

**IMPACT OF CORPORATE CULTURE ON
ORGANIZATIONAL PERFORMANCE IN NEPALESE
COMMERCIAL BANK**

A Dissertation submitted to the Office of the Dean, faculty of management in partial
fulfillment of requirement for the Master's Degree

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**IMPACT OF CORPORATE CULTURE ON ORGANIZATIONAL PERFORMANCE IN NEPALESE COMMERCIAL BANK**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it 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 declared that all information sources and literature used are cited in the reference section of the dissertation.

Susmita Regmi

August 2024

REPORT OF RESEARCH COMMITTEE

Ms. Susmita Regmi has defended research proposal entitled “**IMPACT OF CORPORATE CULTURE ON ORGANIZATIONAL PERFORMANCE IN NEPALESE COMMERCIAL BANK**“, successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Asst. Prof. Durga Datt Pathak and submit the thesis for evaluation and viva voce examination.

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We have examined the dissertation entitled “**IMPACT OF CORPORATE CULTURE ON ORGANIZATIONAL PERFORMANCE IN NEPALESE COMMERCIAL BANK** ” presented by Ms. Susmita Regmi for the degree of Masters of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Any remaining errors are mine.

Susmita Regmi

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ABBREVIATIONS

A	:	Adhocracy
ADBL	:	Agriculture development bank limited
ANOVA	:	Analysis of Variance
C	:	Clan
FP	:	Financial Performance
H	:	Hierarchy
HBL	:	Himalayan bank limited
KBL	:	Kumari bank limited
M	:	Market
SD	:	Standard Deviation
SP	:	Service Performance

ABSTRACT

The objectives of study is to analyze the effect factors of corporate culture on organizational performance (measured by financial performance and service performance) in Nepalese commercial bank. This study used both descriptive and causal comparative research design to test the proposed hypothesis. The purposive sampling methods was used to collect the data from banking employees of three sample as Himalayan bank, Kumari bank and Agriculture bank limited. The self-administrated survey data was used to collect the opinion from banking employees and analyzed by Descriptive, correlation and regression analysis statistical tools. The result found that there are positive and significant relationship between adhocracy, clan, hierarchy and market with financial performance. More over adhocracy, clan, hierarchy and market are significant to the service performance. However adhocracy, clan and hierarchy have positive & significant effect on financial performance. The market culture has insignificant to the financial performance. In conclusion the impact of adhocracy, clan and hierarchy are significant to the financial performance and adhocracy, hierarchy and market culture have significant relationship to the service performance. The implication of this result will understanding the impact of corporate culture can help banks manage organizational change more effectively, ensuring smoother transitions during mergers, acquisitions, and other significant changes.

Keywords: *Adhocracy, Clan, Hierarchy, Market, Financial Performance and Service Performance*

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Corporate culture, often referred to as organizational culture, encompasses the values, beliefs, and behaviors that shape how a company's employees interact and handle business operations. In the context of Nepalese commercial banks, corporate culture plays a pivotal role in shaping the overall performance and effectiveness of the organization. It influences decision-making processes, employee motivation, customer service, and the ability to adapt to market changes. A strong and positive corporate culture can enhance employee satisfaction, foster loyalty, and improve customer relations, ultimately leading to better organizational performance (Alrazehi et al., 2021)..

Corporate culture, often described as the shared values, beliefs, and practices that characterize an organization, serves as the backbone of an institution's internal environment. In the context of Nepalese commercial banks, corporate culture is a crucial determinant of various facets of organizational performance (Dhakal, 2021). The intricacies of corporate culture in these banks influence everything from employee behavior and customer satisfaction to innovation and overall operational efficiency. Understanding this culture is essential for deciphering how these institutions achieve their strategic goals and maintain competitiveness in a dynamic financial landscape (Aboramadan et al, 2020).

The study of ethnic and national distinctions in the many social science disciplines is where the concept of culture first emerged. According to some, one of the key elements needed for understanding organizations is organizational culture. As a result, management and organizational experts have studied organizational culture extensively over the past few decades. This curiosity has led to a large number of academic studies on organizational culture from various angles. An organization's usual attire, language, behavior, beliefs, values, assumptions, symbols of rank and authority, myths, rites and rituals, and modes of deference and subversion are all examples of social phenomena that contribute to the definition of an organization's character and norms (Scott et al., 2003).

Organizational culture, as described by Cameron and Quinn (1999), is a persistent collection of the fundamental beliefs, interpretations, and methods that define organizations and their constituents. Between internal organizational emphasis and stability/control dimensions is a hierarchy (control) culture. The principles and standards of bureaucracy are

reflected in the hierarchical culture (Quinn and Spreitzer, 1991). Because it exists in mechanical and bureaucratic companies that place a high value on order and rules, this organizational culture type has effective leadership. Due to this, how organizations react to circumstances that arise as a result of internal and external influences will differ depending on their organizational culture. In this context, it is anticipated that the approaches used to respond to the external environment proactive or reactive will cause the performance outcomes to vary depending on the organizational cultures. Organizational culture in the banking sector has evolved into a strategic value that is positioned in business, particularly in light of the needs on qualitative features of people for labor-intensive and one-to-one client relationships (Imran & Ismail, 2022).

In Nepal, the banking sector has undergone significant transformations over the past few decades, driven by economic liberalization, technological advancements, and regulatory reforms. These changes have prompted banks to reassess and realign their corporate cultures to stay competitive and meet the evolving needs of their customers. The interplay between corporate culture and organizational performance in Nepalese commercial banks has become a critical area of study, as banks strive to create environments that promote innovation, efficiency, and ethical practices. Understanding how corporate culture impacts performance can provide valuable insights for bank management to implement strategies that enhance operational excellence and sustainability (Alrazehi et al., 2021).

The unique socio-economic context of Nepal, characterized by diverse cultural influences and varying levels of economic development, adds complexity to the study of corporate culture in Nepalese commercial banks. Factors such as leadership styles, communication practices, and employee engagement are influenced by both traditional values and modern business practices (Aboramadan et al, 2020). By examining the relationship between corporate culture and organizational performance, this study aims to identify key cultural attributes that contribute to the success of Nepalese commercial banks. The findings can help bank leaders and policymakers develop tailored interventions to foster a positive corporate culture, ultimately leading to improved organizational outcomes and a more robust banking sector in Nepal (Raut, 2016).

Historically, the banking sector in Nepal has been pivotal to the country's economic development. The liberalization of the economy in the 1990s, along with subsequent regulatory reforms, has significantly transformed the banking industry. These changes have not only expanded the scope of banking operations but also necessitated a reevaluation of

internal organizational cultures. For Nepalese commercial banks, establishing a robust corporate culture is imperative for navigating the complexities of a rapidly evolving market and meeting the diverse needs of their customers (Paramita et al., 2020).

The performance of Nepalese commercial banks is heavily influenced by their corporate culture, which affects their ability to manage risks, innovate, and maintain regulatory compliance. A positive corporate culture can lead to increased employee engagement, higher productivity, and better customer service, all of which are critical for achieving sustainable growth. Conversely, a negative corporate culture can result in high employee turnover, poor decision-making, and reduced customer loyalty. Thus, the relationship between corporate culture and organizational performance is a vital area of study for enhancing the effectiveness and sustainability of these banks (Obijiaku, 2019).

Nepal's socio-economic diversity adds another layer of complexity to understanding corporate culture in commercial banks. The country's cultural heterogeneity, with its myriad ethnic groups and traditions, influences organizational behavior and management practices. In such a diverse environment, banks must cultivate a corporate culture that respects and integrates these cultural nuances while fostering a cohesive and productive work environment. This cultural integration is essential for building trust and ensuring smooth operations across different regions and communities (Ghimire, 2016).

Leadership plays a critical role in shaping and sustaining corporate culture. In Nepalese commercial banks, leaders and managers are tasked with promoting values that align with the organization's market and strategic objectives. Effective leadership can inspire employees, encourage collaboration, and drive innovation. On the other hand, leadership that fails to uphold strong cultural values can lead to a disengaged workforce and poor organizational performance. Therefore, examining leadership styles and their impact on corporate culture is an integral part of this study (Dhakal, 2021).

Communication within the organization is another pivotal aspect of corporate culture that affects performance. Open and transparent communication fosters trust and collaboration among employees, leading to more effective problem-solving and decision-making. In Nepalese commercial banks, where clear communication is essential for coordinating complex financial operations and ensuring compliance with regulatory requirements, fostering a culture of open communication is particularly important (Acar & Acar, 2014).

Employee engagement is closely tied to corporate culture and is a significant predictor of organizational performance. Engaged employees are more likely to be motivated, committed, and productive, contributing to the overall success of the organization. In the competitive banking sector of Nepal, maintaining high levels of employee engagement through a supportive and inclusive corporate culture can be a key differentiator. This study aims to explore how different elements of corporate culture influence employee engagement and, consequently, organizational performance (Mousavi et al., 2015).

The technological advancements in the banking sector have also necessitated changes in corporate culture. As Nepalese commercial banks adopt new technologies to enhance their services, they must also cultivate a culture that embraces innovation and continuous learning. A culture that supports technological adaptation and innovation can lead to improved service delivery, greater customer satisfaction, and enhanced competitive advantage. This study will examine how technological changes are integrated into the corporate culture of Nepalese banks and their impact on performance.

Corporate social responsibility (CSR) is another dimension of corporate culture that has gained prominence in recent years. Nepalese commercial banks are increasingly recognizing the importance of CSR in building a positive corporate image and fostering trust among stakeholders. A culture that prioritizes ethical practices and social responsibility can enhance the bank's reputation, attract and retain customers, and contribute to long-term success. This study will investigate the role of CSR in shaping corporate culture and its impact on organizational performance (Obijiaku, 2019).

Finally, the regulatory environment in Nepal presents both challenges and opportunities for commercial banks. Compliance with regulatory standards is essential for maintaining operational stability and avoiding legal repercussions. A corporate culture that emphasizes compliance and ethical behavior can ensure that banks operate within the legal framework while achieving their strategic objectives. This study aims to explore how regulatory factors influence corporate culture and, in turn, affect the performance of Nepalese commercial banks (Ghimire et al., 2021).

The interplay between corporate culture and organizational performance in Nepalese commercial banks is multifaceted and influenced by various internal and external factors. By examining these factors, this study aims to provide a comprehensive understanding of how corporate culture impacts the performance of these institutions. The insights gained

can help bank leaders and policymakers develop strategies to foster a positive corporate culture, ultimately leading to improved organizational outcomes and a more robust banking sector in Nepal (Ghimire, 2016).

Banking organization are the profit making and service provider of deposit money and issued loan to the customers. They give the securities of their wealth and pay the help in the time of financial needs to the business man. The culture may different than of government employee in the banking sectors. The private and public both bank are taken under the study. According to the research, cultural values might affect how well a company performs. However there seems to be a gap in this change where innovation may be a source to support the cultural impact on the efficiency of the company. As various organizational outcomes, including performance, are influenced by organizational performance (Obeidat et al., 2021). In Nepal the companies are running in different aspect and the culture. The culture is the backbone of the every organization so the research is conducted on the “corporate culture and its impact on organization performance in Nepalese commercial bank”.

1.2 Problem statement

Organization culture is the importance things to know in the current state. The culture of the people depends on the behaviors of them and they show as per the culture to the other. In the globalization time the culture may different and different called organization culture. Culture is not about of the people it is the culture of organization. The organizational culture is different types (Obeidat et al., 2021). Organizational culture helps to the organization performance. Organizational performance may be different types they are service performance and financial performance. In the recent time it is importance to know the performance of the organization (Quinn & Spreitzer, 1991). The culture based performance analysis also importance. Banking organization are the profit making and service provider of deposit money and issued loan to the customers. They give the securities of their wealth and pay the help in the time of financial needs to the business man. The culture may different than of government employee in the banking sectors. The private and public both bank are taken under the study.

