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# Effects of Physical and Psychological Work Environments on Employee Performance of Deposit Money Banks (DMBs) in Ekiti State, Nigeria

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## *Abstract*

This study examined the effect of physical and psychological work environments on employee performance of deposit money banks in Ekiti State, Nigeria. The researchers employed an explanatory descriptive survey research design covering 16 different money deposit banks, while 223 validly returned copies of the questionnaire constituted the principal instrument for primary data collection. The study employed stratified and purposive sampling techniques because the study focuses on members of staff of the aforementioned banks. Descriptive statistics were used to present and analyse demographic data of respondents in frequency tables. Standard deviation and mean were also employed to ascertain the measure of central tendency and inferential statistics, namely Pearson Product Moment Correlation and Simple Regression, were used to test the hypothesis to answer the research questions and to achieve the objective of the study. The findings show that physical and psychological work environments have significant positive effects on employee performance, while the study further emphasised the importance of adequate physical facilities in enhancing employee performance. The study concludes that a conducive physical working environment and psychological conditions encourage employees to remain committed and productive. The study recommends that money deposit banks need to provide appropriate physical facilities and supportive workplace conditions.

**Keywords:** Deposit Money Banks (DMBs), Employee Performance, Physical Work Environment, Psychological Work Environment

# Introduction

**Background of the Study**

The contemporary banking industry operates within an increasingly competitive and technology-driven environment in which employee performance remains fundamental to service quality, customer satisfaction, operational efficiency, and organisational sustainability. Physical and psychological work environments constitute important organisational conditions that may either facilitate or constrain employees' capacity to perform effectively. The physical work environment encompasses office layout, lighting, ventilation, temperature, ergonomics, equipment availability, noise control, and general workplace safety, whereas the psychological environment relates to job security, emotional wellbeing, workload, recognition, autonomy, interpersonal relationships, and organisational support. In Deposit Money Banks (DMBs), employees are frequently required to meet demanding service expectations, financial targets, regulatory obligations, and customer needs simultaneously. Consequently, inadequacies in workplace facilities or adverse psychological conditions may contribute to fatigue, stress, reduced motivation, absenteeism, and diminished productivity. Recent evidence from Nigerian banking institutions indicates that work environment dimensions significantly influence employee performance, with physical conditions supporting effectiveness and psychological conditions exerting particularly strong influence on work outcomes (Ibitomi, et al., 2026). Similarly, workplace ergonomics and the adequacy of facilities have been associated with employees' satisfaction and productivity within Nigerian DMBs (Adekoya, et al, 2023).

The psychological environment has become equally important because banking employees increasingly operate under performance pressure, technological change, intensive customer interaction, and workload demands. A supportive psychological work environment can strengthen employees' commitment, engagement, morale, and adaptive capacity, while unfavourable conditions may generate stress and weaken job performance. Recent Nigerian evidence demonstrates that employee engagement, job satisfaction, and perceived organisational support are important predictors of job performance in the banking sector (Kolawole-Israel, et al., 2025). Furthermore, a study of selected DMBs in South-West Nigeria found that employee wellbeing, promotion, and training and development significantly contributed to employee job performance (Ibitomi, et al., 2026). Studies also indicate that job stress and work-related pressures can significantly affect employees' adaptive performance in Nigerian banks, thereby emphasising the relevance of psychological wellbeing and supportive working conditions (Salawudeen, 2023). These findings suggest that the physical and psychological characteristics of the workplace should not be treated as independent management concerns but as complementary determinants of employees' ability to achieve expected performance outcomes.

Despite growing empirical attention to work environment and employee performance in Nigeria, evidence remains uneven across geographical locations and environmental dimensions. Recent studies have examined DMB employees in Ondo State, Lagos, South-West Nigeria, and Ado-Ekiti, with findings generally indicating that working conditions and employee-centred organisational practices are associated with improved performance outcomes. (Ibitomi, et al., 2026). However, the specific joint effects of physical and psychological work environments on the performance of DMB employees in Ekiti State require further empirical investigation. Given the distinctive operational conditions of banking branches, differences in available facilities, employee workloads, managerial practices, and psychological support systems, findings from other states may not adequately explain the experience of bank employees in Ekiti State. This study therefore seeks to examine the effects of physical and psychological work environments on employee performance of Deposit Money Banks in Ekiti State, Nigeria. The study is expected to provide context-specific evidence capable of guiding bank managers and policymakers in designing workplace conditions that enhance employee wellbeing, efficiency, commitment,

and sustainable organisational performance.

