

**EFFECT OF WORKPLACE ENVIRONMENT ON THE PERFORMANCE OF  
COMMERCIAL BANKS EMPLOYEES IN NAKURU TOWN**

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## DECLARATION AND RECOMMENDATION

### Declaration

This research project is my original work and has not been presented to other university for award of a degree or a diploma.

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### Recommendation

This research project has been submitted for examination with our approval as University supervisors

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I would like to thank God, for through Him, all things are possible. I also thank my family, who have been there for me and have tolerated and accommodated my unavailability, while I pursued this Degree; your strength and unwavering support inspire me. I am immensely grateful for the technical guidance provided by my supervisors, Dr. Maina Waiganjo and Mr. Joel Koima; their fingerprints of their contribution can be seen throughout this study.

## **DEDICATION**

This work is dedicated to the Almighty God, my sister Catherine, my wife Pollyne, my daughter Keisha and Son Christian.

## ABSTRACT

The purpose of this study was to investigate the effect of workplace environment on the performance of Bank employees in Nakuru Town. More specifically, the study sought to establish the extent to which physical workplace factors, psychosocial factors and the work life balance factors affect performance of Bank employees in Nakuru Town. The population of the study was 736 non-managerial staff from which a sample of 173 respondents was drawn using stratified random sampling and proportionate was used to determine sample size for each Bank. To achieve the objectives of the study, a survey design was employed. The study relied principally on primary data which was collected using questionnaires containing mainly closed ended questions for ease of analysis. Data was analysed using descriptive and inferential statistics with the aid of Statistical Analysis System (SAS), version 9.4 computer software. The study findings indicated that the physical aspects were found not to have a significant effect ( $\beta_1 = 0.097$ ; p value = 0.237), while the psychosocial and work life balance factors were significant ( $\beta_2 = 0.279$ ; p value = 0.001) and ( $\beta_3 = -0.203$ ; p value = 0.012) respectively. The results indicate that when physical workplace factors, psychosocial factors and work life balance factors are combined, the multiple linear regression model could explain for approximately 28% of the variation in employee performance of the Commercial Banks. From the findings it can be concluded that psychosocial aspects were an important factor in boosting the performance of employees than the other two variables; (Physical aspects and work life balance aspects), in Commercial Banks in Nakuru Town. The researcher recommends further investigation should be conducted to collect data from other financial sectors such to see whether workplace environments are the same and could therefore benefit from this study. The study also recommends that the bank management should continue using enhanced work environments as a tool for increasing the efficiency and productivity of employees' through improved and sustained performance.

**Key words:** Performance, Physical environment, Psychosocial environment, Work life balance, Workplace Environment

## TABLE OF CONTENTS

<b>DECLARATION AND RECOMMENDATION .....</b>	<b>ii</b>
<b>ACKNOWLEDGEMENTS.....</b>	<b>iii</b>
<b>DEDICATION.....</b>	<b>iv</b>
<b>ABSTRACT .....</b>	<b>v</b>
<b>LIST OF TABLES .....</b>	<b>ix</b>
<b>LIST OF FIGURES .....</b>	<b>x</b>
<b>ACRONYMS &amp; ABBREVIATIONS .....</b>	<b>xi</b>
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.2 Statement of the Problem .....	3
1.3 Objectives of the Study .....	4
1.4 Research Hypotheses.....	4
1.5 Scope of the Study.....	5
1.6 Limitations & delimitations of the Study.....	5
1.7 Significance of Study .....	5
1.8 Definitions of Operational Terms .....	5
<b>CHAPTER TWO.....</b>	<b>7</b>
<b>LITERATURE REVIEW.....</b>	<b>7</b>
2.1 Introduction .....	7
2.1.1 Theoretical Literature.....	7
2.1.1.1 Herzberg Hygiene / Motivation Theory .....	7
2.1.1.2 Elton Mayo's Hawthorne effect.....	7
2.1.1.3 Frederick Taylor's Scientific Management Theory .....	8
2.2 Workplace Environment .....	8
2.2.1 Physical Factors of the Workplace Environment.....	9
2.2.2.1 Office layout and design factors.....	10
2.2.1.2 Furniture .....	10
2.2.2.3 Workspace availability.....	11

2.2.1.4 Lighting and ventilation intensity .....	11
2.2.1.5 Noise.....	11
2.2.2. Psychosocial Factors Affecting Employees’ Performance .....	12
2.2.2.1 Supervisor support.....	13
2.2.2.2 Role congruity.....	13
2.2.2.3 Leadership Style.....	15
2.2.3 Work life balance .....	15
2.2.3.1 Work-Family conflict.....	16
2.2.3.2 Work-Extracurricular conflict.....	17
2.3 Empirical Literature Review .....	17
2.4 Conceptual framework .....	19
2.5 Research Gap.....	19
<b>CHAPTER THREE .....</b>	<b>20</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>20</b>
3.1 Introduction .....	20
3.2 Research Design.....	20
3.3 Target Population .....	20
3.4 Sampling Procedure and Sample Size.....	20
3.5 Data Collection Instruments and Procedure.....	22
3.6 Validity and Reliability of Research Instrument.....	22
3.7 Data Analysis Method.....	22
3.8 Ethical Measures .....	22
<b>CHAPTER FOUR.....</b>	<b>23</b>
<b>DATA ANALYSIS, INTERPRETATIONS AND DISCUSSIONS .....</b>	<b>23</b>
4.1 Introduction .....	23
4.2 General Characteristic of the Respondents .....	23
4.2.1 Gender by age of the respondents .....	24
4.2.3 Age by Tenure of the Respondents .....	25
4.2.4 Marital Status of the Respondents.....	25
4.3 Physical workplace aspects in Commercial Banks .....	26

4.3.1 Psychosocial Workplace Aspects .....	28
4.3.2 Work Life Balance .....	29
4.3.3 Work- Extracurricular Conflicts.....	31
4.4 Inferential Statistics.....	32
4.4.1 Correlation Analysis.....	32
4.4.2 Regression Analysis .....	33
4.4.3 Anova and Regression.....	34
4.5 Hypotheses Testing .....	35
<b>CHAPTER FIVE.....</b>	<b>37</b>
<b>SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS</b>	<b>37</b>
5.1 Introduction .....	37
5.2 Summary of Findings .....	37
5.3 Conclusions .....	39
5.4 Recommendations .....	39
5.5 Recommendation for Further Research.....	40
<b>REFERENCES .....</b>	<b>41</b>
<b>APPENDICES .....</b>	<b>48</b>
Appendix 1: Cover Letter.....	48
APPENDIX II: QUESTIONNAIRE .....	49
APPENDIX III: TARGET POPULATION .....	52



## LIST OF TABLES

Table 3.1 Target Population .....	51
Table 3.2 Sample Size .....	21
Table 4.1 Response Rate Of The Respondents.....	23
Table 4.2 Gender by Age of the Respondents .....	24
Table 4.3 Age by Tenure of the Respondents .....	25
Table 4.4 Marital Status of the Respondents .....	26
Table 4.5 Physical Workplace Aspects .....	27
Table 4.6 Psychosocial Workplace Aspects.....	28
Table 4.7 Work-Family Conflicts.....	29
Table 4.8 Work –Extracurricular Aspects.....	30
Table 4.9 Summary of Correlation.....	32
Table 4.10 Multiple Linear Regression Analysis Model Summary.....	33
Table 4.11 Anova Table .....	34
Table 4.12 Multiple Linear Regressions Results .....	34

## LIST OF FIGURES

Figure 1.1 Work-Life Balance Relationships.....	16
Figure 2.1 Conceptual Framework .....	19

## **ACRONYMS & ABBREVIATIONS**

- CBK** : Central Bank of Kenya
- ILO** : International Labour Organization
- SPSS** : Statistical Package for Social Sciences
- WPE** : Workplace Environment

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Workplace environment is the sum of the interrelationships that exists within the employees and the environment in which they work (Kohun, 2002). According to Heath (2006), this environment involves the physical location as well as the immediate surroundings, behavioral procedures, policies, rules, culture, resources, working relationships, work location, all of which influence the ways employees perform their work. The quality of the workplace environment impacts on employees' performance and subsequently influences the organization competitiveness. An effective workplace environment management entails making work environment attractive, comfortable, satisfactory and motivating to employees so as to give employees a sense of pride and purpose in what they do (Humphries, 2005). Employees will and are always contented when they feel their immediate environment; both physical sensations and emotional states are in tandem with their obligations (Farh, 2012) and how well employees connect with their organization's immediate workplace environment, influences to a great extent their error rate levels, efficiency and innovativeness, collaboration with other employees, absenteeism and, ultimately their retention (Leblebici, 2012)

The type of workplace environment in which employees operate determines whether or not such organizations' will prosper (Chandrasekhar, 2011). Physical workplace environment contextualizes the office layout and design while psychosocial factors include working condition, role congruity and social support from supervisors. Policies encompass employment conditions of employees derived from industrial instruments and agreements negotiated with employees and unions, along with our human resources policies. Employees spend fifty percent of their lives within indoor environments, which greatly influence their performance capabilities (Sundstrom, 1994). Better physical workplace environment will boosts employees' performance and ultimately improve their productivity (Challenger, 2000).

A healthy workplace environment makes good business sense and is characterised by respect that supports employee engagement and creates a high performance culture that encourages innovation and creativity (Kohun, 2002). Organisations deemed as a positive place to work will

more likely have a competitive edge since they are in a better position to attract and retain highly skilled employees'. This is a significant consideration in the current tight labour market. A positive workplace environment is likely to result in less employee turnover, fewer cases of fraud, better safety practices, easier to attract and retain qualified employees and improved employees' wellbeing (Cunnen, 2006). In almost all high performing banks, one message holds true above them all "People are an organization's most important asset (O'Neill, 2007).

Employee performance is the combined result of effort, ability, and perception of tasks (Platt, 2010). Employees' performance is imperative for organizational outcomes and success. Many factors influence employee performance; and workplace environment factors stands out as the key determinants of performance. It is the key multi character factor intended to attain outcomes and has a major connection with planned objectives of the organization (Sabir et al. 2012). Favourable workplace environment guarantees the wellbeing of employees as well as enables them to exert themselves to their roles with all energy that may translate to higher performance (Taiwo, 2010).

