

The Impact of Work Environment on Employees' Performance in Banking Sector in Palestine

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Received: June 10, 2021

Accepted: July 14, 2021

Online Published: July 27, 2021

doi:10.5539/ibr.v14n8p85

URL: <https://doi.org/10.5539/ibr.v14n8p85>

Abstract

Purpose: Because high employee performance can lead to positive organizational outcomes, improving employee performance is one of the foremost objectives for any organization. Nowadays, since employees have an arguably greater number of job opportunities from which to choose and may, ostensibly, opt to leave unfavorable conditions in search of better alternatives, the workplace environment proves a critical factor in deciding to remain or leave any given position. Put simply, the workplace environment stands to influence employees' levels of motivation, performance, and productivity. This study examines the effects of the work environment on employee performance in the Palestinian banking sector.

Design/methodology/approach: Questionnaires were distributed among an initial 320 bank employees from a total of 14 Palestinian banks found in Palestine. Of the 320, 268 were deemed completed in a manner satisfactory to be considered primary source data. The remaining 52 surveys were improperly or incompletely populated and not calculated into the results. The data from these surveys were then analyzed using SPSS v 27.

Findings: Findings indicate that the work environment correlates to a significantly positive effect on employee performance. After that, these results have provided robust and beneficial recommendations, which policymakers and banks may implement to formulate relevant strategies to manipulate the work environment and improve employee productivity.

Originality: This research is the first to address the relationship between employees' performance and the workplace environment in the Palestinian Banking sector.

Keywords: workplace environment, employee's performance, physical and behavioral components, Palestine

Paper Type: Research Paper

JEL Classification: M12, M19

1. Introduction

Nowadays, organizations can no longer afford to waste their workforce's potential in the competitive business environment. The global design firm Gensler conducted a workplace survey in the U.S., concludes that 90% of U.S. employees assume that better workplace design and layout enhances their performance, productivity, and the company's competitiveness (Gensler, 2016). However, only 5% of workers opine that their work environment stimulates innovation. The study concludes that top-performing companies have more effective workspaces than average companies (Zimmerer, Scarborough, & Wilson, 2015).

Over the last few years, employees' well-being, and comfort on the job (determined by workplace conditions and environment), have been recognized as essential factors for measuring their productivity. In addition, studies indicate that the culture of the office environment also has an impact. This is confirmed by Duffy (2000), who considers how the culture of any business can be affected by its office design, which means that office design is a powerful medium to communicate values.

This study intends to shed light on the relationship between the work environment and employees' performance in the Palestinian banking sector. In doing so, I seek to fulfill the following objectives:

1. To understand the relationship between the employees and their work environment.

2. To analyze workplace factors affecting the employees' performance.

Regarding the effects of workplace environment on employee performance at selected Palestinian banks, this formal inquiry poses the following questions:

- 1- Does the office environment affect employees' well-being? If so, how and to what extent?
- 2- How does the physical environment, including office layout, space, and lighting, affect employees' performance?
- 3- How do behavioral factors such as level of interaction and distraction affect employees' effectiveness during work?
- 4- Which component within the workplace environment has the most significant impact on employees' development and prosperity?

2. Theoretical Framework

Related studies reveal several factors that can impair or improve employees' productivity in the workplace. First, facility layout, which is the arrangement of workspace, promotes interaction. In general terms, it can unencumber access to facilities that must interact with each other vis-à-vis granting employees access to tools, processes, and individuals. Facility layout performs similar functions in both are services and manufacturing companies. Facilities are significant to organizations because they represent the most expensive assets of the organization. Facilities layout planning comprises an important logistical management issue that all organizations encounter (Alberto G. & Geoff H., 1996). A study conducted by Saha (2016) illustrates how workplace design, including the physical workplace design, impacts employee morale, productivity, and engagement positively and negatively. (Chandrasekar, 2011) indicates that the workplace design in many industries is unsafe and unhealthy. People working in such environments are disposed to occupational diseases, and thus their productivity might decrease. This hazardous environment includes poorly designed workstations, inappropriate furniture and ventilation, poor lighting, and insufficient safety measures in case of fire.

According to Scarborough and Cornwall (2015), "planning for the most effective and efficient layout in a business environment can produce dramatic improvements in a company's operating effectiveness and efficiency. An attractive, effective layout can help a company's recruiting efforts, reduce absenteeism, and improve employee productivity and satisfaction".

Aisyah, Deswindi, and Indrajaya (2020) explore whether the physical and non-physical work environment affects employees' productivity with motivation as an intervening factor. The findings show that the physical work environment, directly and indirectly, affects work productivity through work motivation; in contrast, the non-physical work environment does not directly affect work productivity. However, it has an indirect effect on work productivity through work motivation. Accordingly, a good non-physical work environment will increase employee motivation. Greater cause yields greater productivity.

The literature related to office layout revolves around two main debates: open-plan versus cellular offices and matching the office environment to work processes, (Haynes, Suckley & Nunnington, 2017). It has been argued that the open-plan debate has led to cost reduction as the prevailing paradigm regarding the office environment (Haynes, 2007). Gyekye (2006) indicates that environmental conditions affect employee safety perceptions, which impact employee commitment.

Aldoseri and Almaamari (2020) explore factors such as job satisfaction, motivation, employee engagement, and work environment on employee performance. The results show that leadership, work environment, and job satisfaction influence performance, while workplace climate plays a crucial role in inspiring workers to do their assigned tasks. It also beneficially and detrimentally affects the health, efficiency, and commitment of workers.

