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Organizational Climate and Organizational Performance in the Kenyan Banking Sector: A Case of Kenya Commercial Bank

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Abstract : *Organizational climate is a meaningful construct with significant implications for understanding human behavior in organizations. Each organization has an organizational climate that clearly distinguishes it from other organizations. This was a descriptive study to examine the effect of organizational climate on organizational performance in Kenya Commercial Bank. A sample of 61 employees was used. Questionnaires were used to collect data. Descriptive statistics and regression analysis were used to analyze data with the help of SPSS. The study found that there was a good organizational climate at KCB indicated by enthusiasm, excitement and happiness of employees. Regression analysis showed that organizational climate is statistically significant (t=5.477, p<0.05). It was concluded that concluded that the quality of environment in workplace may simply determine the level of employee's motivation, productivity and performance in the organization. The study recommends that the bank provide a good working environment for employees so as to enhance their efficiency and productivity. The bank management must also show a high level of commitment to employee objectives, while the employees will also show a high level of commitment to the organization.*

Keywords - *Organizational climate, internal process climate, rational goal climate, developmental climate, group climate*

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I. Introduction

The subject of employee satisfaction has always attracted widespread empirical examination (Mafini & Pooe, 2013). Price (2007) defines employee satisfaction as the effective orientation that an employee has towards his or her work. It also can be seen as the individual's perception and evaluation of the overall work environment (Sempane, Rieger & Roodt, 2002). In addition employee satisfaction may also be perceived as a 'positive emotional state resulting from the appraisal of one's job or job experiences' (Islam & Siengthai, 2009). According to Ganguly (2010) the person-environment fit paradigm has greatly been recognized as the proper explanation for employee satisfaction. Moreover, other researchers support that employee satisfaction is influenced by the interaction of a number of factors such as recognition, communication, co-workers, fringe benefits, working conditions, the nature of the work itself, the nature of the organization itself, organizational systems, policies and procedures, compensation, personal development, promotion, appreciation, security, and supervision (Ilies, Wilson & Wagner, 2009; Irving & Montes, 2009; Koonmee, Singhapakdi, Viraku l & Lee, 2010). In majority of organizations, meeting the needs of employees remains the prime employee satisfaction-enhancement strategy (Giannikis & Mihail, 2011). Nonetheless, according to Mafini and Pooe (2013), present-day research developments have challenged this observation, which attests to the multi-factorial character of employee satisfaction.

According to Mathis & John (2003), productivity is a measure of the quantity and quality of work done, considering the cost of the resources used. The more productive an organization is, the better its competitive advantage. This is because of the efficiency of the resources that have been used. McNamara (2005) further affirms that, results are usually the final and specific outputs desired from the employee. They may be in terms of financial accomplishments, impact on a community; and so whose results are expressed in terms of cost, quality, quantity or time. McNamara (ibid) also asserted that measuring productivity involves determining the length of time that an average worker needs to generate a given level of production. It could also be the amount of time that a group of employees spends on certain activities such as production, travel, or idle time spent waiting for materials or replacing broken equipment. The method can determine whether the employees are spending too much time away from production on other aspects of the job that can be controlled by the business.

Employee productivity may be hard to measure, but it has a direct effect on a company's profits. An employer fills his staff with productivity in mind and can get a handle on a worker's capabilities during the initial job interview. Yet, there are several factors on the job that help maximize what an employee does on the job (Lake, 2007). Brady (2008) express that, perhaps none of the resources used for productivity in organizations are so closely scrutinized as the human resources. Many of the activities undertaken in an HR System are designed to influence individual or organizational productivity. Pay, appraisal systems, training, selection, job design and compensation are HR activities that are directly concerned with productivity. Furthermore, Bernardin (2007) maintains that controlling labour costs and increasing productivity through the establishment of clearer linkages between pay and performance are deemed to be crucial component of human resource management (HRM) so as to achieve competitive advantage. In addition, increased concerns over productivity and meeting customer requirements have prompted renewed interest in methods designed to motivate employees to be more focused on meeting (or exceeding) customer requirements and increasing productivity.