**Statement of the Research Problem**

Employee performance is a critical determinant of service quality, operational efficiency, customer satisfaction, and competitiveness in the Nigerian banking sector. Deposit Money Banks operate in highly demanding environments where employees are expected to meet productivity targets, deliver quality customer services, and adapt to technological and organisational changes. However, the physical work environment (including office layout, lighting, ventilation, noise levels, ergonomics, and availability of work facilities) may either enhance or constrain employees' capacity to perform effectively. Similarly, the psychological environment, reflected in job stress, workload, supervisory support, interpersonal relationships, job security, and organisational climate, can significantly influence employees' motivation, commitment, and productivity. Recent studies continue to emphasise that favourable work environments are associated with improved employee wellbeing and organisational outcomes (International Labour Organization [ILO], 2024; World Health Organization [WHO], 2024). Despite the strategic importance of employees to banking performance, concerns persist regarding whether Deposit Money Banks in Ekiti State provide physical and psychological work environments capable of sustaining high employee performance. Evidence from the Nigerian banking context remains uneven, while recent studies have examined work environment and employee performance in locations such as Lagos and Ondo States, creating a contextual gap regarding Ekiti State (Ibitomi et al., 2026). Consequently, inadequate attention to physical conditions and psychosocial factors may contribute to reduced productivity, absenteeism, stress, lower commitment, and diminished service delivery. WHO (2024) similarly identifies excessive workloads, low job control and job insecurity as workplace risks that can undermine wellbeing and work performance. Therefore, the unresolved issue is the extent to which physical and psychological work environments individually and jointly affect employee performance among Deposit Money Banks in Ekiti State, Nigeria.

Existing studies establish that physical and psychological work environments significantly influence employee performance in Nigerian organisations, including deposit money banks (Akinsola et al., 2024; Ibitomi et al., 2026). However, limited empirical evidence specifically integrates both dimensions within Deposit Money Banks in Ekiti State. Addressing this research gap is imperative for the improvement of employee performance of DMBs in Ekiti State, Nigeria as a nuanced understanding of performance drivers can inform targeted strategies for enhancing organisational target and customer satisfaction, efficiency, service quality, and organizational excellence in the banking sector. The study therefore examines their effects on employee performance to provide context-specific evidence for managerial practice and policy. Two research questions have been identified to address this knowledge gap:

(i) In what way does physical work environment affect employee performance of DMBs in Ekiti State, Nigeria?
(ii) What is the effect of psychological work environment on employee performance of DMBs in Ekiti State, Nigeria?

The structure of the study is divided into introduction, literature review, methodology, data presentation and discussion of findings and conclusion and recommendations

**Concept of Physical Work Environment**

Physical work environment refers to the tangible and spatial attributes within which banking services are delivered, including branch appearance, cleanliness, seating arrangements, lighting, ventilation, accessibility, security infrastructure, banking halls, Automated Transaction Machines (ATMs) and other physical facilities. In deposit money banks, these attributes constitute an important component of

service quality because customers often evaluate the credibility and professionalism of a bank through its visible facilities and service surroundings. Recent evidence indicates that tangible service attributes remain relevant to customers' perceptions of banking service quality and satisfaction in Nigeria (Mohammed et al., 2024; Owolabi, 2025).

Within Ekiti State, the physical work environment of deposit money banks can therefore be conceptualised as the quality, adequacy and accessibility of facilities that facilitate efficient customer–bank interactions. Well-designed banking premises, adequate waiting spaces, functional equipment, convenient ATM locations and appropriate environmental conditions may reduce customers' perceived inconvenience and enhance satisfaction and retention. This is particularly important because empirical evidence from Ado-Ekiti shows that service quality significantly influences customers' perceptions of banking services, while broader Nigerian evidence links service quality with customer satisfaction and retention (Owolabi, 2025; Clement et al., 2026).

**Concept of Psychological Work Environment**

The psychological work environment of DMBs refers to employees' perceptions of the mental and emotional conditions under which banking activities are performed. It encompasses job security, recognition, autonomy, workload balance, motivation, perceived organisational support, interpersonal trust and psychological well-being. A favourable psychological environment can reduce work-related stress, enhance job satisfaction and strengthen employees' commitment and effectiveness. Recent evidence indicates that psychological work conditions are particularly influential in determining employee performance in Nigerian DMBs, with psychological work environment emerging as a strong predictor of employee effectiveness (Ibitomi et al., 2026).

