Subash Bhandari

Role of Organizational Culture in the Performance of IT Project Teams: A Study of Nepali Banks

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Author: Subash Bhandari
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ABSTRACT:
This study examines the role of organizational culture in determining the performance of IT project teams in Nepali banks undergoing digitalization. Despite the broad study of organizational culture and project performance in previous studies, little effort has been made in regulated emerging banking environments. The theoretical framework of the study comprises the Three-Level Model of Organizational Culture proposed by Schein, the Cultural Dimensions Theory by Hofstede, and the Competing Values Framework. The models are employed to examine the impact of cultural assumptions on leadership style, communication patterns, and decision-making structures in IT project environments.

The methodology was a qualitative case study. IT project managers and team members among commercial banks in Nepal were interviewed in semi-structured interviews. The collected data were analyzed using thematic analysis to identify patterns of culture that affected project performance.

The results suggest that Nepali banks exhibit a hybrid cultural pattern, with a hierarchical style of governance that coexists with new collaborative IT practice patterns. Although transformational leadership, open communication, and knowledge sharing are correlated with enhanced innovation and responsiveness, a centralized decision-making structure and high-power distance, supported by regulatory constraints, also tend to constrain agility in dynamic project settings. It is noted that, in many cases, digital transformation efforts change only surface practices without altering the underlying assumptions about power and risk.

The study is valuable to the body of knowledge because it contextualizes the established cultural models in regulated emerging economies and offers a qualitative understanding of the hybrid cultural dynamics. In practice, it is implied that the key to successful IT project performance in banking institutions is a balanced governance model that combines regulatory compliance with decentralized operational flexibility.

KEYWORDS: Organizational culture; IT project performance; Nepali banks; Leadership style; Digital transformation; Agile practices

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Abbreviations

IT - Information Technology

CVF - Competing Values Framework

PLS-SEM - Partial Least Squares Structural Equation Modeling

SME - Small and Medium-sized Enterprises

Hofstede - Geert Hofstede (referring to the cultural dimensions theory)

TAM - Technology Acceptance Model

UK - United Kingdom

US - United States

EU - European Union

ITP - IT Project

1 Introduction

1.1 Background of the Study

In the modern business world, where change is rapid, organizational culture has become a core factor in shaping team dynamics, individual behavior, and performance. Mingaleva et al. (2022, p. 6289) define Organizational culture as a collective of values, beliefs, and practices that people in an organization share in their interactions, decision-making processes, and work towards a common objective. Organizational culture can play a big role in IT project teams' collaboration, communication, and project determination. The culture that aligns with IT teams' requirements promotes collaboration, innovation, and productivity. On the other hand, an incompatible culture may cause friction, stifle innovation, and undermine the project's success.

Chhetri and Aryal (2025, pp. 9-14) describe how Nepal has witnessed a profound digital transformation in its banking sector, with banks increasingly adopting advanced technologies to enhance operations, customer service, and overall efficiency. This revolution is being driven by the need to compete in a highly competitive market and the increasing demand for digital banking services. Consequently, IT project teams are becoming instrumental in ensuring these technological projects are effectively implemented.

Nevertheless, whether IT projects in Nepalese banks succeed or fail does not depend solely on the quality of the technology or the resources available to them, but also on the organizational culture in which these teams work. Goet and Kharel (2023, p. 17-24) state that the organizational culture of most Nepali banks is usually hierarchical in decision-making, with formal communication channels and traditional management methods. Although this kind of structure has its advantages, particularly in terms of accountability and stability, it might not align with the fast-paced, innovative environment of IT projects.

Conversely, other banks are moving towards more collaborative cultures to facilitate digital transformation. The changes in culture focus on free communication, employee empowerment, and flexible problem-solving. The study of the effects of organizational culture on the performance of IT project teams at Nepali banks is essential to improving project performance and creating a more cooperative and innovative working environment.

This research paper will examine the impact of organizational culture on the performance of IT project teams in Nepali banks, and the findings will be used to enhance team behavior, leadership style, and project success in the banking industry.

1.2 Research Problem

Organizational culture is a widely researched concept, but the literature lacks a clear explanation of its influence on IT project teams, particularly in the banking industry. The majority of studies on organizational culture and project success have addressed general team dynamics and leadership styles in other sectors. Still, few have examined the specific impact of culture on IT project teams in the banking sector.

Nepalese banks are in the process of major digitalization, but their organizational cultures are often conservative and authoritarian (Regmi & Gnawali, 2025, p. 17-35). Such cultural inflexibility may impede the performance of IT project teams, who need a more agile, flexible working environment to be more innovative, make decisions faster, and collaborate effectively. Simultaneously, the classical hierarchical design can convey a sense of stability and decisiveness, which can be desirable under certain project conditions. Nonetheless, as the banking industry shifts toward digital services and technology-based solutions, the organizational culture must change accordingly to accommodate these changes and enable IT project teams to be productive.

Although it is an important issue, the impact of organizational culture on the performance of IT project teams has not been adequately studied in the Nepali banks. Past research on organizational culture in the banking industry has mostly focused on overall management practices, customer satisfaction, and operational efficiency, but not on how cultural factors directly influence the success and failure of IT projects. With the ever-growing reliance on IT as an engine of innovation in the banking industry, there is a need to understand how cultural factors contribute to the success of IT projects to ensure that digitalization initiatives are not implemented poorly (Wu & Kao, 2022, p. 307).

This study thus aims to address this gap by conducting research examining the impact of organizational culture in Nepali banks on the effectiveness of IT project teams in terms of communication, collaboration, leadership styles, and decision-making. By examining these

factors, the research will provide useful insights into how Nepali banks can enhance their IT project management practices and foster a culture that supports digital transformation initiatives.

1.3 Objectives of the Study

This research aims to achieve the following:

- To determine important cultural issues that affect the performance of IT project teams in Nepali banks.

The proposed objective is expected to examine the particular features of organizational culture (communication, leadership, teamwork, and decision-making) that have the greatest impact on the performance of IT project teams.

- To examine the contribution of these cultural aspects to project success or failure.

This goal analyzes the impacts of organizational culture on IT project teams, both positive and negative. The study will examine whether contemporary cultural practices align with the requirements of IT project teams by exploring how culture influences collaboration, innovation, and team dynamics.

- To determine how workers perceive organizational culture in IT project teams.

The given objective is to obtain the views of the employees who are employed in the teams of IT projects, their opinions on how organizational culture affects their work environment, and communication in teams. This means it is important to understand employees' perceptions to identify gaps between desired cultural practices and actual daily practices.

- To offer suggestions on how the performance of the IT projects can be improved by cultural enhancement.

Based on the research results, the study will provide Nepali banks with effective recommendations for promoting organizational culture to create an environment where IT project teams work more efficiently, and digital transformation initiatives succeed.

1.4 Research Questions

This paper aims to provide the following research questions:

- How does organizational culture affect IT project team performance in Nepali banks?
- How do leadership style, communication, and decision-making mediate this relationship?
- What cultural changes can improve IT project performance in these banks?

1.5 Significance of the Study

The research contributes to academic knowledge of the relationship between organizational culture and IT project team performance. Although extensive research on organizational culture has been conducted, few studies examine its effects on IT project teams in the Nepali banking industry. The proposed study will be a remarkable contribution to the literature by analyzing the cultural issues in the Nepalese banking sector and how they affect the success of the IT project.

In practical terms, the study's findings will benefit bank managers, HR specialists, and IT project leaders at Nepali banks. With this knowledge of the influence of organizational culture on IT project teams, these stakeholders will be in a position to promote an organizational culture that fosters collaboration and innovation, as well as the effective execution of the IT project. Specifically, the paper will also point out how leadership, communication, and decision-making can influence the processes and outcomes of IT project teams (Osobajo et al., 2023, p. 10058).

Moreover, the banking industry in Nepal is still undergoing digitalization, and this study will provide practical suggestions for cultural change that will enable IT project teams to perform more efficiently in a nimble, innovative workplace. This may result in higher team performance, shorter project delivery times, and better overall outcomes for IT initiatives.

In the academic context, the research will also contribute to the ongoing debate on organizational culture and project management by offering a subtle insight into how cultural factors impact team behavior and performance in a highly dynamic industry.

1.6 Structure of the Thesis

The thesis is structured in the following way:

Chapter 1: Introduction: This chapter provides the background of the research, the problem, the objectives, the research questions, and the study's significance. It lays the groundwork for explaining how organizational culture affects the performance of IT project teams in Nepali banks.

Chapter 2: Literature Review: This chapter provides a review of the literature on organizational culture, its influence on IT project teams, and its relevance in the banking industry. It scrutinizes theoretical frameworks and empirical research to lay the foundation for the research.

Chapter 3: Research Methodology: This chapter gives the research design, data collection procedures, and data analysis procedures used in the study. It provides a comprehensive description of how qualitative data will be gathered through interviews and analyzed.

Chapter 4: Findings and Discussion: In this chapter, the authors present the findings from interviews with members of IT project teams at Nepali banks. It discusses these findings in the context of the literature review and provides a detailed discussion of the results.

Chapter 5: Conclusion and Recommendations: In this chapter, the author summarizes the study's results, offers practical recommendations for Nepali banks, and proposes avenues for further research.