Corporate culture is a multifaceted construct that significantly influences organizational performance, encompassing various elements such as values, beliefs, and practices. In Nepalese commercial banks, the impact of corporate culture on performance is particularly critical due to the dynamic and competitive nature of the financial sector. Despite the

recognized importance of corporate culture, there is a dearth of comprehensive research that examines the specific cultural types—adhocracy, clan, hierarchy, and market cultures—and their effects on the performance of these banks. This lack of detailed understanding impedes the ability of bank leaders to cultivate effective cultural strategies that drive success and sustainability (Aboramadan et al, 2020).

Adhocracy culture, characterized by flexibility, creativity, and a focus on innovation, is essential for banks operating in rapidly changing environments. In the context of Nepalese commercial banks, fostering an adhocracy culture can enable institutions to respond swiftly to market changes, adopt new technologies, and innovate in service delivery. However, the specific impact of an adhocracy culture on organizational performance in these banks remains under-explored. Without empirical evidence, bank leaders struggle to implement strategies that harness the potential of adhocracy to enhance competitiveness and performance (Paramita et al., 2020).

Clan culture, which emphasizes a family-like environment, collaboration, and employee development, is another crucial aspect of corporate culture. In Nepalese commercial banks, promoting a clan culture can lead to higher employee satisfaction, increased loyalty, and improved teamwork. These factors are vital for maintaining a motivated and productive workforce. Nevertheless, there is limited research on how clan culture influences organizational performance in the context of Nepalese banks. This knowledge gap makes it challenging for managers to foster a supportive and collaborative work environment that drives performance (Imran et al., 2022).

Hierarchy culture, characterized by structured procedures, formalized control, and a focus on efficiency, plays a significant role in the banking sector. For Nepalese commercial banks, maintaining a hierarchy culture can ensure regulatory compliance, operational stability, and consistency in service delivery. However, the impact of a hierarchy culture on organizational performance is not well-documented in the Nepalese banking context. This lack of understanding limits the ability of banks to balance the need for control and efficiency with the demands for flexibility and innovation (Ghimire, 2016).

Market culture, which centers on a clear vision, strategic objectives, and a strong sense of purpose, is crucial for aligning organizational efforts with long-term goals. In Nepalese commercial banks, fostering a market culture can enhance strategic focus, drive performance, and ensure that all employees work towards common objectives. Despite its

importance, there is a scarcity of research on the impact of market culture on the performance of Nepalese banks. This gap hinders banks from effectively leveraging their market and vision to achieve sustainable growth and success (Obijiaku, 2019).

The unique socio-economic context of Nepal, characterized by diverse cultural influences and varying levels of economic development, adds complexity to understanding the impact of different corporate cultures on organizational performance (Imran et al., 2022). The interplay between traditional values and modern business practices within Nepalese commercial banks requires a nuanced approach to cultivating corporate culture. However, the specific ways in which adhocracy, clan, hierarchy, and market cultures interact and influence performance outcomes remain under-explored. Addressing this gap is essential for developing tailored cultural strategies that resonate with the unique context of Nepalese banks (Raut, 2016).

Leadership is a critical factor in shaping and sustaining corporate culture. In Nepalese commercial banks, leaders play a pivotal role in promoting the desired cultural attributes—whether it be innovation through adhocracy, collaboration through clan culture, efficiency through hierarchy, or strategic focus through market culture (Ghimire, 2016). However, the impact of different leadership styles on these cultural types and their subsequent effects on organizational performance are not well-documented. This lack of research limits the ability of bank leaders to adopt effective leadership practices that cultivate a strong and positive corporate culture (Aboramadan et al, 2020).

Employee engagement is closely tied to corporate culture and is a significant predictor of organizational performance. Engaged employees are more motivated, productive, and committed, which is particularly important in a clan or market culture. In the competitive landscape of Nepalese banking, maintaining high levels of employee engagement through supportive cultural practices can be a major differentiator. However, the specific cultural attributes that drive employee engagement and their effects on the performance of Nepalese commercial banks have not been thoroughly investigated, leading to a gap in actionable insights for bank managers (Dhakal, 2021).

The rapid adoption of new technologies in the banking sector requires a culture that embraces innovation and continuous learning—characteristics of an adhocracy culture. For Nepalese commercial banks, integrating technological advancements into their operations while maintaining a positive corporate culture is essential for staying competitive and

enhancing service delivery. Despite its importance, there is limited research on how technological changes are incorporated into different cultural types and their impact on organizational performance. This gap in understanding hinders banks' ability to effectively leverage technology for improved outcomes (Raut, 2016).

While corporate culture is recognized as a vital driver of organizational performance, the specific attributes and mechanisms through which adhocracy, clan, hierarchy, and market cultures impact the performance of Nepalese commercial banks remain underexplored (Aboramadan et al, 2020). This lack of comprehensive understanding poses significant challenges for bank leaders and policymakers aiming to cultivate effective corporate cultures that enhance performance and sustainability. Therefore, there is an urgent need for detailed research to bridge this knowledge gap, providing actionable insights that can help Nepalese commercial banks thrive in an increasingly competitive and complex financial landscape. The research question which are mention in the below are presented the clear view of the problem of the research.

- i. What is the relationship of corporate culture to the organizational performance in Nepalese commercial bank?
- ii. Do the corporate culture impacted to the organizational performance in Nepalese commercial bank?

1.3 Objectives of the Study

On the basis of the statement of problem here research will short out the solutions. For this certain objectives will be maintain they are following.

- i. To analyze the relationship of corporate culture to the organizational performance in Nepalese commercial bank.
- ii. To examine the impact of corporate culture to the organizational performance in Nepalese commercial bank.

1.4 Hypothesis of the Study

Hypothesis is a quantitative statement about the population parameter, whereas hypothesis test is the act of verification of such statement. While testing a hypothesis, two complementary hypothesis are set up at one time. If one of the hypothesis is accepted, then other hypothesis is rejected.

- i. Null Hypothesis

Null Hypothesis is a statistical hypothesis made about the population parameter to testing its validity for the purpose of possible acceptance. It is usually denoted by H_0 or "H sub-zero".

ii. Alternative Hypothesis

A complementary hypothesis to null hypothesis is called alternative hypothesis. In other words, a hypothesis test, which is set up against the null hypothesis, is called an alternative hypothesis. It is indicated by H_1 . Adhocracy, Clan, Hierarchy and Market.

Hypothesis 1

There is the significant impact of Adhocracy culture to the organizational performance in Nepalese commercial bank.

Hypothesis 2

There is the significant impact of Clan culture to the organizational performance in Nepalese commercial bank.

Hypothesis 3

There is the significant impact of Hierarchy culture to the organizational performance in Nepalese commercial bank.

Hypothesis 4

There is the significant impact of market culture to the organizational performance in Nepalese commercial bank.

1.5 Rationale of the Study

The companies are established with proposes of either profit making or nonprofit. The profitable and non-profitable company both want to increase their performance. Profit is the basic phenomena of the companies which are established with the motives of making profit. The bank and financial institution are the profit making company and they want to make profit. The profit is the performance of the bank. Here the performance of the bank is measure in financial performance and service performance.

The culture is something that show the identity of the companies. The identity which make the company's name to the society and the area where the companies are exiting. Culture is the separate identity which is different from other companies and other sector of companies.

Culture made the different perception toward the companies Clint and they decided to connect with the companies or not. Bank and financial institution are the service provider and provide the service related to the deposit money and borrowed money. More of these faction other faction are treasures, share brokerage, insurance etc. Service also provided. The research of the bank prefer by the Clint if the culture is better and good to the Clint inside the bank. Clint are the god and this is the concept of modern business world. This research is helpful to the bank and institution for making a performance highs with implementing a good culture in the companies. What type of culture help the companies in what way is the question in the time. In the time of modern age the internal culture help the employee performance and increase the financial performance. So the studies is ration in current time.

1.6 Limitations of the Study

This study is subject to the following limitations:

- i. This research is only for mandatory requirement of master degree of business studies.
- ii. This research based on primary data collected from the employee of commercial bank.
- iii. This research has time related and budget related limitation.
- iv. Only three sample bank are selected running in Kathmandu valley.

CHAPTER-II

LITERATURE REVIEW

This chapter is related to the theoretical review, empirical review and research gap. Theoretical review is related to the various theories related to the organizational culture and organizational performance. Empirical review is related to the national and international context article and thesis review and research gap is related to the gap of the today research with previous and future research work.

2.1 Theoretical Review

Theory of organizational Culture

Edgar Schein's Model of Organizational Culture

Edgar Schein's Model of Organizational Culture is one of the most influential frameworks for understanding organizational culture, dividing it into three levels. The first level, artifacts, includes visible and tangible elements such as dress codes, office layout, and formal policies. While easy to observe, artifacts are difficult to interpret without understanding the deeper levels of culture (Obijiaku, 2019). The second level, espoused values, refers to the stated values and norms often articulated by the organization's leadership, including official philosophies, goals, and strategies. The deepest level, basic underlying assumptions, comprises the unconscious, taken-for-granted beliefs and values that truly guide behavior within the organization. These are deeply embedded and often invisible, yet they shape the essence of the organizational culture (Paramita et al., 2020).

Hofstede's Cultural Dimensions Theory

Geert Hofstede's Cultural Dimensions Theory, initially developed to study national cultures, has been applied to organizational cultures and identifies several dimensions of culture. Power Distance refers to the extent to which less powerful members of an organization accept and expect unequal power distribution. Uncertainty Avoidance describes the degree to which members feel uncomfortable with uncertainty and ambiguity, leading to the creation of rules and policies to reduce these feelings (Paramita et al., 2020). Individualism vs. Collectivism examines the degree to which individuals are integrated into groups within the organization, with individualist cultures emphasizing personal achievement and collectivist cultures emphasizing group harmony and loyalty. Masculinity vs. Femininity addresses the distribution of emotional roles between genders, with masculine cultures valuing competitiveness, assertiveness, and material success, and

feminine cultures valuing relationships, modesty, and quality of life. Long-Term vs. Short-Term Orientation focuses on future rewards versus past and present considerations (Obijiaku, 2019).

The Competing Values Framework (Cameron and Quinn)

The Competing Values Framework, developed by Cameron and Quinn, categorizes organizational cultures into four types based on two dimensions: flexibility vs. stability and internal focus vs. external focus (Raut, 2016). Clan Culture, characterized by a family-like atmosphere, focuses on mentoring, nurturing, and participation, emphasizing employee involvement and consensus. Adhocracy Culture emphasizes innovation, flexibility, and adaptability, being dynamic and entrepreneurial, and encouraging risk-taking and creativity. Market Culture focuses on results, competitiveness, and achieving goals, driven by success and targets, with a strong emphasis on winning. Hierarchy Culture values structure, stability, and efficiency, characterized by formal rules and policies, clear procedures, and a well-defined organizational structure (Aboramadan et al, 2020).

Deal and Kennedy's Cultural Model

Deal and Kennedy's Cultural Model identifies four types of organizational culture based on the degree of risk associated with the company's activities and the speed of feedback on actions. Tough-Guy, Macho Culture, characterized by high risk and quick feedback, values individualism, competitiveness, and high rewards for success but also involves high stress levels (Alrazehi et al., 2021). Work Hard/Play Hard Culture, with low risk and quick feedback, focuses on customer service and sales, emphasizing team effort and high energy. Bet-Your-Company Culture, involving high risk and slow feedback, is common in industries where decisions have significant long-term implications, such as aerospace or pharmaceuticals, emphasizing planning and long-term strategy. Process Culture, characterized by low risk and slow feedback, values bureaucracy, procedures, and well-defined processes, common in government and financial institutions (Alrazehi et al., 2021).