The banking sector in Kenya is characterized by high competition (Banking survey, 2014) owing to among others, the lifting of exchange controls in 1995 which led to the liberalization of the sector. Following the liberalization of the sector, almost all banks registered in Kenya have opened branches in Nakuru town. There are currently 45 licensed commercial banks in Kenya of which 35 are locally owned and 10 are foreign owned. Nakuru Town hosts a total of 25 banks (Banking survey, 2014).

To survive and grow, the bank institutions have to embrace strategies of keeping the quality of the workplace high as a competitive strategy. Since bank employees are the key resource and greatest expense of any bank, the long-term benefits of a properly designed and user-friendly workplace environment should be factored into any initial cost considerations (Smith, 2011). To continuously improve workplace conditions, special attention to a performance culture that values every single employee and promotes a sustainable work-life balance should be embraced (World at work, 2007). Banks therefore have to create a workplace environment where their employees take pleasure in their work, believe their output is appreciated and rewarded appropriately enabling them to reach their potential.

## **1.2 Statement of the Problem**

Creating a work environment which promotes wellbeing of employees and increase individual performance is viewed as a strategy for enhancing company efficiency and productivity. Employee's normally have expectation and will demand a workplace environment that facilitates them to perform their work optimally. When this is sufficiently provided, it can boost organizational competitiveness (Heath, 2006). Bank institutions make significant investments in designing, building and ultimately recruiting knowledgeable personnel. The Banks immediate work environment in terms of actual physical layout and design of an office is extremely important when it comes to maximizing individual performance. Poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting and excessive noise adversely affect employee performance (Becker, 2002).

In addition, incongruent psychosocial factors - the non-physical aspects of a workplace, such as working conditions, social support from supervisor and role incongruity also impacts negatively on employees' performance. The organization of work-life is also now a major consideration in Banks as they attempt to spur exceptionally high performance (Smith, 2010). To institutionalize the right practices in work-life balance, the right policies and programs have to be put in place. Inadvertently, an imbalance between workplace environment factors and employees needs, abilities and expectations, is being manifested in different banks, prompting diverse reactions.

It has been noticed that many enterprises including banks pay a lot of attention to employee productivity enhancement through acquisition of skills while research has shown that about 86% of productivity problems reside in the work environment of organizations (Taiwo, 2010). This is the same persuasion in the commercial banks work environment in Kenya. This notwithstanding, the Commercial Banks in Kenya are experiencing high labour turnover, absenteeism and huge losses caused by employee negligence due to workplace environment conditions (Banking survey, 2004). This indicates that perhaps other work environment factors are responsible and need to be studied to establish how they influence employee performance.

The dimensions of physical, psychosocial and work life balance are still unclear in respect of how they affect performance in the banking sector. The studies that have looked at this phenomenon in the Banks have limited themselves to financial performance without paying

attention to the workplace environment and especially from an employees' perspective (Global workforce study, 2012).

Nakuru Town has positioned itself as one of Kenya's most important business hub and it is recorded that it is third fast growing town in Africa (UN habitant, 2014). Commercial Banks in this town play a very critical role in the economic development of the county and the country at large and this call for a thorough investigation in order to understand how workplace environment factors influence performance of employees in this sector. This study therefore sought to answer the question - how do physical workplace; psychosocial workplace work life balance factors affect performance of employees in the commercial banks in Nakuru Town?

### **1.3 Objectives of the Study**

The general objective of this study was to investigate the effect of Workplace Environment on the Performance of Commercial Banks Employees in Nakuru Town.

#### **1.3.1 The Specific Objective**

- i. To assess the effect of physical workplace factors on performance of Bank employees.
- ii. To examine the effect of psychosocial workplace factors on the performance of Bank employees.
- iii. To analyse the effect of work life balance factors on performance of Bank employees

### **1.4 Research Hypotheses**

**H<sub>01</sub>:** Physical workplace factors have no significant effect on performance of bank employees.

**H<sub>02</sub>:** Psychosocial workplace factors have no significant effect on Bank employees' performance.

**H<sub>03</sub>:** Work life balance factors have no significant effect on performance of Bank employees'.

### **1.5 Scope of the Study**

The study was carried out within the Banks in Nakuru Town since it is host over 50% of the country's Commercial Banks. It involved all the Bank employees and covered the three study dimensions of workplace environments namely the physical environment, the psychosocial environment and work life balance and how these factors affect their performance in Commercial Banks.

### **1.6 Limitations & delimitations of the Study**

The respondents approached were reluctant at first to give information fearing that the information sought might be used to intimidate them. The researcher sought to explain the purpose of the study and eliminate the fears. A letter of introduction from the university was also used to assure them that information provided will be strictly used for academic purposes.

### **1.7 Significance of Study**

The knowledge created from this research is likely to add to the current information on the subject matter of workplace environment and employees' performance. The study findings are expected to assist Banks construct and focus on functional workplace environment management strategies in order to stabilize and improve employee performance. Finally, the findings of this study is likely to motivate other researchers who may be interested in carrying out more research in this area and the findings will also serve as reference material for scholars.

### **1.8 Definitions of Operational Terms**

**Commercial Bank:** According to Badu (1994), a Commercial Bank is a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly by loaning or indirectly through capital markets. This study adopted the same meaning.

**Performance:** According to Armstrong (2006), performance is a rating system used to determine abilities and output. In this study, it is the measure of quality expectation, relative to his or her peers, on several job-related behaviours and outcomes.

**Physical environment:** According to Shikdar (2002), physical environment includes ergonomic components of the tangible workplace environment that comprise spatial layout and functionality. In this study it includes furniture's, lightings, ventilation and noise.



**Psychosocial environment:** According to Briner (2002), psychosocial factors at work refer to interactions between and among work environment, job content, organisational conditions and workers' capacities, needs, culture, personal extra-job considerations that may, through perceptions and experience, influence health, work performance and job satisfaction. In this study it is taken as working conditions, social support from supervisor and role congruity.

**Role congruity:** According to Eagly & Diekmann (2005), role congruity proposes that a group will be positively evaluated when its job characteristics are recognized as aligning with that group's typical expectation. In this study, it includes role specification and job description, job design and job analysis.

**Work life balance:** According to Lockett (2012), work life balance is the equilibrium between professional work and other activities, so that it reduces friction between official and domestic life. In this study, work life balance factors are viewed as those factors that may present conflicts in work and personal responsibilities as a result of the job performed by an employee. In this study this was measured through work-family conflict and work-extracurricular conflict.

**Workplace:** According to Heath (2006), workplace environment describes the immediate surrounding conditions in which an employee operates. For the purpose of this study, this variable has been operationalized with the help of following dimensions; physical and psychosocial environment and work life balance.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the review of literature from other researchers who have carried out similar researches in the same field of study. The focus of the study was conducted in Nakuru Town and provides an in-depth presentation on the effects of workplace environments' on Bank employees' performance. The specific areas covered here are the theoretical review, empirical review and conceptual framework.

#### **2.1.1 Theoretical Literature**

Various theories have been advanced to explain workplace environments on employees' performance. Environmental influences and differences may make a theory work in one place while making it irrelevant in another. In this section relevant theories to this study are reviewed with an aim of helping the researcher understand the workplace environment better.

##### **2.1.1.1 Herzberg Hygiene / Motivation Theory**

According to this theory, people work first and foremost in their own self-enlightened interest, for they are truly happy and mentally healthy through work accomplishment. He looked at motivators and hygiene factors. Hygiene factors, often referred to as 'dissatisfiers', are elements in the work environment that include Supervision, Interpersonal relations and Working conditions. Motivators, often referred to as 'satisfiers', are aspects of the work environment that provide employees with job satisfaction and include recognition, work, responsibility and advancement. This theory contributes an insight into the study of employee by explaining how the 'dissatisfiers' and 'satisfiers' affect workplace environments on individual performance.

##### **2.1.1.2 Elton Mayo's Hawthorne effect**

Hawthorne set the individual in a social context, establishing that the performance of employees is influenced by their surroundings and by the people that they are working with as much as by their own innate abilities. The original purpose of the experiments was to study the effects of physical conditions on productivity and performance. In addition, the aptitudes of individuals are imperfect predictors of job performance but the amount produced is strongly influenced by social factors. The studies also showed that the relations that supervisors develop with workers tend to influence the manner in which the workers carry out directives (Mayo,

1987). The theory is relevant to this study since it helps identify the physical environmental conditions in the environments which relate with employees' performance.

### **2.1.1.3 Frederick Taylor's Scientific Management Theory**

Its main objective is improving economic efficiency, especially performance, monitor worker performance, and provide instructions and supervision to ensure that they're using the most efficient ways of working. Management can be defined as the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims (Chandrasekhar, 2011). In this study management is seen as a prelude to environments which in due process affect the manner in which employees perform.

## **2.2 Workplace Environment**

To understand the critical importance of workplace environment in the organization is to recognize that the human factor and the organization are synonymous (McGuire, 2009). Changing environments provide commercial banks with opportunities as well as a myriad of challenges. One aspect of the competitive challenges faced by banks lies in the management and integration of physical and psychosocial environments (Altman,2000). By incorporating a balanced workplace environment, the organisation is optimising profitability and improving the company's popularity as a workplace; projecting a modern corporate entity, which in turn can help you attract highly qualified employees. Architectural design affects the way people behave, with designers creating conditions that can hinder, discourage, guide, support or enhance users' behaviour (Gutnick, 2007). Most banks are beginning to reconsider how their work environment is designed and what facilities they offer to staff has far-reaching effects on their general performance. An enabling workplace environment must thus be the key feature to improving performance and subsequently sustained returns (Abdulla, 2010).

Workplace environment is a concept, which has been operationalized by analyzing the extent to which employees perceive the immediate surroundings' as fulfilling their intrinsic, extrinsic and social needs and their reason of staying with the organization (Haynes, 2008). He further adds that environment is a key determinant of the quality of their work and their level of performance. Heath (2006) states, the biggest goal of all the business organization are to increase their performance, thus making high profits.

The benefits of creating and maintaining a positive working environment are huge. Greater productivity, happier people, employee stability, business advantage, higher profits, greater security, and better health (Shrestha, 2007). Improving working environment results in decrease in the number of error rates, complaints, absenteeism and hence increases performance. Govindarajulu (2004) also highlighted that in twenty-first century, businesses are moving towards more strategic approach of environmental management to enhance their performance through improving and managing performance level of employees.

