce. However, the IT sector and online freelancing emerged as a silver lining, offering new job opportunities for Nepali professionals struggling with unemployment. The demand for IT jobs in online marketplaces like Upwork, Freelancer, and Fiverr increased significantly during the pandemic. According to Upwork's Q4 2020 report, Nepal was one of the fastest-growing countries on the platform, with a 166 percent increase in freelancers compared to the previous year. This growth is attributed to the increasing number of Nepali professionals working remotely for global clients in IT-related roles, including software development, web design, and digital marketing (Shrestha, 2023).

Establishing IT and Telecommunication companies in Nepal has created job opportunities for IT, computer, software, and electronics engineers. Even those who are not IT graduates but have qualifications in related courses like web designing, programming, or application

development can find good job opportunities. This played a crucial role in sustaining Nepal's online workforce during the COVID-19 pandemic (Shrestha, 2023).

2.2 Conceptual Review

2.2.1 Concept of Organizational Culture

Organizational culture, rooted in the Latin word 'colere' meaning to tend to the earth and cultivate, encompasses the behaviors, belief systems, norms, and shared values of a group of people (Zimmermann, 2015). It extends beyond surface-level attributes such as dress code and eating habits to encompass deeper aspects like shared meanings, hierarchies, and societal roles (Irfan, 2016). In organizational contexts, culture plays a pivotal role in shaping how employees perceive, interpret, and react to their work environment.

Scholars like Schein (2011) and Armstrong (2012) define organizational culture as a set of beliefs, values, norms, and assumptions that guide behavior and decision-making within an organization. It serves as a declaration of an organization's identity, influencing how tasks are performed and fostering a sense of unity among employees. This collective set of assumptions and behaviors is not always explicitly documented but significantly influences organizational dynamics and employee interactions (Ravasi & Schultz, 2006).

Organizational culture encompasses various elements such as organizational structure, leadership style, goal orientation, rewards systems, and approaches to risk (Ugwu et al., 2023). These elements collectively shape the workplace environment, influencing employee morale, job satisfaction, and overall organizational performance. By understanding these elements, organizations can leverage their culture to foster a cohesive and productive workforce.

A strong organizational culture provides several benefits to an organization. Firstly, it serves as a powerful social influence that guides employees' decisions and behaviors, thereby promoting consistency and alignment with organizational goals (Ojo, 2010). Secondly, culture acts as a cohesive force that unites employees around shared values and experiences, enhancing teamwork and collaboration. Moreover, it facilitates employee recruitment and retention by creating an attractive workplace environment where individuals feel valued and connected to the organization's mission and vision.

Organizational culture influences various aspects of organizational dynamics, including communication patterns, conflict resolution strategies, and innovation capabilities. By establishing clear norms and values, culture dictates how employees interact with each other and approach challenges within the workplace (Ugwu et al., 2023). This structured approach not only fosters a harmonious work environment but also promotes organizational resilience and adaptability in the face of change.

Cultural alignment correlates with enhanced organizational performance. When organizational culture aligns with strategic objectives and employee expectations, it promotes higher levels of employee engagement, satisfaction, and productivity (Ojo, 2010). Organizations that effectively manage and nurture their culture often outperform competitors by fostering innovation, attracting top talent, and maintaining a strong brand reputation in the market.

Despite its benefits, managing organizational culture poses challenges. Cultural change can be complex and time-consuming, requiring leadership commitment, employee buy-in, and continuous reinforcement of desired behaviors (Schein, 2011). Moreover, cultural diversity within global organizations necessitates sensitivity to varying cultural norms and values, requiring adaptive strategies to maintain a cohesive organizational culture across diverse geographic locations.

Overall, organizational culture represents a fundamental aspect of organizational life, shaping behaviors, perceptions, and outcomes within workplaces. By understanding its theoretical underpinnings, practical implications, and strategic importance, organizations can cultivate a positive and impactful culture that drives sustainable success and competitive advantage in today's dynamic business environment (Ravasi & Schultz, 2006).

2.2.2 Characteristics of Organizational Culture

Organizational culture serves as a cornerstone for defining an entity's identity and guiding employee behavior and decision-making processes. According to Ugwu et al. (2023), it provides employees with a clear sense of identity and purpose, allowing them to align themselves strongly with the organization's mission and values.

Collins and Porras (2008) propose seven key characteristics that collectively define organizational culture:

- **Innovation and Risk-Bearing:** This characteristic emphasizes the organization's encouragement of creativity and risk-taking among its employees. Organizations that value innovation often foster an environment where new ideas are welcomed and supported, regardless of potential risks (Collins & Porras, 2008). Employees are encouraged to explore new approaches and solutions to challenges, promoting a culture of continuous improvement and adaptation to change.
- **Attention to Detail:** Organizations with a strong attention to detail prioritize precision, thoroughness, and meticulousness in their work processes. Employees are expected to maintain high standards of accuracy and quality in their tasks, ensuring that errors are minimized and outcomes are consistently reliable (Collins & Porras, 2008). This characteristic fosters a culture of excellence and reliability within the organization.
- **Outcome Orientation:** This characteristic highlights the organization's focus on achieving results and outcomes rather than just following processes. Managers and employees alike are driven by the desire to achieve tangible goals and measurable outcomes (Collins & Porras, 2008). It encourages a performance-driven culture where success is defined by the achievement of objectives and the delivery of measurable results.
- **People Orientation:** A people-oriented culture places a significant emphasis on the well-being and development of its employees. Decisions and policies are crafted with consideration for their impact on employee morale, satisfaction, and growth within the organization (Collins & Porras, 2008). This characteristic fosters a supportive and nurturing work environment where employees feel valued and motivated to contribute to the organization's success.
- **Team Orientation:** Organizations that prioritize team orientation emphasize collaboration and teamwork over individual contributions. Tasks and projects are structured to encourage collective efforts and mutual support among team members (Collins & Porras, 2008). This characteristic promotes synergy and cohesion within

teams, enhancing productivity and fostering a sense of camaraderie and shared responsibility.

- **Aggressiveness:** Aggressiveness in organizational culture refers to the organization's competitive stance and assertiveness in pursuing its goals and objectives. It involves a proactive approach to seizing opportunities, challenging the status quo, and achieving market leadership (Collins & Porras, 2008). Employees are encouraged to demonstrate initiative, assertiveness, and a drive to succeed, contributing to a dynamic and forward-thinking organizational culture.
- **Stability:** Stability in organizational culture emphasizes consistency, predictability, and risk aversion. Organizations with a stable culture prioritize maintaining the current state of affairs and ensuring operational continuity (Collins & Porras, 2008). This characteristic fosters a conservative approach to decision-making and change management, focusing on minimizing disruptions and maintaining organizational equilibrium.

These characteristics collectively shape organizational behavior, influence employee attitudes, and define the overall organizational climate. By understanding and aligning with these cultural attributes, organizations can cultivate a cohesive and effective work environment that enhances employee engagement, supports strategic goals, and promotes sustainable growth. Each characteristic contributes uniquely to organizational identity and operational practices, guiding organizational behavior and shaping outcomes in diverse organizational contexts.

2.2.3 Levels of organizational culture

Organizational culture operates at various levels that collectively shape the identity, behaviors, and interactions within an organization. These levels include shared assumptions, shared values, shared socialization and norms, and shared symbols, language, narratives, and practices.

2.2.3.1 Shared Assumptions

Shared assumptions are deeply ingrained, taken-for-granted beliefs that individuals within an organization hold about the world and how things function (Hellriegel et al., 2004). These assumptions guide employees' perceptions, attitudes, and behaviors in the

workplace. For example, assumptions about the organization's commitment to innovation or its approach to risk-taking influence how employees approach new projects and challenges.

2.2.3.2 Shared Values

Cultural values, as defined by Hofstede (1999), are broad tendencies of individuals to prefer certain states of affairs over others. These values encompass what is considered good or bad, clean or dirty, moral or immoral within the organizational context (Hofstede, 1999; Hellriegel et al., 2004). Values are stable over time and reflect fundamental beliefs about what is important and meaningful to employees. Organizations often articulate their values through mission statements and organizational goals, which serve as guiding principles for decision-making and behavior.

2.2.3.3 Shared Socialization and Norms

Norms within an organization are general rules or patterns of behavior that are shared among members (Hellriegel et al., 2004). They define appropriate attitudes, behaviors, and expectations within the organizational culture. Socialization processes introduce new employees to these norms, ensuring that they understand and conform to the organization's cultural expectations. Socialization is critical for integrating new members into the organization and reinforcing cultural norms that support organizational cohesion and performance (Hellriegel et al., 2004).

2.2.3.4 Shared Symbols, Language, Narratives, and Practices

Symbols are tangible objects, words, gestures, or behaviors that represent deeper cultural meanings within an organization (Hellriegel et al., 2004). They serve as visible manifestations of organizational culture and can include items such as logos, uniforms, or specific office layouts that communicate shared values and identity. Language, as a shared system of vocal sounds, written signs, and gestures, facilitates communication and reinforces cultural norms and meanings among employees (Hellriegel et al., 2004).

Narratives, derived from the organization's history, are stories that convey cultural values, beliefs, and norms (Hellriegel et al., 2004). These stories help shape organizational identity and influence how employees perceive and interpret organizational events. Narratives are

powerful tools for transmitting organizational culture and fostering a sense of continuity and shared understanding among employees.

Shared practices encompass rituals, ceremonies, and taboos that define appropriate behaviors and activities within the organization (Hellriegel et al., 2004). Rituals and ceremonies, such as award ceremonies or annual events, reinforce cultural values and celebrate organizational achievements. Taboos, on the other hand, are behaviors that are prohibited within the organization and serve to delineate boundaries and reinforce norms of conduct.

Understanding the various levels of organizational culture is crucial for leaders and managers in shaping and managing organizational dynamics. By aligning shared assumptions, values, norms, symbols, language, narratives, and practices with strategic objectives, organizations can foster a cohesive and supportive work environment (Hellriegel et al., 2004). Effective management of these cultural elements promotes employee engagement, enhances organizational performance, and contributes to a positive organizational reputation in the marketplace.

Organizational culture operates at multiple levels that collectively define the essence of an organization. By recognizing and leveraging shared assumptions, values, norms, symbols, language, narratives, and practices, organizations can cultivate a strong and resilient culture that drives success and sustains competitive advantage in today's dynamic business environment (Hellriegel et al., 2004).

2.2.4 Employee Performance

2.2.4.1 Definition of Performance

Performance, as a concept, has been extensively discussed in literature, with scholars differentiating between the behavioral and outcome aspects of performance. Campbell et al. (1993) define performance as what an organization hires an individual to do and to do well. This perspective underscores that performance is not merely about actions but is deeply rooted in evaluative judgments and outcomes. These judgments and evaluations are crucial as they help in assessing whether an individual's actions align with organizational goals and standards (Campbell et al., 1993). Ilgen and Schneider (1991) further argue that

performance is defined through judgmental and evaluative processes, highlighting that performance is not just about the act itself but about how these acts are perceived and evaluated within the organizational context.

2.2.4.2. Performance as a Multi-Dimensional Concept

Employee performance is inherently multi-dimensional, encompassing various aspects of an individual's contributions to the organization. Borman and Motowidlo (1993) distinguish between task performance and contextual performance. Task performance refers to the proficiency with which an individual performs activities contributing directly to the organization's core technical functions. This can be direct, such as production tasks, or indirect, such as managerial roles that support these functions. Contextual performance, on the other hand, includes activities that support the organizational environment but do not directly contribute to the technical core. These activities encompass behaviors such as helping coworkers, being a reliable team member, and suggesting improvements to work procedures (Borman and Motowidlo, 1993).

2.2.4.3. Task Performance and Contextual Performance

Task performance is specific to job roles and is linked to an individual's abilities. Campbell et al. (1993) identifies five factors of task performance: job-specific task proficiency, non-job-specific task proficiency, communication proficiency, supervision, and management/administration. Each factor has sub-dimensions that may vary across different jobs. For instance, management/administration includes planning, guiding subordinates, training, and effective communication (Borman & Motowidlo, 1993). Contextual performance, however, is more about discretionary behaviors that enhance the organizational environment. This includes organizational citizenship behaviors (OCB) such as altruism, conscientiousness, civic virtue, courtesy, and sportsmanship. Additionally, aspects of organizational spontaneity, such as helping coworkers and protecting the organization, also fall under contextual performance (George & Brief, 1992).

2.2.4.4. Relevance of Individual Performance

High individual performance is crucial for organizational success. Van Scotter et al. (2000) argue that organizations require high-performing individuals to meet their goals, deliver

specialized products and services, and maintain a competitive edge. Performance is equally important at the individual level, providing a sense of accomplishment, mastery, and pride. High performers often experience job satisfaction and recognition, which can lead to financial rewards and career advancement. Conversely, low performance may lead to dissatisfaction and perceived personal failure, affecting an individual's morale and career prospects. Performance is a key determinant for career development, with high performers typically enjoying better promotion prospects and opportunities in the labor market compared to their low-performing counterparts (Van Scotter et al., 2000).

2.2.4.5. The Dual Aspects of Performance

The distinction between task and contextual performance highlights different aspects of an employee's contribution. Task performance is more about what employees do as part of their formal job duties, emphasizing their ability to perform specific tasks effectively. Contextual performance, however, is about the behaviors that support the organization's social and psychological environment. These behaviors, while not directly related to job tasks, are essential for fostering teamwork, enhancing organizational climate, and driving organizational goals. This duality underscores the complexity of performance, which requires both the execution of job-specific tasks and the display of behaviors that support the broader organizational culture (Borman & Motowidlo, 1993).