Charles Handy's Cultural Types

Charles Handy's Cultural Types describe four types of organizational culture based on power distribution and organizational structure. Power Culture is characterized by centralized power held by a few individuals, with quick decision-making and control maintained through strong leadership (Raut, 2016). Role Culture is a bureaucratic structure with clearly defined roles and responsibilities, where power is determined by position and procedures govern operations. Task Culture focuses on completing tasks and projects, with

teams formed based on expertise and power derived from expertise and problem-solving abilities. Person Culture exists to serve the individuals within it, often seen in professional partnerships, where power is distributed equally among members (Raut, 2016).

The theory of organizational performance

The theory of organizational performance seeks to understand the factors and processes that contribute to an organization's success and effectiveness. It encompasses various perspectives and models that analyze how different elements within an organization interact to achieve desired outcomes. Here are some key theories and concepts related to organizational performance:

Goal-Setting Theory

Developed by Edwin Locke and Gary Latham, goal-setting theory posits that clear, specific, and challenging goals can lead to higher performance by providing direction, increasing effort, and promoting persistence. Goals should be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) to effectively guide employees' actions and improve organizational performance (Paramita et al., 2020).

Balanced Scorecard

The Balanced Scorecard, introduced by Robert Kaplan and David Norton, is a strategic management tool that measures organizational performance across four perspectives: financial, customer, internal business processes, and learning and growth. By balancing these perspectives, organizations can achieve a comprehensive view of their performance and align business activities with the overall strategy (Obijiaku, 2019).

Resource-Based View (RBV)

The Resource-Based View (RBV) theory, developed by Jay Barney, emphasizes the importance of internal resources and capabilities in achieving competitive advantage and superior performance. According to RBV, organizations should focus on developing valuable, rare, inimitable, and non-substitutable (VRIN) resources to sustain high performance over time (Ghimire, 2016).

Contingency Theory

Contingency theory, proposed by scholars such as Paul Lawrence and Jay Lorsch, suggests that organizational performance is contingent on the alignment between the organization's structure, processes, and external environment. There is no one-size-fits-all approach;

instead, organizations must adapt their strategies and structures to fit the specific context in which they operate to achieve optimal performance (Dhakal, 2021).

Systems Theory

Systems theory views an organization as an interconnected set of elements that work together to achieve common goals. This theory, rooted in the work of Ludwig von Bertalanffy, emphasizes the importance of understanding the interrelationships and dependencies among different organizational components. Effective performance management involves optimizing these interactions and ensuring that all parts of the system function harmoniously (Acar & Acar, 2014).

Total Quality Management (TQM)

Total Quality Management (TQM) is a management approach that focuses on continuous improvement of processes, products, and services to enhance organizational performance. TQM principles, popularized by quality gurus like W. Edwards Deming and Joseph Juran, emphasize customer satisfaction, employee involvement, and systematic problem-solving to achieve high performance and competitiveness (Mousavi et al., 2015).

High-Performance Work Systems (HPWS)

High-Performance Work Systems (HPWS) are a set of human resource practices designed to enhance employee capabilities and motivation, leading to improved organizational performance. HPWS includes practices such as selective hiring, extensive training, performance-based compensation, and employee participation. By creating a supportive and empowering work environment, organizations can achieve higher levels of productivity and innovation (Obijiaku, 2019).

Stakeholder Theory

Stakeholder theory, advanced by R. Edward Freeman, argues that organizational performance should be evaluated based on the ability to meet the needs and expectations of various stakeholders, including customers, employees, suppliers, and the community. Organizations that effectively manage and balance the interests of their stakeholders are more likely to achieve long-term success and sustainability (Raut, 2016).

Organizational Learning Theory

Organizational learning theory, associated with scholars like Chris Argyris and Donald Schön, emphasizes the role of learning and adaptation in achieving high performance. Organizations that foster a culture of continuous learning, knowledge sharing, and

innovation are better equipped to respond to changes in the external environment and improve their performance over time (Alrazehi et al., 2021).

Dynamic Capabilities Theory

Developed by David Teece, dynamic capabilities theory focuses on an organization's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. Organizations with strong dynamic capabilities can innovate, adapt, and sustain competitive advantage, leading to superior performance (Paramita et al., 2020).

2.2 Conceptual framework

Market

Market culture emerges during periods of control and stability. This logical culture places a strong emphasis on effectiveness and success (Quinn and Spreitzer, 1991). These cultural characteristics attract workers who are driven by success. They prioritize individual interests over corporate objectives and place a strong focus on the ideas of planning, performance, and efficiency. Examples of this organizational culture are global organizations that successfully manage relationships with suppliers, customers, and external stakeholders (Berrio, 2003). This culture is also called market culture which means Strategic direction, goals, and vision all contribute to an organization's capacity to develop a meaningful course of action (Denison, 1990). Stable and powerful organizations have a shared sense of commitment and strategy for the future, which outlines their future intentions and objectives as well as the concept of how the organization will function in the future (Macedo et al. 2016). According to Fey and Denison (2003), the market of the company influences organizational performance. The market is connected to corporate success through outlining vision, strategy, and intent (Mousavi et al. 2015).

Hierarchy

The hierarchy culture lies between the stability/control aspects and internal organizational focus. According to Quinn and Spreitzer (1991), the hierarchical culture mirrors the ideals and standards of bureaucracy. This is a form of organizational culture where the leadership is successful because it exists in bureaucratic, mechanical organizations that place a high value on order and regulations. This culture, where is evident in large multinational corporations like McDonald's and Ford Motor Co., results in employee alienation, purposelessness, and a loss in their sense of autonomy (Berrio, 2003). This culture is also called consistency culture and it means the internal structures and guiding principles of an

organization that facilitate efficiency and problem-solving within its boundaries are known as its consistency. Coordination, cooperation, and organizational members who contribute to the consistency culture are among the qualities of consistency. Additionally, there are specific rules for interacting with clear instructions and a rule of behavior for them. Saffold (1988) asserts that coherent and consistent organizations are particularly productive. Similar to this, Denison et al. (2014) argued that organizations with a high internal promotion level promote a culture of consistency throughout the organization. Because a strong culture fosters consistency in behavior, scholars have concluded that companies with varied cultures perform better than weak cultures (Zhang et al. 2008).

Adhocracy

Adhocracy is an organizational culture that is still under development and is built on taking risks, innovating, and adapting (Quinn and Spreitzer, 1991). It refers to an organization's culture in the areas of entrepreneurship, flexibility, innovation, and creativity with its external-focused and dynamic structure. Workers can take the initiative and feel supported by new learning opportunities and freedoms in this workplace (Berrio, 2003). Companies adopting cutting-edge technology to conduct business online, which is referred to as the "new economy," are instances of this culture. This culture is also called the adaptation which means external adaptation, or an organization's capacity to assess and comprehend the Market in which it competes, is what is meant by adaptability. The capacity to be adaptable, growing, and increasing the ability to be aware of the extraneous environment, domestic customers (i.e., organizational personnel), and external customers may be achieved by understanding the business demand environment in practice (Kassem et al. 2019). The organization is able to establish its timetable in accordance with outside groups and groups that go against internal ideals, as well as adjust the organization to climate change (Ahmad, 2012). Performance improvement requires highly flexible organizations, according to Cullen et al. (2014).

Clan

Clan culture is shaped by organizational focus and flexibility/dynamism. The clan culture values teamwork and involvement and values high levels of attachment. Organizational commitment is a sort of culture that has been observed acting like a family in organizations and has social characteristics including trust, solidarity, and unity. This culture is typically seen in Japanese businesses with effective team structures (Berrio, 2003). This culture is also called an involvement culture which means Employee engagement represents their

sense of commitment and ownership, their level of participation in choices made by organization officials, and their work ethic inside the company (Ha, 2020). Competent companies practice cooperation, provide organizational personnel autonomy, and empower their staff members (Deal and Kennedy, 1982; Fey and Denison, 2003). According to Goromonzi (2016), there was a substantial relationship between organizational performance and engagement, however it was more favorable in the case of intense involvement. The idea that encouraging organizational personnel to perform within the growth of functioning results in high operational efficiency even inside the organization is supported by the fact that organizations that harness their team's spirit continuously develop and empower their people (Denison, 2000).

2.3 Empirical Review

2.3.1 Empirical review an international context

Karmila et al. (2024) analyzed the influence of organizational culture on employee performance and human capital on employee performance with organizational climate. Data collection methods using questionnaires and analyzed using warp PLS. The results of this study show that organizational culture does not have a significant effect on employee performance, while human capital has a significant effect on employee performance.

Sudi et al. (2024) investigated the impact of organizational culture and communication skills on administrative performance. Utilizing a quantitative approach, the study employs structural equation modeling with partial least squares. The findings highlight the importance of fostering a positive organizational culture and enhancing communication skills to optimize administrative efficiency.

Nankya (2023) investigated the relationship between organizational culture and performance of employees in Equity Bank Katwe branch. The study was guided by three objectives as follows; to determine the level of organizational Culture in Equity Bank ; to determine the level Absenteeism in Equity Bank Katwe and finally to determine if there is a significant relationship between the level organizational culture and performance of employees of Equity Bank in Kampala Uganda .The study applied a descriptive and correlational research design to obtain the required information and pertaining data where the target population of the study was 35 from which 30 respondents were selected to receive the pertaining information. The study revealed that there is a strong relationship between organizational culture and employees' performance in katwe It was revealed that the adoption of culture of the organization is helpful for the employees to pursue their work

efficiently and effectively provided there is a strong positive support from leadership, communication, decision making and employee and employers loyalty.

Rudiana (2023) investigated the relationship between organizational culture and performance of employees in Equity Bank Katwe branch. The study was guided by three objectives as follows; to determine the level of organizational Culture in Equity Bank ; to determine the level Absenteeism in Equity Bank Katwe and finally to determine if there is a significant relationship between the level organizational culture and performance of employees of Equity Bank in Kampala Uganda .The study applied a descriptive and correlational research design to obtain the required information and pertaining data where the target population of the study was 35 from which 30 respondents were selected to receive the pertaining information. The study revealed that there is a strong relationship between organizational culture and employees' performance in katwe. It was revealed that the adoption of culture of the organization is helpful for the employees to pursue their work efficiently and effectively provided there is a strong positive support from leadership, communication, decision making and employee and employers loyalty.

Imran and Ismail (2022) expanded the related literature and examine the relationship between the dimension of organizational culture (i.e., involvement culture, consistency culture, adaptability culture, and market culture) and organizational performance. The questionnaires in this study were collected from employees of 320 banks who are working in public sector banks in Pakistan. The samples included both male and female bank employees. The results show that organizational culture dimensions such as; involvement culture, consistency culture, adaptability culture, and market culture were significantly related to organizational performance in Pakistan's public banking sector.

Opoku et al. (2022) evaluated how the relationship between organizational culture and employee performance is affected when job satisfaction (moderating variable) is considered. A descriptive cross sectional survey was conducted for 339 employees of GCB Bank in all Greater Accra Region branches in Ghana. Multiple linear regression analysis indicated that organizational culture contributes to a substantial rise in employee performance, with entrepreneurial culture implementation causing a higher increase in employee performance as compared to consensual and bureaucratic culture.

Imran et al. (2022) explored the mediating role of innovation in the relationship between the dimensions of organizational culture and organizational performance. The study used

questionnaire data taken from 250 managers of banks in Pakistan. Structural equation modeling was used to test hypotheses. The results indicate that while the dimensions of organizational culture and innovation have a clear and positive influence on organizational performance, organizational culture and market have an insignificant relationship with organizational performance in the presence of innovation. These results give organizations valuable insights to compete against environmental changes by effectively implementing innovations, especially in Pakistan's banking sector.

Alrazehi et al. (2021) determine a conceptual framework for defining the role Entrepreneurship, Organizational Culture and Job Satisfaction towards Organizational Performance in the International Bank of Yemen. The current paper deepened on a review of the previous literature, and among the theories used in this paper to explain the relationship between study variables through Human Capital Theory and Social Exchange Theory. The results of this study are likely to emphasize the importance and increasing awareness Entrepreneurship, Organizational Culture and Job Satisfactions critical factors affecting Organizational Performance in the International Bank of Yemen.