In Ekiti State, the psychological work environment is particularly relevant because banking employees operate within demanding service and performance-oriented conditions. Evidence from Ado-Ekiti indicates that perceived work stress is associated with bankers' quality of life, demonstrating the importance of managing psychological pressures within the banking workplace (Kolawole-Israel et al., 2024). Similarly, recent research on DMBs in Ado-Ekiti identifies working conditions, employee empowerment and employment stability as important organisational factors associated with employee performance (Israel et al., 2025). Therefore, a supportive psychological work environment may promote employee well-being, productivity, retention and sustainable organisational performance among DMBs in Ekiti State.

**Concept of Employee Performance**

Employee performance refers to the extent to which employees effectively accomplish assigned tasks, achieve organisational objectives, and contribute to service quality and productivity. In DMBs, employee performance may be reflected through employee productivity, efficiency, commitment, service delivery, goal attainment, and responsiveness to customers. Recent evidence indicates that human-resource practices, organisational culture, knowledge management, and performance-management systems significantly influence employee outcomes in Nigerian banks (Adegbayibi et al., 2024; Bara et al., 2024; Nanle et al., 2024, Dada et al., 2023).

In the context of DMBs in Ekiti State, employee performance is particularly important because employees constitute a critical human resource through which banking operations, customer relationships, and financial services are delivered. Contemporary studies further demonstrate that organisational justice, internal corporate social responsibility, employee empowerment, skill development, and effective performance appraisal can enhance employee performance and productivity (Anthony et al., 2025; Dada et al., 2025, Okafor et al., 2025; Oke, 2026). Thus, employee performance can conceptually be viewed as a multidimensional outcome shaped by individual competence, motivation, organisational support, fair treatment, and effective managerial practices within DMBs.

**Herzberg Two-Factor Theory**

Herzberg, Mausner and Snyderman (1959) propounded the Two-Factor Theory, also known as the Motivation-Hygiene Theory, following their investigation of engineers and accountants. The theory assumes that employee attitudes and work outcomes are influenced by two distinct categories: hygiene factors and motivators. Hygiene factors include salary, organisational policies, supervision, interpersonal relationships and working conditions, whereas motivators comprise achievement, recognition, responsibility, advancement and the work itself (Adanlawo et al., 2023; Junejo et al., 2023). The major assumption is that the absence of adequate hygiene factors produces dissatisfaction, while their presence primarily prevents dissatisfaction rather than creating sustained motivation. Conversely, motivators generate satisfaction and encourage employees to exert greater effort. The theory therefore distinguishes between removing dissatisfaction and creating positive motivation. This distinction provides a useful framework for examining how physical and psychological workplace conditions influence employee performance (Wang et al., 2024).

In addition, major strength of the theory is its practical applicability to organisational management because it enables managers to identify environmental conditions that may inhibit performance and motivational conditions that may enhance it. Its applicability has been demonstrated across different occupational settings, including retail, public-sector and professional employees (Choo & Bowley, 2007; Adanlawo et al., 2023). The theory is particularly relevant to Deposit Money Banks in Ekiti State because conducive physical environments, adequate facilities and safe working conditions represent hygiene factors, while recognition, autonomy, responsibility, achievement and career advancement constitute motivators. Scholars such as Choo and Bowley (2007), Alrawahi et al. (2020), Adanlawo et al. (2023) and Wang et al. (2024) have applied Herzberg's framework in explaining employee motivation, satisfaction and performance.

**Empirical Review of Physical Work Environment and Employee Performance of DMBs**

Olanipon, et al (2023), in their study titled work environment and employee performance among staff in Federal Polytechnic Ado-Ekiti, Ekiti State, examined the relationship between workplace conditions and employee performance. The study adopted a survey research design and collected primary data through structured questionnaires, which were analysed using descriptive and inferential statistics. The findings established that physical risks, workload, cultural factors and the overall work environment significantly influenced employee performance. The authors concluded that a favourable physical environment is important for improving employee effectiveness and recommended that organisations provide safer, healthier and more supportive workplaces. Although the study was not conducted in DMBs, its geographical relevance to Ekiti State provides useful contextual evidence. However, its focus on academic staff creates a sectoral gap that warrants investigation among bank employees.