Muzaffar, Noor, and Mahmud (2020), studied the impact of open and closed office layouts based on privacy, concentration levels, and social interaction towards the employees' perceived productivity. Open-plan offices surveyed indicate the highest level of dissatisfaction regarding privacy and concentration levels. Moreover, enclosed private offices surveyed show the highest level of dissatisfaction regarding social interaction within the work environment and displayed the highest level of dissatisfaction in terms of job performance and environmental satisfaction. Reddy (2019), believed that closed offices are better used for companies with jobs that require concentration and quiet working areas such as law firms, accounting agencies, and other businesses in the financial sector.

(Lee & Jeon, 2019) as cited in Muzaffar et al. (2020), noise, specifically in open offices, causes constant distraction for workers. Thus, distraction caused by noise can exhaust employees' time and overall job performance, mostly when they realize that the environment to be out of their control.

In their study on the importance of user satisfaction in office renovation, Kwon, Remøy, and Van Den Dobbelsteen (2019), state that a *user-focused renovation approach* can promote user satisfaction in offices and their functional while quality meeting energy performance goals. They identify ten influential factors (e.g., thermal comfort, air quality, lighting, noise, user control, privacy, concentration, communication, social contact, and spatial comfort), divided into physical comfort, functional, and psychological comfort. Moreover, Naccarella *et al.* (2018) state that employees want to work in a user-controllable, comfortable, and hygienic workplace where they can 'feel at home.'

Septiari (2020) studies the correlation between the physical work environment and the level of fatigue on packaging productivity. He shows that physical both the work environment and fatigue significantly influence packaging productivity. Nurmianto Eko (2008) defines the physical work environment as everything around the workers, affecting task performance, such as noise from the production machine, lighting. A comfortable physical work environment promotes a feeling of safety, which subsequently optimizes productivity. Straker and Mathiassen (2009) argue that a seated position at work is more comfortable and boosts productivity; however, sitting for too long may cause problems for the body and produce the opposite effect.

Similarly, Gupta, Howard, and Zahiri (2020) investigate the link between indoor and workplace productivity in a mechanically ventilated office environment in southern England; their study revealed a relationship between the indoor environment and an occupant's perception of their own productivity as well as objectively measured productivity, wherein performance tasks are used as proxy measures of cognitive ability, speed, and accuracy. They also note that the same self-assessed productivity decreases when occupants experience thermal discomfort and stuffy air.

Roskams, Haynes, Lee, and Park (2019) explore the extent to which particular employee characteristics are related to acoustic comfort, well-being, and productivity in open-plan offices. Three open-plan office sites in the United Kingdom were studied, and data were collected from them. Each site was a regional office for a large facilities management organization, housing knowledge workers completing typical office activities. Based on the results, the importance of noise sensitivity was highlighted. Respondents who are more noise-sensitive tended to give more negative ratings of the acoustical quality of the office. They were more distracted by speech, had greater concentration difficulties, and had lower self-rated productivity; in addition, employees who experienced less interaction with colleagues reported more negative experiences. These findings provide more evidence that individuals vary fundamentally in their workplace requirements and that design open-plan office needs to reflect this to enable the entire group of employees to work more effectively. These results agree with previous findings on the influence of noise sensitivity in indoor environments (Haapakangas, Hongisto, Hyönä, Kokko, & Keränen, 2014; Park, Lee & Jeong, 2018).

Di Blasio, Shtrepi, Puglisi, and Astolfi (2019) compare the subjective outcomes of shared offices, i.e., two to five workers and open-plan offices, i.e., five or more workers, related to "irrelevant speech noise," which is the noise generated from conversations between co-workers, telephone calls, and laughter. The results show that irrelevant speech noise is more annoying in open-plan offices and affects performance, mental health, and well-being more than in shared offices. The wearing of headphones with music is the main solution adopted by workers to contrast irrelevant speech noise in open-plan offices. However, in shared offices, the adaptive behaviours strategy, which includes taking a break, changing work location or work tasks, working from home, and closing the office door, is the main solution to noise.

Hanif (2020) studies sample university library employees when analyzing the influence of workplace design features such as furniture, noise, light, temperature, and spatial arrangement on employee productivity and investigating the gender preferences related to these design features. The findings reveal that men prefer a quiet illuminated environment and moderate temperatures, while women appear more concerned than furniture and décor.

Ramos, Figueiredo, and Pereira-Guizzo (2018) find that employees in industrial companies perceived organizational encouragement, challenging work, and workgroup support to be the key factors stimulating or inhibiting creativity. By contrast, freedom, supervisor encouragement, sufficient resources, realistic workload pressure, and the absence of organizational impediments did not factor significantly. Pedro Carlos Resende Junior, Antonia Regina de Oliveira, and Ricardo Ken Fujihara (2016), one of the main antecedents to innovation, encourages employees to be creative, searching for new opportunities. In addition, Dul and Ceylan (2014) show

that companies achieve better results in terms of recent product sales and the number of new products launched if the work environments support creativity. Carmeli, Cohen-Meitar, and Elizur (2007) study how respectful relations among team members improve relational information processing, resulting in superior creative behaviour.

Khan, Salam, and Islam (2020) assert that the work environment performs a key role in an organization; most of the problems faced by employees are related to the presence of a congenial work environment. A friendly work environment, they say, improves employees' motivation, performance, and productivity. Their findings show that factors like physical environment, lightning, performance feedback, and supervisor support positively impact productivity in an organization.