The modern physical environment is distinguished by technology, computers, machines, general furniture and furnishings which continually affect the brain and health of employees (Stoessel, 2001). Organisations must ensure that the physical layout is covering all need of employees such as communication and privacy, formality and informality, functionality and cross-disciplinarily (White, 2001).

### **2.2.1 Physical Factors of the Workplace Environment**

The ability of the physical workplace environment to influence behaviours and to create an image is particularly apparent for service businesses such as banks. The physical environment includes components of the tangible workplace environment that comprise spatial layout and functionality of the surroundings (Kohun, 2002). Spatial layout refers to the ways in which machinery, equipment, and furnishings are arranged, the size and shape of those items, and the spatial relationships among them. The spatial layout of furniture was found to influence the amount and nature of conversation between individuals (Becker, 2002). Functionality refers to the ability of the same items to facilitate performance and the accomplishment of goals. How performance is achieved will be affected by how well people fit with their physical workspace and physical work environment (Srivastava, 2008).

In a broader perspective, the physical workplace environment; include but not limited to the comfort level, ventilation, heating, natural lighting and artificial lighting. According to Temessek, (2009) the above features assist on the functional and aesthetic side, the décor, and design of the workplace environment that ultimately helps improve the employees experience and necessitate better performance. He emphasises that banking services “must insist on the utility and the role of environmental information, facilitating employees’ engagement with better space management, and the automation of certain tasks”. Similarly, if the tasks to be performed are very complex, efficiency of layout and functionality will be more important than when the tasks are mundane or simple.

Office layout and design impressions suggest that certain dimension serves a symbolic function by connoting meanings and images about organizations and further how their employees are to be engaged (Challenger, 2000). Based on these affordances, it is suggested that employees will tend to identify more with these features which enhance performance. Informal seating arrangements, such as chairs placed at a right angle facilitate social interaction, where as formal seating arrangements, such as chairs placed back-to-back discourage social interaction (Doman, 2008). This also helps explain how style of furnishings and other physical symbols may come to serve a symbolic function.

#### **2.2.2.1 Office layout and design factors**

Office layout and design in the banking environments are different from one bank to another. These differences have been expressed differently through time, in terms of the kind of bank, location and spatial layout and the immediate physical work environment (Smith, 2011). In order to compare the influence of different office environments on employees, it is necessary to categorize them. Office environments have traditionally been defined either by spatial organization or by work organization. Only using one method has its limitation as both factors influence the office employees. The most dominant architectural feature is the spatial organization of an environment. The functional features are based on the actual work taking place in the office.

Small-scale attributes such as workstation lighting, size of individual work surfaces, office privacy, and noise account for incremental variance in employees' performance with their work environment above and beyond office design alone (Becker, 2002). This could mean that providing employees' with attributes that counter the overall effect of an open plan office space, such as privacy and an adequate workspace, could serve to increase performance levels in spite of the overarching feelings of dissatisfaction towards the open plan office space as a whole.

#### **2.2.1.2 Furniture**

Ergonomic facilities that reduce strain and stress from the employees should and must be in use since they tend to work for long hours on the same station and comfort is paramount for optimum performance (Gutnick, 2007). Employees who have appropriate work space and the correct, updated and well-working equipment needed to get the job done will have a much more positive attitude about work than those who are dealing with frustrating and broken

equipment and furniture (McGuire, 2009). This study sought to analyze the effects of furniture on the performance of employees’.

### **2.2.2.3 Workspace availability**

Employee should be allocated a central position to work from. A workspace enables the employee to be easily located and reached whenever possible. Having your own dedicated personal space makes you feel like you belong and you are part of the company. Working spaces that are too open can affect our ability to focus and get work done whilst spaces that are too compartmented isolate co-workers (Gutnick, 2007). The opportunity to personalise your working space with a few family pictures or personal items creates a sense of safety and can be a positive anchor.

### **2.2.1.4 Lighting and ventilation intensity**

Ventilation systems in such buildings have to meet some requirements. The indoor air must be pure, temperature, humidity and air velocity must be at the appropriate level (Doman, 2008). Temperature has an influence on office work. Low temperatures decrease the work performance, as do the high temperatures. The optimal temperature for office workers is 22°C (Seppanen, 2006). Employees’ are also satisfied in a range from 20 to 24°C. High indoor temperature has a great influence on the human’s body (Seppanen, 2006). It can cause such illness, as sick building syndrome. High indoor temperature also increases the level of dryness. Low indoor temperature may increase risk of the draught. Also people are very sensitive to moving of the air when it is cold.

Appropriate lighting systems should provide the bank with as much natural lighting as possible. Windows should be incorporated to supplement the electrical lighting. It gives a sense of energy and affects the mood of the employees. Hawthorne effect is the best example of benefit of lighting in productivity. Accomplishment of daily tasks in workplaces with less or dim light is difficult for employees. Working in dim light leads to eye strain and thus causing headaches and irritability. Due to this discomfort, productivity is very much affected causing overall decrease in employee’s performance (Gutnick, 2007).

### **2.2.1.5 Noise**

Noise is an unpleasant sound or sound phenomenon, which in certain intensity causes an uncomfortable feeling in man and affects his mental and physical condition further reducing

performance (Sundstrom, 1994). Noise can also be a physical agent from the environment; from natural or anthropogenic origin and may be present only in the workplace or outside the workplace environment. Workplace users in one workplace may not perceive a level of sound to be an annoyance, whereas the same volume of sound in another workplace would be considered to be noise (Sundstrom, 1994). However, it has been identified that noise in the workplace, predominantly from others talking, is cited as being distracting by over 75% of workplace users (Sundstrom, 1994).

According to Deming (2000), physical workplace environment can cause stress which hinders employees from performing at the desired level. Noise is a pervasive problem in working environments and besides the obvious risk of hearing damage and masking of warning signals and speech, the effects on concentration, performance, behaviour and general well-being are serious consequences of annoying noise in the working environment. Added to that, are other effects such as headache, stress, fatigue, etc. Material that reduce or counter noise and vibration into banking halls should be incorporated to reduce distractions from the employees (Deming, 2000). This study therefore sought to investigate the effects of noise on the performance of bank employees'.

### **2.2.2. Psychosocial Factors Affecting Employees' Performance**

The psychosocial factor of work environment is generally considered to be one of the most important issues in contemporary and future societies. They refer to the interactions between the environment and working conditions, organizational conditions, functions and content of the work, effort, workers' individual characteristics and those of members of their families (Vischer, 2008). Therefore, the nature of the psychosocial factors is complex, covering issues relating to the workers, general environment and work. Noe (2008) define employee workplace welfare in terms of six key areas: a manageable workload; some personal control over the job; support from colleagues and supervisors; positive relationships at work; a reasonably clear role; and a sense of control or involvement in changes at the workplace. Individual association with the working environment are important as they impact upon the ability of the individual to take control of their work and the level of stress they experience within the workplace (Warr, 2002). The behavioural factors that may affect the performance of bank employees at work place are the exclusive nature and function of job satisfaction change, or systematic development or weakening in job satisfaction over spell (Warr, 2002). There are lots of other aspects that may enhance or lower the employees' performance some of which include role congruity,

supervisor support and leadership styles in banks rank among the factors that may individually and collectively effect on the performance of employees.

### **2.2.2.1 Supervisor support**

Supervisors are the first level of management who are given the major duties and responsibilities to form and lead work groups in organizations (Noe, 2008). Supervisor's interpersonal role is important since it encourages positive relations and increases self-confidence of the employees and in return improves performance (Arnold, 2007). Immediate supervisors act as advocate for employees, facilitates the allocation resources required by the employees for them to be able to do a good job and providing positive encouragement for a job well done. In order to gain the employees performance, both parties needs to play their part which is to commit with the relationship hence sustain performance (Bauer & Green, 1996).

According to Gilbert (1962) supervisor support on performance is determined by different factors, some of them related to the individual performer (such as individual ability and capacity, skills and knowledge, and motivation), others coming from the organizational context (such as standards and expectations, feedback and communication, task support and incentives). Those seven factors interact regularly in a performance system, where inputs (what the performer has), processes (what the performer has to do), and outputs (what has to be accomplished) have to be aligned in order not only to achieve, but to sustain performance. They should thus supervise the performance of the workers and then provide instructions and give feedback to them to ensure that they maximize their efficiency. This study therefore seeks to study how social and supervisor supports in the workplace environments can influence performance of the bank employees'.

### **2.2.2.2 Role congruity.**

The role that the employee is required to perform is consistent with their expectations on joining the organization and any subsequent job orientations. An organization's role expectations are typically reflected in formal documents, such as job design, job descriptions and analysis and role specifications. These expectations are in line with responsibilities allocated by the employee's immediate supervisor.

A job description is a written statement that explains the purpose, scope, duties and responsibilities of a specified job. It is prepared based on job analysis for internal use within the company and external use to gain the attention of people outside the company. Job descriptions



can be used as a roadmap for recruitment, selection and orientation. They are also the building blocks used in performance assessment, succession planning, coaching, training and compensation. A job description helps to ensure effective performance and provides a clear guide to all that are involved about the position, its requirements and expected outcomes (Gomes, 2010). Job descriptions are subject to constant change and shift due to the nature of the environment in organizations and businesses. Organizational changes such as restructuring, growth, cutbacks and reassignments have a direct impact on job descriptions (Arnold, 2007). It is important to know how changes affect relationships between positions and help identify possible overlaps or gaps between jobs.

Job design is the process of organizing tasks that are required to perform a job (Gomes, 2010). In a stable workplace environment, work simplification can be an effective way to organize labour and improve performance. In a service environment where employees perform simplified and highly specified jobs, job enlargement and job rotation can be good ways to create variation in the duties. Job enlargement expands duties and responsibilities and job rotation moves workers in different duties without disrupting the flow of work. Job enrichment attempts to improve employee performance by putting specified parts of the work back together so that one person produces a satisfactory service.

Job analysis is the process of collecting information about the content of a specific job. The purpose of job analysis is to identify the differences and similarities between different jobs and attain knowledge and requirements on jobs in the organization (Gomes, 2010). Job analysis is a prerequisite for preparing a job description and job evaluation. It should include information about the nature and purpose of the job; tasks included, expected outcomes and position in the organizational hierarchy. The job holder's characteristics should also be seen on the job analysis. Job analysis consists of collecting data and applying it by preparing job descriptions, job specification and job standards (Arnold, 2007).

