

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF MANAGEMENT

The Effect of Work Environment on Employee Efficiency (Case Study in Abay Bank S.C)

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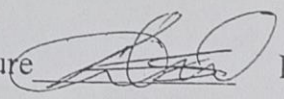
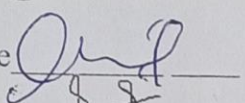
Statement of Declaration

I, **Eyob Legesse**, hereby declare that this thesis, entitled **"The Effect of Work Environment on Employee Efficiency (Case Study in Abay Bank S.C.)"**, is my original work. It has been prepared by me under the guidance and supervision of **Dr. Asres A.**, my advisor. All sources of information and literature used in this study have been duly acknowledged and referenced in accordance with academic standards. This work has not been submitted, in whole or in part, for any other degree or qualification at this or any other institution.

Statement of Certification

This is to certify that the thesis entitled **"The Effect of Work Environment on Employee Efficiency (Case Study in Abay Bank S.C.)"** submitted by **Eyob Legesse** in partial fulfillment of the requirements for the award of the degree of **Master of Business Administration** at Addis Ababa University, College of Business and Economics, is a record of authentic research carried out under my supervision. From my own perspective, this thesis represents my own original efforts and meets the criteria of AAU.

Advisor Asres A. (PhD) Signature  Date 5-2-26

Internal Examiner Abera Legesse (PHD) Signature  Date 23-02-26

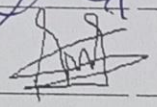
External Examiner Baymot Tadesse (PHD) Signature  Date 23-02-26

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Table of Contents

Statement of Declaration II

Statement of Certification ..... **Error! Bookmark not defined.**

Acknowledgments IV

List of Abbreviations VIII

List of Tables IX

List of Figures X

Abstract XI

CHAPTER ONE 1

1. INTRODUCTION 1

1.1: Background of the Study 1

1.2 Statement of the Problem 2

1.3 Research Questions 2

1.4 Research Objectives 3

1.4.1 General Objective 3

1.4.2 Specific Objectives 3

1.5 Research Hypotheses 3

1.6: Scope of the Study 3

1.7 Significance of the Study 4

CHAPTER TWO 5

2. LITERATURE REVIEW 5

2.1 Introduction 5

2.2 Theoretical Literature 5

2.2.1 Conceptualization of Key Variables 5

2.2.2 Guiding Theoretical Frameworks 6

2.3 Empirical Literature 7

2.3.1 Physical Factors 7

2.3.2 Psychological Factors 7

2.3.3 Organizational Factors 8

2.4 Synthesis and Identification of the Research Gap 8

2.5 Conceptual Framework 9

2.5.1 Theoretical Synthesis and Variable Selection 9
2.5.3 Positioning the Study and Addressing the Research Gap 10
2.5.2 Conceptual Framework and Hypotheses 11
Figure 2.1: Conceptual Framework of the Study 11
The above conceptual frame work is adapted from Bakker & Demerouuti (2007) 11
Hypothesis 11
CHAPTER THREE 12
3. RESEARCH METHODOLOGY 12
3.1 Research Design 12
3.2 Research Approach 12
3.3 Population and Sampling Techniques 12
3.4 Sample Size Determination 13
3.5 Data Collection Methods and Instruments 14
3.6 Methods of Data Analysis 15
3.7 Model Specification 15
3.8 Ethical Considerations 16
CHAPTER FOUR 17
4. PRESENTATION OF FINDINGS AND DISCUSSION 18
4.1 Introduction 18
4.2 Reliability Analysis Results 18
4.3 Quantitative Results 19
4.3.1 Demographic Profile of Respondents 19
4.3.2 Descriptive Statistics of Main Study Variables 20
4.3.3 Correlation Analysis 21
4.3.4 Regression Analysis 22
4.4 Qualitative Results 23
4.4.1 Theme 1: The technological Constraints 24
4.4.2 Theme 2: Unidirectional Communication 24
4.4.3 Theme 3: The Difference in Recognition 24
4.4.4 Theme 4: Employee Advocacy for Discretion within a Regulatory Framework 25
4.4.5 Theme 5: Physical Obstacles to Concentration and Conduct 25
4.5 Discussion 25

CHAPTER FIVE 27
5. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS 27
5.1 Summary of Findings 27
5.1.1 Objective One: Physical Factors Impacting Efficiency 27
5.1.2 Objective Two: Psychological Factors Affecting Efficiency 28
5.1.4 Objective Four: Employee Perceptions of the Work Environment 28
5.2 Conclusions 29
5.3 Recommendations 29
5.3.1 Recommendations for Abay Bank S.C. Management 30
5.3.2 Recommendations for Policymakers in the Ethiopian Banking Sector 30
5.3.3 Recommendations for Future Researchers 30
5.4 Limitations of the Study and Directions for Future Research 30
REFERENCES 32
APPENDIX –A 37
APPENDIX –B 46

List of Abbreviations

- **AAU:** Addis Ababa University
- **ANOVA:** Analysis of Variance
- **B:** Unstandardized Coefficient
- **Beta (β):** Standardized Coefficient
- **CBE:** Commercial Bank of Ethiopia
- **CSO:** Customer Service Officer
- **df:** Degrees of Freedom
- **EE:** Employee Efficiency
- **F:** F-statistic
- **JD-R Model:** Job Demands-Resources Model
- **Max**: Maximum
- **Min**: Minimum
- **N**: Number of samples
- **OF**: Organizational Factors
- **PF**: Physical Factors
- **PsyF**: Psychological Factors
- **R:** Multiple Correlation Coefficient
- **R^2 :** Coefficient of Determination
- **SD :**Standard deviation
- **Sig. :** Significance (p-value)
- **SPSS:** Statistical Package for the Social Sciences
- **Std.** :Standard
- **Std. Error :** Standard Error
- **t :** t-statistic
- **VIF:** Variance Inflation Factor