Alayis, Amin, and Abdelmajeed (2020) aim to identify the effect of the Indoor Environmental Quality (IEQ) on the creativity of customer service employees in Saudi Arabia's telecommunications companies. The findings show that thermal comfort, light, location, and available facilities have had a statistically notable impact on the employees' creativity. In contrast, elements of air quality, sound, noise, interior design, and landscape have no substantial effect on their creativity. Lee (2019) defines the IEQ concept as the attention paid to all the elements that make up the internal environment that affect the employees' health, welfare, and productivity.

Rus and Orel (2015) and Brown (2017) study the impact of inter-related factors on employees' performance. They find that individual users of shared office spaces in the workspace atmosphere represents a cornerstone for collaborative activity and resource exchange. Modern workspaces are often seen as canter of innovation (Ross & Ressler, 2015).

Finally, psychological comfort is another important factor. Correspondingly, co-working spaces have increased in popularity amongst highly skilled digital entrepreneurs. It is considered a place where managers from the corporate world tend to scout for fresh talent and environmental traits, accelerating communication flow (Williams & LaBrie, 2015). Furthermore, Kwon et al. (2019) believe that employee satisfaction and productivity are among the main interests of employers. They find that privacy, concentration, communication, social contact, and territoriality significantly determine psychological satisfaction measures. Accordingly, they point to cellular offices, north-west oriented workstations, and distances of four meters from a window as specific variables that positively correlate to psychological satisfaction.

To conclude, related studies reveal that several factors can impact employees' performance, which relates to the purpose of this study investigating the relationship between workplace environments and employees' performance.

3. Methodology

To meet the objectives stated earlier and to answer the research questions, this research is scientific in its approach. The researcher seeks to assess how banks in Palestine manage and understand the relationship between the workplace environment and employees' performance by examining different factors such as furniture, noise, comfort, lighting, temperature, and air quality, in addition to other factors identified by respondents.

The study is divided into three stages. The first stage is a preliminary literature review; the second, the design and implementation of a questionnaire; the third, the analysis of data yielded from questionnaires.

3.1 Data Collection and Sampling

Given the quantitative nature of this study, a special questionnaire was designed and piloted to 10 employees. Based on the feedback, some items were reworded for clarity.

The sample population consists of employees in the Banking sector in Palestine. This population was selected from the fourteen banks with a total of 370 branches and offices. Simple random sampling was used. Of a total number of 320 questionnaires, 268 were populated properly, meaning the minimal extent satisfactory to be considered as data and analyzed.

After completion of data entry, data were exported into SPSS for statistical analysis. Statistical tools such as mean, range, and percentage have been used to analyze quantitative data. Other techniques were applied, frequency distributions, cross-tabulation, and descriptive analysis to guarantee that the instrument used measures the concept thoroughly.

3.2 Research Design

The questionnaire is divided into four main parts: demographic, wellbeing, physical environment, and behavioral factors.

A five-point Likert scale was constructed for all survey questions. Response choices to questions varied from strongly disagree to strongly agree with a neutral value and very negative to very positive impact with a neutral value. Values 1 and 2 in both cases are categorized as “Yes, indicative,” and values 3 and 4 in both cases are considered “No, indicative.”

4. Findings

This study aims to provide factual insight into the relationship between the work environment and employees' performance in Palestine's banking sector. This section briefly discusses the survey results.

4.1 Demographic Information

As shown in Table1, the results of the questionnaire reveal that of the 266 respondents to the questionnaire, 52.6% are male and 46.6% are female. Further analysis shows that 32.8 of the respondents are between the ages of 26 and 30, 26.9%, between the ages of 20 and 25, 20.1 %, between 31 and 35 years of age, 10.8, between the ages of 36 and 40, and 8.2 % between 41 years of age and older. Furthermore, the results reveal that 76.5% of the respondents have bachelor's degrees, 14.6%, master's degrees, and 6%, diplomas. Finally, the results reveal that 42.2% of respondents have been working at their bank for more than 5 years, 28.7. %, for between 1 and 3 years, 13.4% for between 3 and 5 years, and 13.8 %, for less than one year.

Table 1. Demographic Information

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	141	52.6	53.0	53.0
	Female	125	46.6	47.0	100.0
	Total	266	99.3	100.0	
Missing	System	2	0.7		
Total		268	100.0		
Experience		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than one year	37	13.8	14.1	14.1
	1 - 3 years	77	28.7	29.3	43.3
	3 - 5 years	36	13.4	13.7	57.0
	more than 5 years	113	42.2	43.0	100.0
	Total	263	98.1	100.0	
Missing	System	5	1.9		
Total		268	100.0		
Education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	16	6.0	6.2	6.2
	Bachelors	205	76.5	78.8	85.0
	Masters	39	14.6	15.0	100.0
	Total	260	97.0	100.0	
Missing	System	8	3.0		
Total		268	100.0		
Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 - 25	72	26.9	27.2	27.2
	26 - 30	88	32.8	33.2	60.4
	31 - 35	54	20.1	20.4	80.8
	36 - 40	29	10.8	10.9	91.7
	41 and above	22	8.2	8.3	100.0
	Total	265	98.9	100.0	
Missing	System	3	1.1		
Total		268	100.0		

4.2 Office Environment and Employees Wellbeing

Table 2 below (The extent to which the office environment affects employee well-being) displays a clear comparison and overview of how the office environment affects employees' well-being.