2.2.4.6. Performance Metrics and Evaluation

Evaluating performance effectively requires a comprehensive understanding of both task and contextual components (Borman & Motowidlo, 1993). Organizations often use performance metrics that encompass various aspects of performance, including productivity, quality of work, teamwork, and adherence to organizational values. These metrics help in assessing not only how well employees perform their specific tasks but also how they contribute to the organizational culture and support their colleagues. Performance reviews, feedback mechanisms, and performance appraisals are integral to this process, providing a structured way to evaluate and enhance employee performance (Borman & Motowidlo, 1993). These evaluations are essential for identifying high performers, addressing performance issues, and aligning individual goals with organizational objectives.

2.2.4.7. Enhancing Performance through Organizational Culture

Organizational culture plays a pivotal role in shaping employee performance. A positive culture fosters an environment where employees feel valued, motivated, and engaged, enhancing both task and contextual performance. When organizational values and norms are aligned with employees' personal values, it enhances their commitment and performance (Borman & Motowidlo, 1993). Practices such as recognition, rewards, professional development opportunities, and a supportive work environment are critical in boosting employee performance. Additionally, fostering a culture of trust, collaboration, and continuous improvement encourages employees to go beyond their formal job requirements, contributing to higher levels of performance and organizational success. Organizations that cultivate a strong, positive culture are better positioned to attract, retain, and develop top talent, driving sustained performance and competitive advantage in the market (Borman & Motowidlo, 1993).

2.3 Empirical Review

Al-Ansi et al. (2023) conducted a study aimed at exploring the relationships among motivation, organizational culture, job satisfaction, and employee performance in higher education, with a focus on their mediation effects. The research sought to enhance understanding of how these factors interact to create a productive work environment in Yemeni and Omani universities. Using a cross-sectional survey design, 364 participants including academics and staff were selected through stratified random sampling. Questionnaires were distributed online via email and social media platforms, and data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicated several key outcomes: firstly, extrinsic motivation had a negative impact on employee performance, contrasting with the significant positive impact of organizational culture in dynamic environments. Secondly, job satisfaction, particularly influenced by supervisor-employee engagement, incentives, and promotion, played a crucial role in enhancing employee performance in such environments. The study's recommendations emphasized the importance of fostering job satisfaction and optimizing organizational culture to improve employee performance, particularly in the dynamic environments prevalent in the Arab region.

Shahriari et al. (2023) explored the effect of green organizational culture on organizational commitment, with job satisfaction as a mediating factor. The study aimed to establish a novel framework for understanding how embracing environmental principles within organizational culture impacts employees' job satisfaction and subsequent commitment to the organization. Conducted using Partial Least Squares Structural Equation Modeling in SmartPLS, the research analyzed data to uncover the relationships among these variables. The findings highlighted several key outcomes. Firstly, the study revealed a direct and positive relationship between green organizational culture and organizational commitment. Employees immersed in a green culture tended to exhibit higher levels of commitment to their organizations. Secondly, job satisfaction emerged as a significant mediator in this relationship, indicating that employees' satisfaction with their work environment plays a crucial role in enhancing their commitment when organizational culture promotes environmental responsibility. By fostering a green culture, organizations not only contribute to environmental sustainability but also bolster internal cohesion and commitment among employees.

Setiani et al. (2023) performed research to revisit the impact of job satisfaction and organizational culture on employee performance, focusing on the mediating role of Organizational Citizenship Behavior (OCB) at P.T. Magnum Attack Indonesia. The research aimed to empirically assess how job satisfaction and organizational culture influence employee performance through OCB, using a quantitative approach with a questionnaire survey involving 89 respondents. Structural Equation Modeling with Partial Least Squares (SEM-PLS) was employed to analyze the collected data. The findings revealed several significant outcomes. Firstly, job satisfaction was found to have no significant direct effect on either employee performance or OCB. Secondly, while organizational culture did not directly impact employee performance, it did significantly influence OCB. However, OCB did not mediate the relationships between job satisfaction and employee performance, nor between organizational culture and employee performance. These results suggest that at P.T. Magnum Attack Indonesia, enhancing OCB among employees through fostering a culture that promotes care, discipline, respect, and mutual assistance could potentially improve organizational performance and culture.

Muhtar and Wahyuni (2023) aimed to explore the influence of entrepreneurial orientation, compensation structure, and organizational culture on employee performance, mediated by job satisfaction and organizational commitment. The study conducted a comprehensive literature review to establish a conceptual model incorporating these variables. Employing a quantitative approach, the researchers analyzed the relationships among these constructs using advanced statistical methods. They hypothesized positive correlations between compensation structure and both organizational commitment and job satisfaction. Furthermore, they investigated the mediating roles of organizational commitment in the relationships between compensation structure and employee performance, and job satisfaction in the relationship between organizational culture and employee performance. Key findings from the study indicated that compensation structure significantly impacts organizational commitment and job satisfaction, thereby influencing employee performance. Moreover, organizational commitment was found to mediate the effects of compensation structure on employee performance, highlighting its critical role in organizational effectiveness. The study underscored the importance of aligning compensation structures with organizational goals to enhance employee satisfaction and commitment, ultimately leading to improved performance outcomes.

Ariani (2023) aimed at re-examining the relationship between job satisfaction (JS), organizational culture (OC), and employee performance in micro, small, and medium-scale manufacturing companies in Yogyakarta, Indonesia. The research sought to deepen understanding of how these factors interact and influence in-role performance (IRP) and extra-role performance (ERP) among employees. The theoretical framework underscored the significant linkages between organizational culture, job satisfaction, and different dimensions of employee performance. Using a sample of 376 employees, the study employed factor analysis to validate the instruments and Cronbach's Alpha for reliability testing. Structural Equation Modeling (SEM) was then utilized to analyze the relationships among JS, OC, IRP, and ERP. The findings indicated that job satisfaction did not directly influence IRP or ERP but was significantly related to and influenced by organizational culture. This reinforces previous research highlighting the critical role of organizational culture in shaping employee attitudes and behaviors, which in turn affect organizational outcomes.

Pathan (2023) investigated the mediating role of job satisfaction in the relationship between organizational culture and employee commitment. The research aimed to explore how organizational culture influences employee commitment through its impact on job satisfaction. Organizational culture, defined as the shared values, beliefs, and practices within an organization, plays a crucial role in shaping employee commitment. A positive organizational culture fosters a sense of belonging and engagement among employees, which enhances their commitment to the organization. Conversely, a negative or weak organizational culture can demotivate employees and decrease their commitment levels. When employees perceive a positive organizational culture that supports their job satisfaction, they are more likely to feel committed to the organization. Conversely, a negative organizational culture can lead to job dissatisfaction, thereby reducing employee commitment. The study employed a theoretical framework likely involving structural equation modeling or a similar method to analyze relationships among variables. The findings underscored the importance for organizations to cultivate a positive organizational culture and promote job satisfaction to enhance employee commitment, thereby fostering a committed and engaged workforce essential for organizational success.

Pracoyo et al.(2022) performed a comprehensive study to explore the determinants of employee performance, focusing on the mediating role of job satisfaction. The research aimed to empirically investigate several factors: the influence of organizational transformation, organizational culture, employee engagement, transformational leadership, and work environment on job satisfaction; and subsequently, the impact of these variables on employee performance. The study utilized a quantitative approach with data collected from an unspecified sample size and analyzed using statistical tests. The findings revealed significant relationships: organizational transformation, organizational culture, employee engagement, transformational leadership, and work environment all had positive and significant effects on job satisfaction. Moreover, job satisfaction was found to significantly mediate the relationships between these variables and employee performance. This study contributes to understanding the complex interplay between organizational factors, job satisfaction, and employee performance, suggesting that fostering a supportive organizational environment and leadership style can enhance job satisfaction and ultimately improve employee performance.

Ahmed and Wiadi (2022) determined the effects of job satisfaction and organizational culture on employee performance in the auto finance industry, with a specific focus on the mediating role of organizational commitment. The research aimed to investigate how job satisfaction and organizational culture influence employee performance directly and indirectly through organizational commitment. Using Partial Least Squares (PLS), the study analyzed data collected from 420 employees across multiple auto financing companies, employing a stratified sampling technique. The findings highlighted several significant outcomes: firstly, job satisfaction was identified as a crucial factor directly impacting employee performance. Secondly, organizational culture was found to enhance employee performance indirectly by fostering organizational commitment. The study underscored the importance of cultivating a supportive organizational culture that promotes commitment among employees, thereby improving overall performance in the auto finance sector. These results suggest that strategies aimed at enhancing job satisfaction and nurturing a positive organizational culture can lead to better employee performance outcomes, emphasizing the competitive advantage gained through effective organizational practices in this industry.

Arifin and Matriadi (2022) investigated the mediating role of job satisfaction in the relationship between organizational culture, organizational commitment, and employee performance at the Lhokseumawe Public Health Center. Using data from 130 respondents, the study employed the SEM-AMOS program for analysis. The findings revealed several significant relationships: organizational culture positively and significantly influenced both job satisfaction and employee performance; organizational commitment similarly had a positive and significant impact on job satisfaction and employee performance. Moreover, job satisfaction was found to positively and significantly affect employee performance. Importantly, job satisfaction fully mediated the effects of both organizational culture and organizational commitment on employee performance, with mediation effects proving stronger than direct effects. The study's recommendations emphasized the importance of continuous employee education and training, fostering confidence and supervision, clarifying work responsibilities, promoting teamwork, and encouraging employee initiative in improving organizational outcomes.

Jamil et al. (2022) explored the mediation role of organizational culture between employee turnover intention and job satisfaction in private businesses in Iraq's Kurdistan region. The primary objective was to investigate how factors contributing to employee turnover intention (such as overwork, lack of feedback, growth opportunities, recognition, and rewards) influence job satisfaction through the lens of organizational culture. Employing a quantitative approach, the researchers developed and administered an online questionnaire, gathering responses from 78 participants. The study utilized the Sobel test to analyze the mediation effect of organizational culture on the relationship between turnover factors and job satisfaction. The findings indicated a significant mediation effect, suggesting that organizational culture plays a crucial role in mitigating the negative impacts of turnover factors on job satisfaction within the selected private businesses in Kurdistan. Specifically, a positive organizational culture was found to buffer the adverse effects of overwork, lack of feedback, growth opportunities, recognition, and rewards on employees' job satisfaction.

Korda and Rachmawati (2022) conducted a study aimed at analyzing the influence of organizational culture on employee performance, mediated by job satisfaction and employee commitment. Utilizing a quantitative approach, the researchers focused on 167 employees with at least one year of experience in a coating company, treating the entire industry population as the sample size. Data analysis was conducted using Partial Least Square Structural Equation Modeling (PLS-SEM). The findings of the study revealed several key insights. Firstly, organizational culture was found to have a significant positive influence on employee performance within the company. Secondly, this influence was mediated by both job satisfaction and employee commitment. Specifically, a positive organizational culture was associated with higher levels of job satisfaction and commitment among employees, which in turn contributed to improved employee performance outcomes. Additionally, the study highlighted the reciprocal relationship between job satisfaction and employee commitment, indicating that higher job satisfaction levels led to increased commitment among employees.

Wua et al. (2022) conducted a quantitative study aimed at examining the influence of organizational culture on employee performance, mediated by job satisfaction and organizational commitment. The research focused on 112 employees from Bank SulutGo's Main Branch Office in Manado, utilizing questionnaires as the data collection method.

Smart PLS 3.0 was employed for data analysis. The study found significant direct effects of organizational culture on employee performance, job satisfaction, and organizational commitment. It also identified that organizational commitment has the most substantial direct influence on enhancing employee performance. Job satisfaction was shown to mediate the relationships between organizational culture and both organizational commitment and employee performance, albeit with partial mediation. These findings underscore the critical role of organizational culture in shaping employee attitudes and behaviors, thereby impacting organizational performance, especially in the competitive digital era.

Setyowati et al. (2021) conducted a study to explore the impact of organizational culture and job satisfaction on organizational citizenship behavior (OCB) and employee performance at the University of Muhammadiyah Jember. The population consisted of 113 permanent employees, with a sample of 53 respondents determined using the Slovin formula. Questionnaires were employed as the measuring instrument, validated for reliability and validity. Path analysis was utilized for data analysis. The findings revealed several significant relationships: firstly, organizational culture had a positive and significant influence on OCB ($p = 0.004$); secondly, job satisfaction positively and significantly affected OCB ($p = 0.013$); thirdly, organizational culture positively influenced employee performance ($p = 0.034$); fourthly, job satisfaction had a positive and significant effect on employee performance ($p = 0.02$); and finally, OCB positively and significantly influenced employee performance ($p = 0.00$). These results underscored the importance of fostering a supportive organizational culture and ensuring job satisfaction to enhance OCB and subsequently improve employee performance within the university setting.

Bagis et al. (2021) aimed to investigate the relationships between organizational culture, organizational commitment, job satisfaction, and employee performance at PT Bank Syariah Mandiri Jakarta Head Office. The study population consisted of 150 employees, with 100 respondents sampled using an Incidental Sampling technique. Data were collected via questionnaires and analyzed using Partial Least Square (PLS) analysis. The findings revealed several outcomes: firstly, organizational culture was found to positively and significantly influence employee performance, supporting the first hypothesis. Secondly, contrary to the second hypothesis, organizational commitment did not have a significant

negative effect on employee performance. Thirdly, organizational culture had a significant positive effect on job satisfaction, confirming the third hypothesis. However, the fourth hypothesis was rejected, indicating that organizational commitment did not significantly affect job satisfaction negatively. Lastly, the study found no significant effect of job satisfaction on employee performance, rejecting the fifth hypothesis. Therefore, the research concluded that job satisfaction did not mediate the relationships between organizational culture and employee performance, nor between organizational commitment and employee performance at PT Bank Syariah Mandiri Jakarta Head Office.

