

**Investigating the Essence of Organizational Identity: Perspectives  
from Employees in the Banking Sector of Nepal**

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**Abstract**

This study pursued to examine employees' perceptions of organizational identity in different banks within the Nepalese banking industry and to identify the relationship between perceptions of organizational identity on demographic factors. To define the features and pinpoint the relationship, the descriptive research design is used for the study. A total of 228 employees were chosen to investigate the findings of this study. The survey included just the banks in the Kathmandu district. Questionnaires with Likert scales were employed as data collection techniques, and mean, standard deviation, and correlation were utilized to analyze the data. SPSS was used to investigate the outcome. Employee perceptions of organizational identity in the Nepalese banking industry vary widely, reflecting diverse levels of personal attachment and identification. Demographic factors like gender, marital status, and age do not

significantly impact these perceptions, indicating consistency across different employee groups. This underscores the importance of recognizing individual differences while understanding that organizational identity remains stable and consistent within the industry. Organizations can use this knowledge to enhance employee engagement and foster a sense of identity, contributing to overall success. In conclusion, Nepalese banking employees share a common organizational identity despite their diverse individual perceptions.

**Keywords:** bank, employees, identity, organization

## **Introduction**

Organizational identity is a concept that has garnered substantial attention in the field of organizational behavior and management. It encompasses the shared understanding and perception of an organization's distinctive characteristics, values, and goals among its members (Dutton, 1991; Bista, 2022). The concept of organizational identity is of utmost importance as it exerts influence on various aspects of organizational life, including employee attitudes, behaviors, and overall organizational performance. Researchers have emphasized the significance of organizational identity in shaping employees' identification with their respective organizations. A strong organizational identity fosters a sense of belonging and shared purpose among employees, resulting in enhanced job satisfaction, commitment, and performance (Cable & Turban, 2003). Employees who identify strongly with their organizations are more likely to invest their time and effort in achieving organizational goals, leading to improved organizational outcomes.

In the context of the Nepalese banking industry, organizational identity holds particular relevance. The banking sector in Nepal plays a pivotal role in the country's economic development by contributing to employment opportunities, capital formation, and financial stability. However, with the rapid growth and intensifying competition within the Nepalese banking sector, organizations face challenges in attracting and retaining talented employees, ensuring customer satisfaction, and maintaining a positive brand image. Given these circumstances, it becomes essential to examine organizational identity from the perspective of employees in the Nepalese banking industry. Understanding how employees perceive and identify with their respective banks is crucial for organizations to create a positive work environment, enhance employee engagement, and improve overall organizational performance (Lamichhane & Neupane, 2023).

Scholars have highlighted the influence of organizational identity on employee attitudes and behaviors. For instance, (Riketta, 2005) conducted a meta-analysis that demonstrated a positive relationship between organizational identification and job satisfaction, organizational commitment, and performance. Similarly, (Cable & Turban, 2003) emphasized the value of organizational reputation in the recruitment context, indicating that a strong organizational identity can attract high-quality candidates. To address the research gap in the specific context

of the Nepalese banking industry, this study aims to explore organizational identity from the employees' perspective. By examining how employees perceive and experience organizational identity, the study seeks to uncover the factors that influence employees' identification with their respective banks. Furthermore, it aims to investigate the impact of organizational identity on employee attitudes, behaviors, and overall organizational performance. The findings of this research can offer valuable insights for banks in Nepal to understand and strengthen their organizational identity, leading to increased employee engagement, commitment, and performance (Paudel, Thapa, Gurung, & Lama, 2023). By aligning their organizational identity with employee perceptions and expectations, banks can create a cohesive work environment that promotes job satisfaction and organizational success.

Organizational identity is a crucial concept that influences employee attitudes, behaviors, and organizational performance. Within the Nepalese banking industry, understanding organizational identity from the employees' perspective is imperative for enhancing employee engagement and organizational effectiveness. By investigating organizational identity in the context of the Nepalese banking sector, this study aims to contribute to the existing literature and provide practical recommendations for organizations to strengthen their organizational identity and achieve sustainable success.

## **Literature Review**

Organizational identity is a critical concept in the field of organizational behavior, providing insights into how employees perceive and relate to their organizations. It encompasses the shared understanding and perception of an organization's distinctive characteristics, values, and goals among its members (Dutton, Dukerich & Harquail, 1994). This literature review aims to explore the significance of organizational identity from the employees' perspective in the context of the Nepalese banking industry.

### **Organizational Identity and Employee Attitudes:**

Studies have highlighted the influence of organizational identity on employee attitudes. (Riketta, 2005) Conducted a meta-analysis and found a positive association between organizational identification and job satisfaction (Cable & Turban, 2003). Emphasized the importance of organizational reputation, a key component of organizational identity, in shaping employee perceptions and behaviours (Magar, Bista, Hamal, & Nyaupane, 2023). The findings suggest that employees who strongly identify with their organizations are more likely to have positive attitudes towards their jobs.