Most informants responded positively by answering, “Strongly Agree” and “Agree” to each of the first eight

questions indicating satisfaction with how the bank meets their needs through the provision of various office environmental factors to improve productivity. The result shows that 52.3% of respondents opine that their office environments make them feel “engaged,” 49.3% agree that they felt “happy” while 15.7% “disagree” that their office environment makes them feel “happy.”

Moreover, 47% of respondents feel they receive sufficient natural light, and 46.6 % agree that their work environment encourages relationship building, learning from others, and sharing knowledge. 45.5% opine that they have personal control over their work, so most respondents conclude that their office environments positively impact employees.

As for whether or not the work environment supports health and wellbeing, 41.8% of respondents agree that their work environments support their health, while 16.8% disagree. 39.6 % of all respondents agree that their work environments make them feel valued whereas, 16.4 % disagree. The questionnaire shows that 39.2% agree that the work environment makes them more creative; 24.3 % expressed neutrality; 19% disagreed, and only 7.1% strongly disagree.

Table 2. The extent that office environment affects employees well-being frequency and descriptive statistics

		My office environment makes me feel happy	My office environment makes me feel creative	My office environment makes me engaged	My office environment receives sufficient natural light	My office environment supports my health and wellbeing	My office environment makes me feel valued	My office environment encourages relationship building, learning from others and sharing knowledge	I feel I have personal control over my work environment
		Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Valid	Strongly Disagree	7.5	7.1	4.1	7.1	9.3	7.1	4.9	6
	Disagree	15.7	19	11.6	11.2	16.8	16.4	12.7	12.3
	Neutral	12.7	24.3	15.3	9.7	19.8	21.3	18.7	18.3
	Agree	49.3	39.2	52.6	47	41.8	39.6	46.6	45.5
	Strongly Agree	14.9	10.1	16.4	24.6	11.9	14.2	17.2	17.9
	Total	100	99.6	100	99.6	99.6	98.5	100	100
Missing	System		0.4		0.4	0.4	1.5		
Total			100		100	100	100		
Descriptive Statistics	Means	3.4851	3.2622	3.6567	3.3034	3.7116	3.5858	3.3788	3.5709

Given that Table 2’s highest mean relates to the increased health and well-being response category, and the lowest mean corresponds to the increased creativity indicator, we can safely conclude that employees are most concerned with health and well-being.

4.3 Influence of Physical Environment on Employee Performance

In this section, we focus on two significant areas of the physical environment: the first is office layout and design factors. The second relates to matters of environmental service and comfort.

4.3.1 Office Layout and Design Factors and Their Influence on Employee Performance

Table3 shows (Office layout, the factors of the designed area, and its influence on employees’ performance). The results highlight the notable influence of desk area size relative to computer-based tasks on employees’ performance, with a mean value of 2.8158, meaning that a larger desk area size gives employees more satisfaction. It is worth noting that a workstation’s comfort level is considered the second leading physical aspect,

with a mean of 2.6943. Proximity to colleagues ranks third most important with a mean of 2.6882. Personal storage ranks fourth with a mean of 2.6729 simultaneously the presence of informal meeting areas or break rooms affects performance least of all, variables according to respondents with a mean value of 2.4491.

Table 3. Office layout, the factors of the designed area, and its influence on employees' performance

Descriptive Statistics					
	N	Min	Max	Mean	Std. Deviation
Overall comfort of workstation	265	1.00	4.00	2.6943	.91337
Personal Storage	266	1.00	4.00	2.6729	.91640
General Storage	267	1.00	4.00	2.5543	.91348
Circulation Space	267	1.00	4.00	2.6105	.91251
Your workstation position relative to colleagues	263	1.00	4.00	2.6882	.81595
Your workstation position relative to necessary equipment	265	1.00	4.00	2.6566	.80187
The size of your desk area relative to your computer-based tasks	266	1.00	44.00	2.8158	2.68748
Formal meeting areas	264	1.00	4.00	2.5189	.80376
Informal meeting areas/break rooms	265	1.00	4.00	2.4491	.82472
Quiet areas	266	1.00	4.00	2.5150	.92846
Valid N (listwise)	256				

Cross -Tabulation Analysis

A cross-tabulation as shown in figure1 below was made between “employees’ years of experience and office facilities,” the result showed that 47.3% of respondents with more than 5 years said that the size of their desk had a positive impact on their performance, while 40.5% of respondents with the same amount of experience expressed that the size of their desks had a negative impact on performance. 44.7% of respondents who have between 1 and 3 years of experience report a positive impact of desk size on performance.

As for workstation position relative to colleagues, 48.6% of respondents with 5 years of experience or more and 45.2% of those with between one and three years of experience report its positive impact on their performance. Moreover, 45.8% of respondent with 5 years and above and 35.1% of respondents with between one and three years of experience report that having access to personal storage space has a very positive impact on performance whereas 48.8% of those with more than 5 years report a negative impact.

Regarding circulation space, results show that 48.8% of respondents with more than 5 years of experience report it having a negative effect on their performance, while 46.8% of respondents with the same amount of experience report a positive effect. 43.2% of those with between 1 and 3 years of experience report an incredibly positive impact of the variable circulation space while 26.8% of respondents with the same length of experience report a negative impact, and 32.8% of the same group return neutral responses. As for the formal meeting areas, 51.7% of respondents with 5 years of experience or more report a negative correlation, and 47.9% of that same demographic report a positive impact. In addition, 55.6% of respondents with more than 5 years of experience report that having access to informal meeting areas or break (out? /rooms?) positively impacts performance compared to 48.6% of the same demographic sub-group reporting a negative impact of such spaces on performance.