Wahjoedi (2021) assessed a quantitative study aimed at investigating the influence of organizational culture on employee performance, mediated by job satisfaction and work motivation, within SMEs in Indonesia. The research employed a case study approach at PT PMS Company in Surabaya, involving 50 employees who completed questionnaires. Data analysis utilized Structural Equation Modeling with the Smart PLS 3 programs. The findings revealed several key insights: firstly, organizational culture and work motivation did not directly influence employee performance significantly. Secondly, work motivation did not mediate the relationship between organizational culture and employee performance. However, organizational culture was found to significantly and directly affect job satisfaction and work motivation. Thirdly, job satisfaction demonstrated a significant direct effect on employee performance and mediated the relationship between organizational culture and employee performance positively. This study fills a gap in the literature by examining the interrelationships among these variables in SME settings, offering valuable insights for companies aiming to enhance their performance strategies, particularly in terms of fostering a supportive organizational culture and promoting job satisfaction among employees.

Abdullahi et al. (2021) conducted a study to investigate the effect of organizational culture (OC) on employee engagement (EE) and employee performance (EP) among academic staff in Malaysian Private Universities (MPU). The primary objective was to fill the gap in research focusing on MPU, where such studies have been relatively sparse. The researchers conducted a systematic review of existing literature to establish the theoretical foundation for their study. Data were collected using a questionnaire administered to academic staff, and Partial Least Square-Structural Equation Modeling (PLS-SEM) was employed to

analyze the data and test the study hypotheses. The findings of the study indicated that organizational culture significantly influences employee performance among academic staff in MPU. Moreover, employee engagement was found to partially mediate the relationship between organizational culture and employee performance. These results underscore the importance for university management to prioritize and invest in fostering a positive organizational culture. By doing so, they can enhance employee engagement, thereby achieving sustainable improvements in employee performance.

Nugroho et al. (2021) conducted a study aimed at examining the effects of leadership, competence, and organizational culture on employee performance, mediated by employee job satisfaction in the context of the Department of Investment and One Stop Services (DPMPTSP) of Yapen Islands Regency. The research aimed to enhance understanding and analysis of factors influencing employee performance in local government organizations. The study utilized a sample of 32 employees, where all were included in the study. Independent variables included leadership, competence, and organizational culture, while employee performance mediated by job satisfaction served as the dependent variable. Data collection involved distributing questionnaires and employing a Likert scale for measurement. Analysis was carried out using the Structural Equation Model (SEM) approach based on Partial Least Square (PLS), specifically utilizing Smart-PLS version 3. The findings revealed several key insights: leadership demonstrated no significant direct effect on employee performance but did significantly influence job satisfaction; competence significantly affected employee performance but did not influence job satisfaction significantly; organizational culture had significant effects on both employee performance and job satisfaction; and job satisfaction significantly mediated the relationship between leadership and employee performance. However, job satisfaction did not mediate the relationships between competence, organizational culture, and employee performance.

Astuti et al. (2020) conducted a study to investigate the influence of Islamic leadership and Islamic work culture on employee performance, mediated by work motivation and job satisfaction at Universitas Islam Negeri (UIN) Walisongo Semarang, Indonesia. The research aimed to address the limited existing research on these relationships within educational personnel performance. The study population comprised all educational

personnel at UIN Walisongo Semarang, with 127 participants included out of a total of 186. Utilizing a survey method, primary data were collected through questionnaires, and multiple linear regression was employed for analysis. The findings revealed that six out of eight hypotheses were supported: Islamic leadership and Islamic work culture did not have direct effects on employee performance. Instead, work motivation and job satisfaction played crucial mediating roles in linking Islamic leadership and work culture to employee performance. The study highlighted that spiritual values embedded in Islamic leadership inspire employees to align with organizational visions, thereby enhancing job satisfaction and ultimately impacting employee performance positively.

Fidyah and Setiawati (2020) conducted a study aimed at exploring the relationships among organizational culture (OC), employee engagement (EE), job satisfaction (JS), and employee performance (EP), with a focus on the mediating role of job satisfaction. The research utilized a quantitative approach involving 52 employees selected through stratified random sampling. Data were collected using a survey questionnaire and analyzed using t-tests, F-tests, multiple linear regression analysis, and path analysis. The study found several significant relationships: organizational culture positively influenced both job satisfaction and employee performance; employee engagement also positively affected job satisfaction and employee performance. Furthermore, job satisfaction was identified as a mediator in the relationships between organizational culture and employee performance, as well as between employee engagement and employee performance. These findings suggest that a positive organizational culture and high levels of employee engagement contribute to increased job satisfaction, which in turn enhances employee performance.

Hashmi et al. (2020) conducted a study to explore the consequences of organizational culture on job satisfaction and turnover intentions among nurses in selected hospitals in Karachi. Using established scales from the literature, the research employed a quantitative approach to measure variables and test hypotheses. The study aimed to investigate six direct hypotheses and four indirect hypotheses related to the relationships between organizational culture, job satisfaction, turnover intentions, and employee commitment. Findings revealed that organizational culture significantly influenced job satisfaction and turnover intentions among nurses. Specifically, a conducive work environment contributed to higher job satisfaction and commitment among nurses. However, despite high job

satisfaction and commitment, nurses expressed intentions to leave their current positions, possibly influenced by other factors such as leadership styles within the hospital. Interestingly, while some direct hypotheses were not supported, all indirect hypotheses, including the mediating role of job satisfaction in the relationship between organizational culture and turnover intentions, were validated.

Mubarok (2019) aimed to understand the effect of organizational culture and work motivation on job satisfaction and its impact on the performance of PPSU employees in the Semper Barat Area, DKI Jakarta. The study employed a path analysis with a descriptive and explanatory-quantitative method. The research sample consisted of 60 respondents selected using a sampling method. The findings indicated that organizational culture and work motivation significantly affected job satisfaction. Additionally, both organizational culture and work motivation had a directly significant effect on employee performance. Job satisfaction was found to have a significant effect on employee performance. Furthermore, job satisfaction significantly mediated the indirect effect of organizational culture and work motivation on employee performance. These results highlighted the crucial role of job satisfaction in enhancing employee performance through positive organizational culture and work motivation.

Rozanna et al. (2019) conducted a study aimed at examining the mediating role of job satisfaction in the relationship between organizational change, organizational culture, and employee performance at the Public Works and Spatial Planning Agency in Pidie District, Aceh province, Indonesia. The research employed a census technique, involving all 209 staff members of the agency as participants. Data were collected through structured questionnaires distributed to the respondents. Utilizing structural equation modeling (SEM), the study found significant results: job satisfaction effectively mediated the influences of both organizational change and organizational culture on staff performance. These findings underscored the critical importance of enhancing job satisfaction to improve staff performance in public agencies undergoing organizational change. The study highlighted the pivotal role of organizational culture in shaping job satisfaction and subsequently impacting employee performance positively. This research contributes valuable insights for public agencies aiming to optimize their organizational dynamics and foster a supportive work environment conducive to improved employee performance.

Maryati et al. (2019) conducted a study aiming to examine the effects of spiritual leadership and organizational culture on job satisfaction and employee performance, with job satisfaction serving as a mediator. Using structural equation modeling (SEM), data from 170 respondents were analyzed to investigate these relationships. The research findings indicated significant outcomes: firstly, spiritual leadership was found to positively influence job satisfaction among employees. Secondly, organizational culture significantly impacted employee performance. However, contrary to expectations, spiritual leadership did not directly affect employee performance. Instead, its impact was mediated through job satisfaction. These results underscored the critical role of job satisfaction in linking leadership styles and organizational culture to employee performance outcomes. The study highlighted the importance of fostering a supportive spiritual leadership style and a positive organizational culture to enhance job satisfaction and, consequently, improve overall employee performance. This research provides valuable insights for organizations seeking to optimize their leadership practices and cultivate a conducive work environment that promotes employee satisfaction and productivity.

Al-Abdullat and Dababneh (2018) investigated the mediating effect of job satisfaction on the relationship between organizational culture and knowledge management (KM) within the Jordanian banking sector. The study aimed to explore how organizational culture influences KM practices through its impact on job satisfaction among junior and senior customer service and administrative employees in Jordanian banks. Employing a purposive sampling method due to privacy constraints, the researchers collected data from these employees to test their hypotheses using various statistical tests facilitated by SPSS and SPSS-AMOS. The findings highlighted several key insights. Firstly, the development of organizational culture within Jordanian banks was noted to be somewhat unstable and inefficient, influenced by management styles and teamwork dynamics. Secondly, the implementation of KM practices was found to be modest, primarily focused on internal knowledge sharing with limited efforts towards gathering external knowledge from customers or other sources. Finally, the level of job satisfaction among employees in Jordanian banks was described as moderate. These findings suggest that while organizational culture positively affects KM initiatives, its impact is mediated significantly by job satisfaction levels among employees.

Rantesalu et al. (2016) examined the impact of competence, motivation, and organizational culture on organizational commitment and employee performance at the Institute of Education and Training of South Sulawesi province. The research involved a population of 513 employees, from which a sample of 224 employees was selected using the Slovin formula. The primary objective was to analyze how competence, motivation, and organizational culture influence organizational commitment and subsequently affect employee performance. The research utilized Structural Equation Models (Analysis of Moment Structures, AMOS version 18) to test the hypotheses. The findings indicated that competence and organizational culture had positive and significant effects on organizational commitment. However, work motivation showed a negative and insignificant effect on organizational commitment. Regarding employee performance, competence, organizational culture, and organizational commitment were found to have positive and significant effects. Conversely, work motivation had a negative and insignificant impact on employee performance. Interestingly, organizational commitment was identified as a mediating variable, explaining the influence of work motivation on employee performance. However, it did not mediate the relationship between competence, organizational culture, and employee performance as hypothesized.

Shurbagi and Zahari (2014) conducted a study aimed at investigating the mediating effect of organizational commitment on the relationship between job satisfaction and organizational culture in the oil and gas industry in Libya. Using a questionnaire, data were collected from 280 employees through stratified sampling. The study utilized the SPSS program for data analysis. The research found significant positive relationships among job satisfaction, organizational culture, and organizational commitment within the context of the oil and gas industry in Libya. Specifically, job satisfaction was positively related to both organizational culture and organizational commitment. Similarly, organizational culture showed a positive relationship with organizational commitment. Moreover, organizational commitment was identified as a significant mediator in the relationship between job satisfaction and organizational culture. These findings highlight the interconnectedness of job satisfaction, organizational culture, and organizational commitment in influencing employee perceptions and behaviors within the oil and gas sector in Libya.

Syauta et al. (2012) conducted a study aimed at examining the influence of organizational culture and organizational commitment on employee performance, with a focus on job satisfaction as a mediator. The research was conducted at the municipal waterworks of Jayapura, Papua Indonesia, involving 127 employees. The primary objective was to analyze both direct and indirect effects of organizational culture and commitment on job performance. Data collection was conducted using questionnaires, and descriptive analysis was initially employed to characterize the respondents and variables. Inferential analysis, specifically Partial Least Squares (PLS) method and Sobel Test, was then used to test the relationships among the variables. The findings indicated that organizational culture did not directly influence employee performance. However, when mediated by job satisfaction, organizational culture showed an indirect influence on performance. On the other hand, organizational commitment was found to significantly impact employee performance both directly and indirectly through job satisfaction.

Table 1

Summary of Empirical Review

S.N.	Researcher(s)	Title	Objective	Methodology	Findings
1	Al-Ansi et al. (2023)	Examining the mediating role of job satisfaction between motivation, organizational culture, and employee performance in higher education: A case study in the Arab region	To examine the correlation among motivation, organizational culture, and employee performance and the mediation role of job satisfaction in higher education	Descriptive and Causal Comparative Research design, with Cross-sectional survey; 364 participants	Organizational culture has a significant positive impact in a dynamic environment. Job satisfaction, enhances performance in a dynamic environment in Yemeni and Omani universities.
2	Shahriari et al. (2023)	The effect of green organizational culture on organizational commitment: The mediating role of job satisfaction	To develop a framework of green organizational culture and examine its effect on organizational commitment through job satisfaction	Causal Research design using Partial least squares structural equation modeling (SmartPLS)	Green organizational culture positively influences organizational commitment, mediated by job satisfaction.