Any job requires creativity, enthusiastic environment and challenging goals to accomplish. If the job content is challenging and innovative then the employees are willing to give positive output. If the job tasks are creative and attainment of goal is necessary, then the employees give tend to perform better. For this job enrichment and job rotation is important. Employees get bored of doing the same routine task all the time. Innovation and creativeness enhance the employees' performance. This study therefore seeks to investigate the role of role congruity in the workplace environment on the performance of bank employees'.

### **2.2.2.3 Leadership Style**

Leadership style is crucial since it determines the quality of employee's performance in today's banking operations. It is an interaction between leaders and employees where the leaders control and direct them in attempts to influence their behaviour to spur performance (Northouse, 2010). According to Kavanaugh and Ninemeier (2001), there are three factors that determine the type of leadership style: leaders' characteristics, subordinates' characteristics and the organisation environment. More specifically, the personal background of leaders such as personality, knowledge, values, and experiences shapes their feelings about appropriate leadership that determine their specific leadership style. Employees also have different personalities, backgrounds, expectations and experiences, for example, employees who are more knowledgeable and experienced may work well under a democratic leadership style, while employees with different experiences and expectations require an autocratic leadership style. Some factors in the organisation environment such as organisational climate, organisation values, composition of work group and type of work can also influence leadership style (Chen and Silverthorne, 2005). However, leaders can adapt their leadership style to the perceived preferences of their subordinates (Wood, 1994).

### **2.2.3 Work life balance**

Work-life balance is a combination of interactions among different areas of one's employed life, the pro and cons associated with the balance or imbalance can affect various levels of employees required roles. Work-life balance is defined as "people spending sufficient time at their jobs while also spending adequate time on other pursuits, such as family, friends, and hobbies" (Smith, 2010). It is a reflection of the needs for all employees to balance their work lives with their lives off the job, regardless of whether or not they have day-to-day family responsibilities (Galinsky, Bond & Friedman, 1996).

Work-life balance has been defined by one researcher as satisfaction and good functioning at work and at home with a minimum of role conflict (Clark, 2001), and by another as the degree to which an individual is able to simultaneously balance the temporal, emotional, and behavioural demands of both paid and family responsibilities (Hill, Hawkins, Ferris, & Weitzman, 2001). The two measurable aspects of balance between work and family roles in this study are work life conflict and extracurricular conflicts.

The inability of employees to achieve balance between the work and home domains can have negative consequences for both the individual and the organisation (Allan, Loudoun, & Peetz, 2007). Tausig and Fenwick (2001) measured perceived work-life balance using two items: the extent to which workers feel successful in balancing work and personal life, and the amount of conflict they face in balancing work and personal life. In response to this concern, an increasing number of banks now offer extensive work-life benefit programs for their employees. Work-life programs most commonly include factors such as flexible hours and part-time work.

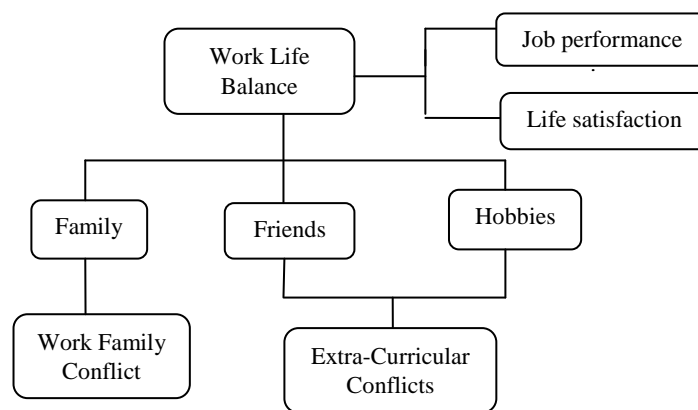


Figure 1: Work-Life Balance Relationships

Source: Researcher, 2014

### 2.2.3.1 Work-Family conflict.

According to Greenhaus & Beutell, (1985) Work-family conflict is “a type of interrole conflict wherein at least some work and family responsibilities are not compatible and have resultant effects on each domain”. Work-to-family conflict is when work interferes with family and family-to-work conflict is when family interferes with work (Anafarta, 2011). Interrole conflict happens when an employee cannot productively manage multiple life roles concurrently. These roles might include being responsible individually as an employee, spouse or partner, mother or father. It is assumed if an individual lacks adequate balance between work and life domains, conflict will exist.

It has been shown that work-family conflict can influence employees to consider leaving their organizations (Anderson, Coffey & Byerly, 2002). This conflict would have a significant bearing on the work-life balance of a professional (Hobson, Delunas & Kesic, 2001). Consequently, it is significant to study work-family conflict when assessing work-life balance

because commonly if there is a lack of balance between work and life, there will be a high level of work-family conflict. Consequently, when the employee is able to fulfil the demands of society and friends, then balance is achieved in totality. This study therefore sought to find out how balance between work and family in the workplace environment conflicts with employees performance.

### **2.2.3.2 Work-Extracurricular conflict.**

The word “extracurricular” has been operationalized for this study to encompass mismatched demands between the work and family roles of an employee outside of work and family. Extracurricular conflict may occur in the presence or absence of hobbies and social approach, religious inclination and personal wellbeing. Therefore, if one or the other of the work-extracurricular factors exists, employees will most likely experience deficiency in balancing work and those extracurricular activities. This study therefore sought to find out how the extracurricular activities in the workplace environment conflict with employees performance.

## **2.3 Empirical Literature Review**

Various researchers have studied environment as a factor in the performance of employees in organizations. A study carried out by Waweru (2010), on the effect of internal and external environment on employee’s retention highlighted that there many variables that affect the performance of employees at work place. The study also found out that the recognition of both environments contributed to an enhanced employee performance and recommended that inclusion of both systems be integrated for optimal performance.

A study carried out by Leblebici (2012) on the effects of organisational climate and performance concluded that there is a consistent association between the two and that companies that performed above average showed higher values on climate dimensions than those performing below average. He did however caution that it would be premature to conclude that this connection is causal. He acknowledged that organisational climate differs from organisational culture and state that organisational climate refers to the perceptions that organisational employee’s share of the fundamental elements of the organisation.

Research by Eagly, (2005) on a comparative analysis of work life balance in service industry confirms that employees often find a conflict in balancing their job and other life responsibilities, such as family (work-family conflict) and outside activities.

Recent studies by Deming (2000), found that 32% of employees report work-family balance as their leading job concern. They cite the interrole conflict as the major impediment to sustained performance

Temessek (2009) in his study on analyzed the extent to which the individuals perceive the workplace environment as fulfilling their intrinsic, extrinsic and social needs and their reason of staying with the organization. He analyzed the impact of perception of environments on employee commitment and turnover in the organization and concluded that if the employees are provided with enabling environmental support, they will be highly satisfied and show the high level of commitment towards their organization and hence low turnover rate.

Research conducted by O'Neil (2007) indicated that workplace design has a direct link to employee behaviour and is important in achieving strategic business objectives. The research survey findings suggested that improvement in physical design of office building may result in 5% to 10% increases in productivity.

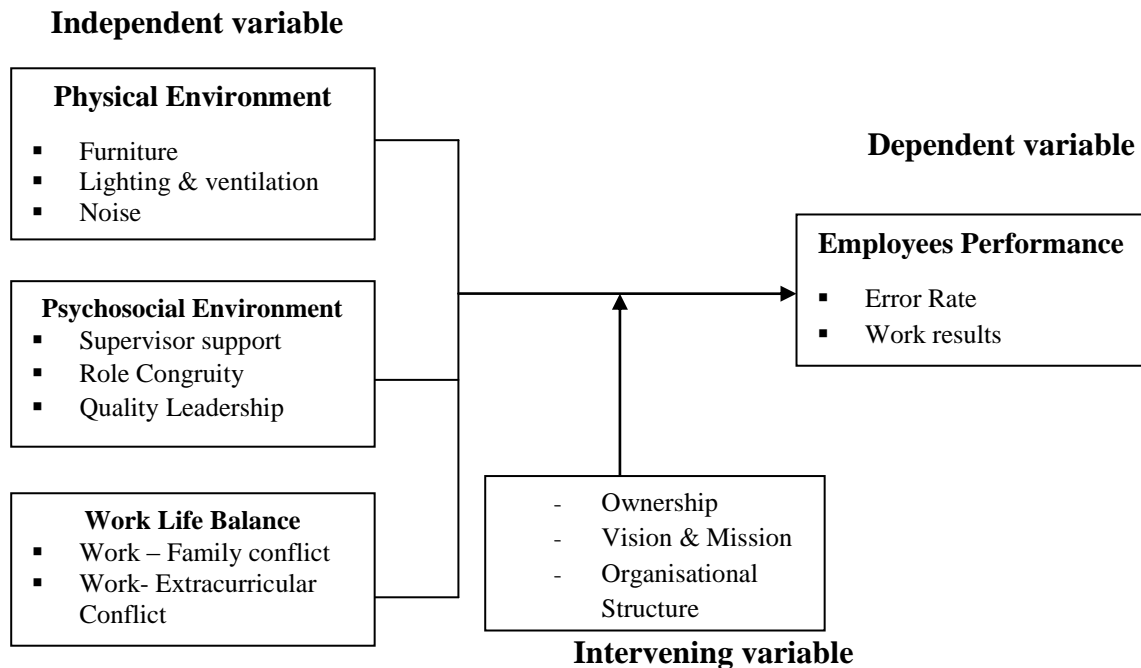
Shabir (2013) in his study provided an innovative attempt at investigating an obvious yet neglected link between the manager's attitude and employees' performance in the Banking sector. The firms with congenial manager's attitude have more positive impact on employees' performance. The results also suggest that there is a positive relationship between the Organization's culture and employees' performance in the Banking sector.

Sharman (2000) in his study claimed that the definitive rationale of environments was to improve job performance and output of an employee. The significance and carrying out the job analysis has the latent to devise this input to job performance both directly and inter-actively with other core human resource practices. The study further indicated that performance will improve with environment thus a correlation exists.

Hammed (2009), in his study highlighted that increased personal control and comfort needs of employees triggered the concern among banks to provide them with a workplace environment, which not only fulfils the employees' needs but also helps to enhance their productivity.