As for quiet areas, 52 % of respondents with 5 years of experience or more report a negative impact, while 46.9% of the same subsection of respondents report a “very positive impact” of the presence of quiet spaces on performance.

Based on the results, we can conclude that respondents, and by extrapolation, employees with less experience appear to be less negatively affected by their physical environment than their counterparts.

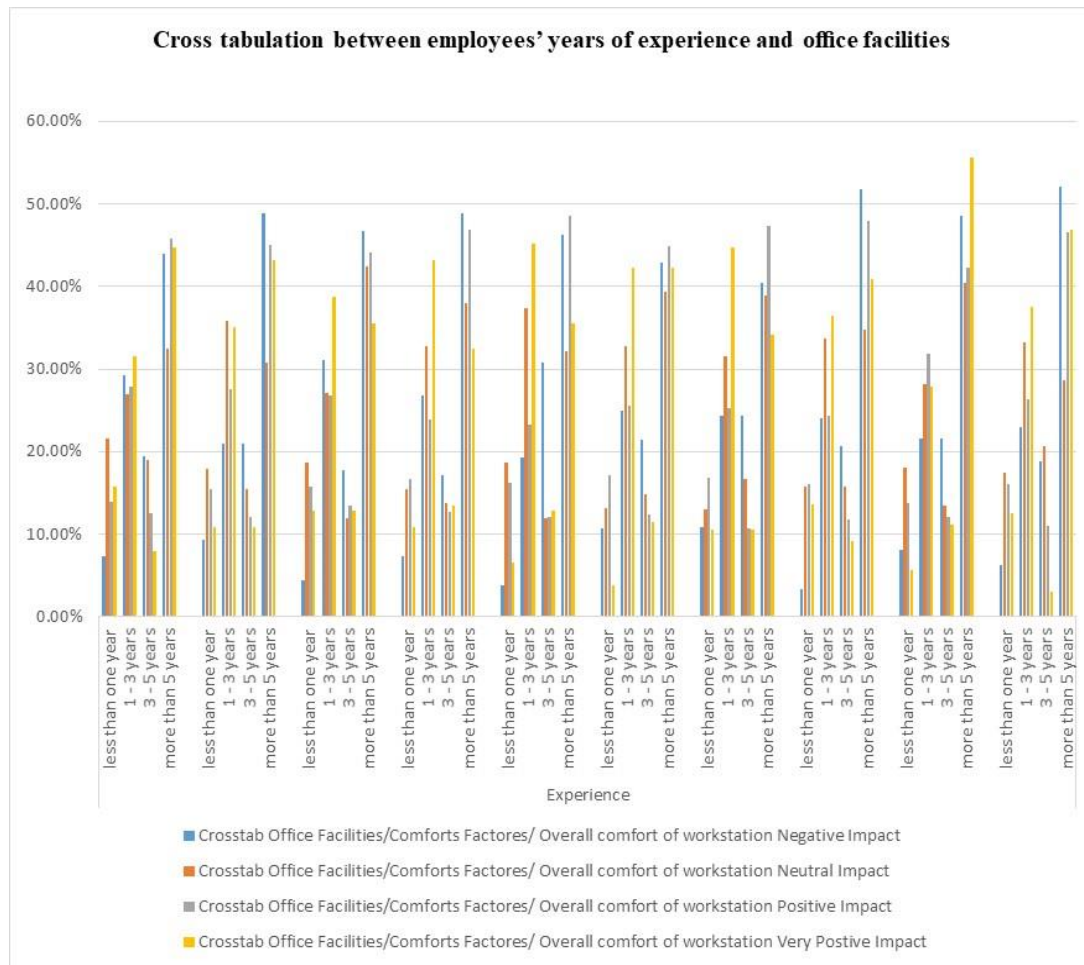


Figure 1. "Cross-tabulation between employees' years of experience and office facilities"

4.3.2 The Effect of Environmental Service Factors and Comfort Factors on Employees' Productivity and Ability to Do the Job Effectively

A series of hypothetically performance-influence subcategories were divided into either environmental services factors or comfort factors to answer the second set of questions. Response options ranged from *very negative impact* to *very positive impact*. A cross-tabulation between ages and Environmental Conditions factors has been made, as the results show.

4.3.2.1 Environmental Services Factors

In this section, the questionnaire queries respondents about environmental factors such as temperature, lighting, ventilation and probes them on the nature of those factors' impact on performance, if any.

The findings show that banks provide room temperature (21 °C) in winter and summer, which 76.2% of the respondent aged 41 and above and 67% of respondents aged 26 to 30 report positively impacts performance in both seasons. Given these two extremes of outdoor conditions, we extrapolate that the same is true for the fall and spring seasons.

Regarding the quality of natural lighting and the quality of artificial lighting, 65.4% of respondents aged 31 to 35 report a positive impact; 60.2% of those between ages 26 and 30 also positively influence their abilities to perform their jobs. As for artificial lighting, 70% of respondents aged 41 and older also report a positive impact compared to 67% for ages 26 to 30.

The third factor was ventilation (air quality in both summer and winter), where 64.8% of respondents aged between 26 and 30 and 58.5% of those aged 31 to 35 report a positive impact in summer. Moreover, 60.2% of respondents aged 26 to 30 report a positive correlation between air quality in winter and their ability to perform

their jobs. Similarly, 57.1% of respondents aged 41 and above report a positive impact.