S.N.	Researcher(s)	Title	Objective	Methodology	Findings
3	Setiani et al. (2023)	Revisiting the effect of job satisfaction and organizational culture on employee performance: The mediating role of organizational citizenship behaviour	To investigate effects with OCB as mediator	Quantitative approach with SEM-PLS	Job satisfaction and org. culture have indirect effects on performance via OCB; direct effects not significant
4	Muhtar and Wahyuni (2023)	The Mediating Role of Job Satisfaction and Organizational Commitment in Influencing Entrepreneurial Orientation, Compensation Structure, Organizational Culture on Employee Performance	To explain the effects and mediations in employee performance enhancement	Quantitative Research Design	Expected positive correlations between compensation structure, org. commitment, job satisfaction, and org. culture with employee performance
5	Ariani (2023)	Exploring Relationship of Job Satisfaction, Organizational Culture, and Employee Performance in Small Medium Enterprise	To re-examine the relationship of job satisfaction, organizational culture, and employee performance	Factor analysis, Cronbach's Alpha, SEM-PLS	Job satisfaction (JS) is not related to in-role performance (IRP) or extra-role performance (ERP). JS is influenced by organizational culture (OC). OC is important for improving employee performance.
6	Pathan (2023)	Assessing the mediating role of job satisfaction in the relationship between organizational culture and employee commitment	To explore the mediating role of job satisfaction in the relationship between organizational culture and employee commitment	Quantitative Research Design with Questionnaire Survey	Job satisfaction mediates the relationship between organizational culture and employee commitment. A positive organizational culture enhances job satisfaction, leading to higher employee commitment.
7	Pracoyo et al. (2022)	Determinants of employee performance: The mediating role of job satisfaction	To analyse the influence of organizational transformation, organizational culture,	Quantitative Research Design with Questionnaire Survey	Organizational transformation, organizational culture, employee engagement, transformational leadership, and work

S.N.	Researcher(s)	Title	Objective	Methodology	Findings
			employee engagement, transformational leadership, and work environment on job satisfaction, and their subsequent impact on employee performance		environment significantly affect job satisfaction. Job satisfaction mediates the relationship between these factors and employee performance
8	Ahmed and Wiadi (2022)	The effect of job satisfaction and organizational culture on employee performance in auto finance business: the mediating role of organizational commitment	To analyse the mediating role of organizational commitment in the effects of job satisfaction and organizational culture on employee performance in the auto finance industry	Partial Least Square (PLS); 420 employees	Job satisfaction and organizational culture significantly influence employee performance, with organizational commitment mediating these effects. Job satisfaction has both direct and indirect effects on employee performance.
9	Arifin and Matriadi (2022)	The role of job satisfaction in relationship to organization culture and organization commitment on employee performance	To examine the mediating effect of job satisfaction on organizational culture, organizational commitment, and employee performance at Lhokseumawe Public Health Center	Quantitative Research with SEM-AMOS program; 130 respondents	Organizational culture and organizational commitment have positive and significant effects on job satisfaction and employee performance. Job satisfaction fully mediates the influence of organizational culture and organizational commitment on employee performance.
10	Jamil et al. (2022)	The mediation role of organizational culture between employee turnover intention and job satisfaction	To investigate the mediation role of employee turnover factors (overwork, lack of feedback, growth, recognition, reward) with job satisfaction	Quantitative method	Organizational culture mediates the relationship between employee turnover factors and job satisfaction in private businesses in Kurdistan

S.N.	Researcher(s)	Title	Objective	Methodology	Findings
11	Korda and Rachmawati (2022)	The Influence of Organizational Culture on Employee Performance Mediated by Job Satisfaction and Employee Commitment	To study the influence of org. culture on performance mediated by job satisfaction and commitment	Quantitative approach with PLS-SEM	Org. culture positively influences performance; mediated by job satisfaction and commitment; satisfaction increases and affects commitment, enhancing performance
12	Wua et al. (2022)	The influence of organizational culture on employee performance mediated by job satisfaction and organizational commitment	To test the direct and indirect influence of organizational culture on employee performance via job satisfaction and organizational commitment	Quantitative analysis	Organizational culture significantly influences job satisfaction and organizational commitment, which in turn directly and significantly impact employee performance. Organizational commitment has the strongest influence on employee performance.
13	Setyowati et al. (2021)	The Role of Organizational Citizenship Behavior in Mediating the Relationship Between Organizational Culture and Job Satisfaction with Employee Performance	To analyze the effect of organizational culture and job satisfaction on organizational citizenship behavior and employee performance at the University of Muhammadiyah Jember	Quantitative Research Design, Path analysis; sample of 53 employees	Organizational culture has a positive and significant influence on organizational citizenship behavior and employee performance. Job satisfaction also has a positive and significant effect on organizational citizenship behavior and employee performance
14	Bagis et al. (2021)	Job Satisfaction As A Mediation Variables On The Effect Of Organizational Culture And Organizational Commitment To Employee Performance	To investigate the effect of organizational culture and organizational commitment on employee performance, with job satisfaction as a mediator, at PT Bank Syariah Mandiri Jakarta Head Office	Quantitative Research Design, Partial Least Square (PLS) analysis; 100 respondents	Organizational culture has a significant positive effect on employee performance. Organizational commitment does not significantly affect employee performance. Organizational culture has a significant positive effect on job satisfaction. Organizational commitment does not significantly affect job satisfaction.

S.N.	Researcher(s)	Title	Objective	Methodology	Findings
15	Wahjoedi (2021)	The effect of organizational culture on employee performance mediated by job satisfaction and work motivation: Evident from SMEs in Indonesia	To examine the influence of organizational culture on employee performance mediated by job satisfaction and work motivation at SME PT PMS Company in Surabaya, Indonesia	Quantitative Research Design, Structural Equation Modeling (Smart PLS 3); 50 employees	Organizational culture has a significant direct effect on job satisfaction and work motivation. Job satisfaction has a significant direct effect on employee performance. Job satisfaction mediates the relationship between organizational culture and employee performance positively.
16	Abdullahi et al. (2021)	Effect of organizational culture on employee performance: A mediating role of employee engagement in Malaysia educational sector	To investigate the effect of organizational culture on employee engagement and employee performance in Malaysian Private Universities (MPU)	Quantitative Research Design, Questionnaire survey, PLS-SEM	Organizational culture (OC) significantly affects employee performance (EP) in Malaysian Private Universities. Employee engagement (EE) partially mediates the relationship between OC and EP.
17	Nugroho et al. (2021)	The Effects of Leadership, Competence, and Organizational Culture on Employee Performance Mediated By Employee Satisfaction	To determine and analyze the influence of leadership, competence, and organizational culture on employee performance mediated by job satisfaction in local government organizations	Quantitative Research Design, Questionnaire survey, SEM-PLS	Leadership did not significantly affect employee performance but had a significant effect on job satisfaction. Organizational culture significantly influenced both employee performance and job satisfaction.
18	Astuti et al. (2020)	Islamic leadership, Islamic work culture, and employee performance: The mediating role of work motivation and job satisfaction	To examine the influence of Islamic leadership and Islamic work culture on employee performance through work motivation and	Quantitative Research Design, Survey method; 127 educational personnel	Islamic leadership and Islamic work culture do not have a direct effect on employee performance. Work motivation and job satisfaction mediate the relationship between Islamic leadership, Islamic work culture,

S.N.	Researcher(s)	Title	Objective	Methodology	Findings
19	Fidyah and Setiawati (2020)	Influence of organizational culture and employee engagement on employee performance: job satisfaction as intervening variable	job satisfaction at Universitas Islam Negeri (UIN) Walisongo Semarang, Indonesia To investigate effects and mediations on employee performance enhancement	Survey questionnaire, t-test, F-test, multiple linear regression, path analysis	and employee performance. Organizational culture (OC) positively affects job satisfaction (JS) and employee performance (EP); employee engagement (EE) positively affects JS and EP; JS positively affects EP; JS mediates OC-EP and EE-EP relationships.
20	Hashmi et al. (2020)	Consequences of Organizational Culture and the Mediating Role of Job Satisfaction and Turnover Intentions	To examine the impact of organizational culture on job satisfaction and turnover intentions	Survey adapted from established scales	Organizational culture positively influences job satisfaction and turnover intentions mediated by nurses' satisfaction with hospital environment.
21	Mubarok (2019)	The effect of organizational culture and work motivation on employee performance: The mediating role of job satisfaction	To understand the effect of organizational culture and work motivation on job satisfaction and its impact on employee performance in the Semper Barat Area, DKI Jakarta	Path analysis with descriptively and explanatorily-quantitative method; 60 respondents	Organizational culture and work motivation significantly affected job satisfaction and employee performance.
22	Rozanna et al. (2019)	Does job satisfaction mediate the effect of organizational change and organizational culture on employee performance of the Public Works and Spatial Planning Agency	To investigate whether job satisfaction mediates the effects of organizational change and organizational culture on employee performance in the Public Works and Spatial Planning	Quantitative Research Design, Census technique; 209 staff	Job satisfaction significantly mediates the influences of organizational change and organizational culture on staff performance in the Public Works and Spatial Planning Agency.

S.N.	Researcher(s)	Title	Objective	Methodology	Findings
			Agency, Pidie District, Aceh province, Indonesia		
23	Maryati et al. (2019)	The effect of spiritual leadership and organizational culture on employee performance: The mediating role of job satisfaction	To examine the effects of spiritual leadership and organizational culture on job satisfaction and employee performance, with job satisfaction mediating these relationships	Analytical Research Design, Structural Equation Modelling (SEM); 170 respondents	Spiritual leadership has a significant positive effect on job satisfaction, which in turn positively influences employee performance. Organizational culture directly affects employee performance but not through job satisfaction
24	Al-Abdullat and Dababneh (2018)	The mediating effect of job satisfaction on the relationship between organizational culture and knowledge management in Jordanian banking sector	To examine the effect of organizational culture on knowledge management, mediated by job satisfaction, in the Jordanian banking sector	Analytical Research Design, Purposive sampling; SPSS and SPSS-AMOS	Organizational culture positively affects knowledge management in Jordanian banks. Organizational culture development in banks is perceived as unstable and less efficient, impacting knowledge sharing and management practices within the banks
25	Rantesalu et al. (2016)	The effect of competence, motivation and organizational culture on employee performance	To analyze the effects of competence, motivation, and organizational culture on organizational commitment and employee performance	Analytical Research Design, Sample of 224 employees from Institute of Education and Training of South Sulawesi province; SEM using AMOS version 18	Competence and organizational culture positively and significantly affect organizational commitment. Work motivation has a negative and insignificant effect on organizational commitment.

S.N.	Researcher(s)	Title	Objective	Methodology	Findings
26	Shurbagi and Zahari (2014)	The mediating effect of organizational commitment on the relationship between job satisfaction and organizational culture	To investigate the mediating effect of organizational commitment on the relationship between job satisfaction and organizational culture in the oil and gas industry in Libya	Correlation and Regression Analysis, Questionnaire survey with 280 employees	The study found positive significant relationships between job satisfaction, organizational culture, and organizational commitment in the oil and gas industry in Libya.
27	Syauta et al. (2012)	The influence of organizational culture, organizational commitment to job satisfaction and employee performance	To analyse the influence of organizational culture and commitment on employee performance	Correlation and Regression Analysis, Questionnaire survey of 127 employees; descriptive and inferential analysis with PLS and Sobel Test	Organizational culture does not directly influence employee performance but can do so indirectly through job satisfaction. Organizational commitment directly influences employee performance and can also act through job satisfaction.

2.3 Research Gap

Previous research in the field of organizational culture and employee performance has contributed significantly to understanding these dynamics across various contexts. For instance, Al-Ansi et al. (2023), Shahriari et al. (2023), and Setiani et al. (2023) shows the relationship between organizational culture and employee performance using diverse methodologies and settings (Al-Ansi et al., 2023; Shahriari et al., 2023; Setiani et al., 2023).

In the context of Nepal's IT industry, however, there exists a substantial research gap. Specifically, there is limited empirical investigation into how organizational culture influences employee performance, within Nepalese IT companies. Previous studies have primarily focused on other sectors or regions, such as higher education, healthcare, and general business environments, leaving a gap in understanding these dynamics specifically in the context of IT firms in Nepal (Al-Ansi et al., 2023; Shahriari et al., 2023; Setiani et al., 2023).

Furthermore, there is a notable time gap in the literature. Most existing studies have utilized data that predates 2024. By incorporating the latest data from 2024, this study aims to provide contemporary insights into how organizational culture influence employee

performance in Nepalese IT companies. This temporal update is crucial as organizational dynamics and employee expectations can evolve rapidly in response to technological advancements and market shifts (Al-Ansi et al., 2023; Shahriari et al., 2023; Setiani et al., 2023).

Moreover, there exists a variable gap in previous research. While some studies have examined organizational culture broadly, few have comprehensively explored specific dimensions of organizational culture such as communication, job challenge, social cohesion, innovation, and trust as independent variables influencing employee performance. This study seeks to address this gap by focusing explicitly on these dimensions within the context of Nepalese IT firms, providing nuanced insights into their differential impacts on employee performance (Al-Ansi et al., 2023; Shahriari et al., 2023; Setiani et al., 2023).

Methodologically, there is a gap in the use of research designs and statistical techniques. While previous studies have employed various quantitative methods such as SEM-PLS, PLS-SEM, and descriptive statistics, there is an opportunity to utilize a causal comparative research design in conjunction with descriptive statistics. This approach allows for a deeper exploration of causal relationships between organizational culture and employee performance in Nepalese IT companies, complementing existing methodologies (Al-Ansi et al., 2023; Shahriari et al., 2023; Setiani et al., 2023).

Overall, this study aims to bridge these identified research gaps by examining the impact of organizational culture on employee performance in Nepalese IT companies using data from 2024. By focusing on specific dimensions of organizational culture and employing a descriptive and causal comparative research design, this research seeks to provide a comprehensive understanding of how these variables interact within this specific context.

CHAPTER III

RESEARCH METHODOLOGY

This chapter presents the comprehensive research methodology employed in this study. It encompasses the research design, detailing the approach used to investigate the impact of organizational culture on employee performance, with a focus on IT companies in Nepal. It discusses the population and sample selection criteria, the sampling design applied, and the nature and sources of data collected. The instruments of data collection are outlined, highlighting their relevance in capturing relevant variables related to organizational culture and performance. The methodology also details the analytical techniques used to interpret the data and the research framework guiding the study, ensuring clarity and rigor in the investigation.

3.1 Research Design

This study employed a descriptive research and causal comparative research designs. Descriptive statistics has been used to assess the current state of organizational culture in Nepalese IT companies. Additionally, causal comparative research design was employed to investigate the relationship between organizational culture and employee performance. This design allows for a comparative analysis to determine how variations in organizational culture influence performance outcomes among employees in Nepalese IT firms.

3.2 Population and Sample, and Sampling Design

This study has focused on conducting a case study within the IT sector of Nepal, where the total population consists of all employees working in IT companies across the country. A sample size of 250 employees has been selected using convenience sampling. This approach has been chosen to efficiently gather data from individuals who have been readily accessible and willing to participate in the study within the specified time constraints. By utilizing convenience sampling, the study has aimed to capture a representation of employee perceptions and experiences related to organizational culture and performance within Nepalese IT firms.

3.3 Nature and Sources of Data and the Instrument of Data Collection

This study has adopted a quantitative nature of data, focusing on firsthand data collection through structured questionnaire survey, which are considered primary sources of data. The questionnaire survey method has been meticulously employed to gather insights into employee perceptions and attitudes towards organizational culture and performance within Nepalese IT companies. The questionnaire itself is designed with special attention to detail, ensuring it comprehensively captures the variables under investigation.

