

The Erosion of Organizational Identity in Hybrid Work Environments

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Abstract—The widespread transition to hybrid work environments has caused a structural erosion of traditional collective culture and organizational identity (OI). This study examines organizational identification among Generation Z and investigates how senior leadership's behavioral consistency affects long-term career commitment. Employing a quantitative mixed-methods design, data were gathered via a structured questionnaire from a purposive sample of 30 working Gen Z individuals. The study statistically analyzes the predictive relationship between Senior Leadership Modeling (IV) and the composite employee Career Commitment Score (DV) using linear regression. Empirical results reveal that executive behavioral integrity is a highly significant predictor ($p = 0.0127$), explaining 20.22% of the total variance in Gen Z's multi-year retention and workplace pride within hybrid ecosystems. By proving that leadership authenticity acts as a vital structural substitute for physical culture anchors, this research isolates executive transparency as a critical determinant of voluntary turnover. Ultimately, it provides actionable insights for human resource managers seeking to design authentic corporate environments that successfully retain early-career talent in hybrid landscapes.

Index Terms—Organizational Identity, Hybrid Work, Generation Z, Senior Leadership Modeling, Career Commitment, Employee Retention.

I. INTRODUCTION

Organizational Identity is a shared, collective understanding among members of 'who we are as an organization'. It consists of certain values, beliefs, and a mission that set the organization apart from others. It can also be referred to as the extent to which employees define themselves in terms of their organizational memberships. Research has shown that employees who identify with their organizations

usually make stronger contributions and perform better in the workplace.

When leaders and employees have a clear grasp of organizational identity, alignment follows. Employees who understand their organization's purpose are more likely to feel a sense of belonging and pride in their work. This clarity drives motivation and enables everyone to work towards shared goals. Failing to understand organizational identity can result in confusion and misalignment. Employees may feel disconnected, and decision-making becomes inconsistent.

One of the myths about organizations is that they are standalone entities that somehow separate the people from them. In reality, people develop a collective identity when they work together toward common goals. Institutions that provide a framework for this dynamic have an opportunity to build a strong, cohesive organizational identity in which the establishment and its people can thrive.

Organizational Identity is the high-level, shared perspective of an institution's purpose, values, and culture. It is the science behind why employees behave the way they do and how they do it, and the code of ethics that guides behavior among every member of the organization.

The gap between organizational goals and actions stems mainly from a lack of understanding of organizational identity. When people are clear about the organization's purpose, values, and desired culture, it is easier for them to work together to address issues or changes in the ecosystem.

It is significant, and we see that the value system of younger millennials and GEN Z is emerging. These organizations prioritize their values and choose where and when they work. In an evolving workplace environment, many organizations conduct business across all geographies, cultures, and identities. So, it is

critical that institutions intentionally develop and nurture strong, healthy, and positive organizational identities and stick to them in order to build a culture of trust with employees, partners, customers, and the world around them.

II. LITERATURE REVIEW

Organizational identity defined fundamentally as an organization's central, distinctive, and enduring character (Albert & Whetten, 1985) serves as the cognitive and emotional glue that binds employees to their collective enterprise.

While hybrid models offer unprecedented flexibility, a growing body of organizational literature warns of a critical side effect: the erosion of organizational identity and collective culture (Kishor, 2025; Sidor-Rzadkowska, 2026). This review synthesizes current academic insights regarding the mechanisms driving this erosion and the strategic responses required to rebuild identification in virtualized contexts.

Physical headquarters do not merely house operational tasks; they act as a "symbolic anchor" for professional and collective identity (Grönkvist, 2021). The office environment serves as a visual manifestation of organizational values, status, and culture. Under involuntary or extended remote conditions, losing access to this physical anchor compromises an organization's capacity to leverage its unique culture for employee retention and alignment (Grönkvist, 2021). Leaders can actively transform identity disruption into a constructive process. By demonstrating intentional identity leadership where managers purposefully construct, represent, and champion a shared group identity teams are guided away from feelings of alienation and toward shared identity gains (Lupina-Wegener, 2026).

Flexible working preferences, smart working practices, self-discipline, and leadership roles and expectations emerge as enablers of remote working among participants (Olatunji, Toyin, Opeoluwa, 2022).

According to McKinsey's (2022) studies, hybrid work involves a conscious shift in communication conventions. A lack of spontaneous collaboration and trust-building has been associated with asynchronous communication, overdependency on online tools, and a low level of in-person encounters.

Subsequent research (Gartner, 2021) found that hybrid models can maintain or even enhance productivity compared to traditional office models when properly implemented. Manjula and Madhu (2025) find that while hybrid models drive growth through productivity and cost savings, organizations must actively manage challenges in collaboration, culture, and remote leadership to sustain a high-performing workforce.