2 Literature Review

2.1 Theoretical Foundations of Organizational Culture

Organizational culture is a multifaceted, intricate system of shared meanings, values, norms, and unspoken assumptions that shapes how people make sense of organizational realities and respond to internal and external pressures. Instead of being a tokenistic system of practices, culture is a cognitive and behavioral system that shapes how authority is used, risk is assessed, communication occurs, and decisions are made. Organizational culture is especially relevant in the context of IT project teams working in banking institutions undergoing digital transformation (Hameli, 2024, pp. 53-66). IT programs demand flexibility, quick problem-solving, cross-functional teamwork, and learning based on adaptability. But the traditional banking institutions focus on stability, compliance, and risk control. The clash of these conflicting priorities creates cultural tensions that directly affect IT project performance.

This study is based on three theoretical perspectives that are complementary to studying these dynamics:

- Schein has three levels of the model of organizational culture (cultural depth perspective),
- The cultural dimensions theory (national-context perspective) of Hofstede,
- The Competing Values Framework (CVF) (structural and typological perspective).

Combined, these frameworks offer a multi-layered conceptualization of how culture operates in organizations at the visible, structural, and contextual levels.

2.1.1 Schein's Three-Level Model of Organizational Culture (2010)

Schein develops the organizational culture as existing at three interdependent and increasingly deep levels: artifacts, espoused values, and basic underlying assumptions. This stratified system enables the researcher to differentiate between the observable behavior and extended belief systems.

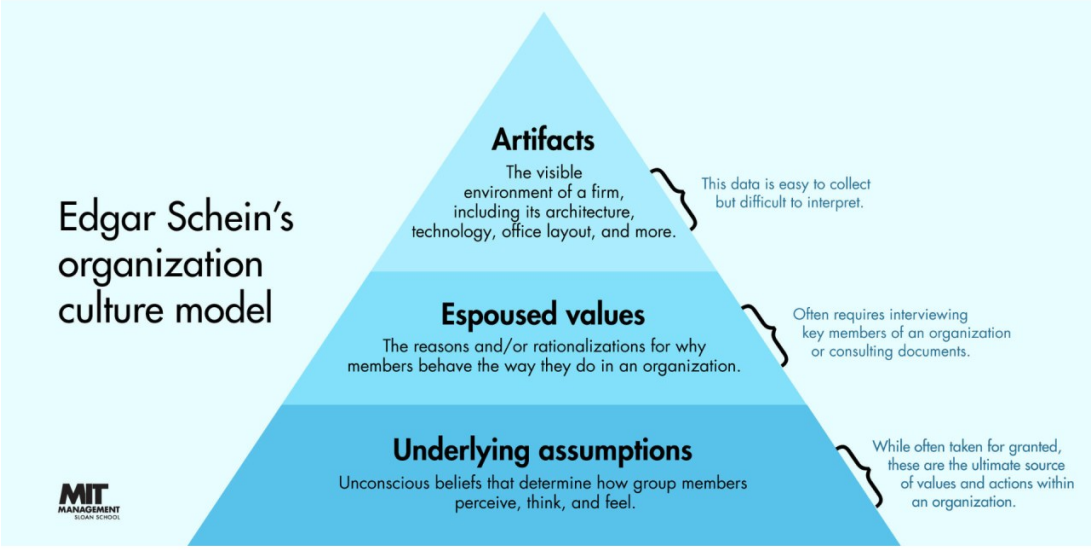

Figure 1 Schein's Three-Level Model (Adapted from Schein, 2010)

Artifacts: What we can See and How we Do Things

This is because artifacts are the most evident forms of culture. They consist of the physical office design, communication technology, reporting systems, performance measurement systems, dress code, meeting design, and organizational rituals. Centralized reporting lines and hierarchies, formal approval processes, standard documentation, and compliance-based governance are usually the artifacts in banking institutions. Artifacts in the context of IT projects can be project management software, sprint review meetings, documentation processes, and hierarchical escalation channels. Although these observable aspects may give us a sense of how the organization is structured, they may not necessarily reveal the rationality behind the behavior. An example of this is that the presence of agile tools does not necessarily imply an agile culture is in place when decision-making power is centralized (Haertel et al., 2022, p. 2645–2654).

This way, artifacts can have modernization on the surface, whereas more fundamental cultural forms will stay the same.

Espoused Values: Declared Principles and Strategic Narratives

Espoused values are those that are stated in strategic priorities and principles formally. When banks are digitally transforming, they often announce their intentions to be innovative,

collaborative, agile, and customer-centric. Such values are frequently engraved in mission statements, corporate communications, and strategic plans. Yet conflicts can arise when espoused values are not consistently put into practice through leadership behavior or decision-making processes (Chukwunweike & Aro, 2024, p. 2223–2242). An organization can, for example, rhetorically support innovation and demand several levels of approval before experimenting with technology. This incongruence between articulated values and the way things are done can lead to frustration among the IT project team and undermine confidence in leadership. This inconsistency is especially relevant in situations of transformation, when the symbolic fit with the innovation is often present, but the structural fit can lag.

Fundamental Underlying Assumptions: Deep Cultural Logic

Culture is made up, at its most basic level, of unconscious and assumed assumptions about authority, risk, control, and proper behavior. These assumptions determine behavior even when not explicitly stated.

The assumptions behind most of the banking institutions may be:

- The senior levels should house authority.
- Through rigorous measures, the risk should be kept down.
- Non-conformity with the laid-down procedures is not good.
- Stability is better than experimentation.

These assumptions can be incompatible with agile IT project requirements, which focus on fast iteration, decentralized decision-making, and controlled risk-taking.

To illustrate, when there is an implicit belief that only senior management is capable of making major technical decisions, IT teams might not have the freedom to make quick decisions when faced with system challenges. These assumptions thus directly affect the responsiveness and innovation capability of projects.

Critical Evaluation of Schein's Model

The model developed by Schein is especially useful since it enables distinguishing between modernization on the surface and structural transformation. It justifies how the implementation of agile resources might not be successful under the assumption that the background assumptions are hierarchical. Nevertheless, the interpretation of basic assumptions based on qualitative inquiry calls on an interpretive depth and reflexivity. Moreover, the framework proposed by Schein lacks a comprehensive approach to institutional limits outside the organization, which, at a large scale, structurally strengthens hierarchies through external financial regulation, with or without cultural intent (Alankarage et al., 2024, p. 05024005).

However, this model is an effective tool for analyzing cultural tensions in IT project contexts.

2.1.2 Hofstede's Cultural Dimensions and Organizational Context (1980, 2001)

However, where Schein focuses on the depth of the organization internally, Hofstede's cultural dimensions theory places organizational behavior in a wider context. Three dimensions are especially applicable to IT project teams in the banking setting: power distance, collectivism, and uncertainty avoidance.

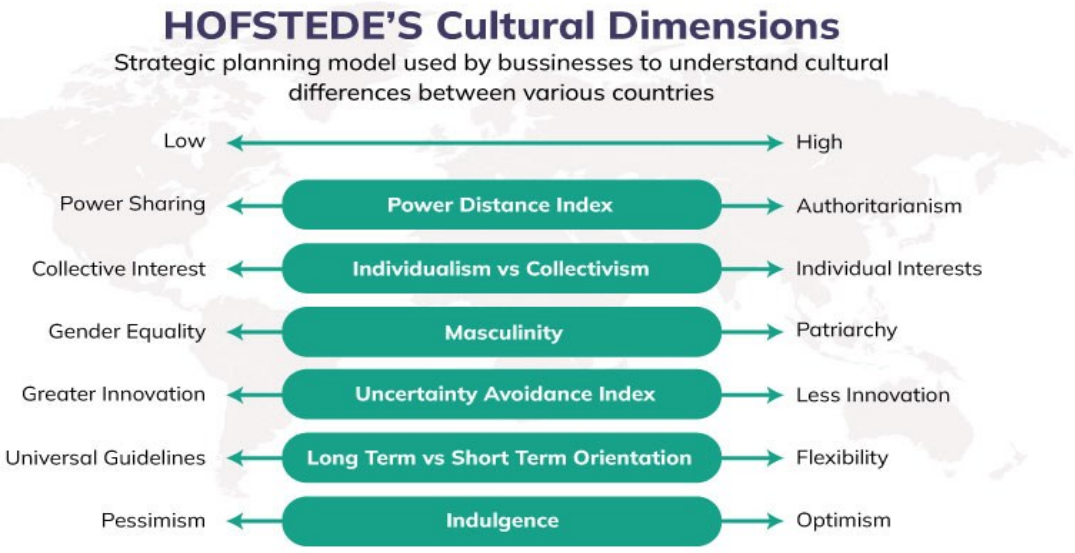

Figure 2 Hofstede's Cultural Dimensions Framework (Adapted from Hofstede, 2001)

Power Distance and Authority Structures

Power distance is a concept that encompasses the degree of acceptance of inequality in power distribution within a society. Hierarchical authority is regarded as valid and is hardly questioned in high power-distance cultures. Subordinates would be reluctant to challenge the decisions or even suggest alternative solutions.

In an IT project team, high power distance can lead to:

- Centralization of decision-making,
- Reduced autonomy,
- Poor communication upwards,
- Delayed responsiveness.

Though centralized control can offer transparency and accountability, overly high levels of hierarchy can limit creativity and innovation and prevent active problem-solving.

Group Dynamics and Collectivism

Collectivism is based on devotion, harmony, and unity. Collectivist orientations within IT teams can help to encourage cooperation and support. Members of a team can value the interests of the group more than self-accomplishment (Todaka & Doering, 2023, p. 1111).