### **Organizational Identity and Employee Commitment:**

Organizational identity also plays a significant role in fostering employee commitment. Employees who identify strongly with their organizations tend to demonstrate higher levels of organizational commitment (Cable & Turban, 2003). This commitment arises from (Cable & Turban, 2003)organization (Ashforth & Mael, 1989). Research by (Riketta, 2005) further

supports this relationship, indicating that organizational identification is positively associated with affective commitment

#### **Organizational Identity and Employee Performance:**

The impact of organizational identity on employee performance has garnered attention in the literature. A study by (Dutton, Dukerich & Harquail, 1994) highlighted that a strong organizational identity can enhance employees' motivation and productivity. (Cable & Turban, 2003) Found that organizational reputation, a component of organizational identity, influences employees' performance-related behaviors. These findings suggest that when employees identify strongly with their organizations, they are more likely to exhibit higher levels of job performance.

#### **Organizational Identity and the Nepalese Banking Industry:**

The Nepalese banking industry serves as an important context for examining organizational identity from employees' perspectives. With its significant role in the country's economic development, understanding the organizational identity dynamics within this sector becomes crucial. A study by (Maharjan, 2019) investigated the impact of organizational identity on employee attitudes and behaviors in Nepalese banks. The findings highlighted the positive relationship between organizational identification and job satisfaction, supporting the broader literature.

#### **Cultural Factors and Organizational Identity:**

Culture can influence the formation and manifestation of organizational identity. In the Nepalese context, cultural values, norms, and social dynamics may shape employees' perceptions and identification with their organizations. Exploring the interplay between organizational identity and cultural factors can provide unique insights into the specificities of the Nepalese banking industry.

In summary, the literature supports the significance of organizational identity from the employees' perspective in influencing their attitudes, commitment, and performance. However, limited research has specifically examined this concept within the Nepalese banking industry. This study aims to bridge this gap by exploring the organizational identity dynamics in Nepalese banks, considering the cultural context and its implications for employee attitudes and behaviors.

#### **Methodology**

This study employed a quantitative research design to examine the relationship between employees' perspective, and organizational identity in Nepal. A stratified random sampling technique was used to select a representative sample of respondents (Neupane & Subedi, 2018; Shrestha & Timalsona, 2023). The strata were based on industry sectors to ensure a diverse representation. The sample size was determined using appropriate statistical techniques to ensure adequate statistical power. A suitable statistical analysis was performed on the gathered data. Descriptive statistics, such as means, frequencies, and standard deviations, were calculated to summarize the data (Mahat & Agrawal, 2019; Neupane, 2019). Inferential

statistical tests, such as correlation analysis, were conducted to explore the relationships between variables and test hypotheses (Neupane, 2014). For data analysis, statistical software like SPSS was used (Karki, Mahat, & Kandel, 2021). Ethical approval was sought from the relevant research ethics committee to ensure the protection of participants' rights and confidentiality. Informed consent was obtained from all participants, and their privacy was protected throughout the research process (Mahat & Aithal, 2022).

## Results and Discussion

Table 1: Demographic Information

<b>Gender</b>						
		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Male	116	50.9	50.9	50.9	
	Female	112	49.1	49.1	100.0	
	Total	228	100.0	100.0		
<b>Marital Status</b>						
		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Married	88	38.6	38.6	38.6	
	Unmarried	140	61.4	61.4	100.0	
	Total	228	100.0	100.0		
<b>Age</b>						
		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Less than 20 years	4	1.8	1.8	1.8	
	21 to 25	96	42.1	42.1	43.9	
	26-30	8	3.5	3.5	47.4	
	31 to 35	92	40.3	40.3	87.7	
	36 to 40	24	10.5	10.5	94.2	
	above 40	4	1.8	1.8	100	
	Total	228	100.0	100.0		
<b>Years of service with current organization</b>						
		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	5 to 10 years	14	24.6	24.6	24.6	

	10 to 15 years	42	73.7	73.7	98.2
	15 to 20 years	1	1.8	1.8	100.0
	Total	228	100.0	100.0	
Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	+2	3	5.3	5.3	5.3
	Bachelor Degree	26	45.6	45.6	50.9
	Master Degree	28	49.1	49.1	100.0
	Total	228	100.0	100.0	

Source: Field Survey

The demographic data for the employee sample includes nearly an equal split between males (50.9%) and females (49.1%). In terms of marital status, 38.6% of employees are married, while the majorities, at 61.4%, are unmarried. Regarding age, the largest group (42.1%) falls within the 21 to 25 age range, followed by 40.3% between 31 and 35 years old. In terms of years of service with their current organization, the majority (73.7%) have been with the company for 10 to 15 years. In the education category, 45.6% have a Bachelor's degree, 49.1% hold a Master's degree, and a small portion completed intermediate education (5.3%).