## 2.4 Conceptual framework

The conceptual framework illustrates the relationship between the dependent and independent variables. The independent variables are the physical factors, psychosocial factors and work life balance factors. These variables are expected to influence the dependent variables being employee performance in Commercial Bank in Nakuru Town.



Source: Researcher, 2014

Figure 2: Conceptual framework showing the relationship between independent and dependent variables

## 2.5 Research Gap

Employees' performance is not static and varies from bank to bank. The environmental influence is unique to each bank and previous researches should not be presumed to apply uniformly. Research into the interaction of individuals with the built environment (albeit with limited attention to workplaces), demonstrates how the manipulation of the physical environment can produce profound differences in performance. From the literature reviewed, the effects of workplace environment in influencing Bank employees' performance are recognized. The outcome of this study was expected to guide Banks on improving workplace environment.

**CHAPTER THREE**  
**RESEARCH METHODOLOGY**

**3.1 Introduction**

This chapter discusses the methodological procedures that were used in data collection and analysis. Discussed in details are the research design; the location of the study; population of the study; sampling procedure and sample size; instrumentation; data collection, data analysis and the method used by the study in analyzing data collected.

**3.2 Research Design**

The study adopted a descriptive survey design in examining the effects of workplace environment on Bank employee performance in Nakuru Town. The descriptive survey design method was useful in exploring how workplace environment affect performance in the study area. It is an efficient approach of collecting data regarding characteristic of sample of a population, current practices, conditions or needs (Chandran, 2004).

**3.3 Target Population**

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Babbie, 2002). The research targeted non-managerial employees from the entire 25 Bank in Nakuru town which hosts a population of 736 Bank employees as shown in table 3.1.

**3.4 Sampling Procedure and Sample Size**

Sampling is taking any portion of a population or universe as representative of that population (Kerlinger, 1983). The researcher used convenient sampling to test the data. The sample size was calculated using the formula propounded by Nassiuma, (2000).

$$n = \frac{NC^2}{C^2 + (N-1)e^2} \dots\dots\dots (1)$$

Where n = sample size, N= population size C = Coefficient of variance, e=standard error of sampling.

- N=Target Population =736
- c = Coefficient of variance =30%
- e= Error Term =2%

Using formula (1), the sample size for bank employees was 173 as seen in table see table 3.2. A stratified random sampling with probabilities proportional to the size of the Commercial Bank was used to allocate size of the samples in each stratum using the formula in equation (2) as shown in table 3.1.

**Table 3.1 Sample size**

<b>Banks</b>	<b>Population</b>	<b>Sample</b>
African Banking Corporation Limited	16	4
Bank of Africa Kenya Ltd	10	2
Bank of Baroda (K) Ltd	8	2
Barclays Bank of Kenya Ltd	82	19
CFC Bank Ltd	10	2
Chase Bank	15	3
Co-operative Bank of Kenya Ltd	74	17
Commercial Bank of Africa Ltd	14	3
Consolidated Bank of Kenya	9	2
Credit bank	12	3
Diamond Trust Bank Ltd	14	3
Dubai Bank Kenya Ltd	15	3
Eco Bank	11	3
Equity Bank	140	33
Family Bank Ltd	62	15
First Community Bank	15	3
Guarantee Trust Bank Ltd	12	3
Investment & Mortgage Bank	8	2
K-Rep Bank Ltd	17	4
Kenya Commercial Bank Limited	100	24
National Bank of Kenya Ltd	35	8
NIC Bank Ltd	14	3
Oriental bank	11	3
Standard Chartered Bank (K) Ltd	20	5
Trans-National Bank Ltd	12	3
<b>Total</b>	<b>736</b>	<b>173</b>

Source: Research data, 2014

$$n_i = \left( \frac{n}{N} \right) N_i \dots\dots\dots (2)$$

Where:  $n_i$  = the sample size,  $n$  = is the total sample size;  $N$  = total population size,  $N_i$  = number of individuals.



### **3.5 Data Collection Instruments and Procedure**

The researcher used questionnaires to collect data. The researcher used a drop and pick later method in the administration of the questionnaire. To ensure the questionnaire yield consistent results, a pilot testing was carried out. Pretesting was done on employees from other financial institutions in Nairobi City that has not been included in the sample of the study in order to ensure enough precision. This ensured that the measure actually measures what is claimed.

### **3.6 Validity and Reliability of Research Instrument**

Validity is the degree to which data in a research is accurate and credible while reliability is the degree to which an instrument will produce similar results at different periods (Gray, 2004). The researcher used Cronbach's alpha since it is a coefficient of internal consistency commonly used as an estimate of the reliability. A reliability coefficient of 0.7 or over was assumed to reflect the internal reliability of the instruments. The instruments gave a Cronbach's coefficient alpha value of 0.7227 implying it was above the recommended value and therefore suitable for administration.

### **3.7 Data Analysis Method**

Descriptive and inferential statistics were employed to enable the researcher describe and examine the relationship between variables. Descriptive statistics involved the use of frequencies and percentages and a chi-square test. Descriptive statistics results were presented using tables. Pearson's Correlation was used to show the relationship between workplace environments while regression analysis was used to determine to what degree the independent variables (physical, psychosocial and work life balance) can explain a change in employees' performance.

### **3.8 Ethical Measures**

The research supported the principle of voluntary participation. Data was collected with the informed consent of participants. Privacy and confidentiality of participants was assured and information sought would not be made available to anyone who is not directly involved in the study. The principal of anonymity was guaranteed by keeping the participants anonymous throughout the study.

## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATIONS AND DISCUSSIONS

#### 4.1 Introduction

This chapter comprises of a presentation of data results and their interpretation. The presentation in this chapter shows the results as tested according to the objectives of the study. The chapter begins with the demographic characteristics of the respondents such as age, educational level, tenure and gender which were all presented using cross tabulations. Descriptives for the items in the instrument were also presented using means for each item to define the relative opinion of the respondents for that particular item. The results from the correlations and the regression analysis results were presented.

##### 4.1.1 Response Rate

Table 4.1 shows the response rate of the respondents

<b>No. of questionnaires Returned</b>	<b>No. of respondents targeted</b>	<b>Response Rate (%)</b>
<b>173</b>	<b>142</b>	<b>82</b>

Source: Research data, 2014

The study targeted 173 bank employees but the actual number that participated in the study was 142. A response rate of 82% was obtained, which is an acceptable proportion according to Mugenda and Mugenda (2003), who reports that a response rate of 50% and above is acceptable.

#### 4.2 General Characteristic of the Respondents

To present sample characteristics, cross tabulations and frequency distributions were used to indicate variations of respondents based on age, gender, tenure and length of service. Descriptive statistics aided the study in illustrating the characteristics of the respondents and nature of the data in line with the study objectives.

#### 4.2.1 Gender by age of the respondents

Data on gender and age is presented in Table 4.2 as presented

**Table 4.2 Gender by age of the Respondents**

Gender		Age			Total
		20–29 Years	30–39 years	40–49years	
Male	Frequency	20	30	9	<b>59</b>
	Percentage (%)	33.9	50.8	15.3	<b>100</b>
Female	Frequency	39	40	4	<b>83</b>
	Percentage (%)	47	48.2	4.8	<b>100</b>
<b>Total</b>		<b>59</b>	<b>70</b>	<b>13</b>	<b>142</b>

Source: Research data, 2014

According to the results in table 4.2, 33.9% of the male respondents belonged to the 20-30 year's age group, 50.8% belonged to the 30-39 years age group, and 15.3% belonged to the 40-49 years age group while 47% of female respondents belonged to the age group 20-29, 48.2% belonged to the 30-39 years age group and 4.8% belonged to the 40-49 years age group. The findings also indicate that age was not statistically significant to the study with the chi-square value of 5.573 being significant at 2 degrees' of freedom. From the findings, the majority of the respondents belonged to the 30-39 years age group thus the female Bankers were more responsive compared to their male counterparts.

### 4.2.3 Age by Tenure of the Respondents

Frequency distribution was used to present age and tenure of the respondents.

**Table 4.3: Age by tenure of the respondents**

Age		Tenure at job			Total
		Contract	Permanent	Part-Time	
20 – 29 years	Frequency	15	42	2	<b>59</b>
	Percentage (%)	25.4	71.2	3.4	<b>100</b>
30 – 39 years	Frequency	0	70	0	<b>70</b>
	Percentage (%)	0	100	0	<b>100</b>
40 – 49 years	Frequency	0	13	0	<b>13</b>
	Percentage (%)	0	100	0	<b>100</b>
<b>Totals</b>		<b>15</b>	<b>125</b>	<b>2</b>	<b>142</b>

Source: Research data, 2014

According to the results in table 4.3, 25% of the respondents belonged to the 20-29 years age group and on contract, 71% belonged to the 30-39 years age group on permanent while, 3.4% belonged to the 40-49 years age group and on part time basis. On the 30 – 39 age groups, none were on contract, 100% were permanent while 0% was part-time. On the 40 – 49 age group, none was on contract, 100% were permanent while 0% was part-time. The findings also indicate that age by tenure was significant to the study with the chi-square value of 27.168 being significant at 4 degrees' of freedom. From the findings, the majority of the respondents belonged to the 30-39 years age group and were permanently employed.

### 4.2.4 Marital Status of the Respondents

The result in respect to the respondents' marital status by age is presented in table 4.3 and according to the findings, 78.8% of the respondents were singles in the age group of 20 - 29, 19.2% were in the age of 30 -39 years, and 1.9% were in the 40 -49 age group. 20% were married in the age group of 20 -29, 66.3 in the age group of 30 -39 years while 12.8% were in the age group of 40 -49 years. The findings also indicate that age by marital status was significant to the study with the chi-square value of 55.997 being significant at 6 degrees' of freedom. From the findings, the majority of the respondents were married and in the age group of 30 – 39 years.