List of Tables

- Table 3.1: Quantitative Sampling Frame and Achieved Sample_____ 17
- Table 3.2: Qualitative Sampling_____17
- Table 3.3: Variable Measurement and Operational Definitions_____20
- Table 4.1: Reliability Analysis Results for all variables_____21
- Table 4.2: Socio-Demographic Characteristics of Respondents (N=217)_____23
- Table 4.3: Mean, Standard Deviation, Minimum and Maximum Scores of Study Variables (N=217)_____24
- Table 4.4: Intercorrelations among the Study Variables (N=217)_____26
- Table 4.5: Multiple Linear Regression Analysis Predicting Employee Efficiency (N=217) _____27

List of Figures

- Figure 2.1: Conceptual Framework of the Study
- Figure B1: Scatterplot of Efficiency vs. Physical Factors
- Figure B2: Scatterplot of Efficiency vs. Psychological Factors
- Figure B3: Scatterplot of Efficiency vs. Organizational Factors

Abstract

This study examines how the work environment influences employee performance at Abay Bank S.C. in Ethiopia. Even though experts around the world agree on the key role of workplace conditions, there is not much in depth study conducted in Ethiopia's banking industry. A mixed-methods approach including both qualitative and quantitative methods was utilized. Quantitative Data were collected using survey questionnaire administered to 217 staff members at the head office and the qualitative data gathering deeper perspectives through semi-structured with 12 participants. The findings show solid links between the different aspects of the work environment like physical setup mental well-being factors and organizational structures and how efficiently people (with correlation coefficients all above .91). The results of multiple regression analysis it accounted for R^2 about 88.6% of the variations in efficiency (with Adjusted $R^2 = .885$, $p=<.001$). This shows that each of these areas has a meaningful effect. The qualitative analysis identified five main challenges including outdated tech acting as a major roadblock, a one way flow of information shared from the top, lack of transparency in rewarding strategy, strict rules restricting people's independence and lack of office spaces that just strength concentration. The study confirmed that employe performance at Abay Bank is driven by a combination of social and technical elements in the workplace. Therefore, it is recommended that solutions that the bank proposes to improve the workplace environment should address the system as a whole than focusing in individual factors.

Keywords: *Work Environment, Employee Efficiency, Abay Bank, Mixed-Methods, Ethiopia, Banking Sector.*

CHAPTER ONE

1. INTRODUCTION

1.1: Background of the Study

The relationship between workplace conditions and employees performance is the central point of organizational researches. According to several studies shows workplace conditions influence things like performance, job happiness and effectiveness (Sundstorm et al,, 1994: Gitahi et al., 2015). When the environments are well organized from the physical layout to mental support it increases employee productivity, minimize errors and enhance their job satisfaction. The banking sector by its nature it is service oriented sector. The sector is characterized by operational precision, customer interaction and rapid decision-making define competitive advantage. Banks depends on sharp, capable teams to handle tricky deals, stay on top of rules and regulations and keep the clients happy, Therefore, employee performance is a main issue in this sector.

In Ethiopia, the banking sector plays critical part in economic development and extending access to financial services to its people. However the growth of the sector is influenced by different challenges including poor infrastructure, slow technology integration and poor staff management issues. Previous studies conducted in different parts of the globe gives an important understanding about how working environment affects the employee performance. However, it can't perfectly fit the unique cultural vibes, economic setup and day to day operations of Ethiopian context. This shows the need for context-specific research to identify which aspect of work environment affects the employee performance in Ethiopoan banking sector.

Abay Bank S.C., was established in 2010 and it is one of Ethiopia's top private banks. The bank has been continuously expanding, now hosts more than 555 branches with a total of 10,000 employees as of June 2025 (Abay Bank S.C., Annual Report). This indicates the bank's dedication to making financial services more reachable for everyone . The headquarters of the bank is in Addis Ababa.

1.2 Statement of the Problem

Work environment (the physical setup, emotional support and company policies) acts as a key driver for employee performance through mistake reduction and overall job fulfillment (Sundstorm et al.,1994;Schaufeli & Bakker,2004). Good working environment in the banking sector quicker transactions ,increase accuracy ,help to fix customer complaints swiftly and give flexible thinking regarding banks decision in the market and its long term solidity (Alemayehu & Shitahun,2021).

Even though many researches were conducted worldwide regarding the relationship between the work environment and employee performance, no local researches that examines context specific issues to Ethiopia was conducted (Asaminew,2020;Abamecha,2020). Ethiopia has unique social and economic setup with the financial industry developing fast among marked infrastructure. This makes it difficult to directly apply the research results of other countries without contextualizing it to the local condition (Hofstede,1984;Tsegaye,2018). Many of the studies conducted in Ethiopian banking industry focused on technology, leadership styles and other aspects that with little attention to the work environment and its effect on employee performance (Bekele, 2020; Mulat, 2021). This research gap needs urgent researches that fill it with thorough assessment of the workplace environment affecting the employee performance.

Regardless the Abay bank's strive to expand it branches to provide the financial service access in many parts of the country, the lack of thorough, mixed methods that investigates how work environments influence employee performance. Therefore, this study aimed to fill that gap how different work environment factors individually and jointly affect employee performance at Abay Bank or Ethiopia. The goal of the study is to provide evidence based scientific information to support decision making among the bank management and assist policy makers to develop policy frameworks that take the work environment in to account.

1.3 Research Questions

1. Which factors related to physical working conditions, psychological factors and organization have great impact on employee's efficiency at Abay Bank S.C?
2. How do employees rate their current work environment based on previously listed questions?

3. What is the correlation between certain work environment factors and employees self-reported efficiency at Abay Bank S.C?

1.4 Research Objectives

1.4.1 General Objective

The main goal of this study is to explore how the work environment impact employee efficiency levels at Abay Bank S.C.

1.4.2 Specific Objectives

1. To pinpoint and evaluate the physical, psychological and organizational elements that affect employee efficiency at Abay Bank S.C.
2. To examine how employees view their work surroundings and how that related into their own evaluations of their productivity.
3. To investigate and measure the links between these work environment elements and employees' reported performance.