In first part of questionnaire, the questionnaire includes a demographic profile section. This section gathers essential background information about respondents, including the location of their head office, gender, marital status, age, academic qualifications, designation within the organization, and duration of employment.

The questionnaire consists of 39 statements distributed across three main sections: the independent variable related to organizational culture (26 statements) and the dependent variable concerning employee performance (13 statements). These statements are formulated based on established theoretical frameworks, particularly drawing from Zeitz et al. (1997) for concepts such as communication, job challenge, social cohesion, innovation, trust, and supervisor support.

To facilitate accurate responses and nuanced insights, a five-point Likert scale is employed in the questionnaire. Respondents are asked to indicate their agreement or disagreement with each statement, ranging from "strongly disagree" (scored as 1) to "strongly agree" (scored as 5). This scale not only allows for quantitative analysis of perceptions but also provides a structured format for respondents to express their views systematically.

3.4 Method of Analysis

After data collection, the data has been presented in statistical software such as Microsoft Excel and SPSS. The collected data has been analyzed with the help of various statistical tools, including descriptive statistics, reliability statistics, correlation analysis, and multivariate regression models. These tools have facilitated a comprehensive examination of the relationships between organizational culture and employee performance within Nepalese IT companies.

3.4.1 Mean

The mean is used to calculate the average score of responses on variables related to organizational culture within Nepalese IT companies. It helps assess the overall status or prevailing perceptions regarding organizational culture. Mathematically,

$$\text{Mean} = \frac{\sum x}{n}$$

Where,

X = Value of responses of each independent or dependent variable

n = Number of responses

3.4.2 Standard Deviation (S.D.)

Standard deviation measures the dispersion or variability of scores around the mean. In this study, it is utilized to assess the fluctuation or variability in perceptions of organizational culture among employees within Nepalese IT companies. Mathematically,

$$\text{Standard Deviation}(\sigma) = \sqrt{\frac{\sum(X - \bar{X})^2}{n}}$$

Where,

X = Value of responses of each dependent or independent variable

\bar{X} = Mean value of responses of each dependent or independent variable

n = Number of responses

3.4.3 Correlation Analysis

Correlation analysis is employed to examine the strength and direction of the relationship between organizational culture and employee performance in Nepalese IT companies. It helps determine if and to what extent organizational culture influences performance outcomes. The correlation coefficient between two variables is also calculated by using the following formula:

$$\text{Correlation Coefficient}(r) = \frac{n \sum XY - \sum X \sum Y}{\sqrt{n \sum X^2 - (\sum X)^2} \sqrt{n \sum Y^2 - (\sum Y)^2}}$$

Where,

n = Number of responses

X = Value of independent variable

Y= Value of dependent variable

3.4.4 Regression Analysis

Regression analysis is used to analyze the impact of organizational culture on employee performance in Nepalese IT companies. Specifically, it allows for identifying the magnitude and significance of this relationship, controlling for other variables that may influence performance. The regression equation used in this study is as follows.

$$Y_{EMP} = \beta_0 + \beta_1 COM + \beta_2 JOC + \beta_3 SOC + \beta_4 INO + \beta_5 TRU + e \dots \dots \dots \text{Eq1}$$

Where,

EMP = Employee Performance

COM = Communication

JOC = Job Challenges

SOC = Social Cohesion

INO = Innovation

TRU = Trust

e = Error Term

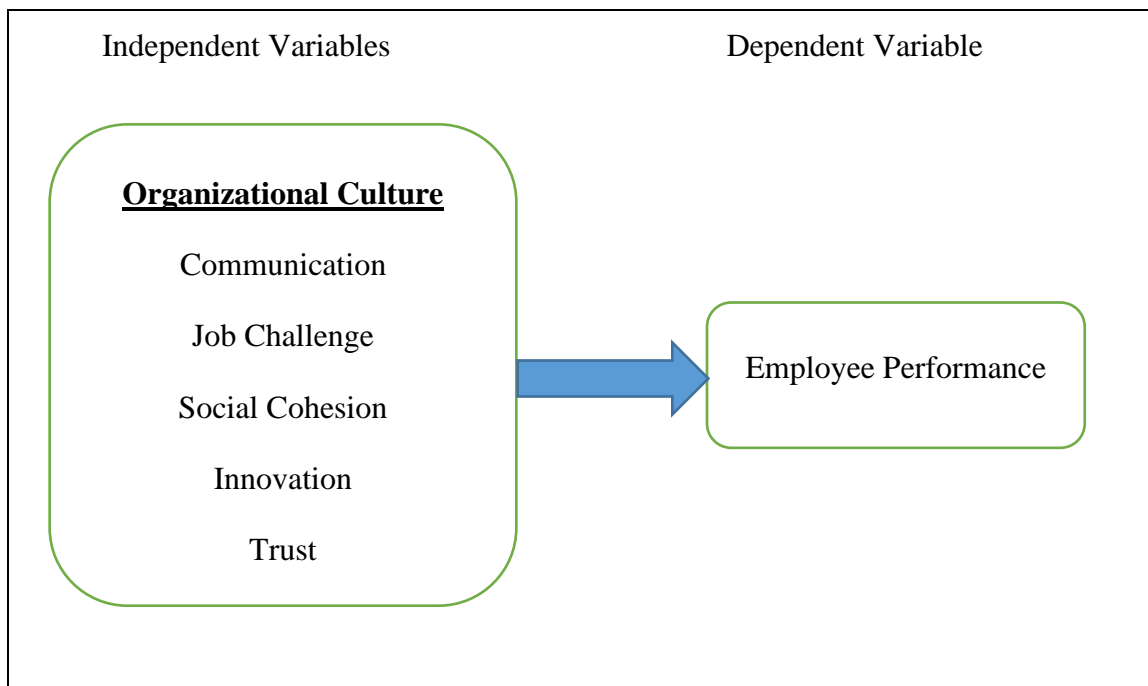
β_0 = Intercept term

$\beta_1, \beta_2, \beta_3, \beta_4$ = Beta Coefficients

3.5 Research Framework and Definition of Variables

The research framework outlines the theoretical underpinnings and structure of the study, guiding how variables are conceptualized, measured, and analyzed. This study has developed a comprehensive research framework that examines the impact of organizational culture on the employee performance in the IT companies in Nepal. Organizational culture is conceptualized through dimensions such as communication, job challenge, social

cohesion, innovation, and trust, each influencing employee behaviors and attitudes within the workplace. These dimensions are treated as independent variables, collectively shaping the work environment and organizational dynamics. The study hypothesizes that a positive organizational culture characterized by effective communication, challenging work tasks, strong social cohesion, innovation support, and trust enhances and boosts employee performance.



Source: Fidyah and Setiawati (2020)

Figure 1. Research Framework of this Study

The operational definition of variables used in this study is as follows:

Organizational Culture

Organizational culture refers to the shared values, beliefs, norms, and practices that define the way employees interact within an organization and with external stakeholders. These dimensions reflect how organizational values and behaviors shape the work environment, influence employee behavior, and impact organizational outcomes. Understanding organizational culture is crucial as it provides insights into the norms that guide employee

interactions, decision-making processes, and overall organizational effectiveness (Mubarok, 2019).

Communication

Communication refers to the exchange of information, ideas, and feedback within an organization. It encompasses both formal channels such as meetings and memos, as well as informal interactions (Sarker et al., 2011). Effective communication fosters clarity, reduces misunderstandings, and enhances collaboration among employees, thereby promoting a cohesive and efficient work environment.

Job Challenge

Job challenge refers to the degree to which employees perceive their work as stimulating, engaging, and intellectually rewarding (Fidyah & Setiawati, 2020). It includes opportunities for skill development, problem-solving, and innovation within their roles. A workplace that values job challenge encourages employees to strive for personal and professional growth, leading to higher job satisfaction and motivation.

Social Cohesion

Social cohesion in an organizational context refers to the sense of unity, belonging, and solidarity among employees (Fonseca et al., 2019). It involves supportive relationships, mutual respect, and a shared commitment to common goals and values. A strong social cohesion fosters a positive work culture where individuals feel valued and connected, promoting teamwork, morale, and overall organizational resilience.

Innovation

Innovation refers to the process of developing new ideas, products, or processes that bring value to the organization (Fonseca et al., 2019).. It involves creativity, experimentation, and the willingness to take calculated risks. A culture that encourages innovation provides the freedom and resources for employees to explore new possibilities and solutions, driving continuous improvement and competitive advantage.

Trust

Trust within an organization pertains to the confidence and reliability individuals have in each other's intentions, abilities, and actions (Fidyah & Setiawati, 2020). It is built through transparent communication, consistency in behavior, and mutual respect. A high level of trust fosters collaboration, openness to change, and a supportive environment where employees feel empowered to contribute their best efforts, ultimately enhancing overall organizational effectiveness and employee satisfaction.

Employee Performance

Employee performance refers to the extent to which employees effectively accomplish their job tasks and contribute to organizational goals. Employee performance is critical for organizational success as it directly affects productivity, service delivery, and overall competitiveness (Rozanna et al., 2019). Understanding the factors influencing employee performance by examining the organizational culture variables, provides valuable insights for enhancing organizational strategies, improving employee engagement, and achieving sustainable performance outcomes.

CHAPTER IV

RESULTS AND DISCUSSION

In this chapter, the results of the study are presented and thoroughly analyzed to uncover insights into the relationships and impact between organizational culture and employee performance in Nepalese IT companies. The findings highlight significant correlations and effects among the variables studied, shedding light on how dimensions of organizational culture such as communication, job challenge, social cohesion, innovation, and trust influence employees' performance outcomes. These results are then discussed in relation to existing literature, providing a comprehensive comparison and contrast with previous research findings.

4.1 Results

In this section, the results of the descriptive study, correlation analysis, and regression analysis are presented systematically in tabular form and comprehensively analyzed. The descriptive statistics provide a clear snapshot of the sample characteristics and the distribution of responses across variables such as organizational culture dimensions and measures of employee performance. Correlation analysis reveals the strength and direction of relationships between these variables, highlighting significant associations that contribute to understanding their interplay. Additionally, regression analysis delves deeper into identifying predictors of employee performance, elucidating which dimensions of organizational culture exert the most influence. Together, these analytical approaches provide a robust framework for interpreting the study's findings and drawing meaningful conclusions about the dynamics within Nepalese IT companies.

4.1.1 Demographic Profile of Respondents

In this section, the demographic profile of respondents is examined. It includes gender distribution (male, female, other), marital status (married, unmarried, divorced), head office location (Nepal or international), age groups (up to 25 years, 25-40 years, above 40 years), academic qualifications (high school, bachelor's, master's or higher), designations (entry-level to managerial), and duration of employment in the organization. These

variables provide a clear snapshot of the participants' backgrounds and contexts within the study.

Table 2

Demographic Profile of Respondents

Demographic Profile		Frequency	Percent
Gender	Male	194	77.60
	Female	56	22.40
Marital Status	Married	176	70.40
	Unmarried	74	29.60
Head Office	Nepal	184	73.60
	Foreign	66	26.40
Age Group	Upto 25 Years	42	16.80
	25 to 40 Years	165	66.00
	Above 40 Years	43	17.20
Academic Qualification	10+2 or Equivalent	12	4.80
	Bachelor's Degree	103	41.20
	Master Degree or above	135	54.00
	Entry Level	18	7.20
Designation	Mid-Level	98	39.20
	Senior Level	91	36.40
	Manager	43	17.20
Duration of Employment in this organization	Less than 2 Years	41	16.40
	2-5 Years	150	60.00
	More than 5 Years	59	23.60

Source: Field Survey, 2024

Table 2 presents the demographic profile of respondents. The table shows that out of the 250 respondents, 194 (77.60%) are male and 56 (22.40%) are female. In terms of marital status, 176 (70.40%) are married, while 74 (29.60%) are unmarried.

Regarding the head office location, 184 (73.60%) respondents work for Nepalese company, whereas 66 (26.40%) work in for foreign company. The age distribution indicates that 42 (16.80%) respondents are up to 25 years old, 165 (66.00%) are between 25 and 40 years old, and 43 (17.20%) are above 40 years old.

The academic qualifications of the respondents show that 12 (4.80%) have a 10+2 or equivalent qualification, 103 (41.20%) have a bachelor's degree, and 135 (54.00%) have a master's degree or above. In terms of designation, 18 (7.20%) are at the entry level, 98

(39.20%) are at the mid-level, 91 (36.40%) are at the senior level, and 43 (17.20%) are managers. Regarding the duration of employment in the organization, 41 (16.40%) respondents have been employed for less than 2 years, 150 (60.00%) for 2-5 years, and 59 (23.60%) for more than 5 years.

4.1.2 Reliability Analysis

To ensure the dependability of both the data and the conclusions drawn, this study utilized SPSS software. SPSS facilitated the assessment of data consistency through the application of the Cronbach's Alpha Test of Reliability. This statistical evaluation is crucial as it measures the repeatability or internal consistency of the study's findings, providing a score that ranges from 0 to 1. According to Nunnally (1978), scores below 0.60 indicate low reliability, while scores between 0.90 and 0.99 signify exceptional reliability. Typically, a Cronbach's Alpha score above 0.7 is considered satisfactory, indicating robust internal consistency and reliability of the data used in this research.

Table 3

Reliability Analysis

Code	Variables	Cronbach's Alpha	N of Items
COM	Communication	0.788	6
JOC	Job Challenge	0.830	5
SOC	Social Cohesion	0.708	4
INO	Innovation	0.856	7
TRU	Trust	0.737	4
EMP	Employee Performance	0.925	13

Source: Field Survey, 2024

The reliability analysis, as depicted in Table 3, reveals the Cronbach's Alpha values for each variable. Communication (COM) exhibited a Cronbach's Alpha of 0.788, Job Challenge (JOC) showed 0.830, Social Cohesion (SOC) had 0.708, Innovation (INO) scored 0.856, Trust (TRU) yielded 0.737 and Employee Performance (EMP) showed an impressive 0.925. Overall, the study achieved an exceptional reliability with an overall Cronbach's Alpha of 0.972 across 39 items, surpassing the threshold of 0.7, indicating robust internal consistency and reliability for data analysis.