**Table 4.4 Marital Status by Age of the respondents**

<b>Marital Status</b>		<b>20 – 29 Years</b>	<b>30– 39 years</b>	<b>40 –49 years</b>	<b>Total</b>
<b>Single</b>	Frequency	41	10	1	<b>52</b>
	Percentage (%)	78.8	19.2	1.9	
<b>Married</b>	Frequency	18	57	11	<b>86</b>
	Percentage (%)	20.9	66.3	12.8	
<b>Separated</b>	Frequency	0	3	0	<b>3</b>
	Percentage (%)	0	100	0	
<b>Widowed</b>	Frequency	0	0	1	<b>1</b>
	Percentage (%)	0	0	100	

Source: Research data, 2014

### **4.3 Physical workplace aspects in Commercial Banks**

Physical workplace environments are an important influence on the performance of the commercial bank employees. The study brings to light the fact that physical aspects of the environment affect employees' performance through the relationships formed with following aspects: ambient conditions, temperature, air quality and the quality of light, the amount of noise, physical characteristics of the work station, work space and the building layout. The study sought to analyze the extent to which physical workplace environment influenced employees performance in the Commercial Banks in Nakuru town. The objective was achieved by asking the respondents to respond to questions that best described their immediate physical workplace environment. These together with other items were each rated on a 5-point Likert scale ranging from: 1= Strongly Agree to 5= Strongly Disagree and the results summarised below in table 4.5.

**Table 4.5 Physical Workplace Aspects**

STATEMENT	SA	A	N	D	SD	$\chi^2$	P-Value
	Freq (%)	Freq (%)	Freq (%)	Freq (%)	Freq (%)		
The furniture I use is comfortable, flexible to adjust, easy to rearrange & reorganize	77(54.2)	61(43.0)	2(1.4)	2(1.4)		130.056	0.0001
The office is devoid of unnecessary noise	36(25.4)	41(28.9)	5(3.5)	7(4.9)	53(37.3)	64.338	0.0001
The working space area is sufficient and roomy enough	70(49.3)	63(44.4)	1(0.7)	7(4.9)	1(0.7)	172.085	0.0001
The room or office I operate from is well illuminated	82(57.7)	56(39.4)	1(0.7)	3(2.1)		136.028	0.0001
The temperatures in the room or office I operate from is appropriate	79(55.6)	59(41.5)	1(0.7)	3(2.1)		132.141	0.0001

Source: Research data, 2014

The results in table 4.5 indicate that the respondents strongly agreed ( $\chi^2 = 130$ ,  $P \leq 0.001$ ) that furniture used was comfortable, flexible, and easy to adjust and rearrange. Gutnick, (2007) highlighted that furniture that is comfortable and equipment that works are key to employee's performance. However majority of the respondents disagreed strongly ( $\chi^2 = 64.3$ ,  $P \leq 0.001$ ) that their office place was devoid of unnecessary noise. This meant that most of the commercial bank employees are exposed to noise due to close proximity to the road. However, researchers have identified that noise in the workplace, predominantly from others talking, is cited as being distracting by over 75% of workplace users (Sundstrom, 1994). The findings also show that 93.7% of the respondents agree strongly ( $\chi^2 = 172$ ,  $P \leq 0.001$ ) that their workplace is sufficient and roomy enough. This is in agreement with (Gutnick, 2007), on Working spaces that are too open can affect our ability to focus and get work done whilst spaces that are too compartmented isolate co-workers. The workplace was well illuminated since (97.1%) was the response rate showing most of the banks were sufficiently lit ( $\chi^2 = 136$ ,  $P \leq 0.001$ ). The findings also show

that respondents agreed ( $\chi^2 = 132, P \leq 0.001$ ) that temperature in the bank were appropriate. This indicates that Temperature has an influence on office work (Seppanen, 2006). In consideration of the above outcomes, there is high likelihood that physical environments spur employees' performance.

#### 4.3.1 Psychosocial Workplace Aspects

The study brings to light the fact that psychosocial workplace aspects affect employees' performance through manageable workload; some personal control over the job; support from colleagues and supervisors; positive relationships at work; a reasonably clear role; and a sense of control or involvement in changes at the workplace. These together with other items were each rated on a 5-point Likert scale ranging from: 1= Strongly Agree to 5= Strongly Disagree and the results summarised in table 4.6

**Table 4.6 Psychosocial Workplace Aspects**

Statements	SA	A	N	D	SD	$\chi^2$	P-Value
	Freq(%)	Freq(%)	Freq(%)	Freq(%)	Freq(%)		
I frequently meet with my supervisor about my personal development	30(21.1)	76(53.5)	17(12)	16(11.3)	3(2.1)	112.577	0.0001
My supervisor respects the co-worker's opinions	33(23.2)	76(53.5)	25(17.6)	8(5.6)		70.789	0.0001
My roles & responsibilities are clearly stated	66(46.5)	63(44.4)	3(2.1)	8(5.6)	2(1.4)	153.845	0.0001
My job requires the performance of a wide range of tasks	88(62.0)	47(33.1)	4(2.8)	1(0.7)	2(1.4)	90.197	0.0001
Managers inform employees about important decisions, changes, or plans for the future	38(26.8)	66(46.5)	18(12.7)	19(13.4)	1(0.7)	86.38	0.0001
I can rely on my supervisor/line manager to help me out with a work problem	38(26.8)	70(49.3)	11(7.7)	22(15.5)	1(0.7)	102.718	0.0001

Source: Research data, 2014

The results in table 4.6 suggests that the respondents agreed ( $\chi^2 = 112, P \leq 0.001$ ) that they met with their supervisors for personal development while other respondents agreed ( $\chi^2 = 70, P \leq 0.001$ ) that their supervisors respects the co-workers opinion. this indicates that supervisor' interpersonal role is important since it encourages positive relations and increases self-confidence of the employees and in return improves performance (Arnold, 2007). The roles and responsibilities on the respondents had an agreed ( $\chi^2 = 153, P \leq 0.001$ ). The findings also show that respondents agreed ( $\chi^2 = 90, P \leq 0.001$ ) that their jobs require them to perform wide range of task. This means that the respondents had their roles and responsibilities clearly stated for performance of everyday tasks; and that job description helps to ensure effective performance and provides a clear guide to all that are involved about the position, its requirements and expected outcomes (Gomes, 2010). On the aspect of managers informing employees about important decisions, the respondents agreed ( $\chi^2 = 86, P \leq 0.001$ ). The findings also show that respondents agreed ( $\chi^2 = 102, P \leq 0.001$ ) that they can rely on their supervisors to help them out with work problem. In consideration of the above outcomes, there is high likelihood that psychosocial aspects help boost employees' performance in commercial banks in Nakuru Town.

#### **4.3.2 Work Life Balance**

The study brings to light the fact that balance between combinations and interactions of the different areas of one's employed and family is important to the performance of commercial bank employees. The objective was achieved by asking the respondents to respond to questions that best described their work life balance interactions. These together with other items were each rated on a 5-point Likert scale ranging from: 1= Strongly Agree to 5= Strongly Disagree and the results summarised in table 4.7



**Table 4.7: Work - Family Conflict**

Statements	SA	A	N	D	SD	$\chi^2$	P-Value
	Freq(%)	Freq(%)	Freq(%)	Freq(%)	Freq(%)		
Due to work-related duties, I keep on making changes to my plans for family activities	37(26.1)	68(47.9)	4(2.8)	25(17.6)	8(5.6)	93.845	0.0001
The demands of my work interfere with my home and family life	22(15.5)	51(35.9)	14(9.9)	41(28.9)	14(9.9)	39.62	0.0001
The amount of time my job takes up makes it difficult to fulfill family responsibilities	20(14.1)	50(35.2)	14(9.9)	47(33.1)	11(7.7)	49.056	0.0001
My job produces strain that makes it difficult to fulfill family duties	13(9.2)	45(31.7)	14(9.9)	25(17.6)	25(17.6)	35.465	0.0001

Source: Research data, 2014

The results in table 4.7 suggests that the respondents agreed ( $\chi^2 =93$ ,  $P\leq 0.001$ ) to making changes to their family plans .This means that the respondents had been compelled to make constant changes to their family activities due to work related duties. More so the respondents agreed ( $\chi^2 =39$ ,  $P\leq 0.001$ ) that the demands of their work interfere with family and home life. In addition, the respondents agreed ( $\chi^2 =49$ ,  $P\leq 0.001$ ) that the amount of time their jobs takes makes them difficult to fulfill family responsibilities while others agreed ( $\chi^2 =35$ ,  $P\leq 0.001$ ) that the job produces strain that makes it difficult to fulfill family duties. The responses thus concur with Allan, Loudoun, & Peetz, (2007) that the inability of employees to achieve balance between the work and home domains can have negative consequences for both the individual and the organisation. In consideration of the above features, there is high likelihood that work-family conflicts aspects affect employees' performance in Commercial Banks in Nakuru Town.

### 4.3.3 Work- Extracurricular Conflicts

The results in table 4.8 suggests respondents agreed ( $\chi^2 =68, P\leq 0.001$ ) that the amount of time their job takes up makes it difficult to fulfill extracurricular responsibilities, while other disagreed ( $\chi^2 =62, P\leq 0.001$ ) that their job produces strain that makes it difficult to fulfill their extracurricular activities. It has been shown that work-family conflict can influence employees to consider leaving their organizations (Anderson, Coffey & Byerly, 2002). Meanwhile some of the respondents agreed ( $\chi^2 =64, P\leq 0.001$ ) that work-related duties, force them to make changes to their plans for extracurricular activities while other respondents agreed ( $\chi^2 =65, P\leq 0.001$ ) that demands of their work interfere with their extracurricular activities. Anafarta, (2011) highlights that Work-to-family conflict is when work interferes with family and family-to-work conflict is when family interferes with work. Recent studies by Deming (2000), found that 32% of employees report work-family balance as their leading job concern. They cite the interrole conflict as the major impediment to sustained performance. In consideration of the above features, there is high likelihood that work-extracurricular aspects impact the performance of Commercial Banks employees' in Nakuru Town.

**Table 4.8 Work- Extracurricular conflicts**

Statements	SA	A	N	D	SD	$\chi^2$	P-Value
	Freq(%)	Freq (%)	Freq(%)	Freq (%)	Freq (%)		
The amount of time my job takes up makes it difficult to fulfill extracurricular responsibilities	33(23.2)	56(39.4)	6(4.2)	41(28.9)	6(4.2)	68.493	0.0001
My job produces strain that makes it difficult to fulfill my extracurricular activities	19(13.4)	48(33.8)	9(6.3)	54(38.0)	12(8.5)	62.437	0.0001
Due to work-related duties, I have to make changes to my plans for extracurricular activities.	35(24.6)	58(40.8)	9(6.3)	34(23.9)	6(4.2)	64.408	0.0001
The demands of my work interfere with my extracurricular activities	22(15.5)	55(38.7)	6(4.2)	47(33.1)	12(8.5)	65.676	0.0001

Source: Research data, 2014

## 4.4 Inferential Statistics

Correlation and stepwise regression analysis results are presented in this section to evaluate the relationship between the dependent and independent variable. ANOVA test was done to establish if there was a significant difference in the means.

