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## **INFLUENCE OF WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE IN PUBLIC SECTOR BANKS: AN EMPIRICAL STUDY IN PUDUCHERRY**

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### ABSTRACT

*The work environment plays a crucial role in determining employee performance in service-oriented sectors such as banking. A supportive work environment consisting of physical facilities, organizational support, interpersonal relationships, and job security enhances employee productivity and organizational effectiveness. The present study examines the influence of work environment on employee performance in public sector banks in Puducherry. The study adopts a descriptive research design and primary data were collected through a structured questionnaire from 50 employees working in public sector banks. Convenience sampling technique was used for selecting respondents. Statistical tools such as percentage analysis, t-test, ANOVA, and correlation analysis were used for data analysis with the help of SPSS software. The findings indicate that work environment has a significant influence on employee performance. The study also reveals that educational qualification has a significant relationship with employee performance, whereas gender, age, and work experience do not show significant relationships. The study concludes that improving workplace conditions, organizational support, and supervisory practices can enhance employee performance in public sector banks. The results provide useful implications for human resource management practices in the banking sector.*

**KEYWORDS:** Work Environment; Employee Performance; Public Sector Banks; Organizational Climate; Banking Sector; Puducherry.

### INTRODUCTION

The work environment is an important component of human resource management practices that significantly influences employee productivity and organizational performance. A positive work environment includes physical facilities, organizational support, healthy

interpersonal relationships, and safe working conditions that enable employees to perform their duties effectively. In service-oriented sectors such as banking, employees play a crucial role in delivering quality services and achieving organizational objectives. Therefore, maintaining a supportive and comfortable work environment has become essential for improving employee performance. In recent years, the banking sector has undergone significant changes due to technological advancements, increasing customer expectations, and competitive pressures. Public sector bank employees are required to handle heavy workloads, digital banking operations, and customer service responsibilities. These challenges make it necessary for banks to provide a conducive work environment that enhances employee efficiency and motivation. A favourable work environment helps employees perform their tasks more effectively, reduces work stress, and improves overall job performance. Employee performance refers to the effectiveness with which employees carry out their assigned tasks and responsibilities. Several factors such as workplace facilities, management support, communication, and working conditions influence employee performance. A supportive work environment encourages employees to be more productive and committed to their organization. Although several studies have examined employee performance in the banking sector, limited research has focused on the influence of work environment on employee performance in public sector banks, particularly in Puducherry. Therefore, the present study attempts to examine the relationship between work environment and employee performance in public sector banks in Puducherry. In the present competitive banking environment, employee performance has become a key determinant of organizational success. Public sector banks in India are facing increasing pressure due to technological changes, digital banking services, and growing customer expectations. Under these circumstances, maintaining a supportive work environment becomes essential for improving employee efficiency and service delivery. Therefore, it is important to examine how work environment influences employee performance in public sector banks in Puducherry.

#### **OBJECTIVES OF THE STUDY**

1. To examine the influence of work environment on employee performance in public sector banks in Puducherry.
2. To analyze the relationship between demographic variables and employee performance.
3. To identify the factors of work environment influencing employee performance.
4. To provide suggestions for improving employee performance through better work environment practices.

#### **REVIEW OF LITERATURE**

Previous studies have emphasized the importance of work environment in improving employee performance and organizational effectiveness. A supportive and healthy work environment contributes significantly to employee productivity, motivation, and job satisfaction.

Chandrasekar (2011) examined the impact of workplace environment on employee productivity and found that physical working conditions, workplace facilities, and organizational support significantly influence employee performance. The study concluded that a favourable work environment enhances employee efficiency and organizational productivity.

Leblebici (2012) studied the effect of workplace quality on employee productivity and reported that workplace conditions such as lighting, ventilation, and workspace design play an important role in improving employee performance. The study emphasized that organizations should provide better working conditions to improve employee output.

Awan and Tahir (2015) identified a strong relationship between work environment and employee performance. The study found that employees working in supportive

environments show higher levels of productivity and job satisfaction compared to those working in poor environments.

Raziq and Maulabakhsh (2015) examined the impact of working environment on job satisfaction and performance and concluded that a positive work environment significantly improves employee motivation and performance. The study highlighted that physical and psychological work conditions are essential factors affecting employee efficiency.

Naharuddin and Sadegi (2013) reported that workplace environment factors such as supervisor support, communication, and workplace safety have a significant influence on employee performance. The study suggested that organizations should focus on improving workplace conditions to enhance employee productivity.

Jayaweera (2015) found that a supportive work environment has a direct and positive impact on employee performance. The study revealed that organizational support and working conditions influence employee motivation and efficiency.

Banking sector studies also indicate that employees perform better when they work in a comfortable and supportive environment. Good interpersonal relationships, proper workplace facilities, and manageable workload improve employee productivity and service quality in banks.

From the above review, it is evident that work environment has a significant influence on employee performance. However, very limited studies have focused on public sector banks in Puducherry. Therefore, the present study attempts to examine the influence of work environment on employee performance in public sector banks in Puducherry.

### **RESEARCH GAP**

The review of literature indicates that several studies have examined the relationship between work environment and employee performance in different sectors. However, limited studies have focused specifically on public sector banks in Puducherry. Most previous studies have concentrated on private sector organizations or general service industries. Therefore, there exists a research gap in understanding the influence of work environment on employee performance in public sector banks in Puducherry. The present study attempts to fill this gap between the work environment on employee performance in public sector banks.

### **RESEARCH METHODOLOGY**

The present study adopts a descriptive research design to examine the influence of work environment on employee performance in public sector banks in Puducherry. The research implies a quantitative approach and is based on primary data collection. Primary data collected using a structured questionnaire consisting of statements related to work environment and employee performance measured using a five-point Likert scale. The questionnaire was administered to employees working in selected public sector banks in Puducherry.