These results reveal a positive impact of all variables in this subsection, yielding statistically significant correlations between environmental service factors and employees' ability to do their jobs effectively.

4.3.2.2 The Effect of Comfort Factors on Employees' Productivity

Respondents were also questioned about comfort factors such as office cleanliness, office decor, plants, and design, in addition to overall office comfort, as shown in figure 2.

As for "overall comfort," 25.0% of respondents aged between 31 and 35 and 39.7% of those aged between 26 and 30 reports a negative impact, while 42.9% of respondents aged between 20 and 25 reports a neutral impact.

Regarding "cleanliness," 40.8% of respondents aged between 26 and 30 reports a "very positive" impact, whereas 37.5% of the same age group report a "very negative" impact, and 25.0% of those aged from 31 to 35 report "negative" impact. 44.8% of respondents between the ages of 20 and 25 report a neutral impact.

Concerning office decor, plants, and design: 38.9% of employees aged between 26 and 30 reports a "very positive" impact, whereas 40% of the same age group report a "negative" impact.

As for respondents of ages 31 to 35, 23.8% report "positive" impact, and 22.6% report negative impact. Finally, 48.9% of respondents aged between 20 and 25 reports a neutral impact.

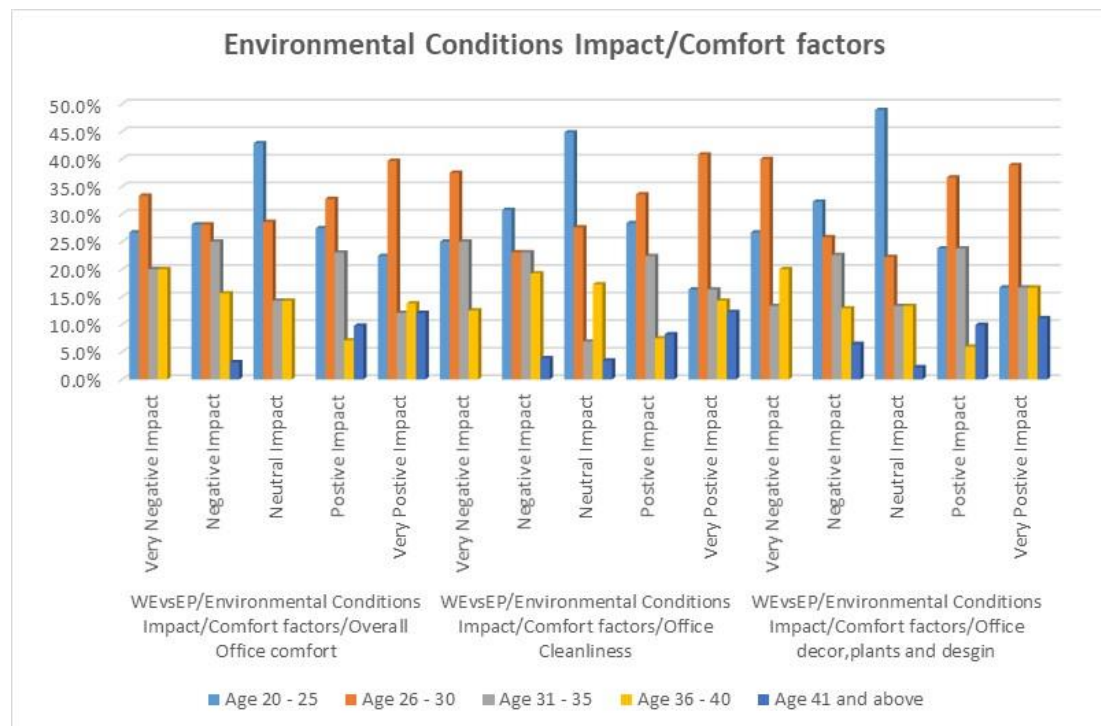


Figure 2. Comfort factors and its effect on employees' productivity

4.4 Influence of Behavioral Environment on Employees Performance

This section mainly discusses the behavioral factors that might have an impact on employees' effectiveness during work. This section is divided into three behavioral areas: distraction, interactional, and informal factors.

4.4.1 Distraction Factors

This section discusses the distraction factors that might hinder employees' overall performance and wellbeing. The questionnaire poses questions about privacy, interruption, crowding, and overall atmosphere to evaluate the influence of distraction factors for both men and women.

Correspondingly, Table 4 below shows that, overall, men report feeling less distracted by internal and external noise caused either by equipment such as photocopiers and telephones or by people. Specifically, 70% of men "strongly disagree" that they are distracted by internal noise from people; 62.5% of men "disagree" that they are distracted by interruptions, and 64.3% of men disagree that they are distracted by crowding.

On the other hand, women appear to be more prone to distraction from internal or external sources, specifically noise, as the greatest proportion of their responses, by start contrast, rage from neutrality agreement. Very few disagreed or strongly disagreed on this particular question, only 48.1% and 36.4% respectively when asked about being distracted by internal noise from equipment. Similarly, only 38.8% of and 37.5% of women disagree and strongly disagree, respectively, that they are distracted by external noise.

As for the overall atmosphere, 71.4% of men believe that the “overall atmosphere is convenient” compared to only 28.6% of women for the same line of inquiry.