Mirza, et al (2022) aimed to find out how the physical work environment in the Consumer Service Unit at PT Telkom Indonesia (Persero) Tbk Madiun Telecommunication Region is based on the theory of the physical work environment by Asriel, et al. (2016). The research method used is descriptive qualitative, with data obtained through interviews, observation, and documentation. Data processing techniques are carried out by presenting the data, then a discussion is carried out by comparing the factors of the physical work environment which include colour, lighting, sound control, air, and music. From the discussion, it was found that in choosing colour accents on doors, windows, and wall banners using bright colours, the colour of the furniture contrasts with the colour of the walls. Lighting can reach the entire room, but some lights need improvement and some employees are dazzled in the monitor screen area. In terms of sound conditions, there is noise and sound disturbance that comes from the sound of vehicles from outside and the sound of people talking in the room. Overall air regulation is good, there are functioning AC facilities and no air pollution occurs. Music is not always played but it depends on the wishes of the employees, as well as various types of music.

Okolocha and Anugwu (2022), in their study titled work environment and job performance of commercial banks in Nigeria, investigated how workplace conditions affect employee performance in commercial banks. The researchers employed a survey research design covering 16 branches of five commercial banks, while questionnaires constituted the principal instrument for primary data collection. Regression analysis using SPSS was employed to test the relationships among the variables. The findings showed that psychosocial work environment and work-life balance had significant positive effects on job performance, while the authors further emphasised the importance of adequate physical facilities in enhancing employee productivity. They concluded that conducive working conditions encourage employees to remain committed and productive and recommended that banks provide appropriate physical facilities and supportive workplace conditions. The study provides direct banking-sector evidence, but its national scope did not specifically examine DMBs operating in Ekiti State.

Omigie and Osarobo (2024), in their study titled effect of the physical work environment on employees' performance in selected manufacturing firms in Nigeria, examined the influence of physical workplace conditions on employee performance. The researchers adopted a cross-sectional survey design, with questionnaires administered to management and senior employees in selected manufacturing firms in Edo and Delta States. From a population of 286 employees, a sample of 170 was determined, with 151 valid responses retrieved and analysed. The study demonstrated the importance of physical workplace conditions in shaping employee performance and provided evidence that environmental characteristics should be incorporated into organisational performance management. Complementarily, Olanipon et al. (2023) established significant effects of physical risks in the Ekiti context. Collectively, the evidence suggests that office layout, ventilation, lighting, safety, furniture and related physical conditions may influence employee effectiveness. Nevertheless, empirical evidence specifically linking physical environment to employee performance among DMBs in Ekiti State remains limited, thereby establishing a justification for further investigation.

**Empirical Review of Psychological Work Environment and Employee Performance of DMBs**

Okolocha and Anugwu (2022), in their study titled work environment and job performance of commercial banks in Nigeria, examined the effects of psychosocial environment and work-life balance on job performance. The study adopted a survey research design, covering 16 branches of five commercial banks, while questionnaire data were analysed using regression analysis. The findings established that psychosocial environment had a positive and statistically significant effect on job performance, indicating that supportive interpersonal relationships, manageable work demands and favourable psychological conditions enhance employees' effectiveness. The authors concluded that a conducive psychosocial environment is essential for improved performance and recommended that banks provide supportive working conditions and open communication systems.

Opeyemi (2022), in Does work environment, supervision affect employee productivity in Nigeria Banks? investigated workplace setting and supervision among 517 bank employees using survey research and systematic literature review. Data were obtained with modified validated work-environment and organisational-commitment scales and analysed to establish relationships between workplace conditions and productivity. The findings revealed that supervisor support, co-worker relationships, office conditions, open communication, employee participation, performance monitoring and creativity significantly influenced staff productivity. The study concluded that both psychological and relational conditions constitute important determinants of employee effectiveness and recommended stronger supervisory support, employee participation and improved workplace conditions.