Nevertheless, collectivist decision-making processes can focus on consensus-building, which slows project execution in time-constrained technological settings. Therefore, collectivism can both foster good teamwork and slow things down.

Uncertainty Avoidance and Risk Orientation

Uncertainty avoidance is a measure of the tolerance of ambiguity and risk. Banking institutions normally operate in highly regulated environments where risk control is essential. Institutional reinforcement of formal procedures, documentation requirements, and structured approval processes is practiced.

Although this organization increases the stability and compliance, it can lead to less experimentation and less adaptive learning- both of which are critical to the digital transformation and IT innovation.

Critical Perspective

The framework offered by Hofstede has a prolific contextual background that cannot be regarded as deterministic. Subcultures within organizations, especially in IT departments, may not align with broader national trends. Cultural dimensions, therefore, are viewed as situational factors rather than determinants of behavior (Kasa, 2025, p. 1-28).

2.1.3 Competing Values Framework (CVF)

The Competing Values Framework divides organizational culture into four typologies: clan, adhocracy, hierarchy, and market (Zeb et al., 2021, p. 658–683). All typologies reveal different leadership styles, coordination mechanisms, and performance orientations.

Figure 3 Competing Values Framework (Adapted from Cameron & Quinn, 2011)

Hierarchy culture focuses on order, control, and formalization.

- The Clan culture fosters collaboration, trust, and employee development.
- Adhocracy culture emphasizes innovation and adaptability.
- Market culture is competitive and result-oriented.

Agility, experimentation, and knowledge sharing are usually linked to agile cultures, or clan cultures, used in IT project settings. Hierarchy culture helps ensure compliance and accountability, but might restrict flexibility.

Nevertheless, organizations hardly work within a single typology. The hierarchical governance framework is particularly evident in banking institutions alongside collaborative IT practices. Thus, mixed cultural set-ups are prevalent.

The CVF is analytically convenient but may be too simplistic. The need for such dynamic balancing of governance control and innovation flexibility, rather than total cultural replacement, may be the key to the successful implementation of IT projects (Sloth et al., 2025, p. 1-55).

2.2 Organizational Culture and IT Project Team Performance (2020–2025 Evidence)

The latest empirical studies (2020-2025) also support the primary role of organizational culture in determining project performance and the results of the digital transformation.

Table 1 Key Empirical Studies (2020–2025)

Study	Context	Methodology	Key Findings	Limitations
(Mohammed et al., 2025)	IT projects	Quantitative (PLS-SEM)	Strategic emphasis and leadership risk tolerance significantly improve IT project success.	Limited geographic scope
(Hasan et al., 2025)	Digital transformation	Survey	Culture strongly influences transformation readiness and outcomes	SME focus
(Jewapatarakul & Ueasangkomsate, 2024)	Digital culture	Quantitative	Digital culture enhances knowledge sharing and adaptability	Not banking-specific
(José et al., 2025)	Organizational performance	Cross-sectional	Culture affects performance via	General context

			motivation and support mechanisms	
Project Portfolio Study (2025) (Kakumanu, 2025)	Project management	Quantitative regression	Cultural alignment improves project portfolio effectiveness	Healthcare context

2.2.1 Culture and Project Performance

Recent research shows that strategic focus and leadership risk-taking have a positive impact on the outcomes of IT projects. Institutions that foster judicious experimentation and innovation achieve significantly higher project success rates (Vasumathi et al., 2025, p. 102054).

Research on digital organizational culture also indicates that knowledge-sharing practices improve digital preparedness and flexibility. These results confirm the theoretical assertion that the mediation in project performance occurs through communication norms and the collaborative structures (Han & Marimuthu, 2025, p. 286–300).

The majority of available research, however, is quantitative surveys. They describe relationships statistically but offer only a limited understanding of how cultural processes are perceived by members of the project team in daily practice. Qualitative inquiry is notable in this methodological gap.

2.2.2 Leadership, Culture, and Organizational Agility

Empirical data indicate that culture and the outcomes of digital transformation are mediated by leadership style. Strategically oriented, risk-tolerant leaders increase agility and innovation (Rehan et al., 2024, p.164-188).

In banking contexts, regulated leaders have to strike a balance between compliance and the need for responsiveness. IT project team effectiveness is hence based on how leadership balances hierarchical expectations with operational flexibility.

2.2.3 Structures and Cultural Alignment in Decision-Making

The interdependence between the project approach and culture plays a huge role in project portfolio performance. Agile methodologies demand decentralization, rapid iteration, and team autonomy. Although hierarchical forms of governance provide control, they might slow down execution (Stanikzai & Mittal, 2025, p. 2560650).

It may therefore be necessary to use hybrid forms of governance in banking institutions to balance regulatory stability with project agility.

2.3 Organizational Culture in the Nepali Banking Context

Nepali banks have been accustomed to operating under centralized hierarchical structures of authority, which are strengthened by regulatory frameworks. The issue of decision-making power is centralized at the top management levels, and the formal reporting system is stressed (Regmi, 2025, pp. 104–114).

While this structure is accountable and compliant, it might not be responsive in dynamic IT project settings. Digital transformation initiatives put pressure on implementing more collaborative practices. Nevertheless, cultural shift is slow, and conflicts between governance and agility do exist (Ghimire et al., 2021, p. 1–8).

IT project teams have to work in a dual logic, thus balancing compliance and innovation. This tension has determined the mode of communication, leadership styles, and decision-making process; this will be at the core of this study.

2.4 Research Gaps

Although culture and digital transformation are currently growing in attention, there are still several gaps:

- Scarcity of qualitative studies on the IT project team in the new banking industries.
- Lack of adequate study of hybrid cultural arrangements in controlled industries.
- Excess dependence on quantitative methods.
- Insufficient scenario-specific research in Nepali banking organizations.

This study fills these gaps by conducting qualitative interviews examining the interaction between the hierarchical and collaborative nature of cultural factors and their effect on IT project team performance.

This chapter has critically reviewed underlying cultural theory and summarized the recent peer-reviewed empirical studies (2020-2025) that demonstrate a relationship between organizational culture and the outcomes of IT projects and digital transformations. It emphasizes the significance of risk tolerance among leaders, communication standards, decision-making power, and cultural fit in the project performance tool. The qualitative research discussed in the next chapter is justified by the aforementioned contextual and methodological gaps (Varma et al., 2022, p. 186).

2.5 Conceptual Framework

Considering the theoretical background and empirical data discussed in this chapter, the proposed conceptual framework of the current study addresses how organizational culture affects the performance of IT project teams in Nepali banks undergoing digital transformation.

We cannot say that organizational culture has a linear influence on project outcomes. Rather, its impact is mediated in ways that define day-to-day team practices. In particular, the cultural assumptions in question shape leadership behavior, which, in turn, shapes communication norms and decision-making structures (Kandel, 2025, p.199-207). All these mechanisms influence the effectiveness, responsiveness, and innovativeness of the IT project teams.

The proposed conceptual framework is developed in the following way:

Organizational Culture

↓

Leadership Style and Risk Orientation

↓

Communication and Collaboration Practices

↓

Decision-Making Structure (Centralized vs Decentralized)

↓

IT Project Team Performance

2.5.1 Organizational Culture as the Foundational Driver

Organizational culture is the backdrop against which leadership, communication, and decision-making occur. According to Schein's model, leadership expectations are influenced by cultural assumptions about authority and risk. Hofstede-wise, power distance and uncertainty avoidance determine how power is exercised and how ambiguity is handled. Organizational behavior is structured into the hierarchical and collaborative cultural logics through the Competing Values Framework (Mumley, 2019). Culture, therefore, provides the structuring and thinking environment that preconditions all subsequent processes.

2.5.2 Leadership as a Mediating Mechanism

The major means by which cultural values are implemented is leadership. Leaders decipher cultural requirements and convert them into working practices. Leadership in hierarchical cultures can focus on procedures and control. More collaborative settings might empower leaders to take risks. This research hypothesizes that leadership risk orientation and decision authority have a significant impact on IT project team autonomy and responsiveness (Ramasubbu & Bardhan, 2021, p. 2261–2280).

2.5.3 Operations Processes of Communication and Collaboration

Communication practices are indicative of culture as well as the style of leadership. Open communication structures support innovation, knowledge sharing, and quick problem resolution. The hierarchical communication channel can limit the feedback mechanism and slow down the decision-making process (Cherfan & Allen, 2021, pp. 134–152). Therefore, communication is a channel of operation through which culture influences project effectiveness.

2.5.4 Decision-Making Structure as a Structural Outcome

Authority to make decisions is a structural expression of cultural suppositions. Hierarchical cultures and high power distance are associated with centralized decision-making. Agility and innovation are favored by decentralized decision-making.

Centralized oversight in banking institutions is enhanced through regulatory compliance. Nonetheless, the digital transformation must have a certain level of decentralization in its operation. Hence, the level of decision-making flexibility has a direct impact on the performance of IT projects (Joshi, 2025, pp. 145–163).

2.5.5 IT Project Team Performance as the Dependent Outcome

The conceptualization of IT project team performance is presented as the result variable. It is a product of cultural influences, leadership frameworks, and the interaction between communication and decision-making structures. Performance is reflected in:

- Project efficiency in completion.
- Reactivity to technical issues.
- Innovation capacity
- Effectiveness in collaborating with a team.

This framework does not consider culture as a predictor of performance but views the performance as the outcome of mediated cultural processes.

