

ORGANIZATIONAL CLIMATE AND ITS IMPACT, ON FIRM FINANCIAL PERFORMANCE

MUHAMMAD SALEEM & NARINA PERVEEN

Research Scholar, Kunming University of Science and Technology Yunnan, China

ABSTRACT

The main aim of this study, investigated the organizational climate and its impact on the Firm financial performance. This study involved 150 banks and their employees, including senior, mid level and, lower-level management of 25 different banks and their branches in Gilgit. This research is carried out primarily for bank employees and measures its organizational climate and its impact on its financial performance, its organizational climate and its influence on organizational commitment and staff satisfaction and its turnover, for the financial performance of the banks. The variable organizational commitment is significant for the 1% significant level. The coefficient .45 value of the organizational commitment indicates that, there is a positive relationship between the variables. According to the results of the regression, when the organizational commitment increases by 1%, this results in a 45% increase in financial performance. The coefficient .136 organizational climate value indicates that, there is a positive relationship between financial performances that is dependent variable in our model. The results of the regression are shown as, when organizational climate increases by 1% after the 14% increase in financial performance. The general model accounts for 32% of the variance, in financial performance. The result of this empirical research is that, the organizational climate has a significant impact on the turnover intentions of bank employees. The results of the study revealed that climate, commitment and staff satisfaction are the three antecedents of the organizational climate, which has a significant inverse impact on the revolving intention.

KEYWORDS: Organizational Climate, Organizational Commitment, Staff Satisfaction, Financial Performance