Ogbonda (2023) examined the relationship between work environment and organizational performance of Deposit Money Banks in Rivers State. The study adopted a cross-sectional survey in its investigation of the variables. Primary data were generated through a structured, self- administered questionnaire. The population of the study is 72 managers (4 managers from each) of the 18 Deposit Money Banks

operating in Rivers State. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient, with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient. The tests were carried out at a 0.05 significance level. The findings revealed that there is a significant relationship between work environment and organizational performance of Deposit Money Banks in Rivers State. Therefore, the study concluded that creating a conducive work environment positively enhances the performance of deposit money banks in Rivers State. Thus, the study recommended that deposit money banks should prioritize creating a positive work environment that promotes employee well-being, engagement, and productivity. This can be achieved through effective leadership, open communication, reduced workload, fair compensation, and fostering a positive workplace culture.

Ahuruele, et al (2024), in work-life balance initiatives and employee performance of deposit money banks in Rivers State, Nigeria, examined 371 employees using a purposive sampling technique and analysed 359 valid responses through descriptive and inferential statistics. The study found that job autonomy, telework arrangements, work-family enrichment and supervisor support significantly influenced employee commitment and innovative behaviour. The authors concluded that psychologically supportive work-life arrangements enhance employee performance and recommended greater employee autonomy and supportive managerial practices. Collectively, the reviewed studies demonstrate a positive association between psychological work conditions and employee performance; however, limited empirical evidence specifically addresses DMBs in Ekiti State, thereby providing a contextual gap for the present study.

## METHODOLOGY

The study adopted an explanatory descriptive survey research design. The study area are the selected DMBs in Ekiti State, Nigeria such as: United Bank for Africa PLC, Zenith Bank PLC, First City Monument Bank PLC, First Bank of Nigeria PLC, Wema Bank PLC, Keystone Bank PLC, Unity Bank PLC, Stanbic IBTC Bank PLC, Polaris Bank PLC, Access Bank PLC, Premium Bank, Union Bank of Nigeria PLC, Fidelity Bank PLC, Sterling Bank PLC, Guaranty Trust Bank PLC and Ecobank Nigeria Limited. A structured questionnaire was designed and used to collect data from the respondents on the variables studied. The sample size of 241 was determined from the population of 610 members of staff of the selected DMBs which was considered appropriate given the research involving a moderately high population using Taro Yamane Formula (1967). Consequently, respondents- junior-level, middle-level, and senior-level members of staff of the selected DMBs returned filled and valid copies of the questionnaire, which were used for this study. Four constructs were measured in this study: demographic characteristics, physical work environment, psychological work environment, and employee performance. The questionnaire was divided into four sections: Section A mapped out personal demographic information, while Section B contained questions relating to the physical work environment. Section C contained questions relating to the psychological work environment, and Section D consisted of information about employee performance. In addition, the questionnaire was formatted on a Five-point Likert Scale. The Cronbach's Alpha test was used to test the reliability and validity of the research instrument, which indicated 0.96. Data were analysed using inferential statistics, while Simple Regression Analysis was used to examine the effect of physical and psychological work environments (Independent variable) on employee performance (Dependent variable).

**Table 4.1: Research Objective 1: Influence of physical environment on employee performance in DMBs in Ekiti State**

| S/N | Statement | No | Mean | STD | Decision |
|---|---|---|---|---|---|
| **1** | The organization provides conducive working environment | 223 | 4.87 | 0.78 | Accepted |
| **2** | There is no congestion in the offices | 223 | 4.36 | 1.46 | Accepted |
| **3** | There is provision for health and safety measures for employee | 223 | 3.44 | 0.97 | Accepted |

| S/N | Statement | No | Mean | STD | Decision |
|---|---|---|---|---|---|
| **4** | Work environment is safe | 223 | 4.45 | 1.38 | Accepted |
| **5** | Offices are clean and tidy every day | 223 | 4.97 | 1.19 | Accepted |
| **6** | The offices are free from frequent accident | 223 | 4.73 | 0.97 | Accepted |
| **7** | There is ventilation in the offices | 223 | 4.46 | 0.68 | Accepted |
| **8** | There is adequate office equipment to work with | 223 | 4.45 | 1.38 | Accepted |
| **9** | Customers' needs are always met due to good physical environment | 223 | 4.60 | 0.98 | Accepted |
| **10** | There is provision for customers to sit and ease themselves in the bank. | 223 | 4.67 | 1.00 | Accepted |

**Source: Author's Computational Result (2026)**

Table 4.1 presents the results of the mean and standard deviation computed for the variables of physical environment and on meeting customer demands among selected DMBs in Ekiti State. Based on the result in the table, it can be seen that the mean value computed for the perception question, 4.87, was greater than the acceptable mean of 3.00 with a standard deviation of 0.78 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that in changing business environment, bank ensure provision of conducive working environment for employees.