1.5 Research Hypotheses

1. **H1:** Physical aspects of the work environment have significant positive impact on employee efficiency at Abay Bank S.C.
2. **H2:** Psychological aspects show a strong positive connection with employee efficiency at Abay Bank S.C.
3. **H3:** Organizational aspects are positively linked to employee efficiency at Abay Bank S.C.

1.6: Scope of the Study

Focus area of the study are three location, concepts and methods regarding to location, it focuses only on the head office of Abay Bank S.C. in Addis Ababa. This location serves as the banks main hub for planning, key operations and admin tasks, making it an ideal place to dig into how the work setting shapes overall efficiency.

Conceptually the work basis on the in on the connection between employees performance and three core parts of the work environment: physical conditions, mental well-being factors and company structures.

Concerning the methodological scope, it uses a mixed approach combining quantitative and qualitative methods. The target population of the study are full-time staff at the head office assigned in roles like customer service, junior and senior officers and managers.

1.7 Significance of the Study

The findings of this research benefit different groups involved. For the banks management, the findings of this study increase their understanding about the relationship between the work environment and employee efficiency so that they can apply it to support strategic decision-making. Identifying key factors can help the bank managers to implement customized physical workspace design, employee engagement practices and technological resources.

Employees of the Bank will get more understanding about how positive work environment in enhancing job satisfaction and productivity. Therefore, the findings may empower them to engage in discussions about workspace design, management practices and resource allocation.

Policymakers may also find this study significant. Especially those focused on labor and employment regulations to improving workplace conditions in the banking sector will benefit from it. As a result, policymakers can advocate for regulations that promote better workplace standards, health and safety measures to enhance productivity and reducing turnover rates within organizations.

This study will contributes to the existing body of knowledge on organizational work environment. Findings will benefit for academicians and researchers as a foundation to get deeper insights from related topics. Findings from the research will create link interdisciplinary understanding from psychology, management and other dimensions to develop inclusive strategies for efficient workplace environment.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Introduction

This chapter discuss both theoretical and empirical studies that connect directly to the topic. The review builds a theoretical basis by clarifying main concepts in important theories and findings from past research. It identify where further investigation is needed. The flow of the review is structured logically from global scenario and narrowing down to the local banking context. This arrangement keep things connected, indicating any clashes, agreements and disagreements or areas for further investigation.

2.2 Theoretical Literature

This section present theories and ideas that support the key elements of the study. Theoretical overviews like this are essential because they connect border ideas to specific research question and also weigh their strengths, weaknesses and how to apply the concepts in the current research.

2.2.1 Conceptualization of Key Variables

For the practicality of the study variables, the following conceptual definitions were adopted.

Work Environment: covers physical elements (like office setup, lighting and tools), psychological ones (such as stress and team dynamics) and organizational factors (including rules, leadership styles and company vibe) that all play into how employees feel day to day. Sundstrom et al. (1994) stated that work environment shapes behavior and output. Accordingly, poor setups can really down motivation of the workers and quality of the work. However, what count as a “good” environment depends on the place and organizational development level. For instance ,in growing markets like Ethiopia basics like physical comfort often take priority because of limited resources (Opperman,2002).

Employee Efficiency: This is about the use of resources to achieve top results with as little waste as possible (Deming, 1982). Also involves creative thinking and flexibility (Drucker, 1999). For banking sector it is very important keeping efficiency to give quality service and to cop up with competitors.

2.2.2 Guiding Theoretical Frameworks

Relevant theories that help explain the relationship between the work environment and employee performance is selected. Also discussed based on their relevance to the Ethiopian banking context.

Herzber's Two –Factor Theory (Herzberg, 1966)

The theory categorized two factors into hygiene ones (external stuff like pay and workspace) which keep dissatisfaction at inlet and motivators (internal elements like success and duties) that increase satisfaction and better results. Additionally deals with how the environments drive motivation. It is often criticized for oversimplifying people and not holding up well in studies outside the West especially where group oriented cultures might shift what is most important (Hofstede,1980).

Maslow's Hierarchy of Needs (Maslow,1943): perspective of this theory imagine needs as a ladder starting from basic survival up to personal growth. Maslow on his theory argues that a solid work setup meets the lower rungs first, paving the way for stronger drive and output. Experts have challenge this theory for it applicability in the areas like Ethiopia where the situation is unpredictable (Alderefer, 1972).

Job Demands-Resources (JD-R) model (Bakker & Demeroti,2007):

JD-R model is main guide in this study. Main point of the model performance comes from misrepresenting job pressures like heavy workload against helpful resources such as backup or freedom. According to the JD-R model work environment as important buffer that counter stress and involvement. The good part of this theory is its adaptability in Africa (Schaufeli, 2017). In this work the researcher consider the three key work environment characteristics physical, psychological and organizational categories and investigate their combined effects.

2.3 Empirical Literature

2.3.1 Physical Factors

Several studies report the importance of the physical side of workplace in improving employee efficiency. Ergonomics situations like flexible desks and good lighting can cut down on tiredness and help people stay focused. This leads to productivity increases of about 15-20% (Hedge & Doresy,2013) and many of this comes from lab-style experiments in tidy setups. Then, observing what happens over time in messier, varying noise or heat could affect the results.

In the banking sector, the evidence shows that physical setups such as dim lights or old technology reduce concentration and hurt service standards. Surveys show that 25% in getting manages right under those conditions (Mwangi, 2015). But these findings based on small samples and what people say about themselves and it is hard to apply broadly. Therefore, bigger studies with unbiased data are needed to prove the findings.

For the Ethiopia context, problems like over used equipment and unstable infrastructure affects work efficiency by 30% in banks (Tsegaye, 2018; Bekele, 2020). Snapshot-style researches do a good job showing how the setup affects bigger development issues. But they lack the development over time to prove cause and effect. From this it is obvious that need for ongoing following to see if investment into better facilities could bring real, trackable outcome in tight places like Abay Bank S.C.

2.3.2 Psychological Factors

Based on studies psychological factors correlates with better employee performance. Accordingly, a sense of psychological safety increases involvement and extra initiatives (r=0.45) (Kahn,1990), However, the questions arise when trying to apply these finding in the local context with varying socio-economic contexts.