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According to Tangen (2005), performance can be described as an umbrella term for all concepts that consider the success of a firm and its activities. Performance can refer to actual results/outputs of certain activities, how an activity is carried out, or an ability to achieve results. Atkinson (2012) defined performance as the achievement of results ensuring the delivery of desirable outcomes for a firm’s stakeholders. Awino (2011) asserts that for an organization to be successful it has to record high returns and identify performance drivers from the top to the bottom of the organization. Njihia *et al.* (2013) highlight performance measurement as one of the tools which help firms in monitoring performance, identifying the areas that need attention, enhancing motivation, improving communication and strengthening accountability. Performance is equivalent to the famous 3Es, that is, economy, efficiency, and effectiveness of a certain program or activity (Javier, 2007). Daft (2010) defined organizational performance as the organization's ability to attain its goals by using resources in an efficient and effective manner. Organizational performance is the ability of the organization to achieve its goals and objectives (Sok, O’Cass & Sok, 2013) Performance can be assessed based on information obtained through primary resources or secondary resources. In general, performance can be measured taking into consideration two types of performance: financial performance and non-financial performance (Jarad, 2010).

Kiragu (2009) highlights performance in terms of four perspectives which are the financial, customer, internal processes and innovativeness. The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow, and working capital (Odhuno & Wadongo, 2010). The customer focus describes performance in terms of brand image, customer satisfaction; customer retention and customer profitability. Njihia *et al.* (2013) assert that the only worthy performance measure is financial performance because of its value to shareholders, executives and the market. This measure is an indicator of organizational success and sustainability because it is the reason for the existence of firms. On the contrary, Ittner & Larcker (2009), claim that a firm’s performance should not be measured by financial performance but also operational and market indicators. Non-financial measures have been deemed to be more effective in motivating managerial performance because they are more reflective of the overall corporate strategy (Banker et. al., 2012).

The Kenya Commercial Bank Limited dates back to July 1896, when its predecessor, the National Bank of India opened a branch in Mombasa to handle the business that the port was attracting at that time. In 1958, Grindlays Bank merged with the National Bank of India to form the National and Grindlays Bank. Upon independence, the Government of Kenya acquired 60% shareholding in National and Grindlays Bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government acquired 100% of shareholding in the Bank to take full control of the largest commercial bank in Kenya. National and Grindlays Bank was then renamed Kenya Commercial Bank. In 1972, Kenya Commercial Bank acquired 100% of Savings and Loan Kenya Limited, which specialized in the provision of mortgage finance.

KCB has been involved in several activities that change the community around. Such activities include the title Sponsor of the KCB Kenya National Rally Championship (KNRC) series run by Kenya Motorsport Federation (KMSF) since 2003, sponsor the Cross Country series, KCB Bank Rugby FC, The KCB Football Club, The KCB ladies volleyball, and KCB Foundation. KCB Foundation is the corporate social investment arm of the KCB Group that was established in 2007 to support community programs in the markets where the Bank operates in Kenya, Uganda, South Sudan, Tanzania, Rwanda and Burundi.

1.1 Statement of the Problem

Employees are the most valuable asset in any organization. A successful and highly productive organization can be achieved by engaging employees in improving their performance. When employees are handled effectively, the result can be greater productivity and increased employee morale. Hence, employees in a firm are required to generate a total commitment to desired standards of performance to achieve a competitive advantage and improve organizational performance (Armstrong, 2011).

It is noteworthy that HR factors alone do not guarantee good performance and high productivity (Robbins, 2006).Kenya Commercial bank considers individual productivity a single most driver of organizational performance making it one of the strategic pillars for its growth. Productivity has been the driver of various performance parameters at KCB, it has been found out that individual productivity has direct effect on income/profitability, running cost, resource maximization, market share, customer satisfaction, corporate image and employee turnover (Wagner & Harter, 2006). Various internal reports on KCB employee productivity shows that the average productivity per staff is below average set out by the bank. According to the Gallop Organization, organizations that enable employees to be more productive, experience27% higher profits (Wagner & Harter, 2006). Hence this research would want to provide more insight by conducting a study on the influencers of this individual productivity in KCB so as to reverse the trend and come out with recommendations for the bank to achieve its performance targets through individual productivity.