A sample of 50 employees selected using the convenience sampling method due to the easy accessibility of the respondents.

The statistical tools used in this study:

- Percentage Analysis
- Independent Sample t-test
- One-way ANOVA
- Correlation Analysis

The data analyse were performed by way of using SPSS software.

### **RESEARCH HYPOTHESES**

The following hypotheses were formulated to examine the influence of work environment on employee performance in public sector banks in Puducherry:

H1: There is a significant difference between gender and employee performance in public sector banks.

H2: There is a significant difference between educational qualification and employee performance in public sector banks.

H3: There is a significant relationship between age of the respondents and employee performance in public sector banks.

H4: There is a significant relationship between work experience and employee performance in public sector banks.

H5: There is a significant relationship between work environment and employee performance in public sector banks.

## **DATA ANALYSIS AND RESULTS**

Descriptive and inferential statistical techniques were employed for the analysis of data. Parametric tests such as t-test, ANOVA, and correlation analysis were used to examine the influence of the work environment on employee performance in public sector banks in Puducherry.

The demographic profile of the respondents shows that 73 percent of the respondents are male and 27 percent are female, indicating that male employees constitute the majority of the workforce in public sector banks.

It is observed that 83 percent of the respondents belong to urban areas of Puducherry, while the remaining respondents are from semi-urban and rural areas.

With regard to educational qualification, 66 percent of the respondents have completed post-graduation, whereas 30 percent have completed graduation, indicating that most employees possess higher educational qualifications.

The average work experience of the respondents is 11 years, indicating that the employees have considerable exposure to the banking work environment. The results of the independent sample t-test indicate that there is no significant difference in employee performance scores between male employees ( $M = 88.2, SE = 2.7$ ) and female employees ( $M = 93.4, SE = 3.5$ ),  $t(48) = -1.155, p > 0.05$ . This indicates that gender does not significantly influence the relationship between work environment and employee performance in public sector banks.

The results of ANOVA analysis reveal that there is no significant difference in employee performance scores across different public sector banks,  $F(9,40) = 1.316, p > 0.05$ , indicating that similar work environment conditions exist across public sector banks in Puducherry.

However, the analysis shows that there is a significant difference between educational qualification and employee performance scores,  $F(3,46) = 3.287, p < 0.05$ , suggesting that educational qualification plays an important role in enhancing employee performance along with work environment factors.

The correlation analysis indicates that there is no significant relationship between age and employee performance ( $r = -0.009, p > 0.05$ ). Similarly, there is no significant relationship between work experience and employee performance ( $r = -0.006, p > 0.05$ ).

Overall, the findings suggest that the work environment has a consistent influence on employee performance across demographic groups, while educational qualification shows a significant association with employee performance in public sector banks in Puducherry.

## **IMPLICATIONS OF THE STUDY**

In the context of rapidly changing banking operations and increasing customer expectations, a conducive work environment plays a crucial role in improving employee performance in public sector banks. A healthy work environment enhances employee motivation, job satisfaction, and productivity, which ultimately contributes to organizational effectiveness. The findings of the study have important implications for human resource management practices in public sector banks in Puducherry. Bank management should focus on improving physical working conditions, interpersonal relationships, supervisory support,

and organizational policies in order to enhance employee performance. The study highlights that a positive work environment helps in improving employee efficiency and commitment. Therefore, bank managers and administrators should take necessary steps to create a supportive and comfortable work environment that encourages better performance among employees. The results of the study will be useful for bank officials and policy makers in designing effective work environment strategies that can improve employee productivity and service quality. The study is not only applicable to public sector banks but can also be extended to other service organizations where employee performance is influenced by work environment factors. Overall, the study emphasizes that improvement in work environment conditions can lead to higher employee performance and better organizational outcomes.

#### **LIMITATIONS OF THE STUDY**

1. The study is limited to public sector banks in Puducherry.
2. The sample size is limited to 50 respondents.
3. The study is based on primary data collected through questionnaire method.
4. The findings may not be generalizable to private sector banks.

#### **SUGGESTIONS**

Public sector banks should focus on improving the overall work environment in order to enhance employee performance and productivity. Bank management should take necessary steps to improve employee job satisfaction through better working conditions, supportive supervision, and healthy interpersonal relationships, as a positive work environment leads to better employee performance. Managers in public sector banks should develop effective work environment policies and strategies to improve employee motivation and organizational performance. Public sector banks should follow standard organizational policies and ethical practices and update them periodically to maintain a positive and disciplined work environment. Training programmes, workshops, and webinars should be conducted regularly for bank employees such as clerks, officers, and support staff to improve their skills and adaptability to changing banking practices. Bank managers should create a supportive and participative work culture where employees are given opportunities to express their ideas and contribute to organizational improvement according to their job roles. Banks should also improve physical working conditions such as lighting, seating arrangements, ventilation, and workspace facilities, as these factors significantly influence employee performance.

#### **CONCLUSION**

The present study examined the influence of work environment on employee performance in public sector banks in Puducherry. The findings reveal that a positive work environment significantly improves employee performance and productivity. Factors such as physical working conditions, organizational support, and interpersonal relationships contribute to improved employee efficiency. The study shows that demographic variables such as gender, age, and work experience do not significantly influence employee performance, whereas educational qualification shows a significant relationship with performance. The results indicate that public sector banks should focus on creating a supportive and comfortable work environment in order to enhance employee productivity and organizational effectiveness. Improvement in work environment conditions will not only increase employee performance but also improve service quality in the banking sector. The study contributes to the existing literature by providing empirical evidence on the relationship between work environment and employee performance in public sector banks in Puducherry.

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