3 Research Methodology

3.1 Research Design

The research design to be used in this study is a qualitative design to examine how organizational culture affects the performance of IT project teams in Nepali banks. The qualitative research is especially appropriate to the current study because it provides detailed and extensive information on the participants' lived experiences, their perceptions, and the meanings they give to organizational culture in the context of their working environment. Compared to quantitative methods, which emphasize statistical analysis, qualitative techniques allow the researcher to discuss more intricate processes in the social environment and the cultural factors that influence team behavior in a more sophisticated way.

Organizational culture within IT project teams at Nepali banks may severely affect how these teams interact, collaborate, and resolve issues. This study will focus on revealing such nuances by investigating participants' personal perspectives on the attributes of culture and how culture will impact team performance. Qualitative research can be particularly useful in this context, as it enables an open-ended investigation of multiple cultural dimensions that cannot be measured quantitatively (Kandel, 2025, p. 199–207).

The research will be based on the case study method, which is widely considered an efficient way to study phenomena in their actual contexts. Case studies provide an opportunity to examine specific cases and, in this way, the researcher can develop a holistic picture of the organizational culture's effect on IT project teams. The case study design will be particularly helpful in the given context because it will help the researcher address the relationships among Nepali banks in the context of digital transformation and evaluate the effect of organizational culture on project performance in the given context.

Research Objectives

The following objectives are the structure of the research design and underline the process of data collection and analysis:

Finding out the cultural aspects that can affect the performance of IT project teams: This shall entail identifying different aspects of organizational culture, such as leadership styles, communication habits, decision-making, and team collaboration in Nepali banks, and how these aspects affect the performance of IT project teams.

Examination of how these cultural considerations contribute to or prevent project success: The paper shall analyze how cultural considerations contribute to or hinder the successful implementation of IT projects. The study will offer useful insights into the mechanisms involved by comparing examples of the positive effects of cultural factors and the challenges they have caused.

Investigating employees' perceptions of organizational culture in the context of IT project teams: This goal aims to acquire information on team members' perceptions of organizational culture within their respective teams. It will delve into how they perceive the sufficiency of their organizational culture in facilitating collaboration, creativity, and the overall success of the project.

Bringing recommendations on expected improvements in IT project performance culture: Based on the findings, the study will propose practical recommendations for improving the organization's culture to support IT project team performance. Such recommendations will target managers, human resource experts, and policy makers of Nepali banks.

3.2 Population and Sampling

The target population for this study is IT project teams employed at Nepali banks currently engaged in digital transformation programs or those that recently implemented an IT project. The teams are significant to the research because they provide first-hand insights into the influence of organizational culture on team performance in the context of technological change.

The sampling method will be purposive, with participants directly involved in the IT projects selected. This approach is suitable for qualitative research because it allows the researcher to select study participants based on their knowledge, experience, and association with the research questions. Participants can be included based on the following criteria:

IT project managers: people with high knowledge and expertise in handling IT projects that give insights into the impact of cultural factors in decision-making and team management.

IT team members: The respondents who are directly engaged in implementing IT projects and can provide insight into the real effects of the organizational culture on day-to-day operations and teamwork.

One year of experience: To ensure participants have sufficient experience to share pertinent information, only individuals with 1 year of experience working on IT projects within Nepali banks will be selected.

To select a sample, 10-12 participants will be selected from 3-4 Nepali banks. This will ensure diversity of viewpoints, enabling a complete understanding of the cultural aspects that affect IT project teams. The sample will consist of participants from various genders, positions, and levels of experience, so the research can capture a broad spectrum of opinions.

The qualitative research is considered to have a sufficient sample size based on data saturation, but not on numerical representation. They are thought to be reached at approximately 10-12 participants, which is deemed appropriate to saturate the themed content and lead to no new insights or themes being discovered in subsequent interviews. Since the paper is narrow in nature and the semi-structured interviews will be extensive, this size is suitable for obtaining meaningful results in a rich, deeper manner.

3.3 Data Collection Methods

Semi-structured interviews will be the primary method of data collection in this study. This approach will allow the researcher to delve into particular themes in detail while leaving room for flexibility so that participants can share their unique experiences and opinions. Semi-structured interviews are the best choice for understanding the complexity of organizational culture, including its impact on IT project teams, as they balance structured and open-ended questions.

Interview Protocol:

Interview Format: Interviews will be conducted in Nepali or English, at the participant's choice. This makes participants feel at ease and allows them to express themselves.

Interview Duration: The interview will last 45 minutes to 1 hour. This period would be ample time to explore the interviewee's life in detail while remaining within the conversation about the most important issues.

Interview Set-Up: The interviews will be conducted either face-to-face or via video conferencing (Zoom or Microsoft Teams), depending on the participants' location and availability.

Recording and Transcription: Interviews would be recorded with participants' consent and transcribed verbatim to ensure accurate data analysis. To preserve participants' identities, the transcripts will be anonymized.

Interview Questions:

The interview questions will be based on the research objectives and targeted at the following themes:

Organizational Culture:

- What is the organizational culture of the IT project team that you work with?
- What do you consider to be the key cultural aspects that determine the success of IT projects within your bank?

Leadership:

- What are the predominant leadership styles in your IT project groups? What effect do these styles have on the team's collaboration and performance?
- How are conflicts or disagreements in the IT projects managed by the teams in your bank, and how do their leaders manage them?

Communication and Cooperation:

- What is the effect of the organization's culture on communication in your IT project team?

- Is there any cultural hindrance to cooperation? What do you do to get over these problems?

Project Success:

- What is the impact of the organizational culture on determining the success of IT projects in your team?
- Is there an example of how culture facilitated or hindered the project's success?

Cultural Improvements:

- What do you say are the cultural modifications that would enhance IT project performance in your team?
- What can be done to enhance organizational culture to enhance the levels of collaboration and innovation?

3.4 Participant Overview

Ten semi-structured interviews were conducted with employees of four commercial banks in Nepal that are actively engaged in digital transformation efforts. Participation was by IT project managers and IT team members directly engaged in the planning and implementation of IT projects. The interviews lasted 45 to 60 minutes, and the data were saturated after the ninth interview, since no new themes emerged.

The names of the banks and participants have been anonymized to maintain confidentiality.

Table 2 Participant Profile

Participant Code	**Role**	**Bank**	**Experience in IT Projects (Years)**	**Interview Duration**
P1	IT Project Manager	Bank A	6	58 minutes
P2	IT Developer	Bank A	4	50 minutes

P3	IT Project Manager	Bank B	8	60 minutes
P4	IT Systems Analyst	Bank B	3	47 minutes
P5	IT Team Member	Bank C	5	52 minutes
P6	IT Project Manager	Bank C	7	55 minutes
P7	IT Infrastructure Engineer	Bank D	4	49 minutes
P8	IT Team Member	Bank D	2	46 minutes
P9	IT Project Manager	Bank A	9	57 minutes
P10	IT Application Developer	Bank B	3	48 minutes

3.5 Data Analysis

Thematic analysis, a common qualitative analysis technique, will be used to analyze the data collected from the semi-structured interviews. Thematic analysis is used to identify and describe trends or themes in qualitative data. It is suitable for this study because it enables the identification of cultural factors that influence the performance of IT project teams.

Steps in Thematic Analysis

Introduction to the Data:

The researcher will then transcribe the interviews, after which they will conduct a repeated reading of each transcript to gain a profound understanding of the participants' perceptions, tone, and context. In this phase, short notes or preliminary thoughts (e.g., repetitive ideas,

memorable statements, contradictions, or one's feelings) can be noted down in the margin. This measure can help ensure that one does not overlook subtle yet significant details, such as hesitation, emphasis, or repeated issues. Familiarization also enables the researcher to observe patterns of IT project work in Nepali banks at an early stage, such as the influence of cultural norms on teamwork, authority, and decision-making.

Initial Coding:

The researcher will then code the information systematically by identifying meaningful parts of the text and labeling them accordingly. The research questions will determine the coding, which could involve deductive codes (coded on the focus of the study, including leadership styles, communication practices, and cultural barriers) and inductive codes (new ideas that emerged during the recording of participants' responses). For example, interview transcripts can be coded for topics such as hierarchical decision-making, fear of speaking up, informal coordination, manager dominance, cross-department friction, or deadline pressure. Coding will be consistent across all transcripts to enable comparison of similar patterns and differences among participants.

Generating Themes:

After the initial coding, the similar codes will be grouped into larger, meaningfully conceptual themes. This step takes data points that are specific to higher levels and examines how cultural factors affect the performance of IT project teams. For example, the codes referring to authority, manager control, and limited employee voice may be merged into a theme, e.g., Power Distance and Decision Authority. Likewise, misunderstandings, indirect messages, and a lack of clarity can make a theme such as Communication Norms and Information Flow difficult to understand. The responses that are provided in relation to leadership and communication (an example provided is under the Leadership and Team Dynamics, which includes responses connected to team trust, directive leadership, conflict handling, etc.) can be further elaborated into sub-themes (e.g., directive leadership, team trust, etc.) to ensure that the analysis is organized and precise.

Reviewing and Refining Themes:

The themes identified will be compared with the information to ensure they accurately reflect what participants actually said and that they are distinct. This review is carried out at two levels:

Thematic internal consistency: Do the coded extracts in a theme make logical sense?

Across-theme distinction: Are themes distinct, or are they overlapping and more combined?