1.2 Purpose of the Study

To examine the effect of organizational climate on organizational performance in Kenya Commercial Bank.

II. Literature Review

2.1 Theoretical Review

Fredrick Hertzberg proposed this theory in 1959 to determine what people really want from their jobs. The respondents had to explain work conditions in which they felt good (satisfied) or bad (dissatisfied) in their jobs. The response obtained was then classified into satisfaction or dissatisfaction. The attributes related to job satisfaction comprised advancement, recognition, the work itself, achievement, growth and responsibilities. Hertzberg referred to these characteristics as ‘motivators’. The attributes connected to dissatisfaction, included working conditions, supervision, interpersonal relationships, company policy and administration (Robbins, 2006).

According to Schermerhorn (1993), Herzberg’s two-factor theory is an essential frame of reference for managers who would like to improve their understanding of job satisfaction and job performance issues. Schemerhorn asserts that Herzberg’s two-factor theory emphasizes two important aspects of all jobs: what people do in terms of job tasks (job content), and the work setting in which they do it (job context). Schermerhorn recommends that managers should endeavor to get rid of poor hygiene sources of job dissatisfaction in the workplace and make sure that they build satisfier factors into job content to maximize opportunities for job satisfaction and employee productivity. This theory is relevant and significant to this study in that it recognizes that employees have two categories of needs that operate in them and that both should be addressed to ensure that they are productive and that their performance is at optimum.

2.2 Organizational Performance

Performance is a major multi-dimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2010). According to Tangen (2005), performance can be described as an umbrella term for all concepts that consider the success of a firm and its activities. Performance can refer to actual results/outputs of certain activities, how an activity is carried out, or an ability to achieve results. Atkinson (2012) defined performance as the achievement of results ensuring the delivery of desirable outcomes for a firm's stakeholders.

Awino (2011) asserts that for an organization to be successful it has to record high returns and identify performance drivers from the top to the bottom of the organization. Njihia *et al.* (2013) highlight performance measurement as one of the tools which help firms in monitoring performance, identifying the areas that need attention, enhancing motivation, improving communication and strengthening accountability.

Performance is equivalent to the famous 3Es, that is, economy, efficiency, and effectiveness of a certain program or activity (Richard *et al.,* 2009). Daft (2010) defined organizational performance as the organization's ability to attain its goals by using resources in an efficient and effective manner. Organizational performance is the ability of the organization to achieve its goals and objectives (Sok, O'Cass & Sok, 2013). Performance can be assessed based on information obtained through primary resources or secondary resources. In general, performance can be measured taking into consideration two types of performance: financial performance and non-financial performance (Jarad, 2010).

Kiragu (2009) highlights performance in terms of four perspectives which are the financial, customer, internal processes and innovativeness. The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow, and working capital (Odhuno & Wadongo, 2010). The customer focus describes performance in terms of brand image, customer satisfaction; customer retention and customer profitability. Njihia *et al.* (2013) assert that the only worthy performance measure is financial performance because of its value to shareholders, executives and the market. This measure is an indicator of organizational success and sustainability because it is the reason for the existence of firms. On the contrary, Ittner & Larcker (2009), claim that a firm's performance should not be measured by financial performance but also operational and market influencers. Non-financial measures have been deemed to be more effective in motivating managerial performance because they are more reflective of the overall corporate strategy (Banker et. al., 2012).

2.3 Empirical Review

A number of studies have been done on organizational climate and its impact on a firm's overall performance; examples include (James & Johnes, 1974, Kirk, 2001). Ostroff & Bowen (2008) suggest, among others, that organizational climate mediates the link between human resource management and performance. In this regard organizational climate is defined by the employees' perception of what the organization is like in terms of practices, policies procedures, routines, expected behaviour and rewards (James &Johns, 1974). However, a lot of misunderstanding exists about the difference between organizational climate and organizational culture. Organizational culture is regarded as the values, beliefs and assumptions, symbols and rituals that are shared by almost all member of the organization and which comprise a pervasive context for everything that people in an organization does and thinks (Smirich, 2003).