Based on the result in the table, it can be seen that the mean value computed for the perception question, 4.36, was greater than the acceptable mean of 3.00 with a standard deviation of 0.46 that indicated just a slight dispersion from the mean. This statement was accepted as DMBS ensure there is no congestion in the offices occupied by their employees. Further, the mean value computed was, 3.44, was greater than the acceptable mean of 3.00 with a standard deviation of 0.97 that indicated just a slight dispersion from the mean. This statemen was accepted as DMBs provide healthy and safety measure for employees in order to meet customers' demands.

Also, the mean value computed was, 4.45, was greater than the acceptable mean of 3.00 with a standard deviation of 1.38 that indicated just a slight dispersion from the mean. This statement was accepted as DMBs work environment was safe for employee to work and discharge their duties. The mean value computed was, 3.97, was greater than the acceptable mean of 3.00 with a standard deviation of 1.19 that indicated just a slight dispersion from the mean. This statement was accepted as DMBs offices are clean and tidy on a daily basis which are very attractive to customers. Similarly, the mean value computed was, 4.73, was greater than the acceptable mean of 3.00 with a standard deviation of 0.97 that indicated just a slight dispersion from the mean. This statement was accepted as DMBs offices are free from frequent accident that may caused destruction of work flow in the banks.

The results of the mean value computed was, 4.46, was greater than the acceptable mean of 3.00 with a standard deviation of 0.68 that indicated just a slight dispersion from the mean. This statement was accepted as DMBs ensure there is ventilation in the offices where every one is very confortable within the bank premises. Also, the table revealed the mean value computed was, 4.45, was greater than the acceptable mean of 3.00 with a standard deviation of 1.38 that indicated just a slight dispersion from the mean. This statement was accepted as there is adequate office equipment to work with for employees of the banks.

Furthermore, the table revealed the mean value computed was, 4.60, was greater than the acceptable mean of 3.00 with a standard deviation of 0.98 that indicated just a slight dispersion from the mean. This statement was accepted because DMBs employees ensure that customer's needs are always met due to good physical environment. Lastly, the table revealed the mean value computed was, 4.67, was greater than the acceptable mean of 3.00 with a standard deviation of 1.00 that indicated just a slight dispersion from the mean. This statement was accepted because there is provision for customers to sit and ease themselves in the bank to carried out their transaction conveniently.

**Table 4.2: Research Objective 2: Effect of psychological environment on employee performance in DMBs in Ekiti State**

| S/N | Statement | No | Mean | STD | Remarks |
|---|---|---|---|---|---|
| **1** | There is enough support from co-workers and manager of the bank | 223 | 4.43 | 0.99 | Accepted |
| **2** | The Bank makes provision for adequate resources to work with | 223 | 4.47 | 0.87 | Accepted |
| **3** | I have sense of belonging in the bank | 223 | 4.90 | 1.08 | Accepted |
| **4** | The bank always treats their employees very well | 223 | 4.69 | 1.37 | Accepted |
| **5** | The working condition is safe and secure for employees | 223 | 4.53 | 0.87 | Accepted |
| **6** | There interpersonal relation among employees with perceived support | 223 | 4.48 | 0.80 | Accepted |
| **7** | Employee of the banks are not overload with high task on daily basis | 223 | 4.44 | 0.79 | Accepted |
| **8** | The organization culture recognises employees who meet their target on regular basis | 223 | 4.09 | 0.88 | Accepted |
| **9** | Employees enjoy adequate work-life balance and high job satisfaction in the banks | 223 | 4.51 | 1.03 | Accepted |
| **10** | Employees have high motivation and promotion whenever meeting the organisational target | 223 | 4.53 | 0.86 | Accepted |

**Source: Author's Computational Result (2026)**

Table 4.2 presents the results of the mean and standard deviation computed for the variables of effect of psychological environment on meeting the organizational target among selected DMBs in Ekiti State. Based on the result in the table, it can be seen that the mean value computed for the perception question, 4.43, was greater than the acceptable mean of 3.00 with a standard deviation of 0.99 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that there is enough support from co-workers and manager of the bank. Based on the result in the table, it can be seen that the mean value computed for the perception question, 4.47, was greater than the acceptable mean of 3.00 with a standard deviation of 0.87 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that that Bank makes provision for adequate resources to work with.