4.1.3 Descriptive Statistics

In this section, descriptive statistics were employed to assess key dimensions of organizational culture including communication, job challenge, social cohesion, innovation, trust and employee performance. Mean scores and standard deviations were calculated to provide insights into the central tendency and variability within each dimension. These measures not only highlight the average levels of these constructs but also indicate the spread or dispersion of responses among participants. This statistical approach aids in comprehensively understanding the perceptions and experiences of employees regarding different facets of organizational culture, thereby contributing to a nuanced analysis of their impact on organizational dynamics and employee outcomes.

Table 4

Summary of Descriptive Statistics

Code	Variables	Mean	S.D.
COM	Communication	3.511	0.858
JOC	Job Challenge	3.616	0.967
SOC	Social Cohesion	3.530	0.936
INO	Innovation	3.609	0.918
TRU	Trust	3.564	0.918
EMP	Employee Performance	3.590	0.902

Source: Field Survey, 2024

Table 4 presents the descriptive study of the perceptions of 250 employees towards organizational culture and employee performance.

The variable with the highest mean is job challenge (JOC) with a mean of 3.616 and a standard deviation of 0.967. This indicates that employees generally feel that their jobs are challenging and require them to use a variety of skills and talents. The relatively high standard deviation suggests that there is some variability in how employees perceive job challenges, but overall, they see their jobs as stimulating and requiring a range of skills.

The variable with the lowest mean is communication (COM) with a mean of 3.511 and a standard deviation of 0.858. This suggests that employees perceive communication within the organization as less effective compared to other aspects of organizational culture. The

lower mean indicates that there may be room for improvement in how management communicates with employees, recognizes their performance, and resolves conflicts.

Social cohesion (SOC) has a mean of 3.530 and a standard deviation of 0.936, indicating that employees generally feel a moderate level of camaraderie and trust among their coworkers. The moderate standard deviation shows some variability in employee perceptions, but overall, social cohesion is perceived positively.

Innovation (INO) has a mean of 3.609 and a standard deviation of 0.918, showing that employees perceive their organization encourages creativity and new ways of solving problems. The high mean indicates a strong belief in the organization's support for innovation, while the standard deviation reflects some differences in individual experiences.

Trust (TRU) has a mean of 3.564 and a standard deviation of 0.918, suggesting that employees generally trust their supervisors and the organization's intentions. This moderate to high mean value indicates a positive level of trust, although the variability suggests differences in how trust is perceived across the organization.

Employee performance (EMP) has a mean of 3.590 and a standard deviation of 0.902, showing that employees feel their performance meets the organization's expectations. The high mean reflects a positive perception of employee performance, with the standard deviation indicating some variability in how performance is assessed.

Overall, the descriptive study shows that employees generally perceive moderate to high levels of job challenge, social cohesion, innovation, trust and employee performance within their organizations. The standard deviations indicate a relatively consistent perception among employees, with some variations in how they view different aspects of organizational culture.

4.1.4 Correlation Analysis

In this study, the correlation between organizational culture and employee performance was rigorously examined using statistical analysis. By calculating Pearson's correlation coefficients, the study explored the strength and direction of relationships between various dimensions of organizational culture, such as communication, job challenge, social

cohesion, innovation, trust and different aspects of employee performance. These correlations provide valuable insights into how specific cultural attributes within the workplace environment are associated with performance outcomes.

Table 5

Rule of Thumb about Strength of Correlation

Coefficient Range	Strength of Relationship
$r > 0.60$	Strong relationship
$0.30 < r < 0.60$	Moderate relationship
$r \leq 0.30$	Weak Correlation

(Source: Levin & Fox, 2006)

Table 5 presents guidelines for interpreting the strength of correlation coefficients. A correlation coefficient greater than 0.60 indicates a strong relationship between variables, while coefficients falling between 0.30 and 0.60 suggest a moderate relationship. Coefficients equal to or less than 0.30 indicate a weak correlation. These thresholds help researchers assess the strength and significance of associations observed in correlation analyses, providing a clear framework for interpreting their findings.

Table 6

Correlation Matrix

Correlation		COM	JOC	SOC	INO	TRU	EMP
COM	Pearson Correlation	1					
	Sig. (2-tailed)						
JOC	Pearson Correlation	.778**	1				
	Sig. (2-tailed)	0.000					
SOC	Pearson Correlation	.622**	.705**	1			
	Sig. (2-tailed)	0.000	0.000				
INO	Pearson Correlation	.743**	.739**	.768**	1		
	Sig. (2-tailed)	0.000	0.000	0.000			
TRU	Pearson Correlation	.636**	.662**	.632**	.754**	1	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		
EMP	Pearson Correlation	.743**	.782**	.724**	.844**	.769**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	

Source: Field Survey, 2024

Table 6 presents the correlation between communication (COM) and employee performance (EMP). The Pearson correlation coefficient for COM and EMP is 0.743, which indicates a strong positive relationship. This means that higher levels of communication within the organization are associated with higher employee performance. The significance level is 0.00, which is below the 5 percent threshold, indicating that this correlation is statistically significant.

The correlation between job challenge (JOC) and employee performance (EMP) is also shown. The Pearson correlation coefficient for JOC and EMP is 0.782, demonstrating a strong positive relationship. This implies that increased job challenges are linked with enhanced employee performance. The significance level is 0.00, making this correlation statistically significant at the 5 percent level.

The correlation between social cohesion (SOC) and employee performance (EMP) is presented as well. The Pearson correlation coefficient for SOC and EMP is 0.724, signifying a strong positive relationship. This indicates that greater social cohesion within the organization corresponds to higher employee performance. The significance level is 0.00, confirming that this correlation is statistically significant at the 5 percent level.

The correlation between innovation (INO) and employee performance (EMP) is examined. The Pearson correlation coefficient for INO and EMP is 0.844, which shows a very strong positive relationship. This suggests that a higher degree of innovation within the organization is strongly associated with increased employee performance. The significance level is 0.00, indicating that this correlation is statistically significant at the 5 percent level.

The correlation between trust (TRU) and employee performance (EMP) is also analyzed. The Pearson correlation coefficient for TRU and EMP is 0.769, indicating a strong positive relationship. This implies that higher levels of trust within the organization are associated with better employee performance. The significance level is 0.00, showing that this correlation is statistically significant at the 5 percent level.

Overall, the correlation analysis indicates that all the examined aspects of organizational culture communication (COM), job challenge (JOC), social cohesion (SOC), innovation (INO), and trust (TRU) have strong positive relationships with employee performance (EMP). The strong positive correlations, with Pearson coefficients ranging from 0.724 to

0.844, signify that improvements in these areas are associated with enhanced employee performance. Furthermore, the statistical significance of these correlations at the 5 percent level underscores the robustness of these relationships, suggesting that fostering a positive organizational culture in terms of communication, job challenges, social cohesion, innovation, and trust can significantly contribute to better employee performance in the Nepalese IT sector.

4.1.5 Regression Analysis

In this study, multivariate regression analysis was employed to examine the influence of organizational culture on employee performance within the Nepalese IT sector. This method allows for assessing how variations in organizational culture dimensions, such as communication, job challenge, social cohesion, innovation, and trust, predict changes in employee performance outcomes. By statistically controlling for other factors, this approach provides insights into the specific contributions of organizational culture to enhancing employee effectiveness and productivity in IT companies in Nepal.

Table 7

Multicollinearity Test

Code	Variables	Collinearity Statistics	
		Tolerance	VIF
COM	Communication	0.330	3.030
JOC	Job Challenge	0.299	3.345
SOC	Social Cohesion	0.366	2.733
INO	Innovation	0.240	4.166
TRU	Trust	0.404	2.473

Source: Field Survey, 2024

Table 7 presents the results of the multicollinearity test, which assesses the correlations among predictor variables. Communication (COM), job challenge (JOC), social cohesion (SOC), innovation (INO), and trust (TRU). The test examines tolerance and VIF (variance inflation factor) statistics. Tolerance values indicate the extent to which each predictor variable is independent of the others, with higher values indicating lower multicollinearity. Meanwhile, VIF values indicate how much the variance of a regression coefficient is

inflated due to multicollinearity. In this study, all variables have tolerance values above 0.2 and VIF values below 10, suggesting no case of multicollinearity. These findings support the reliability of the regression coefficients and the robustness of the analysis in examining the impact of organizational culture on employee performance in the Nepalese IT sector.

Table 8

Model Summary of Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.891	0.794	0.790	0.41302

Source: Field Survey, 2024

Table 8 presents the model summary of the regression model. The model shows an R value of 0.891, indicating a strong correlation between the predictors (trust, social cohesion, communication, job challenge, and innovation) and the dependent variable (employee performance). The R square value is 0.794, meaning that approximately 79.4% of the variance in employee performance can be explained by the predictors. The adjusted R square value is 0.790, which adjusts for the number of predictors in the model. The standard error of the estimate is 0.41302, indicating the average distance that the observed values fall from the regression line.

Table 9

ANOVA Table of Regression Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	160.813	5	32.163	188.539	0.00
	Residual	41.624	244	0.171		
	Total	202.437	249			

Source: Field Survey, 2024

Table 9 presents the ANOVA of regression Model. The analysis shows that the regression model is statistically significant and fit for analysis, as indicated by the significance level (Sig.) of 0.00, which is less than the threshold of 0.05.

Table 10

Beta Coefficient of Regression Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.093	0.121		0.764	0.446
	COM	0.101	0.053	0.096	1.895	0.059
	JOC	0.214	0.049	0.229	4.317	0.000
	SOC	0.064	0.046	0.067	1.391	0.166
	INO	0.373	0.058	0.380	6.410	0.000
	TRU	0.224	0.045	0.228	4.990	0.000

Source: Field Survey, 2024

Table 10 presents the results of a regression analysis predicting Employee Performance (EMP) based on several independent variables. Starting with Communication (COM), the unstandardized coefficient ($B = 0.101$) indicates that for each unit increase in Communication, there is an expected increase of 0.101 units in EMP. The standardized coefficient (Beta = 0.096) shows a weak positive relationship. However, the p-value (0.059) is slightly above the conventional significance level of 0.05, suggesting that the relationship between Communication and EMP is not statistically significant at the 5% level. The communication between departments, communication between management and employee, introvert nature of IT professionals, the complexity and rapidly changing technology can be the reason for this insignificance in IT companies of Nepal.

Job Challenge (JOC) shows an unstandardized coefficient ($B = 0.214$) and a standardized coefficient (Beta = 0.229), both indicating a significant positive relationship with EMP ($p < 0.05$). This suggests that higher Job Challenge levels are associated with greater Employee Performance, with the relationship being statistically significant.

Social Cohesion (SOC) has an unstandardized coefficient ($B = 0.064$) and a standardized coefficient (Beta = 0.067). The p-value (0.166) is greater than 0.05, indicating that the relationship between Social Cohesion and EMP is not statistically significant at the 5% level. The nature of work, work division and different departments have different interest and output targets, so there can be a weak social cohesion. This suggests that improvements in Social Cohesion may not significantly impact Employee Performance in this analysis.

Innovation (INO) shows an unstandardized coefficient ($B = 0.373$) and a standardized coefficient ($Beta = 0.380$), both highly significant ($p < 0.05$). This indicates that increases in Innovation lead to substantial improvements in Employee Performance, with the relationship being highly statistically significant.

Trust (TRU) exhibits an unstandardized coefficient ($B = 0.224$) and a standardized coefficient ($Beta = 0.228$), both statistically significant ($p < 0.05$). This suggests that enhancing Trust within the organization can significantly enhance Employee Performance, with the relationship being statistically significant.

Overall, Job Challenge, Innovation, and Trust are robust predictors of Employee Performance, while Communication and Social Cohesion show weaker associations in this regression model. This underscores the importance of focusing on Job Challenge, Innovation, and Trust to improve organizational performance and employee outcomes.

4.1.6 Hypothesis Testing

Table 11

Hypothesis Testing

S.N.	Hypothesis	Tools for Hypothesis Testing	Level of Significance	Significance (p-Value)	Accept/Reject
1	There is a significant impact of Communication on employee performance in Nepalese IT companies.	Regression Analysis	0.05	0.059	Reject
2	There is a significant impact of Job Challenge on employee performance in Nepalese IT companies.	Regression Analysis	0.05	0.000	Accept
3	There is a significant impact of Social Cohesion on employee performance in Nepalese IT companies.	Regression Analysis	0.05	0.166	Reject

4	There is a significant impact of Innovation on employee performance in Nepalese IT companies.	Regression Analysis	0.05	0.000	Accept
5	There is a significant impact of Trust on employee performance in Nepalese IT companies.	Regression Analysis	0.05	0.000	Accept

Hypothesis I

There is a significant impact of Communication on employee performance in Nepalese IT companies.

Table 11 presents that the p-value derived from the analysis is found to be more than 0.05 (i.e., $0.059 > 0.05$), at the 5 percent level of significance. This outcome leads to the rejection of the hypothesis positing that Communication has a significant impact on employee performance.

Hypothesis II

There is a significant impact of Job Challenge on employee performance in Nepalese IT companies.

Table 11 presents that the p-value derived from the analysis is found to be less than 0.05 (i.e., $0.000 < 0.05$), at the 5 percent level of significance. This outcome leads to the acceptance of the hypothesis positing that Job Challenge has a significant impact on employee performance.

Hypothesis III

There is a significant impact of Social Cohesion on employee performance in Nepalese IT companies.

Table 11 presents that the p-value derived from the analysis is found to be more than 0.05 (i.e., $0.166 > 0.05$), at the 5 percent level of significance. This outcome leads to the rejection of the hypothesis positing that Social Cohesion has a significant impact on employee performance.

Hypothesis IV

There is a significant impact of Innovation on employee performance in Nepalese IT companies.