In Banks where jobs often come with a lot of pressure, employees become exhaused and leads to staff sticking around and difficult operations (Halbesleben, 2006). This builds a strong push for blending surveys with deeper qualitative assessment for more strong understanding.

In Ethiopia, mental strain from poor work setups decrease productivity hard with rates ranging 20-30% (Kebede et al.,,2012). However, most research sticks to questioners without involving real-life situations. This showing the need for field work or detailed chats to get detailed know-how on mental factors affecting efficiency among employees of Ethiopian banks.

2.3.3 Organizational Factors

Worldwide, organization factors like how leaders operate affect the employee performance. For instance, transformational leadership leads to better results with effect sizes ranging from 30 to 50% (Bass & Riggio,2006). Most of this evidence comes from Western samples and have overstated the benefits in more hierarchical.

Leadership quality and targeted training programs in the banking sector improve productivity. Research shows that well-designed initiatives improve efficiency by 18% through better skills and strong motivation (Adenike, 2011; Walumbawa et al., 2008). In Ethiopia, a leader who encourage to the staff motivate them for more effective job (Mulat, 2021), but, evidence explained above mostly qualitative and comes from small case studies. This limits how far we can generalize and makes it hard to understand the findings statistically. It is very important to consider for bigger studies that combine hard data with deeper interviews.

2.4 Synthesis and Identification of the Research Gap

The review results show that work environment affect how employees perform. Comfortable and good physical environment create favorable foundation. Better psychological environment increases real involvement and energy for the employees. Help keep that momentum going sustainably. Theoretical frameworks such as the JD-R model link these ideas into a organized picture and hands–on research backs up these connection in various settings. However, international work often focuses on mental and emotional supports, research from Ethiopia tends to stress the impacts from basic physical shortcomings. This shows the the need for alternatives studies that combine both physical and psychological factors related to work environment. Common research gaps identified in the literature review include:

1. There are Scattered Focus in Ethiopian Research. Works from local researches (like Tsegaye,2018;Mulat,2021) focused on single issues in isolation (e.g., technology or management) and ignoring how they combine in places like banks. This shows the need for larger scope of interconnected factors.
2. Most Ethiopian studies based heavily on quantitative data (Bekele, 2020). In depth understand following mixed method approach that involves both quantitative and qualitative methods is needed for richer, more rounded views.

The current study aimed to fill this gap using a combined both approach to look at how the different work environment factors affect employee performance at Abay Bank S.C. .

2.5 Conceptual Framework

The conceptual framework for this study is drawn from different theories from organizational studies focused on linking between the work environment and employees performance. As illustrated in Figure 2.1, the framework show interwoven, overlapping challenges in Ethiopia's banking sector. Instead of single or few variables it takes a big picture approach showing how physical, psychological and organizational factors of workplace affects job performance.

2.5.1 Theoretical Synthesis and Variable Selection

This framework builds on the job Demands-Resources (JD-R) Model (Bakker & Demorouti, 2007).It breaks down workplace elements into demands (things that cause stress) or resources (things that energize). Elements like a comfortable physical space, a sense of mental security and helpful company systems are seen as key variables that help staff perform better avoid pressures, spark drive and build real commitment.

Simultaneously using the Job Demands-Resources model as a foundation also refined it by adding relevant dimensions from Herzberg's two-Factor Theory and Maslow's Hierarchy of needs.

Drawing from Herzberg, it picks up the split between basic hygiene factors (that ward off unhappiness) and true motivator and, the physical side (like desks setups, comfort features and

overall surroundings) matches those hygiene basics. If they are lacking, it can really tank performance, but getting them right sets a solid stage for good work. The psychological and organizational sections link with motivators and merged in to and directly intensify focus output.

The selection of the three specific independent variable categories Physical (PF), Psychological (PsyF) and Organizational Factors (OF) is a direct result of this theoretical synthesis. They were chosen over other potential variables because they collectively represent the most comprehensive, empirically supported and contextually relevant set of resources ranging from basic work conditions to high-level motivational drivers.

2.5.3 Positioning the Study and Addressing the Research Gap

From the literature discussed in above sections the following key research gaps are identified. Majority of earlier work from the region (Akemayehu & Shitahun, 2021: Feyisa, 2019) dealt with different work environment separately such as office layouts or management styles-without considering the combination of the factors. Even though these researches provided important understanding about the individual factors of work environment they assessed, it is too narrow to consider each factor without focusing on the holistic view that involves all factors. This shows the need for wider assessment on joint assessment of the work environment to examine their joint effect. In addition, majority of previous researches related to the topic are limited to quantitative method of data collection. Though quantitative approach is very important to express effects quantitatively using statistical significance, it is not enough to understand the scenario deeply. Therefore, the quantitative findings should be supported with qualitative interviews. Also, the applicability of the previous research findings to Ethiopian context is difficult due to varying socio-economic condition. Many of existing researches are concentrated in European and Asian contexts making their direct application to Ethiopia difficult. Therefore, area-specific researches are need to find a solution that work for the local context.

2.5.2 Conceptual Framework and Hypotheses

Figure below illustrates the conceptual framework indicating the relationship between the work environment factors and employee performance.

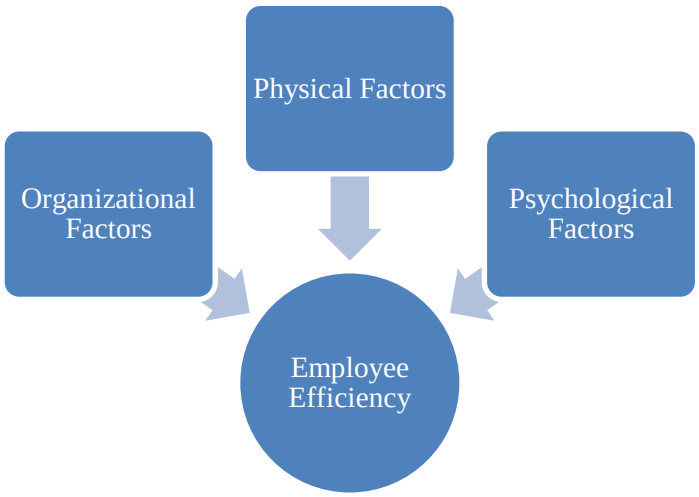

Figure 2.1: Conceptual Framework of the Study

The above conceptual frame work is adapted from Bakker & Demerouuti (2007)

Hypothesis

H1: Physical factors in the work environment significantly affect employee performance.