Aboramadan et al. (2020) examined the links between organizational culture, innovation and banks' performance in Palestine. Data were gathered from 186 employees working in the Palestinian banking sector. The data gathered were analyzed using the PLS-SEM approach. The findings of the study show that organizational culture and Market ing innovation have a positive impact on banks' performance. Moreover, it was found that Market ing performance partially mediates the relationship between organizational culture and banks' performance.

Paramita et al. (2020) tested the relationship between organizational culture and organizational commitment to employee performance and to test the effect of job satisfaction on the relationship among organizational culture, organizational commitment and employee performance. The research data was obtained from primary and secondary data through the dissemination of questionnaires to employees, which contained various statements related to the variables studied. The subject of this research is the entire staffs of 40 people at PT Bank Mandiri (Persero), Tbk. Data analysis in this study uses moderated regression analysis. The study concludes that organizational commitment has a significant impact on employee performance, while organizational culture does not significantly affect employee performance. Organizational culture and organizational commitment simultaneously impact employee performance.

Obijiaku (2019) investigate the impact of organizational culture on organizational performance in Nigerian Banks. The regression and correlation research design is used. Based on the hypothesis formulated for the research, three findings were made. First, that Leadership has a significant impact on Culture formation. Second that the presence of Organizational Culture serves as a significant means in generating sustained Competitive Advantage. Thirdly, that Organizational Culture significantly impacts Organizational Performance.

Mousavi et al. (2015) shed light on the role of organizational culture on performance. To achieve this goal and in order to measure organizational culture, Denison organizational culture model was used. The components of this model are: involvement, consistency, adaptation and market. For performance evaluation survey, EFQM model was used. This model surveys performance in two different areas of enablers and results. The conceptual model of the research was tested by Structural Equation Modelling. Some university professors and Bank experts confirmed the Validity of questionnaires, and the reliability was tested by Cronbach alpha coefficient. Managers of the bank branches filled the performance evaluation questionnaires, and employees filled organization culture questionnaires. The results showed that between the components of organizational culture, just involvement and adaptability affect the performance of banks. The remaining components have indirect effect on the performance.

Acar and Acar (2014) identified the dominant organizational culture types of private and public hospitals while make a comparison between their effects on business performance. To examine the research questions a questionnaire survey performed, and data collected from 512 employees of 99 hospitals which are located in large cities of Turkey are analyzed by using SPSS 15 program. Found that hierarchy culture still dominates in private hospitals and institutions have to slowly give up this structure. Thus, performance differences in public and private hospitals are not founded statistically significant therefore, our forecast is needed to be tested.

Yesil and Kaya (2013) investigate the role of organizational culture on firm financial performance. Research hypotheses are developed from the related literatures and tested through the data collected from managers of the firms in Gaziantep in Turkey. Data is analyzed via SPSS program using the regression analyses. The results show that organizational culture dimensions have no effect on firm financial performance. Considering the limitations of the current study, the findings need to be evaluated with

caution. Discussions and implications of the results are provided in the conclusion part of the study.

Table 1

Summary of Empirical review in international context

Author /date	Title	Objectives	variables	Methodology	Finding	Gaps
Karmila , Romauli , Rahmawati, & Hakim/ (2024).	The Influence of Organizational Culture and Human Capital on Employee Performance by Mediating Organizational Climate.	To analyze the influence of organizational culture on employee performance and human capital on employee performance with Organizational climate as mediation	Dependent Variable: Employee Performance. independent: Organizational Culture, Human Capital, Organizational Climate	Data collection Methods using questionnaires and analyzed using Warp PLS.	The results of this study show that organizational culture does not have a significant effect on employee performance, while human capital has a significant effect on employee performance.	The limitation faced in this study is that the research sample is limited to one type of research object, namely Bank BTN Denpasar, so the study results cannot be generalized to other industries or companies.
Sudi, Arisanti, Hanim, Sya'rani , & Rahwana/ (2024).	The Effect of Organizational Culture and Communication Skills on Administrative Performance in Higher Education Institutions in East Java	To investigate the impact of organizational culture and communication skills on administrative Performance .	Dependent Variable: Administrative Performance independent : Organizational Culture, Communication Skills	Utilizing a quantitative approach, the study employs Structural Equation Modeling with Partial Least Squares.	The findings highlight the importance of fostering a positive organizational culture and enhancing communication skills to Optimize administrative efficiency.	The research is confined to the East Java region and may not be fully generalizable to other contexts.
Nankya/ (2023)	Organizational culture, absenteeism and employee performance of Equity Bank Katwe Branch	To determine the level of organizational Culture in Equity Bank; to determine the level Absenteeism in Equity Bank Katwe	Dependent Variable : employee performance independent : Organizational culture,	The study applied a descriptive and correlational research design to obtain the required information and pertaining data where the target population of the study was 35	The study revealed that there is a strong relationship between organizational culture and employees' performance in katwe It was revealed	Some of the respondents were unable to attend to the questionnaire because of the type of work schedules and the busy work environment that

	Kampala	and finally to determine if there is a significant relationship between the level organizational culture and performance of employees of Equity Bank in Kampala Uganda.	absenteeism	from which 30 respondents were selected to receive the pertaining information.	that the adoption of culture of the organization is helpful for the employees to pursue their work efficiently and effectively provided there is a strong positive support from leadership, communication, decision making and employee and employers loyalty.	was in the bank at the point of data Collection.
Rifai, Tirtoprojo, and Sutam/ (2023).	The Mediating Role of Organizational Commitment, Job Satisfaction: The Effect of Organizational Climate on Employee Performance	To examine and analyze the mediating role of organizational commitment and job satisfaction in the influence of organizational climate on employee Performance .	Dependent Variable: employee performance independent: Organizational climate; Organizational Commitment; Job satisfaction	This study used a cross sectional method.	The results showed that (1) organizational commitment does not mediate the effect of organizational climate on employee performance (2) Job satisfaction mediates the effect of organizational climate on employee performance.	This study also shows the inability of organizational commitment to mediate the effect of organizational climate on employee performance.
Rudiana / (2023)	Use Of Whatsapp Messenger And Organizational Culture Towards Employee Performance At Uptd Puskesmas Purwasari Karawang	To determine the level of organizational Culture in Equity Bank; to determine the level Absenteeism in Equity Bank Katwe and finally to determine if there is a	Dependent Variable: employee performance independent : Communication	The study applied a descriptive and correlational research design to obtain the required information and pertaining data where the target population of the study was 35 from which 30 respondents were selected to	The study revealed that there is a strong relationship between organizational culture and employees' performance in katwe It was revealed that the adoption of culture of the	Only communication through what's app message is taken.

	Regency	significant relationship between the level organizational culture and performance of employees of Equity Bank in Kampala Uganda.		receive the information.	the organization is helpful for the employees to pursue their work efficiently and effectively provided there is a strong positive support from leadership, communication, decision making and employee and employers loyalty.	
Imran and Ismail/ (2022)	The Dimensions of Organizational Culture Influence Organizational Performance in Pakistan's Public Banking Sector.	To examine the relationship between the dimension of organizational culture (i.e., involvement culture, consistency culture, adaptability culture, and market culture and organizational performance	Dependent Variable: employee performance independent involvement, consistency, adaptability, And market culture	The questionnaires in this study were collected from employees of 320 banks who are working in public sector banks in Pakistan. The samples included both male and female bank employees.	The results show that organizational culture dimensions such as; involvement culture, consistency culture, and market culture were significantly related to organizational performance in Pakistan's public banking sector.	It has been compiled from only two provinces of Pakistan, such as Punjab and Sindh, and these data were composed as a sample of research from the public banks.
Opoku, Hongqin and Aram/(2022)	The Influence of Organizational Culture on Employee Performance in the Banking Sector: Evidence from GCB Bank, Ghana.	To evaluate how the relationship between organizational culture and employee performance is affected when job satisfaction (moderating variable) is considered.	Dependent Variable: employee performance independent: Entrepreneurial, consensual and Bureaucratic	A descriptive cross sectional survey was conducted for 339 employees of GCB Bank in all Greater Accra Region branches in Ghana.	Multiple linear regression analysis indicated that organizational culture contributes to a substantial rise in employee performance, with entrepreneurial culture implementati	This research study was limited to the banking sector in Ghana.

					on causing a higher increase in employee performance as compared to consensual and bureaucratic culture.	
Imran, Ismail, Arshad, Zeb and Zahid (2022)	The mediating role of innovation in the relationship between organizational culture and organizational performance in Pakistan's banking sector.	To explore the mediating role of innovation in the relationship between the dimensions of organizational culture and organizational performance.	Dependent Variable: employee performance independent involvement, consistency, adaptability, And market culture	The study used questionnaire data taken from 250 managers of banks in Pakistan. Structural equation modeling was used to test hypotheses.	The results indicate that while the dimensions of organizational culture and innovation have a clear and positive influence on organizational performance, organizational culture and market have an insignificant relationship with organizational performance.	The data used in this research are available from the Corresponding author upon reasonable request.
Alrazehi, Amirah, Emam and Hashmi (2021)	Proposed model for entrepreneurship, organizational culture and job satisfaction towards organizational performance in International Bank of Yemen.	To determine a conceptual framework for defining the role of Entrepreneurship, Organizational Culture and Job Satisfaction towards Organizational Performance in the International Bank of Yemen.	Dependent Variable: employee performance independent : Corporate entrepreneurship, organizational culture, Job satisfaction	The current paper deepened on a review of the previous literature, and among the theories used in this paper to explain the relationship between study variables through Human Capital Theory and Social Exchange Theory.	The results of this study are likely to emphasize the importance and increasing awareness of Entrepreneurship, Organizational Culture and Job Satisfaction critical factors affecting Organizational Performance in the International Bank of Yemen.	The study variables chosen by the researcher for the study.
Aboramadan, Albashit	Organizational culture,	To examine the links	Dependent Variable: employee	Data were gathered from 186 employees	The findings of the study	First, Market ing innovation, technology

i, Alharazin and Zaidoune / (2020)	innovation and performance: a study from a non-western context.	between organizational culture, innovation and banks' performance in Palestine.	performance independent : Market innovation , Organizational Culture, Technology innovation	working in the Palestinian banking sector. The data gathered were analyzed using the PLS-SEM approach.	show that organizational culture and Market innovation have a positive impact on banks' performance. Moreover, it was found that Market innovation performance partially mediates the relationship between organizational culture and banks' performance.	innovation and banks' performance were assessed by subjective measures. Future research might consider using more objective measures of innovation.
Paramitaja, Lumbanraja and Absah/ (2020)	The influence of organizational culture and organizational commitment on employee performance and job satisfaction as a moderating variable at PT. Bank Mandiri (Persero), Tbk.	To test the relationship between organizational culture and organizational commitment to employee performance and to test the effect of job satisfaction on the relationship among organizational culture, organizational commitment and employee performance .	Dependent Variable: employee performance independent : Organizational Culture, Organizational Commitment, Job Satisfaction	The research data was obtained from primary and secondary data through the dissemination of questionnaires to employees, which contained various statements related to the variables studied. The subject of this research is the entire staffs of 40 people.	The study concludes that organizational commitment has a significant impact on employee performance, while organizational culture does not significantly affect employee performance. Organizational culture and organizational commitment simultaneously impact employee performance.	This research is limited to the variables use by the authors.
Obijiaku / (2019)	The impact of organizational culture on organizational performance in	To investigate the impact of organizational culture on performance in Nigerian	Dependent Variable: employee performance independent : Organizational	The regression and correlation research design is used. Based on the hypothesis formulated for the research	Found that Leadership has a significant impact on Culture formation, that the presence of	The methodological design and approach are some of the limitations of this study such as the sample size, methods for data

	Nigerian banks	Banks.	Culture, Leadership, Competitive Advantage		Organizational Culture serves as a significant means in generating sustained Competitive Advantage and that Organizational Culture significantly impacts Organizational Performance.	analysis, research instrument.
Mousavi, Hosseini and Hassanpour (2015)	On the effects of organizational culture on organizational performance: An Iranian experience in state bank branches.	To shed light on the role of organizational culture on performance.	Dependent Variable: employee performance independent variables: Involvement, Consistency, Adaptability and Market	Denison organizational culture model was used. The components of this model are: involvement, consistency, adaptation and market. The conceptual model of the research was tested by Structural Equation Modelling.	The results showed that between the components of organizational culture, just involvement and adaptability affect the performance of banks. The remaining components have indirect effect on the performance.	For performance evaluation survey, EFQM model was used.
Acar and Acar (2014)	Organizational culture types and their effects on organizational performance in Turkish hospitals	To identify the dominant organizational culture types of private and public hospitals while make a comparison between their effects on business performance.	Dependent Variable: employee performance independent variables: Adhocracy, Clan, Hierarchy and Market	To examine the research questions a questionnaire survey performed, and data collected from 512 employees of 99 hospitals which are located in large cities of Turkey are analyzed by using SPSS 15 program.	Found that hierarchy culture still dominates in private hospitals and institutions have to slowly give up this structure. Thus, performance differences in public and private hospitals are not founded statistically significant therefore, our forecast is needed to be tested.	The data are collected from Turkish hospitality.