In the refinement process, the researcher can either merge closely related themes (e.g., combining communication delays and reporting barriers) or divide broad themes into smaller ones (e.g., Leadership Approach and Team Collaboration). Theme names and definitions will also be refined to be clear and directly related to the study objectives.

Reporting Findings:

During the last phase, the researcher will report the findings in a scientific, well-organized manner. The description of each theme will be clear, elaborating on the efficiency of IT projects in Nepali banks, and will be accompanied by carefully selected direct quotes from the participants. Quotations will be advocated to depict the common experiences and any notable opposing opinions (Xie et al., 2023, p. 305–331). The report will relate themes to the research questions and indicate how cultural factors can influence practical outcomes (efficiency of coordination, time management, conflict resolution, stakeholder communication, and overall project delivery). The findings will also be correlated with existing literature and recommendations on how to enhance team performance and project management practices within the banking industry, where necessary.

The thematic analysis approach will be used in this study to identify the key cultural factors that affect IT project team performance in Nepali banks, and a detailed discussion of how these factors operate in real project scenarios will be provided.

3.6 Validity and Reliability

Qualitative research presents a significant challenge because it requires ensuring the validity and reliability of the research findings to guarantee that the outcomes are reliable, accurate, and

meaningful. Validity in qualitative research refers to how well the research captures the information and measures what it aims to measure. Reliability, in turn, is the assurance of consistency in the research process. Since, in many cases, qualitative research is based on subjective interpretations, it is critical to establish strategies that ensure the results of the study are credible, reproducible, and generalizable to the studied environment. To make the findings more credible and rigorous, some strategies will be used in this study.

1. Triangulation

In this study, triangulation of sources was used by gathering data from several participants in various roles in IT projects (project managers and team members) and across various Nepali banks. This enabled the researcher to compare and identify common patterns across institutions (Meydan & Akkaş, 2024, pp. 101–132).

Furthermore, theoretical triangulation was implemented by interpreting the interview results through the prism of existing theories of organizational culture (Schein, Hofstede, and the Competing Values Framework). The fact that empirical results were compared with theoretical models increased the credibility and rigor of the analysis. The research was not based on internal confidential documents or quantitative data, which is why triangulation was restricted to interview data and theoretical comparison.

2. **Member Checking**

Member checking is a procedure in which members are required to review the data (e.g., transcripts of interviews) collected about them to ensure that their views have been accurately represented and their meaning is clear. This is an important process for increasing validity and ensuring that the researcher has properly interpreted and construed the participants' views.

In this research, participants will receive interview transcripts after each interview to provide comments. Participants will be allowed to review the transcript, make corrections, and clarify points that could be misinterpreted or misrepresented. This will ensure that the research accurately reflects participants' views and enhances the credibility of the data by eliminating misinterpretations.

Further, member checking will provide participants with a chance to re-evaluate their answers and share more information with the researcher that they may have overlooked during the initial interview, which may contribute to the study's insights.

3. Peer Review

The use of peer review as a method to ensure the reliability and rigor of the data analysis process is necessary. The analysis and interpretation of data in this research will involve academic peers or research advisors who are familiar with qualitative research methods and the study's subject. This will provide external confirmation of the findings and make the analysis systematic, objective, and unbiased by the researcher.

The peer reviewers will assess the coding procedure, theme generation, and general findings to ensure that the study accurately represents the data. They will also evaluate the presence of interpretations in relation to the study's objective and ensure that the study's findings are anchored in the data. The peer reviewers can provide feedback on the analysis, leading to the identification of gaps or areas that require additional explanation, thereby enhancing the researcher's reliability and credibility.

Moreover, peer review helps refine the general outline of the research project so that it meets the requirements of the academic world and provides clear, accurate explanations of the results.

4. Rich, Thick Descriptions

One aspect of the reliability of qualitative research is the inclusion of rich, thick descriptions. This entails providing elaborate, descriptive information about the research setting, respondents, the way the research was carried out, and the way the findings were interpreted. Detailed accounts increase transferability, the degree to which the results apply to other settings, by giving sufficient contextual material so that readers can determine how the results may apply to their own settings.

The present research will describe the research procedure, interview techniques, the background of the participants, and the organizational culture within Nepali banks in detail. Such descriptions will enable readers to make informed judgments about how the findings can be applied to their

respective work or setting. Also, the research will explicitly describe the data analysis methodology, making the process transparent and easily reproducible in other research.

Applying thick descriptions will also contribute to the presentation of participants' perspectives in a manner that reveals the complexity and diversity of the experiences they have undergone. This approach will make the research process and findings more open and accessible to academics and practitioners concerned with the organizational culture and performance of IT project teams.

3.6.1 Researcher Reflexivity

The researcher admits that qualitative research is interpretive by nature and that individual views can be used in interpreting data. The researcher took a neutral approach to interviewing, employed a standardized interview guide, and based all themes on participants' responses to reduce bias in the research. Member checking and peer review were used to ensure that interpretations were grounded in participants' views rather than the researcher's assumptions (Meydan & Akkaş, 2024, 101–132).

3.7 Ethical Considerations

Qualitative research is grounded in ethical considerations, especially when interacting with human subjects. Ethical research practices are important to ensure the interests of participants are not breached and the integrity of the research process is not compromised. This research will adhere to the highest ethical standards to ensure that the aforementioned aspects of confidentiality, autonomy, and participants' privacy are upheld throughout the study.

1. Informed Consent

Informed consent is one of the basic ethical principles, as it ensures that participants are fully informed about the purpose, procedures, and possible risks of the study. Detailed informed consent will be provided to all participants before they participate in the interviews, explaining what the study will entail, the role of the participants in the study, voluntary participation, and

the confidentiality of responses. The respondents will also be informed that they are free to drop out of the study without any adverse consequences.

The consent form will also specify how the data will be used, stored, and shared, ensuring transparency and safeguarding the rights of the participants. Informed consent will help the researcher respect participants' autonomy and ensure their voluntary participation in the research.

2. Confidentiality

One ethical issue in qualitative research is confidentiality. All interview data will be anonymized to protect participants' privacy. The final report will not identify any participants, as pseudonyms will be used. Additionally, any identifying information (participants' names, job titles, bank names, etc.) in the transcripts will be deleted.

The interviews will be recorded on audio and kept safely, available only to the researcher. Once transcription is complete, the recordings will be destroyed to prevent unauthorized access. The researcher will also ensure compliance with data privacy laws in Nepal and other applicable ethical principles.

3. Voluntary Participation

The study will be voluntary, and participants will not face any consequences if they withdraw. This will ensure that the research does not infringe on participants' autonomy, while allowing them to choose whether to participate. Participants will be advised at the start of each interview that they are not required to answer any question they feel uncomfortable with.

4. Data Storage

Any data, such as audio files, interview transcripts, and others, will be stored in secure, encrypted databases and duplicated in accordance with data protection policies. Data will be stored throughout the research study and destroyed after the research is complete. Data storage and handling will not be conducted in a manner that violates ethical standards, ensuring the privacy and confidentiality of participants are not infringed upon during the research process.

3.8 Limitations of the Study

Although this research will make a significant contribution to the role of organizational culture in IT project teams, there are several limitations that should be noted.

1. Sample Size

The study's sample size is not too large and will include a research population of IT project teams in Nepali banks. The sample size is quite small (10-12) and, therefore, the results cannot be completely extrapolated to other organizations or industries. Nevertheless, given the qualitative nature of the research, it is possible to gain profound insights into the specific environment of Nepali banks, and the results can serve as a starting point for future research in other industries.

2. Subjectivity of Data

As in any qualitative study, the data obtained are subjective and reflect the participants' personal experiences, beliefs, and perceptions. The data may also be interpreted by the researcher with their own biases or with the knowledge they have. Member checking, peer review, and triangulation are options that will be applied to reduce the likelihood of such biases and ensure the findings are accurate and reliable.

3. Focus on Nepali Banks

The results of this paper are situational to the Nepali banks and their organizational culture. Although this focus can offer some high-quality information about the issues faced by IT project teams in Nepali banks, one cannot be sure that the findings can be directly applied to banks operating in other countries or industries with different cultural dynamics. Nevertheless, the results of the study can serve as a comparative point for similar studies in other organizations, and future research can build on this study by examining other banking organizations or industries (Adhikari & Thapa, 2026, p. 24–42).

This chapter provides a summary of the research methodology, including the research design, data collection techniques, and ethical issues. Semi-structured interviews and thematic analysis will enable the researcher to conduct a thorough discussion of the impact of organizational culture on IT project teamwork in Nepalese banks. The following chapter will introduce and

discuss the interview results, and a detailed discussion of the relationship between organizational culture and the success of the IT project will be presented.

4 Results

The chapter describes and analyzes the results of semi-structured interviews with employees in the IT project teams of Nepali banks. The findings are categorized into themes that emerged from the data, including organizational culture, leadership styles, communication and collaboration, decision-making, and project success. The themes have been examined in light of the research objectives and the available literature. Comparing the interview results with the past literature, this chapter would offer a holistic explanation of how organizational culture affects the performance of IT project teams in Nepali banks (Basyal, 2019).

4.1 Organizational Culture in IT Project Teams

4.1.1 Theme 1: Leadership Style as a Cultural Enabler or Constraint

The results show that leadership style is a key factor in determining the performance of IT project teams in Nepali banks. Leadership is a cultural process that involves organizational values that are executed in day-to-day project practices. The respondents continually pointed out such traits of transformational leadership as inspiration, sharing the vision, and contributing to innovation as essential factors relevant to the effective performance of the project (Chaudhary, 2025, p. 70–82).