H2: Psychological factors in the work environment influence employee performance significantly

H3: Organizational factors have significant impact on employee performance

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Research Design

This study employed both descriptive and explanatory research design. The descriptive design was used to see trends in the data and the explanatory design is used to assess cause and effect relationship between the dependent and independent variables.

3.2 Research Approach

This study used mixed research approach that involve both quantitative and qualitative methods. The quantitative method was used to collect and interpret data numerical through statistical analysis. The qualitative method on the other hand was used to gain detailed understanding of interview data qualitatively through thematic analysis.

3.3 Population and Sampling Techniques

The study's sampling frame include the entire workforce of Abay Bank S.C.'s Addis Ababa. A total of 594 employees are there as of October 14, 2025. A multi-stage sampling method was implemented to select representative sample size.

For the quantitative data collection a stratified random sampling technique was adopted. The strata was established based on job classifications such as Customer Service officer, Junior Officers, Officers, senior officers and managers. Within each strata participants were randomly to make sure that each job position is represented for the accuracy of data. For qualitative data purposive sampling method was used to select key informants for in-in depth interviews. Twelve individuals were purposively selected from various ranks of the organizational hierarchy. The purposive method was designed to include participants to provide in depth perspectives from frontline staff to senior management due to their rich experience.

3.4 Sample Size Determination

To determine an representative sample size, Yamane formula was applied at 95% confidence level and accepted a 5% margin error.

$$n = \frac{N}{1+N(e^2)}$$

Where n is the sample size,

e is the level of precision

$$n = \frac{594}{1+594(.05^2)} = 239$$

Accordingly, a total of 239 employees were targeted for participation in the survey. A sample size of 239 was proportionally allocated among the strata. The total sample size allocated for each strata is presented in the table below:

Table 3.1: Quantitative Sampling Frame and Achieved Sample

Stratum (Job Category)	Population Size (N)	Proposed Sample Size (n)	Achieved Sample Size	Sampling Method
Customer Service Officer	6	2	5	Stratified Random
Junior Officers	213	86	89	Stratified Random
Officers	170	68	74	Stratified Random
Senior Officers	128	52	29	Stratified Random
Managers and above	77	31	20	Stratified Random
Total	**594**	**239**	**217**	

Source: Survey Result, 2025

Table 3.2: Qualitative Sampling

Participant Group	Proposed Sample Size	Achieved Sample Size	Rationale
Managers and above	3	3	Strategic, policy perspective
Senior Officers	3	3	Departmental leadership view
Officers	3	3	Core operational staff
Junior Officers	2	2	Entry-level professional staff
Customer Service Officer	1	1	Frontline operational perspective
Total	**12**	**12**	

Source: Survey Result, 2025

3.5 Data Collection Methods and Instruments

Data collection was conducted in a six months period employing mixed-methods design. Quantitative data regarding employee perceptions of the work environment and self-assessed efficiency were collected through a structured questionnaire. Qualitative data collection method utilized a standard five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree". Questions were organized into sections such as demographic details and physical workspace factors, psychological factors, organizational factors and employee efficiency (Appendix A). For effective accessibility and response rate the questioner was administered to the selected sample through both physical and electronic channels.

Additionally, qualitative data were collected using depth personal interviews with the twelve selected participants. Interview follow a semi structured questions including both close and open

ended questions designed to explore topics such as general work experience, physical and psychological work environment, organizational factors and employee efficiency (Appendix A).

3.6 Methods of Data Analysis

On this study, both quantitative and qualitative method of data analysis employed. Using Statistical Package for the social Sciences (SPSS), Version 28, quantitative data were analyzed by implementing both descriptive and inferential statistics. Descriptive statistics including frequencies, means and standard deviations to summarize the demographic characteristics of respondents. Inferential statistics was applied to examine the proposed relationships and test the research hypothesis. Pearson correlation was conducted to test bivariate relationships. Multiple linear regression analysis was used to assess the predictive relationships among the variables.

The qualitative data collected through key interview were analyzed using thematic analyses. This process involved steps like repeated reading for immersion, development of border themes, iterative review and refinement of these themes to identify participant's subjective experience and perceptions.

3.7 Model Specification

To analyze the hypothesis, a multiple linear regression model is prepared as followes:

$$EE_Score = \beta_0 + \beta_1(PF_Score) + \beta_2(PsyF_Score) + \beta_3(OF_Score) + \varepsilon$$

Where:

EE_Score= Composite measure of Employee Efficiency which is dependent variable.

PF_Score= Composite score of Physical Factors which is independent variable.

PsyF_Score= Composite score of Psychological Factors which is independent variable.

OF_Score= Composite score of Organizational Factors which is independent variable.

β_0 = The intercept constant

β_1, β_2, β_3 = this are Regression coefficients for the respective independent variables.

ε = Error term of the model

All the dependent and independent variables are described in detail in the following table.

Table 3.3: Variable Measurement and Operational Definitions

Variable	Type	Operational Definition & Measurement
Physical Factors	Independent	Composite score derived from 5-point Likert scale items assessing work space layout, lighting, noise levels, temperature/air quality and ergonomics of furniture.
Psychological Factors	Independent	Composite score derived from 5-point Likert scale items assessing job satisfaction, stress levels, autonomy, recognition, department morale and psychological safety.
Organizational Factors	Independent	Composite score derived from 5-point Likert scale items assessing leadership support, communication effectiveness, supportive policies, training opportunities, teamwork and employee well-being.
Employee Efficiency	Dependent	A composite score derived from 5-point Likert scale items on self-reported task completion speed, work accuracy, productivity, time management and adaptability.

