

Workplace Environment and Its Impact on Employee's Performance in Nepalese Commercial Banks

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Abstract

The purpose of the study is to examine the influence of workplace environment on employees' performance of Nepalese commercial banks. A well-structured questionnaire was developed to collect data from 240 respondents using purposive sampling technique. Data analysis was done using Statistical Packages for the Social Sciences (SPSS) to generate mean, standard deviation, correlation, and regression analysis, and to diagnose the collected data. The results revealed that there is a significant influence of Job Aids (JA), Team Effort (TE), Physical Environment (PE) and Supervisor Support (SS) on Employee's Performance (EP) in Nepalese commercial banks. Furthermore, JA and PE have strong impact on Employee's Performance and TE and SS have the least influence. The practical implications are transparent for the managers and employers in Nepalese commercial banks since the workplace environment helps to improve the performance of the employees. The originality lies in the article claiming to enhance the performance of the employees, the implementation of good workplace environment must be complemented.

Keywords: job aids, physical environment, team effort, supervisor support and employees' performance

Introduction

Working environment is the environment where people work together for achieving organization objectives. It means systems, processes, structures and tools and all those things which interact with employees and affect in positive or negative ways on employee's performance. It typically involves other factors relating to the place of employment such as the quality of the air, noise level and additional perks and benefits of employment such as free child care or unlimited tea and coffee, or adequate parking (Awan & Tahir, 2015). The work environment, which encompasses several factors, impacts on the way the employees perform their work. A comfortable and all-inclusive workplace environment will boost the employees' performance hence boosting the organizational performance (Nanzushi, 2015). The workplace environment comprises of

various factors that are imperious determinants of employee performance. These factors may positively or negatively contribute to achieve maximum employee performance (Lambert, Lynne, & Barton, 2001). Lankeshwara (2016) explained the factors of workplace environment that play important roles towards the employee's performance. By having proper workplace environment, it helps in reducing the number of absenteeism and increasing the employees' performance which will lead to the increasing number of productivities at the workplace. Therefore, it is so important to find what factors of workplace environment causes for the employees' performance. A work environment can be identified as the place that one works, which means the surroundings around a person. It is the social and professional environment in which a person is supposed to interact with a number of people. The work environment has a significant impact upon employee performance and productivity (Gunaseelan, & Ollukkaran, 2012). Paudel (2016) concluded that there is a positive impact of employee motivation factors (employee participation, performance appraisal system, rewards, training, compensation and working environment) on organizational performance. Likewise, Nepal (2016) exposed that training and development, working condition and performance appraisal conditions are the major determining variables for job satisfaction in Nepalese commercial banks. Al-Anzi (2009) suggested that the organizations can improve job performance through controlling employees' behaviors. The previous researches considered only particular bank or between two banks or more banks or service sectors and manufacturing sectors but this research is carried out considering all the Nepalese banks. The objective of the research is to analyze the factors affecting employees' performance in Nepalese commercial banks.

Literature Review and Hypothesis Formulation

Employee's Performance

Sinha (2001) exhibited that employees' performance is depending on the openness and also the willingness of the employees itself on doing their job. The study also specified that by having this openness and willingness of the employees in doing their job, it could increase the employees' productivity which also leads to the performance. Franco *et al.* (2000) explained the performance that relies on internal motivation but presence of internal factors such as necessary skills, intellectual capacity and resources to do the job clearly. As a consequence, employers are supposed to provide appropriate working conditions in order to ensure the performance of employees meet the required standards. Rorong (2016) found that physical work environment is one of the essential human requirements that enable people to perform

their work effectively underdefined conditions.

Job Aids

Job aids are performance support tools which are on the job and step-by-step descriptions of how to do a job. The purpose of a job aid is to guide and facilitate performance and as well as to support the work activity (Saklani, & Jha, 2011). Lankeshwara (2016) explained the job aid is being used by the employees to support them through direction or procedure. Job aids cause to enhance the performance in three ways as external support, extrinsic support and intrinsic support. External support means that the employees need to take leave from work and look for the source as for their reference to their job. An extrinsic support means that the job aid is being given within the system itself. An intrinsic support is an insider or software that is being used for the efficiency of workflow. The study found that the job aids have significant association with employees' performance and have significant impact on employees' performance.