### 4.4.1 Correlation Analysis

Correlation analysis was used to determine the significance and degree of association of the variables. The main result of a correlation is called the correlation coefficient (or "r"). It ranges from -1.0 to +1.0. The closer r is to +1 or -1, the more closely the two variables are related. If r is positive, it means that as one variable gets larger the other gets larger. If r is negative it means that as one gets larger, the other gets smaller (often called an "inverse" correlation).

**TABLE 4.9 Summary of Correlations**

		<b>Physical workplace</b>	<b>Psychosocial workplace</b>	<b>Work Life Balance</b>	<b>Employees performance</b>
<b>Physical Workplace</b>	Pearson Correlation	1			
	P-Value	0.001			
<b>Psychosocial Workplace</b>	Pearson Correlation	.293**	1		
	P-Value	0.000			
<b>Work Life Balance</b>	Pearson Correlation	-.219**	-.223**	1	
	P-Value	0.009	0.008		
<b>Employees Performance</b>	Pearson Correlation	0.224**	.353**	-.287**	1
	P-Value	0.07	0.00	0.000	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Research data, 2014

The correlation summary above in table 4.9 indicates a weak but significant association between the independent and dependent variables.

From the correlation results, it was found that the physical workplace environment has a significant positive effect on employee performance in the commercial banks in Nakuru town ( $r = 0.224$ ,  $\alpha = 0.01$ ) this shows that there is a significant relationship existing between the workplace environment and performance thus providing the grounds of the null hypothesis.

The study also determined whether psychosocial aspects had any significant effects on the performance of commercial bank employees. The correlation results indicated a negative significant relationship ( $r = 0.353$ ,  $\alpha = 0.01$ ) and that led to a rejection of the null hypothesis.

Finally the study also sought to determine whether work-life balance had a significant effect on the performance of commercial bank employees in Nakuru town and found a positive significance ( $r = -0.287$ ,  $\alpha = 0.01$ ). This led to rejection of the null hypothesis.

The results therefore indicated that psychosocial aspects exhibited the strongest association with employee performance while physical aspects and psychosocial aspects were moderate.

#### 4.4.2 Regression Analysis

Stepwise regression analysis was used to produce a best fit line to predict independent variables from the dependent variable. This analysis was used to determine how the independent variables influenced the depend variable, to what extent each independent variable affected the dependent variable and which of those factors are more significant. The results obtained are shown by table 4.10.

**Table 4.10 Multiple Linear Regression Analysis Model Summary**

Model	R	R Squared	Adjusted R Square	Std of Error Estimate
1	0.547 <sup>a</sup>	0.299	0.284	0.91487

a. Predictor : Employees performance

b. Predictor: (constant) Physical environment, psychosocial aspects, work life balance

Source: Research data, 2014

The adjusted r square value of,  $r^2 = .284$  indicate that when all the variables are combined, the multiple linear regression model could explain for approximately 28% of the variation in employee performance of the Commercial Banks.

### 4.4.3 Anova and Regression

Results of the Anova performed on the independent and dependent variables are summarised in table 4.11 while the regression analysis results are also presented on table 4.12

**Table 4.11 Anova model**

Source Of Difference	Sum Of	df	Mean	F <sub>o</sub>	Sig
	Squares		Square		
Between Groups	8.111	3	2.7923	10	.000
Within Groups	37.306	138	0.270		
Total	45.415	141			

Source: Research data, 2014

**Table 4.12: Multiple linear regression results**

	Unstandardized Coefficients		Standardized coefficients Beta	t	Sig	Collinearity statistics <sup>a</sup>	
	B	Std Error				Tolerance	VIF
<b>(Constant)</b>	1.659	0.242		6.85	0.001		
<b>Physical Aspects</b>	0.83	0.07	0.097	1.189	0.237	0.889	1.124
<b>Psychosocial Aspects</b>	0.22	0.065	0.279	3.41	0.001	0.888	1.126
<b>Work Life Balance</b>	-0.128	0.05	-0.203	-2.532	0.012	0.924	1.082

a. Dependent variable: Employees, Performance of Commercial Banks

Source: Research data, 2014

The Anova results shown in table 4.11 indicated an overall significance of 0.000. The overall relationships between the dependent and independent variables will be of the most importance in a linear regression model. A negative value simply means that the expected value on the dependent variable will be less than 0 when all independent/predictor variables are set to 0. The findings showed there was no significance between physical workplace aspects ( $p = 0.237$ ) and

performance of employees in Commercial Banks. The findings also indicated a significant relationship between psychosocial aspects ( $p = 0.001$ ) and work life balance ( $p = 0.012$ ).

The prediction equation is  $\text{performance} = 1.659 + 0.097 (\text{Physical aspects}) + 0.279(\text{psychosocial aspect}) + -.203(\text{work life balance})$  telling you that Physical aspect is predicted to increase by 1.659 when the performance variable goes up by one, increase psychosocial aspect by 0.279 when performance goes up by one, and work life balance is predicted to decrease by -.203 when both performance is zero. The standard error (0.242), being an estimate of the standard deviation of the coefficient, is a random variable with a mean of zero and which captured the variables that could not be quantified. If a coefficient is large compared to its standard error, then it is probably different from 0.

The VIF value for all the independent variables were lesser than 10, and the Tolerance was also less than 0.1, thus there was no concerns over multicollinearity. This led to the conclusion that physical aspects, psychosocial aspects and work life balance were all important factors in the performance of employees in Commercial Banks in Nakuru town.

The independent variable which was most important in the performance of employees was also determined. This was obtained by the beta value whereupon the results in table 4.12 indentified psychosocial aspects as the most important variable of the study followed by physical aspects and work life balance in that order. The beta value for these variables 0.097, 0.279 and -0.203 indicate that dependent variables would change by a corresponding number of standard deviation when the respective independent variable changed by one standard deviation.

#### **4.5 Hypotheses Testing**

In this section, the specific objective to the research is highlighted, hypotheses are tested and implications discussed.

#### 4.5.1 Specific objectives

**Ho<sub>1</sub>: Physical workplace factors have no significant effect on performance of bank employees.**

Regression results showed that the physical workplace factors does not significantly influence employees' performance ( $\beta = 0.097$ ; p value = 0.237 and t value 1.189) and thus the null hypothesis was not rejected. The implication of this is that physical workplace environment did not influence behaviours and subsequently performance. This further means inclusion of ergonomic features in furniture's; adequate lighting and ventilation facilities and workspace availability were not quite a significant factor on the performance of the commercial bank employees.

**Ho<sub>2</sub>: Psychosocial workplace factors have no significant effect on Bank employees' performance.**

Regression results showed that the psychosocial workplace factors significantly influenced employees' performance ( $\beta = 0.279$ ; p value = 0.001 and t value = 3.41) and thus the null hypothesis was rejected. The implication of this is that there should be high quality leadership, effective supervision and role congruity in the work operations to enhance and sustain performance. Ignoring these psychosocial workplace factors would compromise leadership and direction, feedback and may end up in mediocre output among commercial bank employees.

**Ho<sub>3</sub>: Work life balance factors have no significant effect on performance of Bank employees'.**

Regression results showed that the work life balance factors significantly influenced employees' performance and ( $\beta = -0.203$ ; p value = 0.012 and t value = -2.532) and thus the null hypothesis was rejected. The implication of this is that work/family and work-extracurricular activities must be strategically integrated into the work place environments to boost performance in the employees. Ignoring these factors will lead to a broad emotional and behavioural deficiency thus affecting the general performance of the employees.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the discussion, conclusions, and recommendations arising out of the research findings in chapter four and suggests areas for further study. The study has generated several findings of which are in line with existing literature and previous research findings. The overall objective of this study was to investigate the effect of workplace environment on the performance of Bank employees in Nakuru Town. More specifically, the study sought to establish the extent to which physical workplace factors, psychosocial factors and the work life balance factor affect performance of Commercial Bank employees in Nakuru Town.

#### **5.2 Summary of Findings**

The findings show that all variable combined can explain approximately 28% of the variations in employees' performance in the Commercial Banks in Nakuru town while 72% may be attributed to other factors not explained by the variables.

The first objective of this study was to assess the effect of physical workplace factors on performance of Bank employees. Data analysis and interpretation of the questionnaires revealed that majority of the employees' agreed that the furniture's in use in the workplace were indeed comfortable, flexible to adjust, easy to rearrange or reorganize. The findings also revealed that majority of the Commercial Bank employees disagreed on the absence on unnecessary noise in their workplace. This means that due to the close proximity of most Commercial Banks to the main street of Nakuru town, noise was a factor adversely influencing performance of employees'. This was indicative that noise; being an unpleasant sound or sound phenomenon, which in certain intensity causes an uncomfortable feeling in man and affects his mental and physical condition further reducing performance (Sundstrom, 1994). The findings also revealed that majority of the Commercial Banks employees agreed that their working space area was sufficient and roomy enough. From the correlation results, it was found that the physical workplace environment has a significant positive effect on employee performance in the commercial banks in Nakuru town; this shows that there is a significant relationship that exists between the workplace environment and performance. Regression results showed that it



had a linear relationship and that it was the second most important factor in the regression model, hence needed to be taken into account in order to achieve better employees'. In light of the growing importance of the physical work place environment, the objective revealed how immediate surroundings' fulfill their intrinsic, extrinsic and social needs and their reason of staying with the organization (Haynes, 2008). He further adds that environment is a key determinant of the quality of their work and their level of performance

The second objective examined in the study was the effects of psychosocial workplace factors on the performance of Bank employees in Commercial Banks in Nakuru Town. This according to Visher(2008), psychosocial factors at work refer to the interactions between the environment and working conditions, organizational conditions, functions and content of the work, effort, workers' individual characteristics and those of members of their families. Data analysis and interpretation of the questionnaires indicated that majority of the employees' agreed that they frequently met with my supervisor about their personal development. The findings also revealed that majority of the Commercial Bank employees agreed that supervisors respect the co-worker's opinions. The findings also asserted that most of the employees agreed on their roles & responsibilities being clearly stated and were thus required to perform wide range of tasks. The findings also revealed that majority of the Commercial Bank employees agreed to their managers informing them about important decisions, changes, or plans for the future and also relied on the supervisor/line manager to help me out with a work problem. From the correlation results, it was found that psychosocial workplace factors have a significant positive effect on employee performance in the commercial banks in Nakuru town. Regression results showed that it had a linear relationship and that was the most important factor in the multiple regression models. In light of the psychosocial workplace factors objective, Noe (2008) define employee workplace welfare in terms of six key areas: a manageable workload; some personal control over the job; support from colleagues and supervisors; positive relationships at work; a reasonably clear role; and a sense of control or involvement in changes at the workplace.