3.8 Ethical Considerations

This study strictly followed a research ethical guideline. Data collection was based on participants consent. Before give the consent they were informed about the purpose of the study.

In addition, the participants were given full right to withdraw from the survey without any consequences. Data collected was anonymized and kept confidential.

CHAPTER FOUR

4. PRESENTATION OF FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents and discusses the results of data analysis based on 217 correctly completed questionnaires and the key informant interviews. The chapter included results of reliability analysis, inferential analysis and discussions.

4.2 Reliability Analysis Results

Table 4.1: Reliability Analysis Results for all variables

	Cronbach's Alpha	No of Items
Physical Work Environment Factors	0.969	6
Psychological Work Environment Factors	0.973	6
Self-Assessed Employee Efficiency	0.977	5

Source: Survey Result, 2025

Internal consistency of every scale in this study has been checked by using Cronbach's alpha. As presented on table 4.1, they all passed the reliability test as they cross the reliability standard 0.70 cutoff that experts like Nunnally and Bernistein (1994) recommend.

4.3 Quantitative Results

4.3.1 Demographic Profile of Respondents

Table 4.2: Socio-Demographic Characteristics of Respondents (N=217)

Characteristic	Category	Frequency	Percent (%)
Gender	Female	94	43.3
	Male	123	56.7
Age	18-25 years	33	15.2
	26-35 years	84	38.7
	36-45 years	67	30.9
	Above 45 years	33	15.2
Education	Diploma	8	3.7
	Bachelor's Degree	175	80.6
	Master's Degree & Above	34	15.7
Experience	< 2 years	22	10.1
	2-5 years	78	35.9
	6-10 years	50	23
	Above 10 years	67	30.9
Position	Director	4	1.8
	Manager	16	7.4
	Senior Officer	29	13.4
	Officer	74	34.1
	Junior officer	89	41
	Customer service officer	5	2.3

Source: Survey Result, 2025

According to the survey results, a majority of the respondents were male (56.7%) compered to women (43.3%). Most of the respondents are in 26-35 years age group (38.7%). Regarding educational status, majority of them attained Bachelor's degrees (80.6%), of these 35.9% had been on the job for 2-5 years. Junior officers made up the biggest percentage 41%. Higher percentage toward younger professionals in the age (26-35 years) show that attention is need to keep the efficiency and morale of these middle age group up for the bank's performance and long-term stability.

4.3.2 Descriptive Statistics of Main Study Variables

Table 4.3: Mean, Standard Deviation, Minimum and Maximum Scores of Study Variables (N=217)

Variable	N	Min	Max	Mean	Std. Deviation
Employee Efficiency (EE_Score)	217	3.00	5.00	4.21	0.61
Organizational Factors (OF_Score)	217	2.17	4.83	3.78	0.81
Physical Factors (PF_Score)	217	2.17	5.00	3.75	0.79
Psychological Factors (PsyF_Score)	217	2.17	5.00	3.66	0.87

Source: Survey Result, 2025

Table 4.3, presents the descriptive results of employee perceptions regarding their work environment. The averages and dispersion measure indicates how participants viewed their work environment and associated efficiency.

The analysis shows that employees rated their own efficiency positively (M=4.21, SD=0.61). In contrast, perceptions of the work environment were moderately positive but it scores lower mean value. Environmental variables grouped between 3.66 and 3.78. Among these, Organizational Factors (M=3.78, SD=0.81) including leadership, communication and policies were categorized as the most supportive. This results show that institutional structures are

perceives relatively well. Physical Factors (M=3.75,SD=0.79), relating to workspace and comfort, as also show adequate but not optimal mean score. psychological Factors including job satisfaction, stress and autonomy receiving the lowest rating (M=3.66, SD=0.87).

According to the analysis of response dispersion observed moderate variation across all variables (SD = 0.61 to 0.87). A high variation of responses is recording for Psychological Factors (SD=0.87). This high variation indicates that employees' experience of job satisfaction, stress and autonomy vary widely some report very positive conditions. But, others express considerably lower satisfaction.

The descriptive analysis of the quantitative data generally showed pattern employees describe their own efficiency positive; their perceptions of the enabling work environment. psychological factors received the weakest ratings indicating the area needing intervention.

4.3.3 Correlation Analysis

Table 4.4: Intercorrelations among the Study Variables (N=217)

Variable	1	2	3	4
1. Employee Efficiency (EE)	1			
2. Physical Factors (PF)	.916**	1		
3. Psychological Factors (PsyF)	.924**	.926**	1	
4. Organizational Factors (OF)	.924**	.934**	.949**	1

**p < .01 (1-tailed)

Source: Survey Result, 2025

The results of Pearson correlation analysis indicated strong positive associations among all measured variables. Employee efficiency showed a positive correlations with the three work environment dimensions (r>.91, p<.01). There is strong positive relationship between employee

efficiency and physical factors of the work environment (r=.916, p<.01) psychological factors of the work environment (r=.924, p<.01) and organizational factors of the work environment (r=.924, p<.01).

4.3.4 Regression Analysis

A multiple regression analysis was performed to evaluate the predictive power of the independent variables the work environment dimensions and employee efficiency.

Table 4.5: Multiple Linear Regression Analysis Predicting Employee Efficiency (N=217)

R	R^2	Adjusted R^2	Std. Error of Estimate
0.941	0.886	0.885	0.20862

ANOVA	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Regression	72.248	3	24.083	553.341	0
Residual	9.27	213	0.044		
Total	81.519	216			

Coefficients	Unstd. B	Std. Error	Standardized Beta (β)	T	Sig.	VIF
(Constant)	1.541	0.071		21.71	0	
Physical Factors (PF)	0.234	0.054	0.303	4.367	0	8.991
Psychological Factors (PsyF)	0.246	0.055	0.347	4.439	0	11.46
Organizational Factors (OF)	0.237	0.063	0.312	3.783	0	12.74

Source: Survey Result, 2025

The multiple regression analysis showed high predictive power with the overall model was significant (F3.213) =553.34, p=<.001). The model also show 88.6% of the variance in the dependent variable (Adjusted R^2=.885) is explained by the work environment factors included in the model. Each work environment factor physical, Psychological and organizational were a significant contribution to predicting employee efficiency (p=<.001). Based on the standardized beta, psychological Factors emerged as the most influential predictor (β=.347), Organizational Factors is the second important variable (β=.312) and Physical Factors (β=.303) also show the third strong predictive strength.