Further, the result in the table revealed mean value computed for the perception question, 4.90, was greater than the acceptable mean of 3.00 with a standard deviation of 1.08 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that that DMBs ensure that employees have sense of belonging in all the decision and operations of the banks. Also, the result in the table revealed mean value computed for the perception question, 4.69, was greater than the acceptable mean of 3.00 with a standard deviation of 1.37 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that that bank always treats their employees very well in order to get best and meet the organizational target.

Similarly, the result in the table revealed mean value computed for the perception question, 4.53, was greater than the acceptable mean of 3.00 with a standard deviation of 0.97 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that their interpersonal relation among employees with perceived support to meet up with their target. The results of the descriptive analysis revealed that the mean value computed for the perception question, 4.48, was greater than the acceptable mean of 3.00 with a standard deviation of 0.80 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that employee of the banks is not overload with high task on daily basis.

More so, the mean value computed for the perception question, 4.44, was greater than the acceptable mean of 3.00 with a standard deviation of 0.79 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that the organization culture recognises employees who meet their target on regular basis. Consequently, the mean value computed for the perception question, 4.51, was greater than the acceptable mean of 3.00 with a standard deviation of 1.12 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that employees enjoy adequate work-life balance and high job satisfaction in the banks. More so, the mean value computed for the perception question, 4.51, was greater than the acceptable mean of 3.00 with a standard deviation of 1.12 that indicated just a slight dispersion from the mean. The decision remark from this statement was accepted that employees have high motivation and promotion whenever meeting the organizational target.

**$Ho_1$: Physical work environment does not influence employee performance of DMBs in Ekiti State**

**Table 4.10: Regression Analysis for Hypothesis One**

| **Model Summary** | | | | | |
|---|---|---|---|---|---|
| **Model** | R | $R^2$ Square | Adjusted R Square | Std. Error of the Estimate R | |
| **1** | 0.734 | 0.502 | 0.400 | 0.254 | |
| **ANOVA** | | | | | |
| **Model** | Sum of Squares | Df | Mean Square | F | Sig. |
| **Regression** | 16.924 | 1 | 16.924 | 262.251 | 0.000 |
| **Residual** | 25.206 | 391 | 0.064 | | |
| **Total** | 42.130 | 392 | | | |
| **Coefficient** | | | | | |
| **Model** | | Unstandardized Coefficients B | Standardized Coefficients | t | Sig. |
| **1** | (Constant) | 0.957 | | 4.302 | 0.000 |
| | Physical work environment | 0.780 | 0.634 | 16.202 | 0.000 |

**Source: Author's Computational Result (2026)**

Hypothesis One states the statistical hypothesis test aimed at determining whether there is a significant influence of effect of physical work environment on employee performance of DMBs in Ekiti State, Nigeria.

The null hypothesis ($Ho_1$) states that physical work environment does not affect employee performance of DMBs in Ekiti State. In other words, it suggests that any observed effect of the physical work environment on meeting customer demand is due to chance or to factors other than the physical work environment. On the other hand, the alternate hypothesis ($Ha_1$) suggests that there is a statistically significant effect of the physical work environment on meeting customers' demand among selected DMBs in Ekiti State. This means that the observed relationship between physical work environment and meeting customers' demand is not due to random chance but rather indicates a true association between the two variables.

The regression analysis results presented support the alternate hypothesis. The coefficient for physical work environment is statistically significant ($p < 0.005$), indicating that there is a significant effect of physical work environment on meeting customers demand among selected DMBs in Ekiti State. Additionally, the $R^2$ value of 0.502 suggests that approximately 50.2% of the variance in meeting customers demand was explained by physical work environment, further supporting the idea of a meaningful effect between these variables. The remaining 49.8% was explain by residual error. In

conclusion, based on the regression analysis results and the interpretation of Hypothesis One, it can be inferred that physical work environment has a statistically significant effect on employee productivity in selected DMBs in Ado-Ekiti, Ekiti State**.** The study is in line with the submission of Salawudeen (2023) and Omigie and Osarobo (2024).