Yesil and Kaya / (2013)	The effect of organizational culture on firm financial performance: Evidence from a developing country.	To investigate the role of organizational culture on firm financial performance .	Dependent Variable: employee performance independent : Adhocracy Culture, Clan Culture, Hierarchy Culture and Market Culture	Research hypotheses are developed from the related literatures and tested through the data collected from managers of the firms in Gaziantep in Turkey. Data is analyzed via SPSS program using the regression analyses.	The results show that organizational culture dimensions have no effect on firm financial performance. Considering the limitations of the current study, the findings need to be evaluated with caution. Discussions and implications of the results are provided in the conclusion part of the study.	One limitation is that participated firms in the current study come from firms in one city with relatively small sample size
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2.3.2 Empirical review of Thesis and Article in Nepal

Ghimire et al. (2021) examined the impact of Nepalese commercial banks' participation, consistency, and adaptability cultures on organizational performance from the perspective of the employees of Nepalese commercial banks. A descriptive research design was used to discover facts and information on cultural elements affecting shareholder value. This study was based on a questionnaire survey. This study utilized the 5- point Likert scale to study a statistical measurement of corporate culture and organizational performance in Nepalese Commercial Banks. Using a survey of 394 employees in the Nepalese commercial banks, this study took into account participatory, consistency, and adaptability to assess the corporate culture of the banks. Adaptability was found to be the strongest predictor of organizational performance, while consistency was found to be a poor predictor, with the highest and lowest beta values, respectively.

Dhakal (2021) investigated the Corporate Culture and Perceived Organization Performance in Nepalese Commercial Banks The sample for study comprised 120 respondents from five commercial banks. The data were obtained through five point Likert Scale questionnaire. The data thus obtained were analyzed using maximum, minimum, mean, standard deviation, Cronbach's Alpha, correlation, regression, t-test and analysis of variance test.

Under the descriptive statistics, mean, maximum, minimum and standard deviation were used to describe the situation of involvement, communication, teamwork and training culture and organization performance, employee's satisfaction and commitment. Under the correlation analysis, Pearson correlation coefficient and regression analysis were used. Pearson's 'r' was calculated to test the first hypothesis. Regression analysis was used to examine the degree of relationship between corporate culture and perceived organization performance related variables. That is, to see the reliability of data, Cronbach's Alpha was calculated. There is that the positive significant relationship between organization performances, Employee satisfaction & Employee Commitment and corporate culture related variables i.e. are Involvement, Communication, teamwork and training because p value is lower than 0.05. There is significant positive relationship between organization performance and involvement culture as well as training. However, there is insignificant negative relationship between organization performance and communication as well as teamwork culture.

Ghimire (2016) examines the impact and importance of corporate culture on organizational performance. Corporate culture variables involvement, consistency, market and adaptability are taken as independent variable whereas return on assets and Tobin's are taken as the dependent variables. The primary and secondary sources of data are used to assess the opinion of respondents with respect to corporate culture of Nepalese commercial banks. The survey is based on 213 respondents from 20 commercial banks of Nepal and secondary data consists of 20 commercial banks listed in NRB for the period of 2013/2014. The regression models are estimated to test the significance and importance of corporate culture on organizational performance of Nepalese commercial banks. The result shows that there is a positive and significant positive impact of corporate culture on return on assets. It shows that clearer the organization's sense of vision, strategic direction, goals and objectives, higher would be the return on assets. Similarly, greater the employee's involvement in the management process, higher would be the increase on return on assets. Likewise, better the core values, agreement, coordination & integration consistency, higher would be the return on asset. The positive correlation coefficient between adaptability culture, return on assets and Tobin's ' indicates that greater the adaptability, higher would be the return on assets. Thus, this study concludes that the market is the major factor affecting the financial performance of commercial banks in the context of Nepal.

Raut (2016) examined the relationship between organizational culture and financial performance of Nepalese commercial banks. Market culture, consistency culture, participatory culture and adaptability culture are taken as explanatory variable of organizational culture of the bank. The return on assets (ROA), return on equity (ROE) and net interest margin are dependent variables measuring the financial performance of the banks. The survey is based on 150 respondents from 22 commercial banks in Nepal. To achieve the purpose of the study, structured questionnaires are used. The regression models are estimated to test the significance and importance of cultural practices and bank performance of Nepalese commercial banks. The result shows that bank performance is affected by cultural factors such as market, adaptability, participatory and consistency culture. The beta coefficient for market culture of the organization is negatively related with bank performance. The cultural factors like consistency culture, participatory culture and adaptability cultures have positive impact on bank performance. This indicates that consistency in the organization helps employees to give continuous effort in completing task in time which ultimately increases the banks performance. Similarly, positive beta coefficient for participatory culture indicates that increase in involvement of employees in decision making and team work leads to increase the organizational performance. Likewise, faster the employees get adapted to the new environment and situations, faster will be the flow of the task assigned and hence, increases the organization performance. Participatory, consistency and adaptability culture have significant impact on the performance of Nepalese commercial banks.

2.4 Research Gap

The research is conducted from the Nepalese commercial banks; all the data are collected from the employees of commercial bank in Nepal which are running in Kathmandu valley. Data are summarized and analyzed using SPSS tools and regression and correlation statistical methods. Questionnaire is prepared and provided to the respondent for giving information as asked by the agent. This research is based on the Corporate Culture and Its Impact on Organization Performance: A Study on Nepalese Commercial Bank. Organization is the dependent variable and Adhocracy Clan, Hierarchy and Market are the independent variables.

Previous research is based on various research is based on more than three commercial bank of sample banks and they are context of Nepal and in nation level of international researches. The sample is very small or large. They are basically based .After coming days

researcher may use different form of data variable and number of variable may more than this research.

CHAPTER-III

RESEARCH METHODOLOGY

This chapter deals problem through planned and systematic working with the collection, analysis and explanation of facts and figures. In this chapter the research design, population and sample and sampling design, nature and source of data and instrument of data collection, Methods of Analysis and research framework and definition of variables included.

3.1 Research Design

This study used causal comparative research design. It is comparative because attempt has been made to adhocracy, clan, hierarchy and market with service performance and financial performance. The correlation and regression analysis are the methods of analysis because of the casual comparative research design employed and comparison is made between the independent and dependent variables.

3.2 Population and Sample and sampling design

As per the NRB mid July 2023 there is 20's commercial bank in Nepal and they are the population of the bank. The purposive sampling methods used the selection of sample and selected the three banks as a sample they are Himalayan bank, Kumari bank and agriculture bank limited. Three bank are from different categories; Himalayan bank limited is the joint venture bank in Nepal, Kumari bank limited is the private ownership and agriculture development bank is the government own bank; in the selected bank total number employees are 5061 (source: Website of respective bank) in number and using purposive sampling 400 are the respondent of the research.

3.3 Nature and Source of Data

The primary data are the nature of the research data ad they are collected using the questionnaire survey from the employee of the selected commercial bank so the source of data is the questionnaire survey of 2024.

3.4 Instrument of Data Collection

The main tool for data collection in this study is the questionnaire. A well-designed questionnaire enables the efficient collection of primary data straight from respondents. This approach ensures that the gathered data aligns with the research goals and offers

valuable insights into the participants' viewpoints. The clear and concise questions, arranged in a logical order, contribute to the accuracy and reliability of the responses.

To measure the financial performance of banking employee, this study used four items that taken from sections II of questionnaire survey.

Table 2

Instrument measurement

Variables	Items	Source
Financial Performance	4	Imran & Ismail (2022).
Service Performance	4	Imran & Ismail (2022).
Adhocracy	4	Acar & Acar (2014).
Clan	4	Acar & Acar (2014).
Hierarchy	4	Acar & Acar (2014).
Market	4	Imran & Ismail (2022).

3.5 Methods of Analysis

For the achievement of the objectives of the study various statistical analysis are used. They are descriptive statistic, correlation analysis and multiple regression analysis. The analysis of data is done according to the patterns of available data.

3.5.1 Descriptive statistics analysis

Under the descriptive statistics analysis mean, standard deviation and range are calculated. This statistical tools used to examine the behavior and characteristics of study variables.

3.5.2 Correlation analysis

It is a statistical tool to identify direction and magnitude of relation between two set of variables. It shows how two variables move together and also shows the degree of association between them. The relationship has been explained by using Pearson correlation coefficient. The value of correlation coefficient ranges from -1 to +1. If correlation coefficient is exactly -1, two variables are said to have perfect negative correlation as such that they move together exactly into opposite direction. On the other hand, if correlation coefficient is +1, the variables are said to be perfectly positively related.

3.5.3 Regression Analysis

Multiple regression analysis could be described as a statistical technique which is used to analyze the relationship between a single dependent (criterion) variable and several

independent (predictor) variables. The objective of multiple regression analysis is to predict the changes in the dependent variable in response to changes in the independent variables. It can be interpreted as how good a predictor your multiple regressions are likely to be. Also a multiple determination can be interpreted as the percentage of variation in the dependent variables that can be explained by the regression equation. The multiple regression equation can be as follows:

Model 1

This model is used to examine the impact of corporate culture (Adhocracy, Clan, Hierarchy and Market) to the financial performance in Nepalese commercial bank.

$$FP = \beta_0 + \beta_1 \times A + \beta_2 \times C + \beta_3 \times H + \beta_4 \times M + e \text{-----} 1$$

Model 2

This model is used to examine the impact of corporate culture (Adhocracy, Clan, Hierarchy and Market) to the service performance in Nepalese commercial bank.

$$SP = \beta_0 + \beta_1 \times A + \beta_2 \times C + \beta_3 \times H + \beta_4 \times M + e \text{-----} 2$$

Where,

FP= Financial Performance

SP= Service Performance

A= Adhocracy

C= Clan

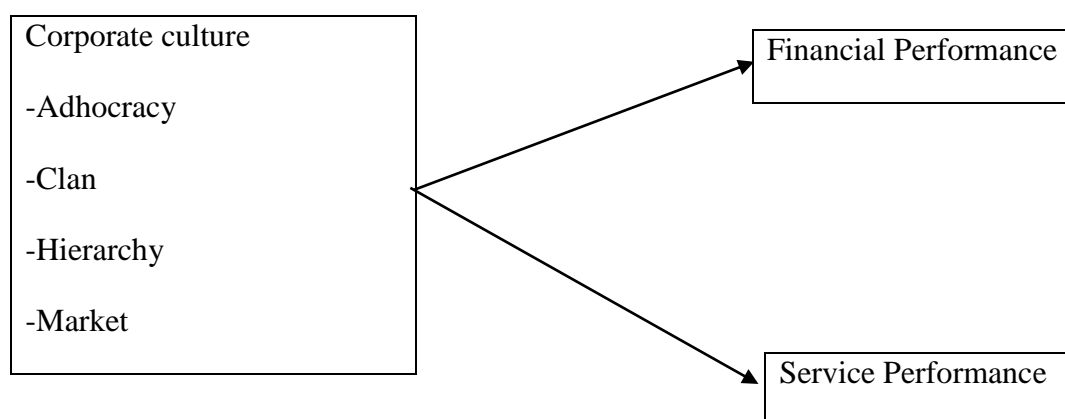
H=Hierarchy

M= Market

3.6 Research Framework and Definition of Variables

This research framework is covers the competing values framework (Cameron and Quinn) and Hofstede's cultural dimensions theory. In this theory the cultural factors are included the key cultural dimensions—adhocracy, clan, hierarchy, and market cultures—and their influence on various performance metrics. Adhocracy culture emphasizes flexibility, creativity, and innovation, potentially driving performance through enhanced adaptability and responsiveness to market changes. Clan culture focuses on employee engagement, collaboration, and a supportive work environment, which can lead to improved job satisfaction and productivity. Hierarchy culture, characterized by structured procedures and formalized control, ensures operational efficiency and regulatory compliance, crucial for

stability in the banking sector. Market culture, with its emphasis on strategic vision and shared goals, aligns organizational efforts towards long-term objectives, fostering a cohesive and purpose-driven workforce. By defining and measuring these variables, the study aims to provide empirical insights into how these distinct cultural attributes impact the overall performance of commercial banks in Nepal, guiding leaders in cultivating effective corporate cultures.