Initiatives by Indian companies to combat erosion of organizational identity amidst hybrid work environments

Indian companies preserve their organizational identity in hybrid work environments by redesigning physical spaces into collaborative "innovation pods", establishing virtual culture rituals, implementing "anchor days", and shifting to outcome-focused performance metrics. These structured efforts ensure that company values and mentorship remain intact across dispersed teams.

Leading corporations in India are implementing highly specific, localized measures to maintain team cohesion and corporate identity:

- "Anchor Days" vs. Mandatory Rhythms: Rather than demanding arbitrary in-office days, firms like Infosys and Flipkart utilize "anchor days". Employees come in simultaneously a few times a month, specifically to focus on brainstorming, cultural rituals, and brainstorming sessions.
- Virtual Culture Rituals: To bridge the remote gap, companies have translated traditional watercooler chats into digital spaces. For example, Wipro has instituted "Friday Chai Rooms", while Razorpay utilizes specific Slack channels like "Meme Monday".
- Purpose-Driven Workspace Makeovers: The physical office has transformed into a collaboration hub rather than a default desk-farm. HDFC Bank, for instance, has redesigned its branches into "innovation pods" to make in-office days feel distinct and culturally relevant.
- Mentorship-as-a-Service: To ensure foundational values are passed to newer talent, Tata Consultancy Services (TCS) uses a "buddy-bond" system that pairs new hires with both a peer and a senior mentor.
- Outcome-Oriented Frameworks: Many Indian firms are abandoning traditional visibility-based

assessments in favor of Objective and Key Results (OKRs) to evaluate performance, promoting a culture of trust and empowerment.

- **Equitable Inclusivity:** Organizations like Asian Paints use live streaming for hybrid town halls, backed by active chat participation so remote staff feel equally represented in major company announcements.

III. RESEARCH METHODOLOGY

1. Research Design

The study examines how senior leadership's alignment with a company's stated organizational identity affects the psychological contract and subsequent career commitment of Gen Z employees in hybrid work environments. To systematically evaluate this dynamic, the operational framework isolates the following variables:

- **Independent Variable (IV):** Senior Leadership Modeling measured as a continuous metric reflecting the extent to which executive management behaviorally models the corporate values they preach.
- **Dependent Variable (DV):** Career Commitment Score measured as a composite scale aggregating three primary dimensions of organizational attachment: alignment with the corporate mission statement, personal workplace pride, and an employee's expressed intent to stay with their current employer for more than two years.

2. Research Objective

To evaluate the predictive impact of senior leadership value modeling on Gen Z employee career commitment within hybrid working environments.

3. Population And Sample Design

a. Target Population

Generation Z employees (typically born between 1997 and 2012, ages 18–28) are currently active in the workforce.

b. Sampling Technique and Sample Size

Purposive / Convenience Sampling. 30 respondents will be filtered to ensure they identify as Gen Z and are currently working (in corporate, public sector, freelance, or intern roles).

4. Research Hypotheses

To statistically evaluate the relationship between the identity gap and employee retention, the following hypotheses will be tested:

- **Null Hypothesis (H₀):** Senior leadership modeling corporate values has no predictive effect on an employee's long-term Career Commitment Score.
- **Alternative Hypothesis (H₁):** Senior leadership modeling corporate values is a significant positive predictor of an employee's long-term Career Commitment Score.

5. Data Collection Method

A structured Google Forms Questionnaire divided into demographic profiling, expectations, reality matching, commitment metrics, and open-ended feedback.

IV. RESULTS AND DATA ANALYSIS

1. Descriptive Statistics

Table 1: Demographic Profile of Respondents

Demographic Variable	Category	Frequency (N)	Percentage (%)
Age Distribution	18–21 Years	12	40.0%
	22–24 Years	10	33.3%
	25–28 Years	8	26.7%
Current Occupation	Private Sector / Corporate Employee	18	60.0%
	Student / Intern	11	36.7%
	Freelancer / Gig Worker	1	3.3%
Highest Level of Education	Undergraduate (B.A., B.Sc., B. Com, B.E., Etc.)	20	66.7%
	Postgraduate (MBA, M. Tech, M. Com, Etc.)	8	26.7%
	Higher Secondary (12th Pass)	2	6.7%

The sample presents a balanced distribution across the Generation Z continuum. The largest age cohort is the youngest segment, aged 18–21 years (40.0%), who are currently navigating early entry points into corporate environments as interns or entry-level freelancers. The remaining 60.0% fall within the 22–28 age bracket, representing seasoned early-career professionals.

Occupational metrics reveal that a strong majority (60.0%) are active corporate employees in the private sector, allowing the study to gather highly valid observations of real-world workplace realities. In terms of academic qualifications, the sample is highly educated, with 66.7% holding undergraduate degrees and 26.7% holding postgraduate degrees.