Table 4. Effect of distraction factors on employees’ productivity and well-being

Distraction Factors :		Gender	
		Male	Female
I get distracted from Internal noise from equipment	Agree	56.5%	43.5%
	Neutral Impact	46.4%	53.6%
	Disagree	51.9%	48.1%
	strongly disagree	63.6%	36.4%
I get distracted from internal noise from people	Agree	55.2%	44.8%
	Neutral Impact	45.6%	54.4%
	Disagree	52.5%	47.5%
	strongly disagree	70.0%	30.0%
I get distracted from External noise	Agree	53.9%	46.1%
	Neutral Impact	48.3%	51.7%
	Disagree	61.2%	38.8%
	strongly disagree	62.5%	37.5%
Lack of privacy effects my productivity	Agree	52.6%	47.4%
	Neutral Impact	58.3%	41.7%
	Disagree	50.5%	49.5%
	strongly disagree	55.6%	44.4%
I get distracted from Interruptions	Agree	52.7%	47.3%
	Neutral Impact	58.9%	41.1%
	Disagree	47.1%	52.9%
	strongly disagree	62.5%	37.5%
I get distracted from Crowding	Agree	45.9%	54.1%
	Neutral Impact	65.3%	34.7%
	Disagree	49.2%	50.8%
	strongly disagree	64.3%	35.7%
Overall atmosphere is convenient	Agree	71.4%	28.6%
	Neutral Impact	58.8%	41.2%
	Disagree	48.7	51.3%
	strongly disagree	40.4%	59.6%

4.4.2 Interaction Factors

This section deals mainly with how employees react to physical security, social and work interaction, and the overall environment for creativity. Figure 2 shows how interaction factors affect employees regarding gender.

The results show that 60.4% of men report that a sense of physical security has a “very positive” impact on their performance compared to a significantly lower 49% of women sensing a “positive” but not “very positive” impact of the same variable.

As for social interaction, 60% of women report a negative impact, while 77.8% of men report a neutral stance.

Regarding work interaction, 63.2% of men report a positive impact, compared to 55.6% of women reporting a negative impact. As for the overall environment for creativity, 50% of both men and women opine that there is not much room for creativity.

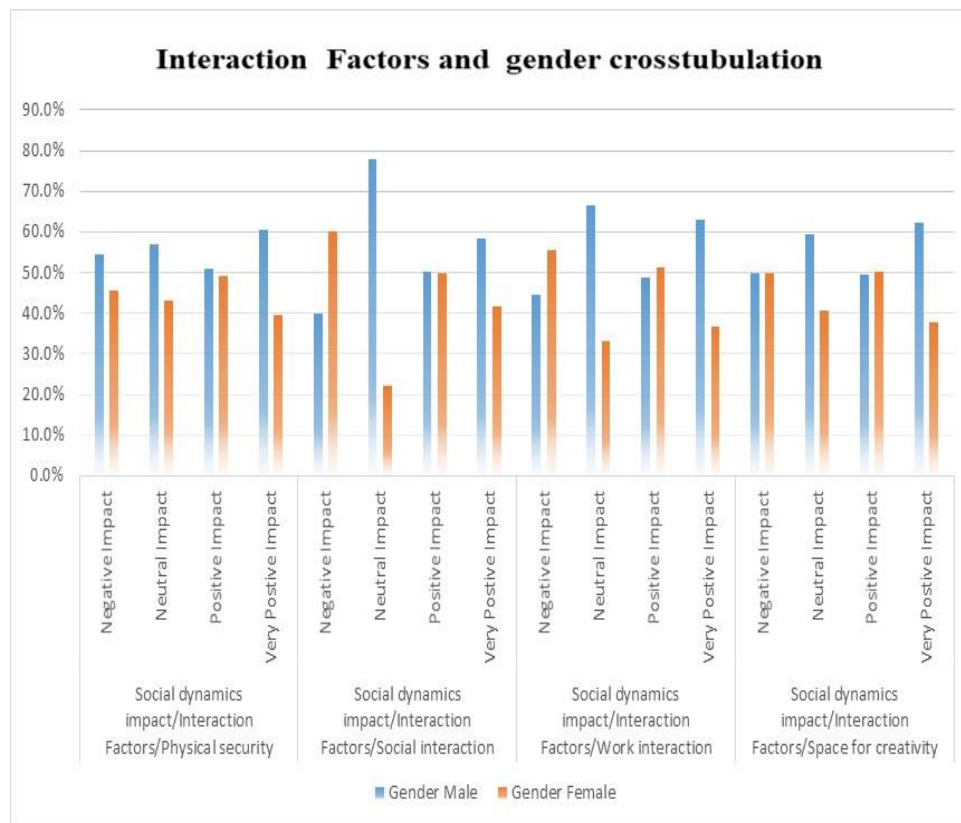


Figure 3. The effect of interaction factors on employees with regard to gender

4.4.3 Informal Interaction Factors

Having access to institutional support vis-à-vis supervisors is crucial in helping employees to perform their duties satisfactorily. Furthermore, the interpersonal roles of supervisors and managers are important in encouraging positive relations and increasing employee's self-confidence. This section focuses on the informal interaction factors such as relations with your direct supervisor and the smooth flow of information.

The results displayed in figure 3 below show that 64.6% of male respondents describe their interactions with managers as “easy,” while 56.5% of female respondents, by contrast, report the opposite: not easy.

As for the smooth flow of information from senior leadership to employees, 61.3% of male respondents report a “very positive” impact on their performance, indicating that they experience a smooth flow of information. In comparison, 51.9% of female respondents report difficulty in obtaining necessary information from senior managers.

The results also show that 64.9% of men and 52.1% of women report that organization facilities to permit them an increase in productivity,

Finally, 53.8% of male respondents report that their banks provide refreshments such as food and drink, which they believe has a “very positive” impact on their performance, compared to 52.6% of female respondents who feel that refreshments have a “negative” impact on their performance.