**$Ho_2$: Psychological work environment does not affect employee performance of DMBs in Ekiti State, Nigeria**

**Table 4.11: Regression Analysis for Hypothesis Two**

| **Model Summary** | | | | | |
|---|---|---|---|---|---|
| **Model** | R | R Square | Adjusted R Square | Std. Error of the Estimate R | |
| **1** | 0.602 | 0.571 | 0.164 | 0.300 | |
| **ANOVA** | | | | | |
| **Model** | Sum of Squares | Df | Mean Square | F | Sig. |
| **Regression** | 6.980 | 1 | 6.980 | 77.650 | 0.000 |
| **Residual** | 35.150 | 391 | 0.090 | | |
| **Total** | 42.130 | 392 | | | |
| **Coefficient** | | | | | |
| **Model** | | Unstandardized Coefficients B | Standardized Coefficients | t | Sig. |
| **1** | (Constant) | 3.140 | | 19.500 | 0.000 |
| | Psychological work environment | 0.310 | 0.602 | 8.812 | 0.000 |

**Source: Author's Computational Result (2026)**

Hypothesis Two aims to investigate the effect of psychological work environment on employee performance of DMBs in Ado-Ekiti, Ekiti State. The hypothesis is structured as a null hypothesis ($Ho_2$) and an alternate hypothesis ($Ha_2$).

The null hypothesis ($Ho_2$) posits that there is no statistically significant effect of psychological work environment on organizational target among selected DMBs in Ado-Ekiti, Ekiti State This implies that any observed correlation effect of psychological work environment on organizational target could be attributed to random chance or other factors unrelated to psychological work environment. Conversely, the alternate hypothesis ($Ha_2$) suggests that there is a statistically significant effect of psychological work environment on organizational target among selected banks in Ado-Ekiti, Ekiti State. This means that the observed connection between psychological work environment and organizational target is not likely due to chance, indicating a meaningful effect between these variables.

The regression analysis results support the alternative hypothesis. The coefficient for the psychological work environment is statistically significant ($p < 0.005$), indicating a significant effect of the psychological work environment on meeting organizational targets among selected banks in Ado-Ekiti, Ekiti State. The R-square value of 0.571 indicates that approximately 57.1% of the variance in meeting organizational targets can be explained by the psychological work environment. The remaining 42.9% was explained by residual error. In summary, based on the regression analysis and the interpretation of Hypothesis Two, it can be concluded that there is a statistically significant effect of psychological work environment on organizational target in selected DMBs in Ado-Ekiti, Ekiti State. The study is in tandem with the submission of Okolocha and Anugwu (2022) and Ibitomi, et al (2026).

## CONCLUSION AND RECOMMENDATIONS

This study concluded that physical work environment has a positive and significant effect on meeting customers' demand among selected DMBs in Ado-Ekiti, Ekiti State and that psychological work

environment contributes positively to meeting the organizational target among selected banks in Ado-Ekiti, Ekiti State. Based on the findings of the study, there is a need for the selected DMBs to maintain their physical environment in order to attract more customers and get employee commitment. Also, there is a need for the selected DMBs' managers to ensure an enabling environment that is psychologically balanced for employee to increase their performance.

## IMPLICATIONS FOR BUSINESS, POLICY AND PRACTICES

The findings imply that favourable physical and psychological work environments are essential for enhancing employee performance in Deposit Money Banks (DMBs) in Ekiti State. For business, management should provide safe, comfortable facilities and supportive psychological conditions that promote motivation and productivity. Policymakers should strengthen occupational health, workplace safety and employee-wellbeing regulations within the banking sector. In practice, banks should implement effective stress-management programmes, supportive leadership, adequate workspace, recognition systems and employee participation mechanisms to minimise workplace pressures and improve commitment, efficiency and overall organisational performance.

## SUGGESTIONS FOR FURTHER STUDIES

Future studies should examine the effects of physical and psychological work environments on employee performance across a broader geographical scope beyond Deposit Money Banks (DMBs) in Ekiti State. Researchers could undertake comparative studies involving DMBs in different states of Nigeria to establish regional variations. Further studies should also investigate moderating or mediating variables, such as organisational culture, leadership style, employee engagement and job satisfaction. Longitudinal research designs are recommended to assess how changes in workplace environments influence employee performance over time. Additionally, qualitative approaches could provide deeper insights into employees' experiences and perceptions.

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