Table 11 presents that the p-value derived from the analysis is found to be less than 0.05 (i.e., $0.000 < 0.05$), at the 5 percent level of significance. This outcome leads to the acceptance of the hypothesis positing that Innovation has a significant impact on employee performance.

Hypothesis V

There is a significant impact of Trust on employee performance in Nepalese IT companies.

Table 11 presents that the p-value derived from the analysis is found to be less than 0.05 (i.e., $0.000 < 0.05$), at the 5 percent level of significance. This outcome leads to the acceptance of the hypothesis positing that Trust has a significant impact on employee performance.

4.1.7 Major Findings

- Employees in Nepalese IT companies generally perceive their jobs as challenging and stimulating, as indicated by the highest mean score for job challenge (JOC) at 3.616. However, communication (COM) received the lowest mean score of 3.511, suggesting a need for improvement in organizational communication effectiveness. Social cohesion (SOC) scored 3.530, indicating moderate camaraderie among coworkers, while innovation (INO) and trust (TRU) scored 3.609 and 3.564 respectively, reflecting positive perceptions of organizational support for creativity and trust in supervisors. Overall, employees perceive varying levels of organizational culture dimensions and with generally consistent perceptions across most areas and some room for enhancement in communication practices.
- The correlation analysis reveals strong positive relationships between various dimensions of organizational culture, communication (COM), job challenge (JOC), social cohesion (SOC), innovation (INO), and trust (TRU)—and employee performance (EMP) in Nepalese IT companies. Communication shows a significant

correlation ($r = 0.743$), indicating that improved communication within the organization is associated with higher employee performance. Job challenge exhibits a strong positive correlation ($r = 0.782$), suggesting that more challenging job roles lead to enhanced performance outcomes. Social cohesion demonstrates a notable correlation ($r = 0.724$), highlighting that greater camaraderie among coworkers contributes to better performance. Innovation displays a very strong correlation ($r = 0.844$), indicating that fostering innovation within the organization significantly boosts employee performance. Trust shows a strong correlation ($r = 0.769$), emphasizing that higher levels of trust in the organization lead to improved employee performance. These findings underscore the critical role of these organizational culture dimensions in driving employee performance, supported by their statistical significance at the 5 percent level, thereby emphasizing the importance of cultivating a positive organizational culture in Nepalese IT firms for optimal performance outcomes.

- The regression analysis model reveals significant insights into the factors influencing employee performance in Nepalese IT companies. With an R value of 0.891, indicating a strong correlation, the predictors—trust, social cohesion, communication, job challenge, and innovation—collectively explain approximately 79.4% of the variance in employee performance ($R^2 = 0.794$). The adjusted R square value of 0.790 accounts for the influence of the predictors in the model. The standard error of the estimate (0.41302) reflects the average distance between observed values and the regression line. These findings underscore the robust relationship between organizational culture dimensions and employee performance, emphasizing the critical role of fostering trust, promoting social cohesion, enhancing communication, providing challenging job roles, and encouraging innovation within Nepalese IT firms to optimize employee performance outcomes.
- The regression analysis highlights key predictors of Employee Performance (EMP) within Nepalese IT companies. Job Challenge (JOC) emerges as a significant predictor, with both unstandardized ($B = 0.214$) and standardized coefficients (Beta = 0.229) indicating a strong positive relationship ($p < 0.05$). This suggests that

higher levels of Job Challenge lead to increased Employee Performance, emphasizing the importance of engaging employees with challenging tasks to enhance their productivity. Innovation (INO) also stands out as a robust predictor, showing substantial unstandardized ($B = 0.373$) and standardized coefficients ($Beta = 0.380$) that are highly statistically significant ($p < 0.05$). These findings underscore the critical role of fostering a culture of innovation within organizations to drive significant improvements in Employee Performance.

- Conversely, Communication (COM) and Social Cohesion (SOC) exhibit weaker associations with Employee Performance in this study. Communication shows a weak positive relationship with EMP ($B = 0.101$, $Beta = 0.096$), but its p-value (0.059) suggests that this relationship is not statistically significant at the conventional 5% level. Similarly, Social Cohesion demonstrates a non-significant relationship with EMP ($B = 0.064$, $Beta = 0.067$, $p = 0.166$), implying that while important for organizational dynamics, improvements in Social Cohesion may not directly translate into enhanced Employee Performance as measured in this analysis. Overall, the study highlights Job Challenge, Innovation, and Trust as pivotal factors in driving Employee Performance within Nepalese IT firms, suggesting that strategic focus on these dimensions can yield significant organizational benefits and improve overall employee outcomes.

4.2 Discussion

This study revealed positive perceptions regarding job challenge, innovation, trust, social cohesion and employee performance. Job challenge and innovation are particularly viewed positively, indicating stimulating roles and organizational encouragement of creativity, while trust levels are moderately high. However, communication emerges as an area needing improvement.

This study identified strong positive relationships between various aspects of organizational culture (communication, job challenge, social cohesion, innovation, and trust) and employee performance in the Nepalese IT sector. This aligns with studies such as Al-Ansi et al. (2023), Muhtar and Wahyuni (2023), and Pracoyo et al. (2022), which similarly highlight the significant positive impact of organizational culture on employee

performance, mediated by factors like job satisfaction and organizational commitment. However, contrasting findings are observed in studies like Ariani (2023) and Setiani et al. (2023), which suggest that while organizational culture influences job satisfaction, its direct impact on employee performance might not always be significant or direct. Moreover, the current study's emphasis on innovation and trust as strong contributors to employee performance contrasts with studies like Bagis et al. (2021), which found that organizational commitment rather than trust significantly influences job satisfaction and subsequently impacts performance.

Additionally, this study examined how organizational culture influences employee performance in Nepalese IT companies. Job Challenge, Innovation, and Trust are found to significantly enhance employee performance. Job Challenge increases job complexity, positively impacting performance. Innovation fosters creativity, leading to substantial performance improvements. Trust in leadership and colleagues also positively influences performance. However, Communication and Social Cohesion show weaker impacts, suggesting their indirect role in enhancing performance. Overall, focusing on job challenge, innovation, and trust can notably improve organizational performance and employee outcomes in Nepalese IT firms. The current study emphasizes that Job Challenge, Innovation, and Trust significantly enhance employee performance in Nepalese IT firms, aligning with findings by Pracoyo et al. (2022), who also underscored the positive impact of organizational culture on performance through job satisfaction. However, contrasting with Setyowati et al. (2021), who found indirect effects via Organizational Citizenship Behavior (OCB), this study highlights direct impacts of Job Challenge and Innovation. Additionally, while Jamil et al. (2022) and Korda and Rachmawati (2022) explored mediations through organizational commitment and satisfaction, respectively, they differ from this study's direct focus on job challenge and innovation. Moreover, Ahmed and Wiadi (2022) and Abdullahi et al. (2021) similarly found organizational culture's significant influence mediated by job satisfaction and commitment, contrasting with the current study's emphasis on direct impacts of Job Challenge and Innovation on performance in Nepalese IT companies (Chhetri et al., 2024).

CHAPTER V

SUMMARY AND CONCLUSION

This chapter provides a comprehensive overview of the study's findings, offering a detailed summary of the results and their implications. It concludes by synthesizing key insights drawn from the data analysis and discussing their broader significance for theory and practice in the field. Additionally, it explores the practical implications of the study's findings, offering recommendations for stakeholders and suggesting avenues for future research.

5.1 Summary

This study focuses on exploring the impact of organizational culture on employee performance within Nepalese IT companies. Organizational culture, encompassing values, norms, and practices, significantly influences the employee performance outcomes in dynamic sectors like IT. The challenge lies in fostering a supportive culture that sustains employee engagement and commitment amid rapid technological advancements and competitive pressures. The study aims to assess the current status of organizational culture, investigate its relationship with employee performance, and determine its overall impact. By addressing these objectives, the research seeks to provide insights crucial for enhancing workplace environments and achieving sustainable organizational success in Nepal's burgeoning IT industry.

The second chapter provides a thorough exploration of key concepts, theories, empirical studies, and research gaps relevant to this study. The conceptual review examines organizational culture in depth, covering its characteristics at various levels such as shared assumptions, values, norms, and symbolic practices, alongside an analysis of employee performance. The theoretical review synthesizes prominent models of organizational culture and contextualizes them within Nepal's IT sector, while empirical studies offer practical insights into the impact of organizational culture on employee outcomes. Identified research gaps underscore areas needing further investigation, particularly in understanding how organizational culture influences employee performance in the Nepalese IT industry.

This study has employed a combination of descriptive research and causal comparative research designs to investigate organizational culture and employee performance within Nepalese IT companies. Descriptive statistics have been utilized to assess the current state of organizational culture, while causal comparative research has allowed for the examination of how variations in organizational culture influence performance outcomes. The population under study includes all employees across IT companies in Nepal, with a sample size of 250 employees selected via convenience sampling to efficiently gather data within time constraints. Data collection has primarily involved structured questionnaire surveys designed to capture employee perceptions on organizational culture and employee performance. The questionnaire, comprising demographic details and 39 statements distributed across sections on organizational culture and employee performance, employs a five-point Likert scale for nuanced responses.

After collecting data using structured questionnaire surveys, this study utilized statistical software like Microsoft Excel and SPSS for analysis. The data underwent descriptive statistics, reliability analysis, correlation studies, and multivariate regression models to explore the relationships and impacts between organizational culture and employee performance within Nepalese IT firms. The research framework focused on organizational culture as the independent variable, encompassing dimensions such as communication, job challenge, social cohesion, innovation, and trust. These dimensions were examined for their impact on employee behaviors and attitudes. The study hypothesized that a positive organizational culture leading to improved employee performance in IT companies in Nepal.

Based on the findings of this study, organizational culture factors such as job challenge, innovation, and trust emerge as significant determinants of employee performance in Nepalese IT companies. Job challenge, innovation, and trust consistently show strong positive impacts on employee performance, indicating that organizations can enhance performance outcomes by focusing on these aspects of organizational culture. Effective communication and social cohesion, while important, demonstrate weaker impacts on employee performance in this context. Therefore, while they contribute to overall organizational dynamics and employee satisfaction, their direct influence on enhancing performance appears less pronounced compared to job challenge, innovation, and trust.

Overall, the study underscores the critical role of fostering challenging job roles, encouraging innovation, and cultivating trust within organizational structures to optimize employee performance in the Nepalese IT sector. These factors collectively contribute to shaping a supportive and productive work environment conducive to achieving organizational goals and improving employee outcomes.

This study provides practical implications and recommendations for Nepalese IT companies. Practically, organizations should focus on enhancing job challenge, fostering innovation, and strengthening trust to improve employee performance. Theoretical implications highlight the significant role of these organizational culture factors in influencing employee outcomes in developing economies like Nepal. Recommendations include implementing strategies to increase job complexity, promoting a culture of innovation, and enhancing trust through transparent communication and supportive leadership practices to foster better organizational performance and employee satisfaction overall.

5.2 Conclusion

The first objective of this study is to identify the current status of organizational culture and employee performance among employees in Nepalese IT companies. The findings reveal a generally positive perception among employees regarding job challenge, innovation, trust, social cohesion and employee performance within their organizations. Job challenge and innovation are perceived positively, indicating that employees find their roles stimulating and believe in the organization's encouragement of creativity. Trust levels are moderate to high, suggesting a general confidence in supervisors and organizational intentions. However, communication emerges as an area needing improvement, with employees perceiving it less favorably compared to other aspects of organizational culture.

The second objective of this study is to examine the relationship between organizational culture and employee performance in Nepalese IT companies. The findings reveal strong positive relationships between each aspect of organizational culture—communication, job challenge, social cohesion, innovation, and trust—and employee performance. Communication shows a strong positive correlation with employee performance, indicating that effective communication enhances performance significantly. Job challenge

also exhibits a strong positive relationship, suggesting that more challenging roles lead to better employee performance. Social cohesion demonstrates a strong positive correlation, implying that cohesive work environments contribute positively to employee performance. Innovation shows a very strong positive relationship, indicating that fostering innovation within organizations greatly enhances employee performance. Trust exhibits a strong positive correlation as well, suggesting that higher levels of trust in supervisors and the organization lead to better employee performance. Overall, the significant correlations at the 5 percent level underscore the importance of these organizational culture factors in influencing and improving employee performance in the Nepalese IT sector.

The third objective of this study is to analyze the impact of organizational culture on employee performance in Nepalese IT companies. The findings reveal that Job Challenge, Innovation, and Trust have a significant and positive impact on Employee Performance. Job Challenge shows a strong positive impact, indicating that increasing job complexity and responsibilities positively influence employee performance. Innovation demonstrates a highly significant positive impact, suggesting that fostering a culture of creativity and new ideas within organizations leads to substantial improvements in employee performance. Trust also exhibits a significant positive impact, highlighting that higher levels of trust in organizational leadership and colleagues enhance employee performance. Conversely, Communication and Social Cohesion have weaker impacts on Employee Performance in this study, as indicated by their non-significant p-values. This implies that while communication effectiveness and social cohesion are integral aspects of organizational culture, their direct impact on employee performance may be less pronounced compared to job challenge, innovation, and trust. Overall, focusing on enhancing job challenge, fostering innovation, and building trust can significantly contribute to improving organizational performance and employee outcomes in the Nepalese IT sector.

5.3 Implications

5.3.1 Theoretical Implications

This study on the impact of organizational culture on employee performance within Nepalese IT companies contributes significantly to organizational theory. It underscores

the relevance of organizational culture as a crucial determinant of employee outcomes in dynamic sectors like IT. By exploring dimensions such as communication, job challenge, social cohesion, innovation, and trust, the study enriches theoretical understanding of how these elements collectively shape employee behavior and performance. The findings emphasize that a supportive organizational culture, characterized by high levels of job challenge, innovation encouragement, and trustworthiness, fosters positive employee outcomes. The study aligns with existing theoretical frameworks by highlighting the pivotal role of organizational culture in enhancing employee performance in developing economies. Moreover, it addresses a gap in literature concerning the specific impact of organizational culture within the context of Nepalese IT firms, thereby extending current theoretical perspectives on organizational behavior and performance. Future research could delve deeper into how cultural dimensions interact with external environmental factors to influence organizational effectiveness and employee well-being, thereby advancing theoretical models that integrate organizational culture with broader socio-economic contexts.