Burton (2009) categorizes organizational climate profiles into four by applying Koys and DeCotiis's three rules for dimensions of organizational climate to Zummuto & Krakower's model of competing values, initially developed by Quinn and Rohrbach (1983) which is used to examine criteria for organizational effectiveness, based on a framework of flexibility versus control and internal versus external view. These categories are group climate, developmental climate, rational goal climate, and internal process climate. The four climate types are grounded on their degree on the seven variables trust, moral, equity of rewards, resistance to change, leadership creditability and duty. The employees' perceptions about the extent to which every one of the seven variables is present or absent within an organization forms the basis of organizational climate.

Burton's approach of the four organizational climate profiles has been established to be a vigorous and reliable measurement instrument (Burton, 2004). This is reinforced by findings of Zammuto & Krakower (2007) whose classification of organizational climate is in agreement with the one of Burton *et al.* They affirm that group climate scores high and trust and moral and is internally oriented. Developmental climate scores high on moral and trust as well, but is externally oriented. Rational goal climate scores low on trust and moral and is externally oriented. Internal process climate scores low on trust and moral and is mechanical oriented (Zammuto & Krakower, 2007).

However, empirical evidence show that the seven dimensions co-vary within each cluster group, implying that there could be fewer variables necessary depicting the different types of organizational climate (Burton, 2009). Also, there might be some co-variance between the four clusters as well. The scores of internal process climate and rational goal climate have some similarities except for resistance to change (Burton *et al.,* 2009).

According to Bowen & Ostroff (2008) HRM practices and systems play a vital role in determining employees' perceptions of an organization and propose that a strong climate is the result of strong, clear and

unambiguous HRM practices. The power of this climate is expressed by the degree within-group consensus about distinctiveness and consistency of the HR practices in the long term (Bowen & Ostroff, 2008). These findings are reinforced by Tsui & Wang (2008) who posits that clarity in expectations of employees is supported by HR practices which use consistency in messages when communicating with employees. Bowen & Ostroff (2008) propose that a strong climate enhances the chances of attaining strategic goals, because employees who are challenged with unambiguous messages, about which behaviour is appropriate, are able to establish a deep understanding of how to prioritize organizational goals and come up with the appropriate behavior required by the organization. Hence, employees behave according to strategic management goals (Bowen &Ostroff, 2008).
A study by Burton (2009) further advocates that a fit between organizational climate and organizational strategy will result in increased overall performance because the perceptions of the employees about the organization are aligned with the strategic objectives of the management. On the contrary, an incongruity between the perceptions of the employees about the organization and the organizational strategy will lead to a negative effect on return on assets (ROA) (Burton, 2009). This is because the employees do not behave in mind the interest of the management and in respect to the organizational goals. The perceptions, feelings, attitudes and views of employees ought to be matched with an organization's strategy in order to work on organizational objectives in a collective and highly effective manner (Bowen &Ostroff, 2008).

2.4 Conceptual Framework

Figure I show the link between the dependent and independent variables of the study.

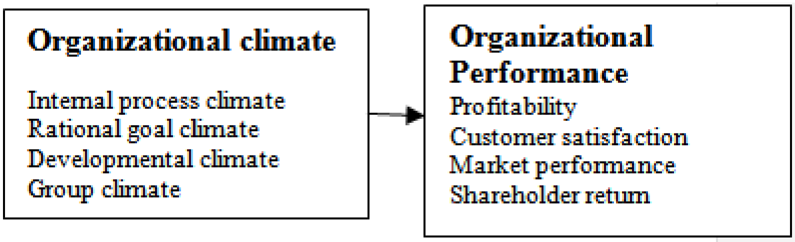

Figure 1 Conceptual Framework

III. Research Methodology

3.1 Research Design

The study used descriptive research design. This design gives a detailed description of events, situations and interactions between people and things (Cooper & Schindler, 2008). The descriptive research design was preferred because it ensures complete description of the situation, making sure that there is minimum bias in the collection of data (Kothari, 2008).