Team Effort

Boakye (2015) found that teamwork is positively associated with organizational performance and has significant impact on organizational performance. In another study, Manzoor et al. (2011) highlighted that the positive and significant relationship exist between teamwork and employees' performance. Similarly, McGuire and McLaren (2009) examined the effect of team building in the organization and the study found that employees working within the group can be more productive as compared to individual effort. Al Salman and Hassan (2016) measured the impact of effective teamwork on employees' performance and revealed that teamwork has positive association and significant impact on employees' performance. Similarly, Phina and Chukwuma (2018) discovered the positive relationship between teamwork and employees' performance and significant influence on performance of the employees. Walid and Zubair (2016) found that efficient communication, level of trust, leadership and accountability have positive and significant impact on employees' performance while intrapersonal skills and cohesiveness have no influence on employees' performance.

Physical Environment

Vischer (2008) revealed that the conducive workplace environment should be prioritized as it provides support to the employees in carrying out their jobs. It should be conducive enough to enable performance of tasks by employees. Shikdar (2002) stated

that physical environment includes ergonomic components of tangible workplace environment that comprise spatial layout and functionality. Makin and Winder (2008) argued that the operative workplace communication is a key to cultivation of success and competence. It makes workplace more pleasurable and less nervousness among co-workers which leads to positive attitude of employee towards work and increased productivity and efficiency. Ismail *et al.* (2010) stated that the conditions of physical workplace environment influence the employee's productivity and performance. The study added that the physical work environment includes the internal and external office layout, temperature, comfort zone, work setting or arrangement.

Supervisor Support

Neubauer (2009) argued that the control work practices which are supervision-oriented and supportive have significantly associated with job satisfaction and lower turnover rates of the workers. Chiaburu and Takleab (2005) discovered the positive relationship between employees and supervisors which created significant and positive impact on the performance of the employees. Oswald (2012) revealed that the supervisors' support enhances employee's performance. Supervisors can provide encouragement to the subordinates which leads to an increase in the employee's self-confidence. Chandrasekar (2011) stated that the motivation and encouragement of the employees plays a great part in the performance of the employees. Apart from that, supervisors can also be their tutor and provide coaching to their immediate subordinates. This would assist their followers to develop themselves as well as to gain more knowledge and experience in their field of expertise.

Hypothesis Development

H₁: Job Aids, Team Effort, Physical Environment and Supervisor Support are positively related to Employees' Performance in Nepalese commercial banks.

H₂: Job Aids, Team Effort, Physical Environment and Supervisor Support have positive and significant impact on Employees' Performance in Nepalese commercial banks.

Research Methodology

The main objective of the research is to analyze the factors affecting employees' performance in Nepalese commercial banks. This study adopts descriptive research design for fact finding and identifies adequate information about factors affecting employees' performance. The correlational and casual research design have been used to test the purpose of the study. This research study has based on primary source of data.

The respondents have been chosen through a purposive technique out of more than ten thousand banking employees. Data were collected from the banking employees from Nepalese commercial banks. Rigorously, the primary data have been used for the study and primary data have been collected by distributing the structured questionnaires. 300 questionnaires were distributed but only 240 out of 300 responded and it is 80 percent in total. The research tool was based on five-point Likert scale with strongly agree (1) and strongly disagree (5) as the extremes. Primary data are analyzed using the SPSS. Descriptive statistics and correlation tools are used through SPSS in order to drive the meaningful relationship among the dependent and independent variables. The methods of data analysis consist mean and weighted average values of various dimensions such as job aids, team effort, physical environment and supervisor support and Pearson's correlation coefficients which examine the relationship of various factors of workplace environment and performance of the employees of Nepalese commercial banks.

Results and Discussion

Correlation analysis between variables was studied to find relations among them. Pearson's correlations analysis was carried out for variables. Another part of the analysis tried to evaluate the impact of different factors of social media on academic performance of the various college students.

Table 1

Correlation Analysis

| | Mean | Std. Dev. | EP | JA | TE | PE | SS |
|----|-------|-----------|--------------|--------------|--------------|--------------|--------------|
| EP | 1.684 | 0.682 | 0.826 | | | | |
| JA | 1.684 | 0.782 | 0.562** | 0.912 | | | |
| TE | 1.965 | 0.824 | 0.512** | 0.542** | 0.895 | | |
| PE | 1.987 | 0.883 | 0.572** | 0.512** | 0.612** | 0.812 | |
| SS | 2.042 | 0.864 | 0.582** | 0.546** | 0.546** | 0.572** | 0.856 |

N=240, **p < 0.01 (2-Tailed), Diagonal elements (Bold) represents Cronbach's alpha

The table 1 reveals that the correlation between the independent variables i.e., Job Aids (JA), Team Effort (TE), Physical Environment (PE) and Supervisor Support (SS) with dependent variables i.e., Employees' Performance (EP). Among independent variables, the correlation coefficients ($r=0.562$, 0.512 , 0.572 and 0.582) of Job Aids,

Team Effort, Physical Environment and Supervisor Support with dependent variable are moderate. The results show that there exist positive and significant correlation between dependent variable and independent variables at 1 percent level of significance. The results also show that the reliability test for all the component of questionnaire regarding the impact of workplace environment on employees' performance of Nepalese commercial banks which were computed by using SPSS. Cronbach's Alpha greater than 0.7 is considered as reliable data.