Source: Acar and Acar (2014); Imran and Ismail (2022)

Figure 1: Research Framework (Modified from Acar & Acar, 2014)

3.6.1 Definition of Variables

1) Dependent variables

Financial performance

Financial performance is a key indicator of a company's overall health and success. It encompasses various metrics such as revenue, profitability, return on investment, and market share. By analyzing financial performance, stakeholders can assess how effectively a company is utilizing its resources to generate profits and sustain growth. Strong financial performance reflects efficient management practices, competitive positioning, and the ability to adapt to changing market conditions. Conversely, poor financial performance may signal underlying issues that need to be addressed to improve the company's operational efficiency and strategic direction (Imran & Ismail, 2022).

Service performance

Service performance is a crucial measure of how well a company meets its customers' needs and expectations. It includes various factors such as response time, service quality, customer satisfaction, and resolution of issues. Evaluating service performance helps organizations understand their effectiveness in delivering value to customers. High service performance indicates strong customer relationships, effective service delivery processes, and a positive reputation in the market. On the other hand, poor service performance can

highlight areas where improvements are needed, which can impact customer loyalty and the company's overall success. By continually monitoring and enhancing service performance, companies can ensure sustained customer satisfaction and business growth (Imran & Ismail, 2022).

2) Independent variables

Market

Market culture emerges during periods of control and stability. This logical culture places a strong emphasis on effectiveness and success (Quinn and Spreitzer, 1991). These cultural characteristics attract workers who are driven by success. They prioritize individual interests over corporate objectives and place a strong focus on the ideas of planning, performance, and efficiency. Examples of this organizational culture are global organizations that successfully manage relationships with suppliers, customers, and external stakeholders (Berrio, 2003). The market culture help to increasing the performance of the banking sectors. There is the positive effect of market on financial performance and this statement is supported by (Imran & Ismail, 2022). Similarly, market has positive effect on service performance, this statement is supported by (Acar & Acar, 2014).

Hierarchy

The hierarchy culture lies between the stability/control aspects and internal organizational focus. According to Quinn and Spreitzer (1991), the hierarchical culture mirrors the ideals and standards of bureaucracy. This is a form of organizational culture where the leadership is successful because it exists in bureaucratic, mechanical organizations that place a high value on order and regulations. This culture, where is evident in large multinational corporations like McDonald's and Ford Motor Co., results in employee alienation, purposelessness, and a loss in their sense of autonomy (Berrio, 2003). The hierarchy culture help to increasing the performance of the banking sectors. There is the positive effect of hierarchy on financial performance and this statement is supported by (Imran & Ismail, 2022). Similarly, hierarchy has positive effect on service performance, this statement is supported by (Acar & Acar, 2014).

Adhocracy

Adhocracy is an organizational culture that is still under development and is built on taking risks, innovating, and adapting (Quinn & Spreitzer, 1991). It refers to an organization's culture in the areas of entrepreneurship, flexibility, innovation, and creativity with its external-focused and dynamic structure. Workers can take the initiative and feel supported

by new learning opportunities and freedoms in this workplace (Berrio, 2003). Companies adopting cutting-edge technology to conduct business online, which is referred to as the "new economy," are instances of this culture. The adhocracy culture help to increasing the performance of the banking sectors. There is the positive effect of adhocracy on financial performance and this statement is supported by (Imran & Ismail, 2022). Similarly, adhocracy has positive effect on service performance, this statement is supported by (Acar & Acar, 2014).

Clan

Clan culture is shaped by organizational focus and flexibility/dynamism. The clan culture values teamwork and involvement and values high levels of attachment. Organizational commitment is a sort of culture that has been observed acting like a family in organizations and has social characteristics including trust, solidarity, and unity. This culture is typically seen in Japanese businesses with effective team structures (Berrio, 2003). The clan culture help to increasing the performance of the banking sectors. There is the positive effect of clan on financial performance and this statement is supported by (Imran & Ismail, 2022). Similarly, clan has positive effect on service performance, this statement is supported by (Acar & Acar, 2014).

CHAPTER-IV

RESULTS AND DISCUSSION

The results of the data analysis have been provided in order to hasten the release of the findings in accordance with the objectives of the study. To get the best findings, the data have been evaluated using the research methodology discussed in the third chapter. The purpose of this chapter is to introduce the steps involved in evaluating and interpreting data. It has been divided into categories based on the many approaches and procedures used to determine the applicability and connection between the data and the objective. This chapter details a main data analysis, along with its findings.

4.1 Result

4.1.1 Demographic Characteristics

Demographics variables include the different personal detail of the respondent. They are organization, age, qualification, experience and position in the job where they are recently working. Following is the table which shows the detail of the respondent.

Table 3 present the total number of demographic factors and sub-variables for the 400 respondents to the study. Additionally, it displays the frequency of the demographic factors and their sub variables. There are three organizations as a sample organization. They are Himalayan Bank Limited, Kumari Bank Limited and Agricultural Development Bank Limited. The total number of respondent are 400, they are Himalayan Bank Limited, Kumari Bank Limited and Agricultural Development Bank Limited have a respectively of 107, 143 and 150 in number and 26.8, 35.8 and 37.5 in percent. The researcher also collect the data related to the age of the respondent and they are in number 78, 195 and 127 of 20 bellows, 20 to 40 and Above 40 respectively and in percentage its 19.5, 48.8 and 31.8 percent respectively. The Academic Qualification in different three categories and they are SEE/SLC, Intermediate/+2, bachelor and master or above. They are 40, 81, 140 and 139 in number and 10.0, 20.3, 35.0 and 34.8 in percent respectively. The Experience categories in to 5 years below, 5-10 years, 10-15 years and 15 above. The number 79, 103, 102 and 116 and percent 19.8, 25.8, 25.5 and 29.0 respectively. Position in the Job is categories in to Operation Level, managerial Level and Executive Level. The number 312, 60 and 28 and percentage is 78.0, 15.0 and 7.0 respectively in each category.

Table 3

Demographics Variables (N= 400)

Variables	Categories	Frequency	Percent
Organization	Himalayan Bank Limited	107	26.8
	Kumari Bank Limited	143	35.8
	Agriculture Development Bank Limited	150	37.5
Age	20 bellows	78	19.5
	20 to 40	195	48.8
	Above 40	127	31.8
Academic Qualification	SEE/SLC	40	10.0
	Intermediate/+2	81	20.3
	Bachelor	140	35.0
	Master or Above	139	34.8
Experience	5 years below	79	19.8
	5-10 years	103	25.8
	10-15 years	102	25.5
	15 above	116	29.0
Position in the Job	Operation Level	312	78.0
	Managerial Level	60	15.0
	Executive Level	28	7.0

4.1.2 Reliability Analysis

The Cronbach's alpha method is used in this case to gauge dependability. It evaluates the validity of multiple-question surveys using the Likert scale. Alpha Likert scale interpretation guidelines are as follows:

Table 4

Reliability Statistics

Variables	Items	Cronbach's Alpha
Financial Performance	4	0.778
Service Performance	4	0.983
Adhocracy	4	0.98
Clan	4	0.744
Hierarchy	4	0.957
Market	4	0.954

Source: *Questionnaire Survey-2024*

Table 4 displays all of the variables on a Likert scale with an adequate amount of questions being asked. Therefore, the research's questions are highly pertinent, and the analysis based on the information gathered from the questionnaire is trustworthy for the study.

4.1.3 Descriptive Statistics

The examination of each dependent and independent variable using descriptive statistics involves employing several statistical calculations, such as minimum, maximum, mean, and standard deviation. The present state of each variable in the Nepali commercial bank is shown by the minimum, maximum, mean, and standard deviation.

Table 5

Descriptive Statistics (N= 400)

	Mean	Std. Deviation
Financial Performance	4.56	.473
Service Performance	4.52	.389
Adhocracy	4.54	.487
Clan	4.54	.488
Hierarchy	4.49	.379
Market	4.51	.472
Valid N (listwise)		

Source: *Questionnaire Survey-2024*

Table 5 present the descriptive statistics of the variables. The variables are Financial Performance, Service Performance, Adhocracy, Clan, Hierarchy and Market. The independent variables are Adhocracy, Clan, Hierarchy and Market. The dependent variables are financial performance and service performance. Here each of the variables, statistical calculation are calculated they are mean and standard deviation. The dependent variable financial performance has mean and standard deviation are 4.56 and .473 respectively. The dependent variable service performance has mean and standard deviation are 4.52 and .389 respectively. The independent variable Adhocracy has mean and standard deviation are 4.54 and 0.487 respectively. The independent variable Clan has mean and standard deviation are 4.54 and 0.488 respectively. The independent variable Hierarchy has mean and standard deviation are 4.49 and 0.379 respectively. The independent variable Market has mean and standard deviation are 4.51 and .472 respectively.

The result from the table the mean and standard deviations are seem higher in the data flow. The higher standard deviations means the higher variation of the data. So the respondent respond to the variables is not consistent.

4.1.4 Correlation Analysis

Table 6

Correlation of the Variables (N= 400)

	Financial Performance	Service Performance	Adhocracy	Clan	Hierarchy	Market
Financial Performance	1					
Service Performance	.904**	1				
Adhocracy	.984**	.925**	1			
Clan	.984**	.926**	.996**	1		
Hierarchy	.880**	.972**	.899**	.902**	1	
Market	.965**	.909**	.981**	.979**	.913**	1

**correlations is significant at the level (2- tailed)

Source: *Questionnaire Survey-2024*

Table 6 present the correlation of the variables. Here independent variables are Market, Hierarchy, Clan, Adhocracy and dependent variables are the financial performance and service performance. In the table number of observation represent by the 'N'. Where total observation are 400 peoples.

The analysis reveals that the relationship between financial performance and adhocracy culture is both positive and statistically significant ($r= 0.904$, $p< 0.01$), as supported by the hypothesis. The correlation coefficient is 0.904, with a p-value of 0.000, indicating a significance level of 1%.

Similarly, the correlation between financial performance and clan culture is positive and significant ($r= 0.984$, $p< 0.01$), thereby validating the hypothesis. The observed correlation coefficient is 0.984, and the p-value is 0.000, confirming significance at the 1% level.

In the case of financial performance and hierarchy culture, the results indicate a positive and significant relationship ($r= 0.880$, $p< 0.01$), consistent with the hypothesis. The correlation coefficient is 0.880, with a p-value of 0.000, signifying a 1% level of significance.