3.2 Target Population

Population is the entire group under study as indicated by objectives of the research; it is the universe from which the sample is to be selected (Ghauri *et al.*, 2005). The target population was seventy two (72) employees consisting of the branch managers, middle level managers (operation managers, cash managers, Business managers) and low level managers (assistant managers and supervisors) (KCB, 2013).

3.3 Sampling Procedures

To obtain the sample size, the study used this formulae by Israel (2009): $n=N/(1+N(e)^2)$ Where, n – is the sample size, N- is the population size and e – is the level of precision sometimes called sampling error which is the range in which the true value of population is estimated to be. This is always expressed in percentage points for example ±5%. The study will use sampling error (e) of ±5%. Hence, the sample size will be

$n=72/(1+72(0.05)^2)= 61$

Therefore, the final sample size is 61. A sampling ratio is established by dividing the sample size by the population size, that is, 61/72=0.85. From each stratum, 85% of the employees were selected from each category as shown in the table 1 below.

Table 1 Sampling frame

Population Category	Frequency	Sample Ratio	Sample Size
Senior management	8	0.85	7
Middle level managers	24	0.85	20
Low level managers	40	0.85	34
Totals	72	0.85	61

3.4 Research Instrument

The study collected data from primary source using the questionnaires. The questionnaires contained closed ended questions which were on a 5-pointlikert scale so as to permit more direct comparability of the responses and eliminate question/statement variability, indicating the extent to which individual questions or statements (items) were operationalized to reflect the intended variables and enable respondents to provide quantifiable information.

In this study content validity of the construct (composing, wording) measurements (of questionnaire items) will be of concern from early stage of questionnaire development. To ensure validity of the instrument, the study thoroughly reviewed the relevant literature, to enable development of an initial list of items representing each of the study's constructs. Then this list of items was modified based on recommendations from the supervisor.

Cronbach's Alpha test was used to determine the internal consistency of the data. According to Davidson (1996), a score over 0.70 is deemed suitable for the study. Hence this was used as a benchmark to ascertain the reliability of factors obtained from the likert scale in the questionnaire. Examination reliability results above indicated that organizational performance had $\alpha = 0.791$, employee motivation α=0.913, training and development was α=0.871 while organizational climate had α= 0.870. According to Davidson (1996)reliability estimates falling between 0.60 and 0.70 represent the lower limit of acceptability. Thus, on this basis all constructs exceeded this recommended level and therefore the specified influencers were sufficient in their representation of the constructs.

3.5 Data Analysis

The data collected by use of the questionnaire were first edited and checked for completeness and comprehensibility. Quantitative data was chronologically arranged with respect to the questionnaire outline to ensure that the correct code is entered for the correct variable. The data was then cleaned, tabulated and subjected to appropriate descriptive statistics and inferential statistics. Descriptive statistics give information that describes the data in some manner and it involved the use of some measurements such as mean for central tendency and standard deviation for variability and percentages. Regression analysis was conducted to establish relationships.

3.6 Ethical Considerations

The following ethical considerations were factored in during the study: The need for approval of the research proposal by the school of Business at Kenyatta University was important and mandatory to give validity to the document and to show that the study was done according to approved research standards and practices. The researcher sought permission to conduct the study from the Kenya Commercial Bank and the right of anonymity and confidentiality was guaranteed to the participants. This was ensured by informing the participants not to provide any personal information that may expose their identity if they do not wish so as well as give them enough information that pertain the study before data collection. Informed consent from the participants in the study was obtained so as to gain their trust and confidence assuring them that the main aim of the study was purely for academic purposes. Observation and maintenance of confidentiality was vital, especially for participants who wished to remain anonymous for either official or personal reasons, for fear of reprisals or otherwise

IV. Findings

4.1 Response Rate

The self-developed questionnaires were presented to the respondents on a personal basis to increase the response rate. Out of the sixty one questionnaires distributed to the Kenya Commercial bank branches within Nairobi, forty nine questionnaires were successfully filled and returned. Thus, the study achieved a response rate of 80% hence this rate was sufficient sample to provide credibility to the findings. Cooper and Schindler (2008) assert that if the response rate is 60% and above then the social scientific study can proceed.