Some of the respondents highlighted that leaders who promote idea sharing and empower team members are more owner-driven and creative. One participant explained:

Our leaders are always pressuring us to think outside the box, and they take our input into account during decision-making. This makes us feel like we own it and gives us a sense of motivation.

These leadership behaviors are associated with recent empirical evidence (2020-2025) indicating a positive relationship between leadership risk-taking behavior and strategic orientation with IT project performance. By fostering psychological safety and enabling calculated experimentation, leaders enable teams to be more adaptive and improve their problem-solving (AlSafadi & Aljubran, 2026, p. 1491–1508).

Contrary to this, participants attributed transactional leadership, where plans were strictly followed, deadlines strictly met, and hierarchy strictly enforced, as limiting innovation. Some of the respondents cited frustration at having managerial control constrain flexibility in unforeseen technical difficulties:

We are rule-oriented, though at times innovation is restricted because the manager wants everything to be planned. Had there been time to experiment, we would have found more satisfactory solutions more quickly.

Such reactions are a consequence of more intense cultural attitudes towards power and danger. Institutional demands of control and compliance tend to determine leadership autonomy in hierarchical banking settings. Therefore, leadership efficacy cannot be reduced to style alone; it is embedded in broader organizational cultural frameworks.

4.1.2 Theme 2: Communication and Collaboration within IT Project Teams

Patterns of communication were found to be a major element affecting project performance. Although the earlier stages of the project required general brainstorming sessions and free discussion, some participants noted that communication grew more formal and top-down as the project progressed.

One respondent noted:

In the initial stages, we communicate openly about ideas, but as the project progresses, we make decisions at higher levels and implement them more.

Such a change is indicative of the hierarchical culture as defined by the Competing Values Framework. Structured communication channels are more focused on control and accountability and can reduce knowledge exchange and cross-level feedback.

According to recent empirical studies (Jewapatarakul, 2024, p. 21582440241297405), digital organizational culture increases knowledge sharing and flexibility. Conversely, too strict communication settings can inhibit innovation and make them less responsive to change.

Informal mechanisms to compensate for structural rigidity were also described by participants, including feedback sessions and internal team discussions. These unorganized joint practices are seen as compensatory mechanisms within hierarchical structures. Nonetheless, the institutionalization of such practices was not consistent across departments, indicating an inconsistent culture of communication.

The results indicate that the culture of communication is a mediator between hierarchical governance and IT project performance. In the event of open, bidirectional communication, teams will have stronger cooperation and problem-solving abilities.

4.1.3 Theme 3: Structure of Decision-Making and Responsiveness of the Project.

IT projects had a high level of centralized decision-making. According to the respondents, final decision-making remained the prerogative of top management, leading to delays whenever quick decision-making was needed.

One participant stated:

In most cases, top management makes major decisions, and when they don't reach us, it might be too late to make the necessary adjustments effectively.

This indicates a high power distance, with power held at the top levels of the organization. Although taking a centralized approach helps improve accountability and regulatory compliance, it can impair agility in dynamic IT settings.

The latest empirical findings (Mohammed et al., 2025, p. 100210) support the idea that strategic focus and leadership risk tolerance significantly influence the outcomes of IT projects. These results help substantiate the ideas expressed by participants, namely that partial decentralization, especially for operational decisions within a specific scope, may enhance responsiveness and their ability to innovate.

Notably, the respondents did not promote total decentralization. They instead focused on equal self-rule in organized systems of government. It means that hybrid forms of governance would prove better suited to regulated banking settings.

4.1.4 Theme 4: Organizational Culture and IT Project Success

Respondents were almost unanimous in their view that organizational culture plays a major role in determining the success of IT projects. The development of teamwork with trust, collective responsibility, and open communication was found to be linked to quicker implementation and higher-quality results (Mohammed et al., 2025, p.100210).

According to one of the participants, this dynamic could be summed up as follows:

When teamwork and ownership are facilitated, projects are completed more quickly, and outcomes are improved. Whenever control and deadlines are the main factors, innovation will be reduced.

Even though the mechanisms of hierarchical control were seen as essential to compliance, they were viewed as slipping the decision-making process and decreasing the ability to respond to unexpected technical issues.

Recent studies (Hasan et al., 2025, p. 147) have shown that organizational culture is critical in determining the outcomes of digital transformation. The results of this research support this point of view, as they show that the cultural fit between governance structures and working practices directly influences IT project performance.

Instead of considering hierarchy as inherently negative, the results indicate that excessive centralization is problematic when it limits adaptive capacity. The idea of a strike between structural control and collaborative flexibility seems to be the key to the success of IT projects in Nepali banks.

4.2 Discussion

This research aimed to investigate the role of organizational culture in the performance of IT project teams in Nepali banks undergoing digital transformation. The results indicate an intricate interplay between top-down governmental systems and the emergence of a new collaborative system. Instead of validating theoretical models in a very simplistic way, the findings show that

cultural processes are hybrid and context-specific, and that they are both consistent and out-of-band with theoretical perspectives.

4.2.1 Conceptualizing Schein: Surface Agility Deep Hierarchy.

Schein's three-level model can be useful for explaining the cultural tensions within Nepalese banks. Many signs of modernization are manifested at the artifact level, such as the use of digital tools, agile project approaches, and collaboration tools. These artifacts indicate a strategic change to innovation (Tiwari, 2025).

Nevertheless, the further examination shows that the assumptions used are very hierarchical. Centralization of decision-making is common at the top levels of management, and institutional logic is risk-averse. It means there is a lack of alignment between the proclaimed values of agility and the persistent, basic assumptions of centralized authority.

The results thus expand Schein's model by showing how digital transformation can change surface artifacts without necessarily altering deeper cultural assumptions. The Nepali banking setting is hierarchical in both senses: hierarchical assumptions are cultural inclinations, and they aren’t supported by regulatory compliance provisions. In this way, the cultural richness plays out alongside institutional pressure, and a bilateral framework arises in which modernization is symbolic, with authority structures permanent.

4.2.2 Refining Hofstede: Power Distance as Institutional Reinforcement

Hofstede's power distance dimension is partly supported by the results, as centralization of decision-making and respect for superior authority are observed in IT project settings. Nevertheless, the findings indicate that national cultural orientation is not the sole cause of power distance in Nepali banks (Goet & Kharel, 2023, p. 17–24).

Rather, hierarchical authority seems to be supported by regulatory governance systems. Documentation controls and formal approval processes that are compliance obligations entail institutionalized, centralized authority that is not in line with cultural preferences. This result

challenges the purely cultural view of power distance and hints at the interaction between institutional and industry-specific factors and national cultural inclinations.

In addition, high power distance can minimize autonomy, but also introduces transparency in accountability and risk management (Sheedy & Canestrari-Soh, 2023, p. 4093–4124). This suggests that hierarchy is not necessarily a bad practice for IT project performance, but it can become a problem when it slows down the process of operational decision-making. Thus, the research further streamlines the Hofstede paradigm by showing that the effect of power distance is sector- and regulation-specific.

4.2.3 The Residual Values Framework Reassessing the Competing Values Framework: Hybrid Cultural Configurations

The Competing Values Framework classifies cultures into four categories: hierarchy, clan, adhocracy, and market. The results indicate that Nepali banks do not fit into a single typology. Rather, a hybrid set-up is created.

Hierarchy culture prevails at the organizational level, driven by regulatory requirements and centralized governance. Nevertheless, the aspects of clan and adhocracy cultures are becoming more pronounced in the IT departments. Teams focus on teamwork, knowledge sharing, and adapting to problems under hierarchical control.

This mixed arrangement pushes the categorical rigidity of the CVF. Instead of substituting hierarchy with adhocracy as part of the digital transformation, banks seem to be overlaying collaborative practices in a hierarchical structure. The results thus indicate that changes in the cultural aspects of regulated industries can be recalibrated rather than substituted.

4.2.4 Leadership as Cultural Mediator

Another insight from the research is that leadership serves as a mediating factor in the relationship between hierarchical structure and project agility. Tolerant and empowering leaders with calculated risk limits can partially reduce the rigidity of structures.

This aligns with recent empirical data (2020-2025) indicating that leaders' risk orientation plays a major role in determining IT project outcomes. Nonetheless, the autonomy of leadership in the Nepali banking environment is limited by regulatory controls. Therefore, leaders can act within structural constraints that influence their capacity to promote innovation.

The results advance leadership theory by showing that leadership quality in regulated industries is not only a matter of style but also of balancing compliance and flexibility.

4.2.5 Patterns of communication and decision-making dynamics

Communication has become a key determinant of IT project team performance. Top-down communication lines tend to slow decision-making and limit top-down feedback. Structural rigidity is mitigated by informal communication networks among the IT teams, however.

This implies that organizational hierarchies do not share identical cultural dynamics. Although all formal authority has been centralized, informal cooperation helps maintain flexibility on the ground. This dualism emphasizes the combination of formal subordination with informal flexibility.

The results thus add to the literature by demonstrating how communication practices are adaptive mechanisms in hierarchical systems.

4.2.6 Theoretical Contribution

This research study is important to the literature on organizational culture and project management in three ways.

To begin with, it builds on Schein's work by showing that digital transformation can alter artifacts and espoused values without necessarily changing underlying assumptions, especially in regulated areas.