Table 2

Regression Model Summary

| Model | R | R ² | Adjusted R ² | Std. Error of the Estimate |
|-------|-------------------|----------------|-------------------------|----------------------------|
| 1 | .467 ^a | .185 | .164 | .3628 |

Dependent Variable: Employee's Performance

Table 2 shows that the value of R² is 0.185, which indicates that the independent variables (Job Aids, Team Effort, Physical Environment and Supervisor Support) described for up to 18.5% of dependent variable (Employees' Performance). The remaining 81.5% can therefore be achieved through other factors outside the four variables. Adjusted R² (0.164) is called the coefficient of determination which tells % of variations in dependent variable explained by independent variables. In the study, Adjusted R² is 16.4% which shows that 16.4% of variations dependent variable is explained by independent variable after adjusting by degree of freedom. The standard error of estimate measures the variability of observed value of dependent variable around regression line. In the study, the standard error of the estimate is .3628 indicated that the average distance of the data points from the fitted regression line is deviated by given calculated value.

Table 3

ANOVA Analysis

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|-------|------|
| Regression | 4.326 | 4 | 1.527 | 6.526 | .000 |
| Residual | 48.168 | 235 | .287 | | |
| Total | 52.494 | 239 | | | |

The table 3 shows that the overall model is fit. This means that the regression

model has a less than 0.001 likelihood (probability) of giving a wrong prediction. Hence, the regression model has a confidence level of above 99% which confirms that our regression model was good and appropriate and the results were reliable. Therefore, the model is significant at 1% level of significance.

Table 4
Regression Analysis

| | Unstandardized | | Standardized | | | Collinearity | |
|----------|----------------|-------|--------------|-------|-------|--------------|-------|
| | Coefficients | | Coefficients | | | Statistics | |
| | B | Error | Beta | T | Sig. | Tolerance | VIF |
| Constant | 0.929 | 0.182 | | 5.717 | 0.000 | | |
| JA | 0.205 | 0.075 | 0.125 | 2.205 | 0.001 | 0.688 | 1.802 |
| TE | 0.030 | 0.067 | 0.054 | 2.692 | 0.002 | 0.420 | 1.745 |
| PE | 0.185 | 0.042 | 0.242 | 3.019 | 0.000 | 0.842 | 1.658 |
| SS | 0.015 | 0.032 | 0.006 | 3.117 | 0.007 | 0.756 | 1.468 |

The table 4 reveals that Job Aids, Team Effort, Physical Environment and Supervisor Support have significantly been contributed to Employees' Performance at (Beta = 0.205, t = 2.205, p = 0.001; Beta = 0.030, t = 2.692, p = 0.002; Beta = 0.185, t = 3.019, p = 0.000 and Beta = 0.015, t = 3.117, p = 0.007). Thus, it can be conformed that there is significant impact of independent variables on dependent variable. These findings determine that the second research hypothesis is accepted and confirmed. Among four independent variables Job Aids have higher coefficients (Job Aids = 0.205) in comparison with other independent variables on the attainment of Employees' Performance. It, therefore, means that the manager and employer need to emphasize more focus on Job Aids in order to achieve a higher level of Employees' Performance in Nepalese commercial banks. The value of VIF of the independent variables < 3. It indicates that there is no multi-collinearity i.e., there is no adverse effect on regression line.

Conclusion

The main objective of this study was to study the impact of Job Aids, Team Effort, Physical Environment and Supervisor Support on Employees' Performance in Nepalese commercial banks. The study found out that independent variables have significant impact on Employee's Performance as well as positive and significant

association between independent variables and dependent variable. The finding is consistent with the result of Lankeshwara's (2016) study, who found that the Performance of Employees is influenced by Job Aids, Supervisor Support and Physical Environment factors. But Samson, Waigao and Koima (2015) who found that physical environment does not have a significant effect on employee performance. Hence, this research is not consistent with the findings of Samson, Waigao, & Koima (2015). Traditionally, Job Aids and Physical Environment are considered important in increasing performance of the employees while Team Effort and Supervisor Support are considered as less important in improving employees' performance as lower betas value. The study has suggested that the managers and employers should focus all independent variables to enhance performance of the employees.

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