4.2 Socio-Demographic Characteristics of Respondents

The demographic characteristics of sample respondents in this study were gauged with respect to gender, age bracket, level of education or training attained; the respondents' designation/ position in the organization and the length of time that they have worked for Kenya Commercial Bank. The results are shown below:

Table 2 Socio-Demographic Characteristics of Respondents

Characteristic	Category	N(49)	%
Gender	Male	29	59.2
	Female	20	40.80
Age (years)	26-35	34	69.4
	36-40	6	12.2
	41-44	4	8.2
	45-50	4	8.2
	>50	1	2
Education level	Diploma	9	18
	Degree	28	58
	Masters	12	24
Designation	Staff	21	42.70
	Middle level	12	24.50
	Senior management	16	32.70
Working experience (years)	>3	3	6
	4-7	27	56
	8-11	12	24
	>11	7	14

From the total sample of 49 respondents 29 (59.2%) of the participants were male while the remaining 20 (40.8%) were female. This showed that most of the respondents in the senior management and middle level management were male. The average age of the respondents as at the time of study lay between 26 and 40 years representing 81.6% while those above 40 years represented 18.4%. This showed that majority of the employees in these branches are mature youth with enough experience in their areas of expertise. It was established that there were no employees in the targeted population with only secondary education, college certificate or PhD at the time of the research. However, it was established that majority of employees had Bachelor's degree, and Master's degree as shown in the table above. 32.7% responded in the senior management position, 24.5% of the middle level managers responded while 42.7% responded in the lower management staff. This indicated that the lower level management staffs were the key category in the study. From the data collected, it is established that majority of the employees have worked in their respective branches between four and seven years which is average years for a competent employee.

4.3 Organizational performance of KCB

This section was necessary for the study for the purposes of establishing the specific influencers of employee productivity that influence organizational performance. A 5 point likert scale was used to collect data which signified the extent to which the respondents agreed with the proposed items in the questionnaire. On the 5 point likert scale 1 represented strongly disagree and 5 which was the maximum represented strongly agree.

***Table 3** Organizational performance of KCB*

	(M)	Std. Deviation
Achievement of organizational profit before tax(PBT) is driven by individual performance	4.18	0.97
Efficiency(performing or functioning in the best possible manner) of employees ensures high return on assets for its organization	4.29	0.98
Effective (Producing the intended or expected result) employees have led to low customer complaints by doing the right things	4.37	0.88
Top productive employee generates high return on investment to its organization	4.24	0.83
There is a direct link between organizational increased market share to individual productivity	4.04	1.00
The total shareholder return is supported by how employee strategizes to improve his or her productivity	3.34	1.07
Employee performance influences customer satisfaction	4.49	0.79
The bank's profitability has increased for the last five years due to employees' performance	4.39	0.86
AVERAGE	4.17	0.92

The findings according to the respondents agreed to most of the statements as shown by their average mean score of 4.167 and standard deviation of .923. They strongly agreed that employee performance influences customer satisfaction as shown by mean of 4.489; effective employees lead to low customer complaints by doing the right things M=4.367; efficiency of employees ensures high return on assets for its organization M=4.285; and top productive employee generates high return on investment to its organization M=4.244. These findings correspond with the views of Cattermole and Johnson, (2014) who indicated that there is a strong relationship between high level of employee performance and high customer satisfaction and advocacy in businesses in the service industry. The banks which have high level of employee productivity have higher profitability and improved financial performance. However, there were mixed indication in the responses as to whether the total shareholder return is supported by how employee strategizes to improve his or her productivity as indicated by a mean of 3.337 and SD= 1.067.]

4.4 Organizational climate

The study further sought to establish the influence of organizational climate on employee productivity and subsequent effect on organizational performance of the bank. The scale consisted of six items. The results show that majority of the respondents agreed with the statements as shown in Table 4 below.