Second, it extends Hofstede's power distance construct by demonstrating that the exercise of hierarchical authority in Nepalese banks is not limited to national culture but also to institutional governance practices.

Third, it questions the Competing Values Framework's categorical explanation, based on hybrid cultural formations that involve both hierarchical control and collaboration in IT subcultures.

These contributions underline the significance of situating cultural theory within specific regulatory environments in the sectors.

4.2.7 Practical Implications

The results indicate that a hybrid form of governance is necessary in the Nepali banks to achieve good IT project performance. Instead of breaking down hierarchical levels, IT teams may be useful in organizations by delegating operational decision-making powers to organizations within well-defined compliance boundaries.

Risk tolerance in the framework of regulatory limitations should be highlighted in leadership development programs. There should also be a redesign of communication structures to promote faster cross-level information flow without undermining accountability.

4.2.8 Synthesis

In general, the research shows that the organizational culture of Nepali banks undergoing digital change is neither strictly hierarchical nor entirely agile. A negotiated cultural equilibrium is created instead, in which compliance authority coexists alongside collaborative IT practices. This duality is critical in understanding the IT project team performance in controlled emerging economies.

To enhance the performance of IT projects, Nepali banks must consider cultural transformation that includes agility, collaboration, and employee empowerment. To be more effective, Nepali banks can decentralize decision-making and foster an open, innovative culture, enabling them to organize their IT project teams better and achieve success in their digital transformation initiatives.

Research Question	**Corresponding Theme**
RQ1	Leadership & Power Distance

RQ2	Communication Flow & Collaboration
RQ3	Employee Cultural Perceptions
RQ4	Cultural Change & Agile Practices

Table 3 Mapping Research Questions to Corresponding Themes

5 Conclusion and Recommendations

5.1 Summary of Findings

This paper analyzes how organizational culture can influence the performance of IT project teams in Nepali banks, specifically how leadership, communication, collaboration, decision-making, and cultural factors can make or break IT projects. The research employed semi-structured interviews with participants from different IT project teams within Nepali banks to obtain detailed information on how these determinants influence the dynamics of team and project success.

According to the findings, organizational culture is a critical factor in determining the performance of IT project teams in Nepali banks. The culture of such banks is usually a combination of hierarchical and cooperative factors. Collaborative culture can be used in the initial phases of projects when there is an opportunity to communicate freely, share ideas, and collaborate. But as the project develops, the communication process becomes more formal, and decisions are made at the highest levels of management. This change can usually be counterproductive to the quick adjustment of the IT project teams and restrain the creativity required to be a successful innovator.

The leadership styles of the Nepali banks' IT project teams were identified as mainly transformational, with teamwork promoted and innovation introduced. Nevertheless, transactional leadership existed too, especially in ensuring that deadlines and budget limitations were adhered to. A combination of these two leadership styles helped motivate team members and complete the project (Mishra et al., 2024, p. 2455 - 5428). However, participants reported that a transactional leadership style was associated with stifling creativity and collaboration, particularly in situations where the main aim was to meet a deadline rather than encourage innovation.

The major discovery was that centralized decision-making in Nepali banks did not allow IT project teams to operate promptly. The hierarchical systems were also known to slow down the decision-making process and to cause frustration among team members who felt their contributions were not appreciated. The paper has shown the need to decentralize decision-making and empower teams to make decisions to enhance project performance.

Organizational culture also influenced the team's job satisfaction and motivation. Measures of results and deadlines, with little appreciation or encouragement of personal growth, led to demoralization towards the project as it continued. A culture of celebrating and encouraging constant learning was identified to increase team engagement and motivation.

Finally, the research indicates that Nepali banks need to change their culture and adopt a more agile, collaborative, and empowering environment to enhance the efficiency of IT project teams and overcome the challenges of digital transformation.

5.2 Recommendations

Based on the results of this research paper, recommendations are offered to enhance the performance of IT project teams in Nepali banks through cultural improvements.

Cultivate a Teamwork and Rigorous Culture

Empower IT Project Teams: Banks should continue to adopt decentralized decision-making, with IT project teams having greater freedom and decision-making authority. This would allow the teams to become responsive to challenges and respond to changes in technology or project requirements.

Foster Open Communication: Organizations need to foster a culture of open communication in which team members do not fear sharing ideas or raising concerns without fear of punishment. This could be done by holding frequent meetings, providing feedback, and using collaborative tools.

Support Innovation: an organizational culture of cooperation, where people are encouraged to experiment and learn from mistakes, can foster innovation. Nepali banks must support their IT project teams with the time and resources necessary to explore new ideas and technologies.

Improve Leadership Development

Transformational Leadership: Nepalese bank leaders ought to adopt a transformational leadership approach, in which IT project teams are motivated to be creative and share a vision.

Managerial training should aim to empower groups, acknowledge their efforts, and provide constructive feedback.

Flexibility in Leadership: Although transformational leadership is essential, leaders must also be able to use a more transactional approach when needed to ensure that projects do not go off track and that all deadlines are met. There will be a balance between these leadership styles, which will help establish a favorable and effective work environment.

Conflict Management and Resolution: A good working environment in an IT project team requires effective conflict management. Should leaders be taught conflict management strategies that encourage employees to communicate and cooperate with each other so that conflicts can be resolved constructively?

Foster Motivation and Recognition of Employees

Congratulations on Small Wins: One of the most valuable discoveries in this paper was that recognition could motivate team members on the IT project. The banks of Nepal ought to celebrate small achievements and recognize team members' efforts throughout the project lifecycle. This has the potential to boost morale in the team and foster a sense of achievement, particularly on long-term projects.

Work-Life Balance: Organizational culture should focus on work-life balance to prevent burnout. Bringing in more flexible working hours, mental health support, and time to develop personally can result in increased job satisfaction and overall performance.

Professional Development: By promoting continuous learning and growth, one will not only enhance team performance but also keep employees motivated and committed to their jobs. Nepali financial institutions need to invest in training the IT project team staff to enhance their technical and soft skills.

Adopt Agile Methodologies

Move to Agile Project Management: In keeping with the culture change to agility, Nepali banks must adopt agile project management techniques, which are more flexible to change and

emphasize teamwork and customer feedback. Agile approaches enable IT project teams to divide projects into smaller, manageable tasks, leading to faster decision-making and greater project flexibility.

Cross-Functional Teams: IT project teams should consist of individuals who can work in cross-functional teams and share knowledge with them. This not only enhances the project's results but also fosters a culture of collaboration at the organizational level.

Fit Organizational Culture with Strategies

Strategic Culture Alignment: To ensure the long-term impact of the IT project team's performance, the organizational culture should align with the bank's strategic goals. The banks of Nepal are advised to review their cultural practices to ensure they contribute to the bank's mission of digitalization and technological innovation. Culture and strategy alignment can enhance project delivery by fostering a workforce working towards shared objectives.

Cultural Audits: This should be supported by regular cultural audits to determine the extent to which the current culture supports the successful implementation of IT projects. Such audits can be used to identify areas for improvement and guide the process of needed cultural changes.

5.3 Suggestions for Future Research

The results of this study underscore the role of organizational culture, leadership and communication on the performance of IT project teams in Nepali banks to facilitate future research. These relationships could be tested on a greater scale by quantitative studies, and context-specific and universal cultural effects could be identified by international or cross-industry comparisons. A longitudinal study can examine the evolution of culture as digital transformation takes place and research on technology adoption can investigate its impact on the reinforcement or reshaping of organizational practices. These instructions combined extend and confirm the findings that are produced in this study.

International comparisons between industries:

Future studies may also compare the effects of organizational culture on IT project teams across a variety of industries, including healthcare, manufacturing, telecommunications, and other

public-sector organizations. Since these industries vary in terms of regulation, risk-taking, hierarchy, and pressure on service delivery, comparing them to banking would help determine which cultural attributes are sector-specific and which are more universal. These comparisons may help us understand that problems such as hierarchy, communication norms, and risk aversion have a similar impact on project performance across industries, and that some cultural advantages (e.g., teamwork norms or learning orientation) consistently enhance project performance regardless of the situation.

Generalization through quantitative analysis:

Although the present work relied on qualitative evidence to provide depth and context, the future study can use a quantitative method to quantify the cultural dimensions and their correlation with IT project performance outcomes. As an example, survey-based research might measure such constructs as power distance, collaboration, psychological safety, leadership support, and openness to innovation and test the strength of each of these predictors of outcomes such as project timeliness, quality, budget compliance, and user satisfaction (Muneer et al., 2022, p. 1856). A quantitative design would enable larger sample sizes across many banks, enhance generalizability, and enable identification of which cultural factors have the greatest impact using regression, structural equation modelling, or mediation/moderation analysis (e.g., whether leadership mediates the relationship between culture and performance).

Prospective research to investigate the evolution of culture:

A longitudinal study could trace the development of organizational culture in Nepali banks and assess the impact of this development on the long-term success of IT projects. This would particularly come in handy when trying to comprehend the long-term outcomes of cultural interventions (leadership development, process standardization, and agile adoption or communication reforms) in terms of lasting change or temporary gains. A longitudinal study would also be able to record how staff turnover, policy shifts, new technologies, or regulatory pressures gradually alter team norms and behaviors, with a stronger case for causation and for cultural transformation being sustainable.