The relationship between financial performance and market culture is also positive and significant ($r= 0.965$, $p< 0.01$), further supporting the hypothesis. The correlation coefficient stands at 0.965, with a p-value of 0.000, indicating a significance level of 1%.

The analysis of the relationship between service performance and adhocracy culture demonstrates a positive and significant correlation ($r= 0.925$, $p< 0.01$), affirming the hypothesis. The correlation coefficient is 0.925, and the p-value is 0.000, indicating a 1% level of significance.

Similarly, the relationship between service performance and clan culture is both positive and significant ($r= 0.926$, $p< 0.01$), supporting the hypothesis. The correlation coefficient is 0.926, with a p-value of 0.000, confirming a significance level of 1%.

The findings regarding the relationship between service performance and hierarchy culture indicate a positive and significant ($r= 0.972$, $p< 0.01$), in line with the hypothesis. The correlation coefficient is 0.972, with a p-value of 0.000, indicating significance at the 1% level.

Lastly, the relationship between service performance and market culture is positive and significant ($r= 0.909$, $p< 0.01$), consistent with the hypothesis. The correlation coefficient is 0.909, and the p-value is 0.000, signifying a 1% level of significance.

4.1.5 Multiple Regression Analysis

Regression calculation is in this research for proposes of the meeting the objective three. Here the regression model both one and two based regressions is calculated they are financial performance based and service performance based. The calculated regression and provided the overall impact as well as individual variables impact toward the dependent variables are shows. Here model summary. ANOVA and coefficient is calculated in each of the model.

Effect of corporate culture on financial performance

Model one is based on the financial performance. The financial performance based regression is calculated here.

Table 7

Model summary of model I

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.985 ^a	.971	.971	.0812

a. Predictors: (Constant), Market , Hierarchy , Clan , Adhocracy

Source: *Questionnaire Survey-2024*

Table 7 shows the model summary of based on financial performance as a dependent variables and independent variables are different types of organizational culture called Market, Hierarchy, Clan and Adhocracy. Here R square is the value of 0.971 which represent the cumulatively the independent variables impact to the dependent variables. That means in 100% the independent variables cumulatively impacted to the dependent variable by 97.1% and remaining 2.9% is impacted by other variables than our research considered variables.

Table 8

ANOVA of model I

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	86.839	4	21.710	3288.737	.000 ^b
	Residual	2.607	395	.007		
	Total	89.447	399			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Market , Hierarchy , Clan , Adhocracy

Source: *Questionnaire Survey-2024*

Table 8 shows the ANOVA of the model one called financial performance based regression model summary. This table shows the overall regression significant level. Here significant value is 0.000 and the value represent the overall regression is significant. Its means the organizational culture is significantly impacted to the financial performance of the companies.

Table 9

Coefficient of model I

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.297	.050		5.898	.000
	Adhocracy	.426	.099	.438	4.293	.000
	Clan	.571	.096	.589	5.977	.000
	Hierarchy	-.058	.026	-.047	-2.202	.028
	Market	.001	.048	.001	.012	.991

a. Dependent Variable: Financial Performance

Source: *Questionnaire Survey-2024*

Table 9 shows the coefficient of the regression model one called financial performance based regression model. Here financial performance as a dependent variables and

independent variables are different types of organizational culture called Market, Hierarchy, Clan and Adhocracy. The model 1 multiple regression equation statement is $FP = \beta_0 + \beta_1 \times A + \beta_2 \times C + \beta_3 \times H + \beta_4 \times M + e$. The table explain beta, standard error and significant value.

The influence of adhocracy culture on financial performance is both positive and significant, supporting the hypothesis. A 1% increase in adhocracy culture fosters a more innovative and flexible organizational environment, which in turn leads to a 0.426% improvement in financial performance. This positive effect is likely due to adhocracy's emphasis on adaptability and creativity, which can drive better decision-making and responsiveness to market changes. The low standard error of 0.099 indicates high accuracy in the estimated impact. The significance of this relationship is confirmed by a p-value of 0.000, well below the 0.05 threshold, further validating the result.

Similarly, the impact of clan culture on financial performance is positive and significant, confirming the hypothesis. A 1% increase in clan culture, which emphasizes collaboration, trust, and employee involvement, results in a 0.571% increase in financial performance. This increase likely occurs because strong interpersonal relationships and a supportive work environment can enhance morale and productivity, leading to better overall performance. The low standard error of 0.096 suggests a high level of accuracy in the estimated impact, and the p-value of 0.000 indicates strong evidence of a true effect.

Conversely, the impact of hierarchy culture on financial performance is negative yet significant, aligning with the hypothesis. A 1% increase in hierarchy culture, characterized by rigid structures and control, results in a 0.058% decrease in financial performance. This negative impact may be due to the stifling of creativity and slower decision-making processes inherent in hierarchical organizations, which can hinder responsiveness and adaptability. The low standard error of 0.026 means the calculated result is highly accurate, and the p-value of 0.028, being less than 0.05, confirms the significance of this negative impact.

Lastly, the effect of market culture on financial performance is positive but not significant, meaning the hypothesis is not supported. A 1% increase in market culture, which focuses on a clear organizational purpose and long-term goals, leads to only a negligible 0.001% increase in financial performance. This minimal impact suggests that while having a strong market is important, it may not directly translate into immediate financial gains. The standard error of 0.048 indicates a precise estimate, but the relationship is not statistically

significant with a p-value of 0.991, far above the 0.05 significance level, suggesting that market culture does not have a meaningful impact on financial performance in this context.

Effect of corporate culture on the service performance

Model Two is based on the service performance. The service performance based regression is calculated here.

Table 10

Model summary of morel II

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.985 ^a	.970	.970	.06771

a. Predictors: (Constant), Market , Hierarchy , Clan , Adhocracy

Source: *Questionnaire Survey-2024*

Table 10 shows the model summary of based on service performance as a dependent variables and independent variables are different types of organizational culture called Market, Hierarchy, Clan and Adhocracy. Here R square is the value of 0.97 which represent the cumulatively the independent variables impact to the dependent variables. That means in 100% the independent variables cumulatively impacted to the dependent variable by 97% and remaining 3% is impacted by other variables than our research considered variables.

Table 11

ANOVA of morel II

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.788	4	14.697	3205.805	.000 ^b
	Residual	1.811	395	.005		
	Total	60.599	399			

a. Dependent Variable: Service Performance

b. Predictors: (Constant), Market , Hierarchy , Clan , Adhocracy

Source: *Questionnaire Survey-2024*

Table 11 shows the ANOVA of the model one called service performance based regression model summary. This table shows the overall regression significant level. Here significant value is 0.000 and the value represent the overall regression is significant. Its means the

organizational culture is significantly impacted to the financial performance of the companies.

Table 12

Coefficient Regression of morel II

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.146	.042		3.472	.001
	Adhocracy	.515	.083	.644	6.232	.000
	Clan	.118	.080	.148	1.481	.139
	Hierarchy	.850	.022	.827	38.524	.000
	Market	-.514	.040	-.623	-12.935	.000

a. Dependent Variable: Service Performance

Source: *Questionnaire Survey-2024*

Table 12 shows the coefficient of the regression model one called service performance based regression model. Here service performance as a dependent variables and independent variables are different types of organizational culture called Market, Hierarchy, Clan and Adhocracy. The model 1 multiple regression equation statement is $SP = \beta_0 + \beta_1 \times A + \beta_2 \times C + \beta_3 \times H + \beta_4 \times M + e$. The table explain beta, standard error and significant value.

The impact of adhocracy culture on service performance is both positive and significant, confirming the hypothesis. A 1% increase in adhocracy culture, which encourages innovation, flexibility, and a proactive approach to problem-solving, leads to a 0.515% improvement in service performance. This positive impact likely occurs because the emphasis on creativity and adaptability in adhocracy culture enables organizations to respond more effectively to customer needs and market demands. The low standard error of 0.083 indicates that the estimated impact is highly accurate, and the significance of this relationship is confirmed by a p-value of 0.000, which is well below the 0.05 threshold.

On the other hand, the impact of clan culture on service performance is positive but not significant, meaning the hypothesis is not supported. A 1% increase in clan culture, which fosters a sense of community, teamwork, and mutual support among employees, results in only a 0.118% improvement in service performance. Although a positive environment may contribute to better service, the impact appears minimal in this case. The low standard error

of 0.08 suggests that the estimated result is accurate, but the p-value of 0.139 exceeds the 0.05 significance level, indicating that this positive impact is not statistically significant.

The impact of hierarchy culture on service performance is positive and significant, supporting the hypothesis. A 1% increase in hierarchy culture, characterized by structured procedures, clear lines of authority, and control, leads to a 0.85% improvement in service performance. This positive effect may result from the clear guidelines and consistent standards that a hierarchical culture can provide, which might improve efficiency and reliability in service delivery. The standard error is 0.022, which is low, indicating a high degree of accuracy in the calculated result. The impact is significant with a p-value of 0.000, confirming that the effect is meaningful.

Lastly, the impact of market culture on service performance is negative yet significant, aligning with the hypothesis. A 1% increase in market culture, which emphasizes a strong organizational purpose and long-term goals, results in a 0.514% decrease in service performance. This negative impact could occur if the focus on overarching goals diverts attention from immediate service quality or responsiveness. The low standard error of 0.04 indicates that the result is accurate, and the significance is confirmed by a p-value of 0.000, suggesting that the negative impact is statistically significant.

4.2 Discussion

It is found that the relationship between the financial performance and adhocracy culture is positive and significant and same hand hypothesis is true. The result is consistent with the result of Nankya, (2023). The relationship between the financial performance and Clan culture is positive and significant and same hand hypothesis is true. The result is consistent with the result of Rudiana, (2023). The relationship between the financial performance and Hierarchy culture is positive and significant and same hand hypothesis is true. The result is consistent with the result of Opoku et al., (2022). The relationship between the financial performance and Market culture is positive and significant and same hand hypothesis is true. The result is consistent with the result of Aboramadan et al., (2020). The relationship between the service performance and adhocracy culture is positive and significant and same hand hypothesis is true. The result is consistent with the result of Paramita et al., (2020). The relationship between the service performance and Clan culture is positive and significant and same hand hypothesis is true. The result is consistent with the result of Imran et al., (2022). The relationship between the service performance and Hierarchy culture is positive and significant and same hand hypothesis is true. The result is consistent

with the result of Obijiaku, (2019). The relationship between the service performance and Market culture is positive and significant and same hand hypothesis is true. The result is consistent with the result of Mousavi et al., (2015).

It is found that the impact of adhocracy to the financial performance is positive and significant; also the hypothesis is true. The result is consistent with the result of Acar & Acar, (2014). The impact of clan to the financial performance is positive and significant; also the hypothesis is true. The result is consistent with the result of Yesil & Kaya, (2013). The impact of Hierarchy to the financial performance is negative and significant; also the hypothesis is true. The result is consistent with the result of Rudiana, (2023). The impact of market to the financial performance is positive and not significant; also the hypothesis is not true. The result is consistent with the result of Aboramadan et al., (2020). The impact of adhocracy to the service performance is positive and significant; also the hypothesis is true. The impact of clan to the service performance is positive and not significant; also the hypothesis is not true. The result is consistent with the result of Mousavi et al., (2015). The impact of Hierarchy to the service performance is positive and significant; also the hypothesis is true. The result is consistent with the result of Yesil & Kaya, (2013). The impact of market culture to the service performance is negative and significant; also the hypothesis is true. The result is consistent with the result of Rudiana, (2023).

CHAPTER-V

SUMMARY AND CONCLUSION

In this chapter the summary, conclusion and implication of the research. Summary is the detail from the beginning and ending of the research. Conclusion is the objectives based finding in the short statement. Implication is the future uses of the research.