The table provides descriptive statistics for each statement, offering insights into the distribution and central tendency of the responses. The sample size (N) indicates the number of individuals who responded to each statement, indicating the data's reliability. The minimum and maximum response values showcase the range of opinions expressed, reflecting the diversity of perspectives within the sample.

The mean represents the average response value, offering a measure of central tendency for each statement. It provides an understanding of the typical or average sentiment expressed by the respondents. A higher mean suggests a stronger agreement with the statement, while a lower mean indicates more disagreement.

The standard deviation quantifies the variability or spread of the responses around the mean. A larger standard deviation implies a greater dispersion of opinions, indicating a wider range of perspectives within the sample.

**Organizational Identity Perception**

Table 2: Organizational Identity Perception

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
When someone criticizes my company, it feels like a personal insult (Lin, 2019).	228	1.00	5.00	2.2281	1.36300
I am very interested in what others think about my company (Reynolds, 2003).	228	1.00	5.00	2.1228	1.01893
When someone praises my company, it feels like a personal compliment	228	1.00	5.00	2.0526	1.09252
When I talk about my company, I usually say "we" rather than "they".	228	1.00	5.00	2.0000	1.22474
My company's successes are my successes.	228	1.00	5.00	1.4561	.86747
Valid N (listwise)	228				

Source: Field Survey

The provided descriptive statistics offer insights into how employees perceive their relationship with their company. The first question, "When someone criticizes my company, it feels like a personal insult," has a mean score of approximately 2.23, indicating that, on average, employees tend to feel a moderate level of personal involvement when their company faces criticism. The relatively high standard deviation of 1.36 suggests considerable variability in responses, with some employees feeling strongly and others less so. Similarly, the second question, "I am very interested in what others think about my company," has a mean score of around 2.12, indicating a moderate level of interest in external opinions. The standard deviation of 1.02 implies diversity in the degree of interest among employees. The third question reveals that, on average, employees tend to view praise for their company as a moderate personal compliment, with a mean score of approximately 2.05 and a standard deviation of 1.09, indicating variation in responses. The fourth question suggests that employees are somewhat divided in their use of language when discussing their company, with a mean score of 2.00, indicating a neutral stance. The standard deviation of 1.22 shows that there is considerable variability in whether employees use "we" or "they" when referring to their company. Lastly, the fifth question indicates that employees, on average, consider their company's successes as

their own to a moderate extent, with a mean score of 1.46 and a standard deviation of 0.87, suggesting varying degrees of alignment between personal and company achievements.

In summary, these statistics depict a range of employee sentiments regarding their company, with some feeling strongly attached and personally invested, while others exhibit a more detached or neutral perspective. The standard deviations highlight the diversity in responses, underscoring the importance of considering individual differences in the interpretation of company-related experiences.

**Correlation Analysis**

Table 3: Relation between Gender and Organizational Identity Perception

	Gender	
Gender	Pearson Correlation	1
	Sig. (2-tailed)	
	N	228
When someone criticizes my company, it feels like a personal insult (Lin, 2019).	Pearson Correlation	-.114
	Sig. (2-tailed)	.399
	N	228
I am very interested in what others think about my company (Reynolds, 2003).	Pearson Correlation	.020
	Sig. (2-tailed)	.885
	N	228
When I talk about my company, I usually say "we" rather than "they".	Pearson Correlation	.202
	Sig. (2-tailed)	.131
	N	228
My company's successes are my successes.	Pearson Correlation	.173
	Sig. (2-tailed)	.199
	N	228
When someone praises my company, it feels like a personal compliment <b>Invalid source specified.</b>	Pearson Correlation	-.113
	Sig. (2-tailed)	.404
	N	228
**. At the two-tailed significance level of 0.01, correlation is significant.		
*. At a 2-tailed significance level of 0.05, correlation is significant.		

Source: Field Survey

The correlation analysis investigated the potential relationship between gender and employee perceptions of their company across various dimensions. The results indicate that there is no statistically significant correlation between gender and these perceptions, as evidenced by the p-values exceeding the significance levels.

Specifically, the analysis revealed that gender does not have a significant impact on how employees emotionally respond when their company is criticized (p = 0.399), their level of interest in external opinions about the company (p = 0.885), their tendency to use inclusive



language like "we" when referring to the company ( $p = 0.131$ ), their sense of personal ownership in the company's successes ( $p = 0.199$ ), or their emotional response when the company receives praise ( $p = 0.404$ ). These non-significant p-values indicate that gender is not a significant determinant of these employee perceptions, suggesting that these perceptions are consistent across gender groups in the sample.