***Table 4** Organizational climate*

	(M)	Std. Deviation
Enthusiasms, excitement and happiness is usually felt in our organization due to developmental climate which affects positively individual performance	3.23	1.19
Internal process climate influences employee's productivity	3.90	0.96
Rational climate could lead to low resistance to change.	3.41	0.97
A well checked group climate ensures less absenteeism, improved participation and work commitment hence high productivity	3.98	0.97
Perceptions, feelings, attitudes and views of employees affect employee productivity and organizational performance	3.88	0.77
A good organizational climate have a positive influence on employee's productivity	4.22	0.99
AVERAGE	3.77	0.98

As shown in Table 4 above, the respondents agreed that organizational climate influence organizational performance as shown by the overall mean of 3.770.They agreed that a good organizational climate have a positive influence on employee's productivity (M=4.224); that a well checked group climate ensures less absenteeism, improved participation and work commitment hence high productivity as shown by a mean of 3.979; that internal process climate influences employee's productivity and perceptions, feelings, attitudes and views of employees affect employee productivity and organizational performance as shown by a mean of 3.898 and 3.877 respectively. These findings are in accord with that of Rose (2004) who found a significant relationship between organizational climate and employees' behaviour such as level of stress, work commitment, absenteeism, and participation. On the contrary, the respondents were neutral in regard to whether rational climate could lead to low resistance to change and whether enthusiasms, excitement and happiness is usually felt in their organization, though their responses were varied as indicated by a standard deviation of 1.192, as shown by mean of 3.414 and 3.230 respectively.

4.5 Influence of Organizational Climate on Organizational Performance

To ascertain the relationship between the independent variable and the dependent variable, the study conducted multiple regression analysis. The study applied the statistical package for social sciences (SPSS) version 20 to code, enter and compute the measurements of multiple regressions for the study.

Table 5 Regression of Organizational Climate on Organizational Performance

	Unstandard. Coefficients	Std. Err	Standard. Coefficients	t	Sig.
Climate	.745	.136	.593	5.477	.001

Findings in Table 5 show that organizational climate is statistically significant ($t=5.477$, $p<0.05$). This means that there is a significant relationship between organizational climate and organizational performance. The beta value 0.593 implies that a unit change in organizational climate increases employee productivity and subsequent organizational performance by .593 (59.3%).

V. Summary, Discussion, Conclusions And Recommendations

5.1 Summary

The study sought to establish the influence of organizational climate on organizational performance of the bank. The results showed that majority (80%) of the respondents agreed that a good organizational climate have a significant influence on employee's productivity and that a well checked group climate ensures less absenteeism, improved participation and work commitment hence high productivity. Moreover, the findings indicate the respondents pointed that internal process climate influences employee's productivity and perceptions, feelings, attitudes and views of employees affect employee productivity and organizational performance. On the contrary, the respondents were neutral in regard to whether rational climate could lead to low resistance to change and whether enthusiasms, excitement and happiness is usually felt in their organization due to developmental climate which affects positively individual performance.

5.2 Discussion

The findings showed that there is a significant relationship between organizational climate and organizational performance. The findings agrees with the views of Bowen & Ostroff (2008) who proposed that a strong climate enhances the chances of attaining strategic goals, because employees who are challenged with unambiguous messages, about which behaviour is appropriate, are able to establish a deep understanding of how to prioritize organizational goals and come up with the appropriate behavior required by the organization. Hence, employees behave according to strategic management goals.

5.3 Conclusion

Organizational climate was found to play a significant role in employee productivity and organizational performance. The workplace environment plays a crucial role for the employees. The findings indicate that organizational climate ensures less absenteeism, improved participation and work commitment hence high employee productivity. It also influences employees' perceptions, feelings, attitudes and views of which affect employee productivity and organizational performance. It is therefore concluded that the quality of environment in workplace may simply determine the level of employee's motivation, productivity and performance in the organization.

5.4 Recommendations

The study recommends that the bank provide a good working environment for employees so as to enhance their efficiency and productivity. The bank management must show a high level of commitment to employee objectives, while the employees will also show a high level of commitment to the organization.

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