5.3.2 Practical Implications

Practically, this study provides actionable insights for Nepalese IT companies seeking to optimize organizational performance and employee satisfaction. The identification of job challenge, innovation, and trust as significant determinants of employee performance suggests practical strategies for organizational leaders. Firstly, enhancing job challenge through role enrichment, task variety, and professional development opportunities can stimulate employee engagement and motivation. Secondly, fostering a culture of innovation by promoting idea generation, rewarding creativity, and investing in technological advancements can drive organizational agility and competitive advantage. Thirdly, cultivating trust through transparent communication, ethical leadership, and supportive work environments can strengthen employee commitment and organizational cohesion. These insights are particularly relevant for IT firms operating in competitive markets where retaining skilled talent and maximizing productivity are paramount. Moreover, the study underscores the importance of aligning organizational culture initiatives with strategic goals and contextual realities to effectively leverage cultural strengths for sustainable business success. Practical recommendations also include regular

assessments of organizational culture through employee feedback mechanisms and continuous improvement efforts to address evolving workforce dynamics and market demands. By implementing these strategies, Nepalese IT companies can create conducive work environments that nurture talent, foster innovation, and enhance overall organizational performance.

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Section B: Organization Culture and Employee Performance related questionnaire.

[Source: Zeitz et al. (1997)]

Using the response scale below, please indicate your candid and honest agreement or disagreement with each item by choosing the appropriate number as below:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

The job requires me to use a number of complex or high-level skills.	1	2	3	4	5
I have new and interesting things to do in my work.	1	2	3	4	5
My work challenges me.	1	2	3	4	5
The job is complex and non-repetitive.	1	2	3	4	5
The job requires me to do many different things at work, using a variety of skills and talents.	1	2	3	4	5
Management here does a good job of communicating with employees.	1	2	3	4	5
The organization gives praise and recognition for outstanding performance.	1	2	3	4	5
All in all, you can have trust and confidence in higher management in this organization.	1	2	3	4	5
People who perform well receive financial rewards such as higher pay, bonuses, or awards.	1	2	3	4	5
There is good communication between departments in this organization.	1	2	3	4	5
Around here, conflicts are resolved to the satisfaction of those concerned.	1	2	3	4	5
I know exactly what is expected of me.	1	2	3	4	5

My supervisor shows complete trust in employee's ability to perform their job well.	1	2	3	4	5
I feel free to discuss problems or negative feelings with my supervisor.	1	2	3	4	5
Within reason, people in this organization can say what they want without fear of punishment.	1	2	3	4	5
We are encouraged to make suggestions for improvements in our work.	1	2	3	4	5
People in my work unit are encouraged to try new and better ways of doing the job.	1	2	3	4	5
Creativity is actively encouraged in this organization.	1	2	3	4	5
Innovators (those who come up with new ways of doing things) are the people who get rewarded in this organization.	1	2	3	4	5
Trying new ways of solving problems is encouraged here	1	2	3	4	5
People around here seeks the new way of doing the work.	1	2	3	4	5
In my unit, the supervisor makes important decisions without consulting with employees.	1	2	3	4	5
People in my work unit enjoy their coworkers.	1	2	3	4	5
Coworkers in my work unit are like a family.	1	2	3	4	5
Problems does not exist here between coworkers.	1	2	3	4	5
I trust my coworkers to do what is in the best interests of the organization.	1	2	3	4	5
All in all, how satisfied are you with the persons in your work group?	1	2	3	4	5
All in all, how satisfied are you with your supervisor?	1	2	3	4	5
All in all, how satisfied are you with your job?	1	2	3	4	5
All in all, how satisfied are you with this organization, compared to most?	1	2	3	4	5

Considering your skills and the effort you put into your work, how satisfied are you with your pay?	1	2	3	4	5
How satisfied do you feel with the progress you have made in this organization up to now?	1	2	3	4	5
How satisfied do you feel with your chance for getting ahead in this organization in the future?	1	2	3	4	5
I perform the tasks attentively and correctly	1	2	3	4	5
I can complete the tasks as per the standards.	1	2	3	4	5
I have adequate information and details required to meet the set of criteria and standards in service delivery.	1	2	3	4	5
I inspect quality standards prior to the service delivery.	1	2	3	4	5
My performance meets the expectation of my manager.	1	2	3	4	5
My performance is integrated with the number of tasks I perform.	1	2	3	4	5
My performance meets organizational expectations.	1	2	3	4	5
Performance under my responsibility correspond to my skills and ability.	1	2	3	4	5
I always fulfilled the assignments.	1	2	3	4	5
I normally complete the tasks on schedule.	1	2	3	4	5
I can carry out the tasks within a reasonable amount of time.	1	2	3	4	5
I prefer delivery of services in a timely manner.	1	2	3	4	5
I achieve desired objectives on time.	1	2	3	4	5

If you are interested to get the final report of the study for your organizational purpose, please fill the following:

Name..... Email.....

Phone Number.....

SPSS Output

Appendix II: Frequency Table

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	194	77.6	77.6	77.6
	Female	56	22.4	22.4	100.0
	Total	250	100.0	100.0	

		Marital Status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	176	70.4	70.4	70.4
	Unmarried	74	29.6	29.6	100.0
	Total	250	100.0	100.0	

		Head Office			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Nepal	184	73.6	73.6	73.6
	Foreign	66	26.4	26.4	100.0
	Total	250	100.0	100.0	

		Age Group			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Upto 25 Years	42	16.8	16.8	16.8
	25 to 40 Years	165	66.0	66.0	82.8
	Above 40 Years	43	17.2	17.2	100.0
	Total	250	100.0	100.0	

		Academic Qualification			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10+2 or Equivalent	12	4.8	4.8	4.8
	Bachelor's Degree	103	41.2	41.2	46.0

	Master Degree or above	135	54.0	54.0	100.0
	Total	250	100.0	100.0	

		Designation			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Entry Level	18	7.2	7.2	7.2
	Mid-Level	98	39.2	39.2	46.4
	Senior Level	91	36.4	36.4	82.8
	Manager	43	17.2	17.2	100.0
	Total	250	100.0	100.0	

Appendix III: Reliability Statistics

Reliability Statistics of COM

Cronbach's Alpha	N of Items
0.788	6

Reliability Statistics of JOC

Cronbach's Alpha	N of Items
0.830	5

Reliability Statistics of SOC

Cronbach's Alpha	N of Items
0.708	4

Reliability Statistics of INO

Cronbach's Alpha	N of Items
0.856	7

Reliability Statistics of TRU

Cronbach's Alpha	N of Items
0.737	4

Reliability Statistics of JOS

Cronbach's Alpha	N of Items
0.844	7

Reliability Statistics of EMP

Cronbach's Alpha	N of Items
0.925	13

Overall Reliability Statistics

Cronbach's Alpha	N of Items
0.972	60

Appendix IV: Descriptive Statistics**Descriptive Statistics**

	N	Mean	Std. Deviation
Management here does a good job of communicating with employees	250	3.4160	1.06559
This organization gives praise and recognition for outstanding performance	250	3.5240	1.29620
All in all, you can have trust and confidence in higher management in this organization	250	3.6000	1.17538
People who perform well receive financial rewards such as higher pay, bonuses, or awards	250	3.4600	1.34747
There is good communication between departments in this organization	250	3.5000	1.23941
Around here, conflicts are resolved to the satisfaction of those concerned	250	3.5720	1.24379
The job requires me to use a number of complex or high-level skills	250	3.5720	1.23406
I have new and interesting things to do in my work	250	3.6760	1.21694
My work challenges me	250	3.5560	1.28275
The job is complex and non-repetitive	250	3.6040	1.27029

The job requires me to do many different things at work, using a variety of skills and talents	250	3.6720	1.25967
People in my work unit enjoy their coworkers	250	3.5400	1.22900
Coworkers in my work unit are like a family	250	3.4920	1.27768
Solutions exist here between coworkers	250	3.6000	1.28006
I trust my coworkers to do what is in the best interests of the organization	250	3.4880	1.33904
We are encouraged to make suggestions for improvements in our work	250	3.6240	1.24613
People in my work unit are encouraged to try new and better ways of doing the job	250	3.6120	1.22780
Creativity is actively encouraged in this organization	250	3.6120	1.26644
Innovators (those who come up with new ways of doing things) are the people who get rewarded	250	3.5840	1.28121
Trying new ways of solving problems is encouraged here	250	3.5960	1.26776
People around here seek new ways of doing the work	250	3.6520	1.25267
In my unit, the supervisor makes important decisions without consulting with employees	250	3.5840	1.22677
I know exactly what is expected of me	250	3.5160	1.21971
My supervisor shows complete trust in employees' ability to perform their job well	250	3.6600	1.24523
I feel free to discuss problems or negative feelings with my supervisor	250	3.5440	1.24187
Within reason, people in this organization can say what they want without fear of punishment	250	3.5360	1.20270
I perform the tasks attentively and correctly	250	3.5920	1.22946
I can complete the tasks as per the standards	250	3.5040	1.30260
I have adequate information and details required to meet the set of criteria and standards in service delivery	250	3.5920	1.27122

I inspect quality standards prior to service delivery	250	3.5280	1.25520
My performance meets the expectation of my manager	250	3.7400	1.15835
My performance is integrated with the number of tasks I perform	250	3.6320	1.22252
My performance meets organizational expectations	250	3.5800	1.28147
Performance under my responsibility corresponds to my skills and ability	250	3.5040	1.25550
I always fulfil the assignments	250	3.6520	1.24301
I normally complete the tasks on schedule	250	3.5920	1.25852
I can carry out the tasks within a reasonable amount of time	250	3.5520	1.27664
I prefer delivery of services in a timely manner	250	3.5360	1.24213
I achieve desired objectives on time	250	3.6600	1.17555
COM	250	3.5113	0.85831
JOC	250	3.6160	0.96712
SOC	250	3.5300	0.93574
INO	250	3.6088	0.91755
TRU	250	3.5640	0.91803
EMP	250	3.5900	0.90166
Valid N (listwise)	250		

Appendix V: Correlation Analysis

		Correlations ^b					
		COM	JOC	SOC	INO	TRU	EMP
COM	Pearson Correlation	1	.778**	.622**	.743**	.636**	.743**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000
JOC	Pearson Correlation	.778**	1	.705**	.739**	.662**	.782**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000
SOC	Pearson Correlation	.622**	.705**	1	.768**	.632**	.724**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000

INO	Pearson Correlation	.743**	.739**	.768**	1	.754**	.844**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000
TRU	Pearson Correlation	.636**	.662**	.632**	.754**	1	.769**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000
EMP	Pearson Correlation	.743**	.782**	.724**	.844**	.769**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	

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

b. Listwise N=250

Appendix VI: Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 ^a	0.794	0.790	0.41302

a. Predictors: (Constant), TRU, SOC, COM, JOC, INO

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	160.813	5	32.163	188.539	.000 ^b
	Residual	41.624	244	0.171		
	Total	202.437	249			

a. Dependent Variable: EMP

b. Predictors: (Constant), TRU, SOC, COM, JOC, INO

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.093	0.121		0.764	0.446		
	COM	0.101	0.053	0.096	1.895	0.059	0.330	3.030
	JOC	0.214	0.049	0.229	4.317	0.000	0.299	3.345
	SOC	0.064	0.046	0.067	1.391	0.166	0.366	2.733
	INO	0.373	0.058	0.380	6.410	0.000	0.240	4.166
	TRU	0.224	0.045	0.228	4.990	0.000	0.404	2.473

a. Dependent Variable: EMP

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ABSTRACT This study explores the impact of organizational culture on employee performance within Nepalese IT companies. It addresses the need to foster a supportive culture amidst technological advancements and competitive pressures, aiming to assess current organizational culture, its relationship with performance, and overall impact. The research employs a combination of descriptive and causal-comparative research designs, focusing on organizational culture, job satisfaction, and employee performance within Nepalese IT firms. The study population includes all employees across IT companies in Nepal, with a sample size of 250 employees selected via convenience sampling for data collection using structured questionnaire surveys. Statistical software like Microsoft Excel and SPSS is utilized for data analysis, encompassing descriptive statistics, reliability analysis, correlation studies, and multivariate regression models. The research framework examines organizational culture dimensions—communication, job challenge, social cohesion, innovation, and trust—as determinants of employee behavior and attitudes. Findings indicate that job challenge, innovation, and trust significantly impact employee performance in Nepalese IT companies, highlighting the importance of fostering challenging roles, encouraging innovation, and cultivating trust within organizational structures. Effective communication and social cohesion, while essential for organizational dynamics and employee satisfaction, exhibit weaker direct impacts on performance. Practical implications suggest that Nepalese IT companies should prioritize enhancing job challenge, innovation, and trust to improve employee performance. Theoretical insights underscore the critical role of these organizational culture factors in shaping employee outcomes. Recommendations include implementing strategies to increase job complexity, promote innovation, and enhance trust through transparent communication and supportive leadership practices. Keywords: Organizational culture, employee performance, job satisfaction, innovation, trust

ii CHAPTER I INTRODUCTION

1.1 Background of the Study Organizational culture encompasses the behaviors of individuals within an organization and the significance they attach to those behaviors (Ahamed & Mahmood, 2015). It includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits. This culture manifests as collective behaviors and assumptions imparted to new members as a way of perceiving, thinking, and feeling within the organization. Essentially, organizational culture shapes how people and groups interact with each other, clients, and