

IMPACT OF CORPORATE GOVERNANCE ON ORGANIZATIONAL
PERFORMANCE: SPECIAL REFERENCE TO FINANCIAL
INSTITUTIONS IN MAMMUNAI NORTH DIVISIONAL
SECRETARIAT IN BATTICALOA DISTRICT

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ABSTRACT

Corporate governance is wide range of practices which are affected the way of directing the organization. This is an emerging concept which is considered as an important suggestion for growth of companies in recent years. Meanwhile this concept has admired more attention and several analyses were taken place in recent past decades. Such analyses have found that Corporate Governance helps to make efforts to survive from major financial failures which were caused to the organizations. Good corporate governance practices have the impact of improving satisfaction level of stakeholders and enhancement of organization. This study examined whether corporate governance has an impact on organizational performance in Financial Institutions as research problem. This research was carried out with objective to measure association between Corporate Governance and Financial Institution's Performance in Batticaloa district. Moreover, conceptual framework has been developed to measure linkages between Corporate Governance and Financial Institution's Performance. Board Size, Corporate Governance Mechanism, Communication Strategies, and Code of Conduct are considered as the measurement variables of Corporate Governance which was derived from Changezi & Saeed (2013) and Customer Satisfaction, Employee Commitment and Corporate Reputation are considered as the measurement variable of Organizational Performance which was derived from Bayoud (2012) and Carton (2004). Questionnaires were used to collect data for this study. 115 Management Respondents and 115 Customers from whole Financial Institutions in Batticaloa district have been selected for this study. Data were analyzed and evaluated by Univariate and Bivariate techniques. In Univariate analysis, Descriptive statistic has been used for the analysis. In Bivariate analysis, Correlation and multiple regressions have been used for the analysis. Findings have shown the Corporate Governance and Organizational Performance are at high level. Moreover, it also found that there is a strong positive relationship between Corporate Governance and Organizational Performance. Corporate Governance significantly impacts Organizational Performance of Financial Institutions. These findings would be useful to consider more on Corporate Governance practices to avoid the corporate collapses and to achieve successful Organizational Performance.

Keywords: Corporate Governance and Organizational Performance

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