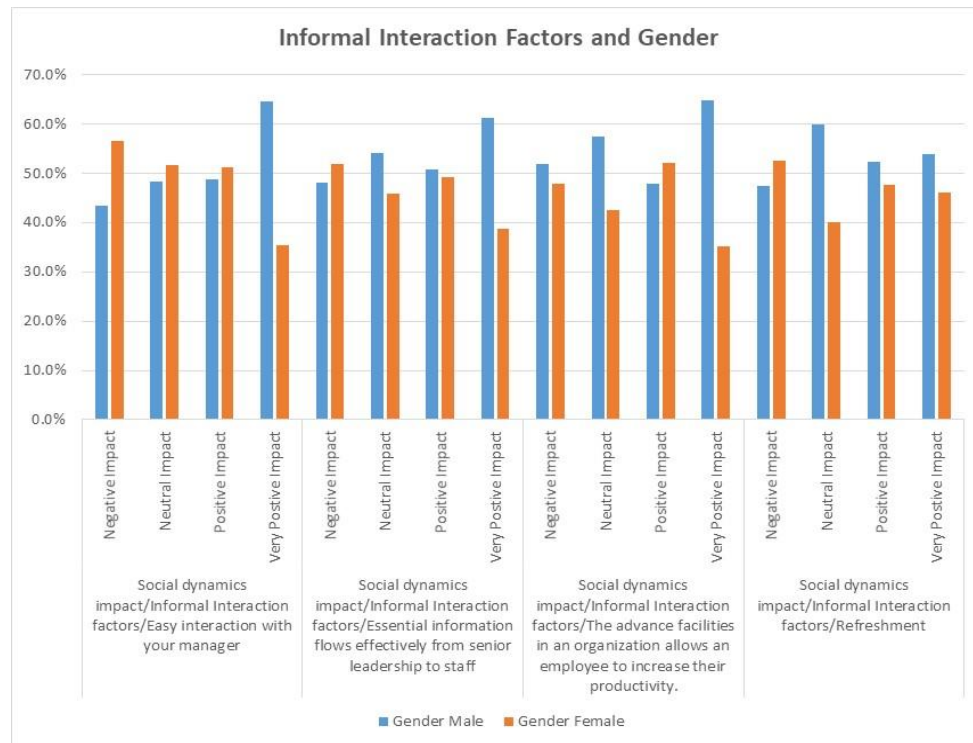


Figure 4. The effect of informal interaction on employees' productivity and wellbeing with regard to gender

5. Conclusion

In conclusion, setting aside financial remuneration (money) as the primary motivator of job performance, workplace environment surfaces as another comparably vital motivator for employees to perform their duties well. This study investigates the influence of the workplace environment on employee's performance and wellbeing. It has been implemented within the Palestinian banking sector with a total sample of 268 employees. In the study, both primary source data is generated, and secondary data is material is exploited.

The Second part of the survey provides data regarding how office environmental factors make employees feel. Again, most of the respondents responded positively, reporting, "Strongly Agree" and "Agree" towards each of the statements. They feel that their bank meets their needs by providing various office environmental factors to influence employee productivity.

In the third part, physical and behavioral environmental factors are evaluated; the focus is on office facilities, environmental conditions, and social dynamics to assess if a positive correlation presents between these factors and employees' productivity.

The results show that the larger size of the desk area is the most effective physical workplace environment factor with a means value of 2.8158. The comfort level of the workstation is considered the second most positively correlated to the physical performance aspect, with a mean of 2.6943.

The workstation position relative to colleagues ranks third with a mean of 2.6882. Then follows personal storage, the fourth rank with a mean of 2.6729. Finally, the variable that yields the lowest significance with respect to positively influencing performance with a mean value of 2.4491 is informal meeting areas or break-out areas, or both.

As for behavioral factors such as distraction factors, professional interaction, and informal interaction, men are less affected by these factors than women are.

Survey results also show that supervisor and manager communication with employees is a necessary means of encouraging positive relations between staff and management as well as boosting the employees' self-confidence. 64.6% of men report ease of interaction with their managers, while 56.5% of women report the opposite.

Finally, the survey results and broader study demonstrate a positive correlation between workplace environment and improved employee performance.

6. Recommendations

The following recommendations can be considered as strategic initiatives to be adopted by organizations to increase employee performance. First, banks need to create a peaceful working environment. Bank administrators should keep in mind that a happy organization tends to be a productive one. Moreover, lighting facilities should be improved as they positively affect employee performance and productivity. In addition, bank workplaces should be clean and attractively arranged with furniture, posters, and flowers to enhance employees' motivation and overall performance.

Finally, banks should also create powerful communications channels. Bank administrations can create peaceful work environments for their staff by improving relationships between employees, which increases employees' sense of comfort. Ultimately, a work environment that is positive, peaceful, and supportive enhances the performance of employees.

Acknowledgements

The author would like to acknowledge and express her gratitude to Dr. Rania Jaber for her insightful comments, expertise, support and encouragement as a colleague, and the Head of the Business and Marketing department. Dr. Rania's mentoring and coaching throughout the research process was of an added value.

Special appreciation is extended to Dr. Tina Jaber Rafidi from the department of Languages and Translation for her guidance and cooperation.

Lastly, Thanks to my colleague Ms. Suzan Shkukani for her genuine assistance with data analysis via SPSS program.

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