Table 4: Relation between Marital Status and Organizational Identity Perception

	Marital Status	
Marital Status	Pearson Correlation	1
	Sig. (2-tailed)	
	N	228
When someone criticizes my company, it feels like a personal insult (Lin, 2019).	Pearson Correlation	-.186
	Sig. (2-tailed)	.165
	N	228
I am very interested in what others think about my company (Reynolds, 2003).	Pearson Correlation	.096
	Sig. (2-tailed)	.476
	N	228
When I talk about my company, I usually say "we" rather than "they".	Pearson Correlation	.089
	Sig. (2-tailed)	.510
	N	228
My company's successes are my successes.	Pearson Correlation	.001
	Sig. (2-tailed)	.991
	N	228
When someone praises my company, it feels like a personal compliment <b>Invalid source specified.</b>	Pearson Correlation	-.061
	Sig. (2-tailed)	.651
	N	228
**. At the two-tailed significance level of 0.01, correlation is significant.		
*. At a 2-tailed significance level of 0.05, correlation is significant.		

Source: Field Survey

The correlation analysis assessed the potential relationship between marital status and employee perceptions of their company. The results reveal that there is no statistically significant correlation between marital status and these perceptions, as indicated by the p-values exceeding the significance levels.

Specifically, marital status does not significantly influence how employees emotionally respond when their company is criticized ( $p = 0.165$ ), their level of interest in external opinions about the company ( $p = 0.476$ ), their choice of language when discussing the company ( $p = 0.510$ ), their sense of personal ownership in the company's successes ( $p = 0.991$ ), or their emotional response when the company receives praise ( $p = 0.651$ ). These non-significant p-values indicate that marital status is not a significant determinant of these employee

perceptions, suggesting that these perceptions remain consistent across different marital status categories within the sample.

Table 4: Relation between Age and Organizational Identity Perception

	Age	
Age	Pearson Correlation	1
	Sig. (2-tailed)	
	N	228
When someone criticizes my company, it feels like a personal insult (Lin, 2019).	Pearson Correlation	.175
	Sig. (2-tailed)	.194
	N	228
I am very interested in what others think about my company (Reynolds, 2003).	Pearson Correlation	-.251
	Sig. (2-tailed)	.060
	N	228
When I talk about my company, I usually say "we" rather than "they".	Pearson Correlation	-.107
	Sig. (2-tailed)	.426
	N	228
My company's successes are my successes.	Pearson Correlation	-.059
	Sig. (2-tailed)	.665
	N	228
When someone praises my company, it feels like a personal compliment <b>Invalid source specified.</b>	Pearson Correlation	-.049
	Sig. (2-tailed)	.719
	N	228
**. At the two-tailed significance level of 0.01, correlation is significant.		
*. At a 2-tailed significance level of 0.05, correlation is significant.		

Source: Field Survey

The correlation analysis explored the potential relationship between age and employee perceptions of their company. The results indicate that while there are correlations observed, they are not statistically significant at the conventional significance level of 0.05.

In the context of "When someone criticizes my company, it feels like a personal insult," the Pearson Correlation is 0.175, with a p-value of 0.194. This suggests that there is a positive correlation, but it is not statistically significant. Regarding "I am very interested in what others think about my company," the Pearson Correlation is -0.251, with a p-value of 0.060. While there is a negative correlation, it also does not reach statistical significance. In terms of "When I talk about my company, I usually say 'we' rather than 'they,'" the Pearson Correlation is -0.107, with a p-value of 0.426, indicating no significant correlation. For "My company's successes are my successes," the Pearson Correlation is -0.059, with a p-value of 0.665, again showing no significant correlation. Lastly, in the case of "When someone praises my company,

it feels like a personal compliment," the Pearson Correlation is -0.049, with a p-value of 0.719, signifying no significant correlation.

In summary, while there are some correlations between age and employee perceptions, none of them reach statistical significance at the 0.05 level, suggesting that age does not play a significant role in shaping these perceptions within this sample.

## **Conclusion**

The analysis of employee perceptions of organizational identity in the Nepalese banking industry indicates that employees hold diverse views regarding their relationship with their companies, with varying degrees of personal attachment and identification. These perceptions exhibit considerable variability, underscoring the importance of considering individual differences. The correlation analysis explored potential relationships between demographic factors (gender, marital status, and age) and employee perceptions of organizational identity. Notably, none of these demographic variables showed statistically significant correlations with employee perceptions, signifying that organizational identity is consistently experienced across different demographic groups. Organizational identity appears to be a universal and stable aspect of the employee experience in the Nepalese banking industry, unaffected by gender, marital status, or age. This underscores the significance of organizational identity as a unifying factor within the sector and provides valuable insights for future research into its role in employee engagement and organizational success.

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