4.4 Qualitative Results

Analysis of the twelve semi-structured interviews gives five themes which offer detailed, contextualized viewpoints on how employees experience their work environment at the study bank.

4.4.1 Theme 1: The technological Constraints

A dominant theme identified across all interviews was the challenges caused by technological shortcomings. Participants from every corner of the organization consistently cited inadequate technology as primary constraint on their efficiency. Employees described operational difficulties as a Customer Service Officer's explained: "Slow Computer systems causes the system lags during a transaction, the customer blames me and the line gets longer.". Also this is reflected by the Middle management by stating "in some departments legacy systems create frustrating delays." At the top level, the issues were framed as strategic imperative. According to a Director characterizing technological modernization as a "long lasting, costly but essential priority." From raised ideas and points pattern, technological infrastructure as a fundamental aspect on the bank's operational efficiency.

4.4.2 Theme 2: Unidirectional Communication

Based on the interview data it is observed, the concerning organizational communication, characterized by top-down flow. This shows a perceived disconnect between senior management and other staff. Participants articulated how this one-way channel caused them feel detached from strategic objectives and unable to contribute ideas for procedural improvement. Officer was expressed: "Communication is mostly one-way. We are told what to do, but rarely asked for feedback on how it could be done better." Middle managers frequently described their role as mediating this gap bridging between the management and the employees. the interview with leaders also confirmed this as they describe that "the messages get twisted by the time it reaches the front lines," the main structure remained. This top down way of communication affects the potential of the employees to contributed to the organization.

4.4.3 Theme 3: The Difference in Recognition

The interview participants also acknowledged the importance of both formal and informal recognitions. Participants consistently witnessed significance of informal, personalized gestures of appreciation over standardized corporate rewards. As Officer explained, "verbal thanks means a lot because it showed he (leader) was paying attention." Another participant also mentioned

that a “handwritten note from a supervisor meant more than any common corporate email”. This shows that informal personal appreciation is more impactful that impersonal formal recognitions.

4.4.4 Theme 4: Employee Advocacy for Discretion within a Regulatory Framework

The analysis identified a fourth theme concerning the balance of control and option in daily operations. Employees directly involved in customer-facing and procedural work articulated a need more agencies, mentioning that existing policies often delayed immediate problem resolution. A Customer Service Officer’s with frustration explained this condition as “My hands are tried by a rigid rule, forcing us both through a long inefficient process.” In contrast, senior management argued this issue describing rigidity is not a preference but as an operational mandate. “banking regulations inherently necessitate a certain degree of hierarchy and control.”, they described. This variation of perception shows a fundamental tension between the system control and employee demand to get their voices heard.

4.4.5 Theme 5: Physical Obstacles to Concentration and Conduct

The last common theme identified in the interview is related to the influence of physical workplace on functional effectiveness. Employees commonly reported that the office environment a barrier to focuses. Especially within open-plan layouts and customer-facing zones. A Senior Officer mentioned conditions to cognitive strain, saying, “Noise and lack of quiet zones make it hard to focuses on complex tasks.”. Frontline staff also mentioned ergonomic and sensory factors directly affecting professional performance. However, management bodies expressed the opinion mentioning that physical space was framed primarily as a fiscal consideration. Results from the interviews indicate, key gap in physical facilities affecting employee efficiency and quality service.

4.5 Discussion

Integration of qualitative and quantitative results show how employees are performing and how their efficiency is influenced by work environment of the Abay Bank S.C. Qualitative results confirmed the strong relationships between environmental factors and efficiency, additionally the

analysis indicates the essential context of the underlying mechanisms and real experiences that explain these relationships.

Based on results show that all the three dimensions physical, psychological and organizational are strong predictors of employee efficiency. Confirmed through high bivariate correlation (r >.91) and the regression models explanatory power (R^2 =.886), which shows strong empirical support for the study's central hypothesis. Another identified finding is prevalent technological, physical and systemic organizational barriers (communication gaps and recognition inconsistencies) and other organizational foundation expressed shortage in autonomy reveals the tangible implications of structural and policy constraints on daily work.

Five emergent themes observed from the qualitative data do not operate in isolation. but interact with each other and jointly affect the work efficiency of the employees. For instance, lacks of technology at the same time raises psychological stress and expose organizational communication failures. Similarly, rigid policies lead to one-way, top-down communication. The proactive problem-solving needed mitigate technical issues. Furthermore poor work environment climate undermines the value of recognition and when coupled with disturbing physical space, it reduces morale and performance.

Employee efficiency is formed by the entire systemic alignment. This perspective agrees with socio-technical systems theory, which states that workplace outcomes arise from the complex interplay between technical subsystems, social structure and human elements.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Final chapter of this research presents a summary of the key findings, conclusions drawn from the analysis, specific recommendations tailored to the context of Abay Bank S.C. and the broader Ethiopian banking sector, and suggestions for future research.

5.1 Summary of Findings

On this study a mixed-methods approach is applied, collecting quantitative data from a survey of 217 employees and qualitative insights from interviews with 12 participants at Abay Bank S.C. Findings are organized according to the five specific research objectives, emphasizing their direct applicability to banking operations, such as transaction processing, customer service, and risk management, where employee efficiency directly impacts metrics like processing times, error rates, and customer satisfaction.

5.1.1 Objective One: Physical Factors Impacting Efficiency

Quantitative analysis from the study revealed a moderately positive perception of physical factors (M=3.75), with a strong positive correlation to employee efficiency ($r=.916$, $p < .01$). Indicates that elements like workspace ergonomics and ambient conditions are critical for maintaining focus during high-volume tasks, such as handling daily deposits or loan approvals. Qualitative themes strengthened this, with participants reporting that noise in open-office layouts and inadequate ergonomic setups such as non-adjustable chairs and poorly positioned computer screens cause to physical discomfort, resulting in reduced concentration and higher error rates in data entry or compliance checks. Regarding to the banking context, these issues translate to tangible inefficiencies, like delayed customer transactions or increased rework, which can elevate operational costs by 10-15% based on similar studies in Ethiopian financial institutions.