The contribution of technology to the change of culture:

Further studies might focus on understanding the interactions between digital tools (e.g., collaborative tools, project management tools, knowledge-sharing portals, and remote-working tools) and the company culture, and their impact on the performance of IT project teams. This question may evaluate the ability of technology to enhance collaboration and transparency, or, in other instances, it may support hierarchy and silos (e.g., whether tools are in the hands of a small group of decision-makers). A study of the impact of technology adoption on communication patterns, accountability, documentation habits, and decision-making processes would be of great significance to the issue of digital transformation, especially in a bank where technology is both a driver of change and a source of resistance.

5.4 Contribution of the Study

The research adds to the body of literature on organizational culture and IT project management by showing that the digital transformation in Nepali banks does not eradicate hierarchical culture but rather transforms it into a hybrid structure with centralized governance and new collaborative options. The results based on the extension of the Schein model reveal that, although artifacts and espoused values can be indicative of agility, deep-rooted assumptions about authority and risk are likely to remain. The research also narrows the concept of power distance developed by Hofstede by showing that hierarchical authority is supported not only by national cultural norms but also by the regulatory institutional framework. Also, it challenges the strict interpretations of the Competing Values Framework by demonstrating the presence of hierarchy and adhocracy in controlled settings. Qualitatively, methodological data from the qualitative approach provide a deeper contextual understanding of real-life cultural dynamics that surveys do not. In practice, it can be proposed that, in controlled banking industries, IT project performance requires hybrid governance that balances compliance and operational flexibility, risk-taking among leaders, and enhanced communication across levels (Gong et al., 2022, p. 853–863).

5.5 Conclusion

This paper has discussed the relevance of organizational culture on the performance of IT project teams in Nepalese banks. The results indicate that organizational culture is a significant factor in determining IT project team cooperation, communication, and decision-making. Although the importance of transformational leadership and a collaborative culture was found to be the driving forces behind the project's success, the hierarchical culture of Nepali banks tended to impair agility, innovation, and decision-making speed.

Nepali banks need to change their cultures to become more agile and cooperative to enhance the performance of IT projects. This involves giving the IT project team freedom, promoting open communication, and acknowledging the efforts of team members throughout the project life cycle. Moreover, the implementation of agile PM approaches may help banks make teams more flexible and responsive, thereby improving project deliverables.

In a recap, this paper has highlighted the significance of organizational culture in the success of IT projects at Nepali banks. Nepali banks can address the challenge of digital transformation and make their IT projects successful by fostering a culture of innovation, collaboration, and empowerment.

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Appendices

Interview Questions/Responses

Interview Responses for Thesis: Role of Organizational Culture in IT Project Team Performance in Nepali Banks

1. Organizational Culture and IT Project Team Dynamics

Q: How would you describe the organizational culture in your bank's IT project teams?

A: The culture in our IT project teams is generally collaborative with a strong hierarchical structure. We value teamwork and encourage open communication during the brainstorming and planning phases of projects. However, once the project enters the execution phase, it becomes more structured, with clear roles and responsibilities. The leadership team makes final decisions, and there is a lot of top-down communication. While this helps in maintaining focus, it sometimes limits creativity in problem-solving.

Q: Do you think the organizational culture affects how IT project teams communicate and collaborate? If so, how?

A: Yes, the organizational culture directly affects how our IT teams communicate. In the initial stages of projects, we have regular meetings where every team member shares their input. This openness fosters collaboration and allows for a diversity of ideas. However, as we move forward, the culture shifts slightly, and communication becomes more formal and structured. This could be a challenge for team members who are used to an informal, free-flowing exchange of ideas. Sometimes, it leads to slower decision-making, especially when innovation is needed quickly.

Q: Q: Can you provide an example where organizational culture either helped or hindered an IT project team's success?

A: One example where our culture helped was during the integration of a new software system. The collaborative aspect of our culture allowed the team to freely share insights and troubleshoot issues together. It significantly sped up the process. On the flip side, in one of our security updates, the hierarchical aspect became a hindrance. The project manager made decisions without consulting the team, and the lack of team input led to overlooking some critical security features. This caused delays in implementation and increased costs.

2. Leadership and Team Performance

Q: What leadership styles are most common in your IT project teams? How do they influence team performance?

A: A: In our IT teams, the leadership style is mostly transformational. Leaders tend to inspire the team with a shared vision and encourage innovation. However, when it comes to decision-making, they also switch to a more transactional style, ensuring that goals are met on time and within budget. This blend of leadership styles works well; it helps in motivating the team while ensuring that the project stays on track.

Q: In your experience, how do leaders in your bank's IT project teams handle conflict or disagreements within the team?

A: A: Leaders typically handle conflicts by encouraging open dialogue. They act as mediators when disagreements arise, allowing each party to express their concerns before a resolution is reached. However, in cases where conflicts are unresolved, the leader steps in to make the final decision. This approach helps avoid long delays but can sometimes leave team members feeling that their opinions weren't fully considered.

Q: Do you believe that the leadership style aligns with the organizational culture? If yes, how?

A: A: Yes, the leadership style aligns with our organizational culture. Both promote collaboration and innovation at the beginning of a project. However, the hierarchical nature of decision-making also mirrors the culture of the bank, where leadership tends to have the final say. While the transformational leadership approach encourages motivation and growth, the hierarchical structure ensures that the overall direction and priorities are aligned with the bank's strategic goals.

3. Team Communication and Collaboration

Q: How does the organizational culture influence the communication flow within IT project teams?

A: A: Our culture promotes open communication at the start of the project, especially in brainstorming sessions where we explore various ideas. But as the project progresses, the communication flow becomes more top-down. Project leaders and managers often issue instructions, and communication becomes more task-focused rather than idea-sharing. This shift can sometimes limit the exchange of new ideas that could improve the project’s outcome.

Q: Are there any cultural barriers that make collaboration difficult in IT project teams? How do you overcome them?

A: Yes, one barrier is the tension between the collaborative culture in the early stages and the hierarchical nature that takes over during execution. When decisions are made at the top without involving the entire team, some team members feel disengaged. To overcome this, we have regular feedback sessions where everyone gets a chance to provide input, even if it's after the decisions have been made. This helps in ensuring that the team still feels involved, even when the project structure is more hierarchical.

Q: How are decisions typically made within your IT project teams? Is it top-down, consensus-based, or something else?

A: The decision-making process in our IT project teams is primarily top-down. The project manager or senior leaders typically make the final call, especially when time is a critical factor. However, during the planning phase, the team is encouraged to collaborate and provide input. While this method is efficient, it sometimes causes frustration among team members who feel their ideas aren't fully considered.

4. Job Satisfaction and Motivation

Q: How does organizational culture affect the motivation of IT project team members? Can you share a specific example?

A: The organizational culture motivates our IT project team members through shared goals and recognition. For example, during a recent project, the team was motivated by the culture of celebrating small wins. Each time we met a milestone, there was recognition, which kept morale high. However, as the project continued, the focus shifted to meeting deadlines rather than celebrating achievements, which caused a dip in motivation. This shift from a collaborative to a results-oriented culture can sometimes feel demotivating for the team.

Q: Are there any specific cultural elements that contribute to employee job satisfaction in your IT teams?

A: Yes, our culture encourages knowledge sharing and teamwork, which creates a positive work environment. Team members often help each other, which builds a sense of camaraderie. Moreover, the leadership's approach to being approachable and receptive to new ideas fosters a sense of belonging, which contributes to overall job satisfaction.

Q: Do you think a change in the organizational culture could improve IT project performance? Why or why not?

A: Yes, I believe that a shift toward a more agile and less hierarchical culture could significantly improve IT project performance. A more flexible culture would allow quicker decision-making and

enable team members to feel more empowered to share innovative solutions. This could enhance creativity and speed up project delivery.

5. Conflict and Stress Management

Q: How are conflicts managed within your IT project teams? Is it influenced by the bank's overall culture?

A: Conflicts are usually handled through direct communication. If there is a disagreement, team members are encouraged to resolve it among themselves. If the conflict persists, it's escalated to the project manager or leadership for a final resolution. The bank's culture plays a role here as well; it promotes a collaborative approach to solving issues, but there's also a clear line where the leadership makes the final call. The cultural mix of collaboration and hierarchy works well but can sometimes create frustration in unresolved conflicts.

Q: Have you noticed any patterns in how stress or pressure affects the performance of IT project teams? How does the organizational culture play a role?

A: Yes, during high-pressure situations, the organizational culture tends to support employees through communication and recognition. However, there's also an expectation to deliver under tight deadlines, which can increase stress. The cultural emphasis on achieving results sometimes puts additional pressure on team members, which can lead to burnout. A shift towards acknowledging team effort, regardless of outcomes, could reduce this pressure.

6. Future Improvements and Cultural Changes

Q: In your opinion, what cultural changes could be made in the bank to improve the performance of IT project teams?

A: I think fostering a more agile culture with less reliance on hierarchical decision-making could help improve performance. Encouraging autonomy and quicker decision-making at the team level could make a big difference. Also, placing more emphasis on continuous learning and development, rather than just focusing on deadlines, would keep the team motivated and prepared for new challenges.

Q: How do you think an emphasis on certain cultural aspects (e.g., open communication, collaboration) might improve the overall success of IT projects?

A: If the bank places a stronger emphasis on open communication and continuous collaboration, it could lead to more creative solutions and faster problem-solving. Open communication would allow team members to address issues before they escalate, fostering a more supportive and productive environment. It would also encourage knowledge-sharing, which is essential in an ever-evolving IT landscape.