2. Descriptive analysis of key constructs

Table 2

Variable Category	Target Measurement Item	Mean	Median	Std. Deviation	Min	Max
Workplace Expectations	Social Impact & Sustainability Importance	3.70	4.00	1.39	1.00	5.00
	Modern Digital Presence Importance	3.67	4.00	1.45	1.00	5.00
	Work-Life Balance & Flexibility Importance	3.63	4.00	1.54	1.00	5.00
Lived Reality Match	Reality Matches Public Corporate Image	3.10	3.00	0.84	2.00	5.00
	Senior Leadership Models Stated Values	2.93	3.00	0.74	2.00	4.00
Organizational Binding	Connection to Corporate Mission Statement	3.07	3.00	0.87	2.00	5.00
	Culture/Identity Matter More Than Salary	3.17	3.00	1.12	1.00	5.00
Commitment Metrics	Emotional Pride in Telling Others of the Firm	3.50	3.00	1.28	1.00	5.00
	Intent to Stay with Employer > 2 Years	3.27	3.50	1.34	1.00	5.00

The descriptive analysis of the study variables reveals a striking structural mismatch between what Generation Z expects from an organization and what they experience day to day. This cohort enters the workforce with elevated, purpose-driven expectations, prioritizing corporate social impact ($\mu = 3.70$), modern digital infrastructure ($\mu = 3.67$), and work-life flexibility ($\mu = 3.63$) as baseline requirements. However, this expectation framework clashes with a pronounced organizational identity deficit once inside the company.

The perceived alignment between public corporate image and daily reality drops significantly to a neutral

baseline ($\mu = 3.10$), while the metric evaluating whether senior leadership actually models the values, they preach scores the absolute lowest in the entire study ($\mu = 2.93$). This localized friction at the executive level directly dilutes employees' connection to the company mission ($\mu = 3.07$) and results in an unstable, highly variable long-term career commitment ($\mu = 3.27$). Ultimately, the data demonstrates that when hybrid organizations rely on manufactured corporate branding rather than authentic leadership behavior, Gen Z employees detach emotionally, turning long-term retention into an ongoing structural challenge.

3. Regression and correlation analysis

Table 3

Variable Analysis	Unstandardized Coefficient (β)	Standard Error (SE)	t-Statistic	Pearson Correlation (r)	Coefficient of Determination (R^2)	Significance (p-value)
Model Intercept (beta0)	1.8810	0.540	3.481			0.002
Senior Leadership Modeling (X)	0.4762	0.179	2.664	0.4496	0.2022	0.0127

As presented in Table 3, the bivariate correlation confirms a statistically significant, positive relationship between leadership transparency and Gen Z organizational alignment ($r = 0.4496$, $p = 0.0127$). Furthermore, the regression coefficients indicate that senior leadership's behavioral consistency is a significant baseline predictor, explaining 20.22% of

the variance in long-term employee retention metrics in hybrid working ecosystems ($F = 7.095$, $p = 0.0127$). Model Fit Metrics: $R^2 = 0.2022$; Adjusted $R^2 = 0.1737$ F-Statistic: $F(1, 28) = 7.095$ ($p = 0.0127$)

V. EMPIRICAL REGRESSION MODEL EQUATION:

Career Commitment Score = 1.8810 + 0.4762 *
(Senior Leadership Modeling)

Since the overall model F-test and individual parameter t-test both yield a p-value of 0.0127 which is strictly lower than $\alpha = 0.05$ the Null Hypothesis (H_0) is rejected, and the Alternative Hypothesis (H_1) is accepted.

The coefficient of determination ($R^2 = 0.2022$) indicates that 20.22% of the total variance in Gen Z's long-term career commitment in hybrid landscapes is explained exclusively by top management's behavioral integrity.

This statistical evidence supports the core argument that when physical culture anchors are removed from a hybrid workspace, senior leadership's day-to-day authenticity supersedes physical infrastructure as the primary driver of corporate alignment and early-career talent retention.

VI. CONCLUSION

This study highlights a critical structural challenge within contemporary hybrid work environments: the gradual erosion of organizational identity among its newest entrants, Generation Z. The empirical findings demonstrate a clear mismatch between expectation and experience; while early-career talent enters the workforce with elevated demands for corporate social impact, advanced digital environments, and work-life flexibility, they frequently encounter an operational environment where senior leadership behavioral modeling falls short.

Statistical testing validates that this executive friction serves as a direct, structural driver of voluntary turnover. The established ordinary least squares (OLS) regression model proves that senior leadership's behavioral consistency is a highly significant predictor ($p = 0.0127$), explaining 20.22% of the total variance in Gen Z's career commitment. When traditional physical workspace anchors are absent, superficial virtual rituals and top-down corporate branding are entirely insufficient to maintain institutional attachment. Ultimately, to mitigate voluntary turnover and build sustainable organizational identification among early-career professionals, human resource managers must prioritize authentic, leadership-driven

transparency that bridges the gap between public-facing corporate messaging and daily internal reality.

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