Finally the study sought to determine the effects of work life balance factors on performance of Bank employees'. This is the degree to which an individual is able to simultaneously balance the temporal, emotional, and behavioural demands of both paid and family responsibilities (Hill, Hawkins, Ferris, & Weitzman, 2001). The findings revealed that majority of the Commercial Bank employees agreed that due to work-related duties, they keep on making changes to their plans for family activities. The findings also revealed that majority of the

employees agreed that the demands of their work interfered with my home and family life and that the amount of time their job takes up makes it difficult to fulfill family responsibilities. The findings also asserted that majority also agrees that their job produced strain that made it difficult to fulfill their family duties. The correlation results indicated a negative significant relationship. Regression results also showed that it had a negative relationship and that it was the least important factor in the regression model. The finding thus underscores work life balance as a reflection of the needs for all employees to balance their work lives with their lives off the job, regardless of whether or not they have day-to-day family responsibilities (Galinsky, Bond & Friedman, 1996).

### **5.3 Conclusions**

Performance among Commercial Bank employees is influenced by various aspects. The study findings have revealed that psychosocial aspects were an important factor in boosting the performance of employees while compared to other two variables; (Physical aspects and work life balance aspects), in Commercial Banks in Nakuru Town. In particular the role of supervision had a strong influence on performance of the Commercial Bank employees in Nakuru town. Many factors affect employee performance that managers/supervisors need to be aware of and should work to improve at all times. It was determined that the employees understood their roles and responsibilities and were performing a wide range of activities to fulfill various obligations expected of them. Hence, based on these findings, the study concludes that all of them were important variables in the study beginning with the most crucial which in this case was psychosocial aspects.

### **5.4 Recommendations**

As a result of findings from this research, it is recommended that attention be given to the strong influences on the quality of workplace life environments of commercial bank employees. These consisted of: physical aspects, psychosocial aspects and work life balance. Fostering a more humanistic workplace environment may yield a more contented work force, increased efficiency and reduced costs. Weak or negligible influences which were identified included factors in the work life/ and work-extracurricular balance. While these influences had little impact on the quality of Workplace Environment of subjects in this study, there are

lessons to be learned. Therefore, it is recommended that attention be given to integration of work life and family balance factors to human element effectiveness which requires its development, maintaining, achieving the integration and balance with the organization where they work to achieve satisfaction and commitment on permanent basis and growing their creative energies thus helping to achieve the organization's objectives in an integrated manner. There is also need to empower employees with proper organisational structures, culture, systems, processes that are supportive of optimal performance. The employees' also need to be engaged with ownership of the institutions through right issue and shares and a representative mission and vision of the organisation. The comparison into the tenure of domestic and foreign orientation of the Commercial Banks, it is also recommended that domestic Commercial Bank be more versatile in adapting contemporary workplace environmental aspects. Making prompt and much needed changes to the workplace environment and evaluating the impact upon employees' stimulation levels provide a greater understanding of how the workplace can affect users. The findings from the research demonstrated that differences in the workplace environment are related to differences in tenure disposition of Commercial Banks and their perceived employees' performance. The following information is provided to assist those interested in further improving the quality of Workplace Environment of Commercial Bank employees.

### **5.5 Recommendation for Further Research**

The research recommends further research should be attempted to collect data from other financial sectors such to see whether workplace environments are the same and could therefore benefit from this study. The study concentrated on workplace environment in regard to Commercial Banks. However, a similar research can be carried out in other financial Deposit taking institutions and SMEs'

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## APPENDICES

### Appendix 1: Cover Letter

School Of Business  
Kabarak University  
Nakuru

17<sup>th</sup> July, 2014

Dear Respondent

#### **Re: Data Collection for Research Project**

I am an MBA student of Kabarak University conducting a research in partial fulfilment of requirement for the award of a degree in Master of Business Administration. The subject of my research is the effects of workplace environment on employees' performance in Banks in Nakuru Town.

I am humbly requesting your assistance in this study by providing answers to the questions on the attached questionnaire. Please be assured that all the information provided will be treated with confidentiality and will be used for academic purposes only.

Your assistance will be highly appreciated.

Yours faithfully,

Gitahi Njenga

Researcher.

## APPENDIX II: QUESTIONNAIRE

This questionnaire is a tool for collecting data that will help assess the effect of workplace environment on the performance of employees serving in Commercial Banks in Nakuru Town. Kindly be as objective as possible. The information obtained is strictly for research purposes and will be treated with highest level of confidentiality

### SECTION A: SOCIO-DEMOGRAPHIC DATA OF THE RESPONDENT

Please place a tick (✓) or write your responses where appropriate box/ spaces provided

1. Gender  Male  
 Female
2. Age  20-29 yrs  
 30-39 yrs  
 40-49 yrs  
 50 yrs. and above
3. Marital Status  Single  
 Married  
 Separated  
 Divorced  
 Widowed  
 Widow
4. Type of Bank  Private Commercial Bank  
 Public Commercial Bank  
 Foreign Bank  
 Others (please specify).....
5. Name of Bank .....
6. Position at work.....
- 7 Tenure of your job  Contract  
 Permanent  
 Part-time  
 Other (please specify).....
8. Division/Department/Unit .....
9. Length of service .....

**SECTION B: QUESTIONS ON PHYSICAL WORKPLACE ENVIRONMENT**

Kindly rate your levels of agreement or disagreement with the statements in the tables below using the scale given:

SA=Strongly Agree (1)

A=Agree (2)

N=Not Sure (3)

D=Disagree (4)

SD=Strongly Disagree (5)

Kindly place a tick (√) against the suggested opinion to show your level of agreement or disagreement with it in the that appropriate box in the table

**PART A: PHYSICAL WORKPLACE ASPECTS**

Item	Physical Workplace Environment	SA	A	N	D	SD
i	The furniture I use is comfortable, flexible to adjust, easy to rearrange or reorganize					
ii	The office is devoid of unnecessary noise					
iii	The working space area is sufficient and roomy enough					
iv	The room or office I operate from is well illuminated					
v	The temperatures in the room or office I operate from is appropriate					

**PART B: PSYCHOSOCIAL WORKPLACE ASPECTS**

Item	Psychosocial Working Environment	SA	A	N	D	SD
i	I frequently meet with my supervisor about my personal development.					
ii	My supervisor respects the co-worker’s opinions					
iii	My roles & responsibilities are clearly stated					
iv	My job requires the performance of a wide range of Tasks.					
v	Managers inform employees well in advance about, important decisions, changes, or plans for the future					
vi	I can rely on my supervisor/line manager to help me out with a work problem					

**Part C: WORK LIFE BALANCE ASPECTS**

**i. Work - Family Conflicts**

Item	Work - Family Conflict	SA	A	N	D	SD
i	Due to work-related duties, I keep on making changes to my plans for family activities					
ii	The demands of my work interfere with my home and family life					
iii	The amount of time my job takes up makes it difficult to fulfill family responsibilities					
iv	My job produces strain that makes it difficult to fulfill family duties					

**ii. Work - Extracurricular Conflicts**

Item	Work- Extracurricular conflict	SA	A	N	D	SD
i	The amount of time my job takes up makes it difficult to fulfill extracurricular responsibilities					
ii	My job produces strain that makes it difficult to fulfill my extracurricular activities					
iii	Due to work-related duties, I have to make changes to my plans for extracurricular activities.					
iv	The demands of my work interfere with my extracurricular activities					

**PART D: EMPLOYEES' PERFORMANCE**

Item	Employees' Performance	SA	A	N	D	SD
i	I complete as many transactions and documentations as are required of me on time.					
ii	I am able to keep processing errors to near Zero most of the time.					
iii	I make efficient use of the automating processing & equipments provided for the work I do					
iv	I normally exceed expectations for the set targets					
v	I get time to make suggestions towards improvement of procedures and processes					
vi	Whenever awards are made for outstanding work, I normally get it.					
v	My customers regularly and voluntarily express their gratitude for the service I offer to them					

**THANK YOU VERY MUCH FOR YOUR PATIENCE AND RESPONSES**

### APPENDIX III: TARGET POPULATION

Table 3.1 Target population

<b>Banks</b>	<b>Population</b>	<b>Tenure</b>
African Banking Corporation Limited	16	Domestic
Bank of Africa Kenya Ltd	10	Foreign
Bank of Baroda (K) Ltd	8	Foreign
Barclays Bank of Kenya Ltd	82	Foreign
CFC Bank Ltd	10	Foreign
Chase Bank	15	Domestic
Co-operative Bank of Kenya Ltd	74	Domestic
Commercial Bank of Africa Ltd	14	Domestic
Consolidated Bank of Kenya	9	Domestic
Credit bank	12	Domestic
Diamond Trust Bank Ltd	14	Foreign
Dubai Bank Kenya Ltd	15	Domestic
Equity Bank	140	Domestic
Family Bank Ltd	62	Domestic
First community Bank	15	Foreign
Guarantee Trust Bank	12	Domestic
Imperial Bank Ltd	11	Domestic
Investment & Mortgage Bank	8	Domestic
K-Rep Bank Ltd	17	Foreign
Kenya Commercial Bank Limited	100	Domestic
National Bank of Kenya Ltd	35	Domestic
NIC Bank Ltd	14	Domestic
Oriental bank	11	Domestic
Standard Chartered Bank (K) Ltd	20	Foreign
Transnational Bank Ltd	12	Domestic
<b>TOTAL</b>	<b>736</b>	

Source: Research data, 2014