5.1 Summary

Corporate culture, often known as organizational culture, encompasses the values, beliefs, and behaviors that shape how a company's employees interact and handle business operations. It serves as the backbone of an institution's internal environment, influencing various facets of organizational performance. In the context of Nepalese commercial banks, corporate culture is particularly significant, as it impacts how these institutions operate and succeed. The concept of culture, which originated from the study of ethnic and national distinctions in social sciences, has become crucial for understanding organizations. Organizational culture, as described by Cameron and Quinn (1999), is a persistent collection of fundamental beliefs, interpretations, and methods that define organizations and their constituents.

In the banking sector, which includes both private and public banks, the corporate culture may differ significantly from that of government employees. Banks, as profit-making institutions and service providers, play a vital role in securing customers' wealth and assisting them in times of financial need. Given this backdrop, the study focuses on the impact of corporate culture on organizational performance in Nepalese commercial banks. This research aims to explore how different cultural practices within these banks influence their overall performance and effectiveness in serving their customers and achieving their financial goals.

The problem statement of the research are what is the relationship of corporate culture to the organizational performance in Nepalese commercial bank? And Do the corporate culture impacted to the organizational performance in Nepalese commercial bank? The objectives of the research are to analyze the relationship of corporate culture to the organizational performance in Nepalese commercial bank and to examine the impact of corporate culture to the organizational performance in Nepalese commercial bank. The article are review from the google scholar and thesis from TU sites. This study used causal comparative research design. The propulsive sampling methods used the selection of

sample and selected the three banks as a sample they are Himalayan bank, Kumari bank and agriculture bank limited. The primary data are the nature of the research data and they are collected using the questionnaire survey from the employee of the selected commercial bank so the source of data is the questionnaire survey of 2024. Descriptive, correlation and regression analysis are conducted. It is found that the relationship of adhocracy, clan, hierarchy and market are significant to the financial performance. The relationship of adhocracy, clan, hierarchy and market are significant to the service performance. The impact of adhocracy, clan and hierarchy are significant to the financial performance. The market culture is not significant to the financial performance. The adhocracy, hierarchy and market culture have significant relationship to the service performance. The clan culture has not significant impact to the service performance.

5.2 Conclusion

The first objectives of research is to analyze the relationship of corporate culture to the organizational performance in Nepalese commercial bank. It is found that the relationship of adhocracy, clan, hierarchy and market are significant to the financial performance. The relationship of adhocracy, clan, hierarchy and market are significant to the service performance. In conclusion the relationship of adhocracy, clan, hierarchy and market are significant to the financial performance and service performance.

The second objectives of research is to examine the impact of corporate culture to the organizational performance in Nepalese commercial bank. It is found that the impact of adhocracy, clan and hierarchy are significant to the financial performance. The market culture is not significant to the financial performance. The adhocracy, hierarchy and market culture have significant relationship to the service performance. The clan culture has not significant impact to the service performance. In conclusion the impact of adhocracy, clan and hierarchy are significant to the financial performance and adhocracy, hierarchy and market culture have significant relationship to the service performance.

5.3 Implications

The research has following implications.

This research is helpful to the management because a strong, positive corporate culture can enhance employee engagement and reduce turnover rates. Engaged employees are more productive, committed to the organization's goals, and less likely to leave, which can save banks significant costs associated with recruitment and training.

Policymakers and regulators may use the research findings to create policies that encourage banks to adopt and maintain strong corporate cultures, thereby improving the overall stability and performance of the banking sector.

A positive corporate culture can become a key differentiator in a competitive market, helping banks attract and retain top talent, as well as loyal customers, thereby gaining a competitive advantage.

Understanding the impact of corporate culture can help banks manage organizational change more effectively, ensuring smoother transitions during mergers, acquisitions, and other significant changes.

Banks that focus on building and maintaining a positive corporate culture are likely to experience sustainable growth and development, contributing to the overall economic growth of Nepal.

The research can contribute to the academic literature on corporate culture and organizational performance, providing a basis for further studies in different contexts and sectors.

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APPENDIXES

July 2024

Dear Respondent,

I am conducting this questionnaire survey for an academic research as required by the MBS program. The title of my research is “IMPACT OF CORPORATE CULTURE ON ORGANIZATIONAL PERFORMANCE IN NEPALESE COMMERCIAL BANK”. I would to like to state that this research is purely for an academic propose and I am simply interested in yourself and honest answer. I assure you that strict confidentiality will be maintained and the information furnished by you will be used only for academic purpose.

Thank you for your cooperation.

Susmita Regmi

Campus Rolls No: 411/2077

Exam Symbol No: 36301/21

T. U. Registration No: 7-2-38-815-2016

Shanker Dev Campus

Part I

1. Your Full Name (optional)

2. Organization

1. Himalayan Bank Limited
2. Kumari Bank Limited
3. Agricultural Development Bank Limited

3. Age

1. 20 bellows 2. 20 to 40 3. Above 40

4. Academic Qualification

1. SLC/SEE 2. Intermediate /+2 3. Bachelor 4. Master or Above

5. Experience

1. 5 Year 2. 5-10 Year 3. 10-15 year 4. 15 above

6. Position in the Job

1. Operation Level
2. Managerial Level

○ 3. Executive Level

Part II

Below are several statements about you with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing the appropriate number. Please give your responses as follows

1= strongly Disagree, 2= Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree)

7. Financial performance

SN	Items	1	2	3	4	5
FP ₁	Adhocracy culture is importance in the bank for financial performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FP ₂	Clan culture is help the financial performance of the bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FP ₃	Hierarchy culture is in the banking organization is importance for financial performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FP ₄	Market culture in the bank is importance for the financial performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Service performance

SN	Items	1	2	3	4	5
FS ₁	Adhocracy culture is importance in the bank for Service performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FS ₂	Clan culture is help the Service performance of the bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FS ₃	Hierarchy culture is in the banking organization is importance for Service performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
FS ₄	Market competitive culture in the bank is importance for the Service performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. Adhocracy

SN	Items	1	2	3	4	5
----	-------	---	---	---	---	---

A1	Adhocracy culture is importance in the bank for performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A2	Banking company's performance is dependent on the adhocracy culture adopted there.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A3	The adhocracy culture adopted there motivated employee for the performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A4	Adhocracy culture is required for employee performance building off.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Clan

SN	Items	1	2	3	4	5
C1	Clan culture is importance in the bank for performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C2	Banking company's performance is dependent on the Clan culture adopted there.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C3	The Clan culture adopted there motivated employee for the performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C4	Clan culture is required for employee performance building off.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Hierarchy

SN	Items	1	2	3	4	5
H1	Hierarchy culture is importance in the bank for performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H2	Banking company's performance is dependent on the Hierarchy culture adopted there.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H3	The Hierarchy culture adopted there motivated employee for the performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H4	Hierarchy culture is required for employee performance building off.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Market

SN	Items	1	2	3	4	5
M1	Market competitive culture is importance in the bank for performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
M2	Banking company's performance is dependent on the Market competitive culture adopted there.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
M3	The Market competitive culture adopted there motivated employee for the performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
M4	Market competitive culture is required for employee performance building off.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Thank you for your participation. Hope you have a great day!!!

Appendix 2: calculations from spss

Organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Himalayan Bank Limited	107	26.8	26.8	26.8
	Kumari Bank Limited	143	35.8	35.8	62.5
	Agriculture Bank Limited	150	37.5	37.5	100.0
	Total	400	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 belows	78	19.5	19.5	19.5
	20 to 40	195	48.8	48.8	68.3
	Above 40	127	31.8	31.8	100.0
	Total	400	100.0	100.0	

Academic Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SEE/SLC	40	10.0	10.0	10.0
	Intermediate/+2	81	20.3	20.3	30.3
	bachelor	140	35.0	35.0	65.3
	master or above	139	34.8	34.8	100.0

Total	400	100.0	100.0
-------	-----	-------	-------

Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 5 years below	79	19.8	19.8	19.8
5-10 years	103	25.8	25.8	45.5
10-15 years	102	25.5	25.5	71.0
15 above	116	29.0	29.0	100.0
Total	400	100.0	100.0	

Position in the Job

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Operation Level	312	78.0	78.0	78.0
managerial Level	60	15.0	15.0	93.0
Executive Level	28	7.0	7.0	100.0
Total	400	100.0	100.0	

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Performance	400	3.89	5.00	4.5631	.47347
Service Performance	400	3.75	5.00	4.5262	.38972
Adhocracy	400	4.00	5.00	4.5425	.48770
Clan	400	3.75	5.00	4.5400	.48855
Hierarchy	400	3.75	5.00	4.4994	.37900
Market	400	4.00	5.00	4.5162	.47234
Valid N (listwise)	400				

Correlations

		Financial Performance	Service Performance	Adhocracy	Clan	Hierarchy	Market
Financial Performance	Pearson Correlation	1	.904**	.984**	.984**	.880**	.965**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	400	400	400	400	400	400
Service Performance	Pearson Correlation	.904**	1	.925**	.926**	.972**	.909**

	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	400	400	400	400	400	400
Adhocracy	Pearson Correlation	.984**	.925**	1	.996**	.899**	.981**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	400	400	400	400	400	400
Clan	Pearson Correlation	.984**	.926**	.996**	1	.902**	.979**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	400	400	400	400	400	400
Hierarchy	Pearson Correlation	.880**	.972**	.899**	.902**	1	.913**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	400	400	400	400	400	400
Market	Pearson Correlation	.965**	.909**	.981**	.979**	.913**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	400	400	400	400	400	400

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.985 ^a	.971	.971	.08125

a. Predictors: (Constant), Market , Hierarchy , Clan , Adhocracy

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	86.839	4	21.710	3288.737	.000 ^b
	Residual	2.607	395	.007		
	Total	89.447	399			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Market , Hierarchy , Clan , Adhocracy

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	.297	.050		5.898	.000
	Adhocracy	.426	.099	.438	4.293	.000
	Clan	.571	.096	.589	5.977	.000
	Hierarchy	-.058	.026	-.047	-2.202	.028
	Market	.001	.048	.001	.012	.991

a. Dependent Variable: Financial Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.985 ^a	.970	.970	.06771

a. Predictors: (Constant), Market , Hierarchy , Clan , Adhocracy

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.788	4	14.697	3205.805	.000 ^b
	Residual	1.811	395	.005		
	Total	60.599	399			

a. Dependent Variable: Service Performance

b. Predictors: (Constant), Market , Hierarchy , Clan , Adhocracy

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.146	.042		3.472	.001
	Adhocracy	.515	.083	.644	6.232	.000
	Clan	.118	.080	.148	1.481	.139
	Hierarchy	.850	.022	.827	38.524	.000
	Market	-.514	.040	-.623	-12.935	.000

a. Dependent Variable: Service Performance

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ABSTRACT The objectives of study is to analyze the effect factors of corporate culture on organizational performance (measured by financial performance and service performance) in Nepalese commercial bank.

This study used both **descriptive and causal comparative research design** to test **the**

proposed hypothesis. The purposive sampling methods was used to collect the data from banking employees of three sample as Himalayan bank, Kumari bank and Agriculture bank limited. The self-administrated survey data was used to collect the opinion from banking employees and analyzed by Descriptive, correlation and regression analysis statistical tools. The result found that there are positive and significant relationship between adhocracy, clan, hierarchy and market with financial performance. More over adhocracy, clan, hierarchy and market are significant to the service performance. However adhocracy, clan and hierarchy have positive & significant effect on financial performance. The market culture has insignificant to the financial performance. In conclusion the impact of adhocracy, clan and hierarchy are significant to the financial performance and adhocracy, hierarchy and market culture have significant relationship to the service performance. The implication of this result will understanding the impact of corporate culture can help banks manage organizational change more effectively, ensuring smoother transitions during mergers, acquisitions, and other significant changes. Keywords: Adhocracy, Clan, Hierarchy, Market, Financial Performance and Service Performance ii CHAPTER-I INTRODUCTION 1.1 Background of the Study Corporate culture, also known