5.1.2 Objective Two: Psychological Factors Affecting Efficiency

Psychological factors received the lowest mean score (M=3.66) but emerged as the strongest predictor of efficiency in regression analysis ($\beta = .347$, $p < .01$). This highlights their outsized role in a high-stakes environment where employees manage sensitive financial data and client interactions. Interviewees described stress from frequent technological malfunctions (e.g., system downtimes during peak hours), feelings of undervaluation due to generic recognition practices, and limited autonomy in decision-making, which collectively diminished motivation and led to mental fatigue. Practically, this demonstrates in slower response times to customer inquiries or higher absenteeism rates, potentially affecting branch performance indicators like net promoter scores (NPS) and staff turnover.

5.1.3 Objective Three: Organizational Factors Influencing Efficiency

Organizational factors scored a mean of 3.78 and were a significant predictor ($\beta = .312$, $p < .01$), underscoring the need for structured support in hierarchical banking settings. Regression results were strengthened by qualitative data revealing top-down communication barriers and formalized but impersonal acknowledgment systems, which hindered collaborative problem-solving essential for tasks like fraud detection or team-based loan processing. Such kind of issues create bottlenecks in daily operations, such as delayed approvals or miscommunications in compliance reporting, directly impacting the bank's ability to meet regulatory deadlines from the National Bank of Ethiopia and maintain competitive service levels.

5.1.4 Objective Four: Employee Perceptions of the Work Environment

While aggregate quantitative scores suggested a generally positive view of the work environment, qualitative accounts revealed differences, describing a reality of outdated tools, limited decision-making influence, and insufficient recognition. Employees perceived these as barriers to autonomy, particularly in customer-facing roles where quick adaptations are needed for personalized service. This misalignment highlights practical gaps, such as reliance on manual processes that slow down digital banking transitions, affecting overall efficiency and the bank's adaptability.

5.1.5 Objective Five: Correlations between Environment and Efficiency

Strong positive correlations were observed across all dimensions with employee efficiency (all r > .91), explaining 88.6% of variance in the regression model. Integrated findings show that physical, psychological, and organizational factors interplay to affect core banking outcomes, like transaction accuracy and employee retention. For instance, poor ergonomics combined with stress amplifies errors in financial reporting, while better organizational support could reduce processing times by up to 20%, aligning with industry benchmarks for efficient Ethiopian banks.

5.2 Conclusions

The study concludes that the work environment at Abay Bank S.C. significantly influences employee efficiency through interconnected physical, psychological, and organizational dimensions. Key elements include reliable technological infrastructure to minimize downtime, bidirectional communication to foster collaboration, personalized recognition to increase morale, better autonomy for frontline decision-making, and ergonomic workspace designs to reduce physical strain. While survey data indicated moderate adequacy, qualitative insights exposed inconsistencies, such as outdated systems and disruptive layouts, which undermine efficiency in practical banking scenarios like high-volume teller operations or compliance audits.

The hypotheses (H1, H2, H3) were fully supported, confirming significant positive relationships between employee efficiency and physical ($p < .001$), psychological ($p < .001$), and organizational factors ($p < .001$). Overall, the work environment operates as a socio-technical system where isolated improvements are insufficient; holistic enhancements are required to drive measurable gains, such as reduced error rates (e.g., from 5% to 2% in transaction processing) and improved productivity, contributing to Abay Bank's competitiveness in Ethiopia's banking sector.

5.3 Recommendations

Based on the findings, the following targeted recommendations are proposed, drawing from best practices in Ethiopian and global banking contexts, such as ergonomic interventions, stress management programs, and engagement strategies observed in institutions like the Commercial Bank of Ethiopia.

5.3.1 Recommendations for Abay Bank S.C. Management

To address physical constraints, conduct annual ergonomic assessments of workspaces, investing in adjustable furniture and noise-reducing partitions in open offices, with a pilot implementation in high-traffic branches within six months to potentially cut discomfort-related downtime. For psychological factors, introduce mandatory stress management workshops focused on technological related frustrations, combined with a digital employee assistance program (EAP) offering confidential counseling, aiming to reduce absenteeism by integrating it into quarterly performance reviews. On organizational aspects, establish a two-way communication platform, such as a mobile app for anonymous feedback and monthly cross-level meetings, while rolling out a personalized recognition system (e.g., peer-nominated awards tied to specific achievements like efficient loan processing) to enhance motivation and retention.

5.3.2 Recommendations for Policymakers in the Ethiopian Banking Sector

The National Bank of Ethiopia should mandate sector-wide guidelines requiring banks to adopt minimum standards for workspaces, including ergonomic compliance and mental health support, enforced through annual audits similar to those for financial reporting. Additionally, incentivize banks via tax breaks for implementing employee wellness programs, focusing on workload management and training to align with national goals for financial sector stability and efficiency, potentially reducing industry-wide turnover.

5.3.3 Recommendations for Future Researchers

To build causal evidence, adopt longitudinal designs tracking work environment changes over 12-24 months, incorporating objective metrics like transaction error rates or processing speeds. Employ advanced techniques such as Structural Equation Modeling (SEM) to explore inter-factor relationships, and integrate multi-source data (e.g., supervisor ratings alongside self-reports) for strong validity in similar Ethiopian banking studies.

5.4 Limitations of the Study and Directions for Future Research

This cross-sectional design limits causal inferences, capturing data at a single point and relying on self-reports, which may introduce bias. Future research should follow longitudinal approaches to monitor temporal dynamics, combine perceptual data with objective indicators (e.g.,

productivity logs), and apply SEM to better model systemic interactions in banking work environments.

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APPENDIX –A



Quantitative Questionnaire

Introduction and Consent Statement

Dear Participant,

This questionnaire is designed by a graduate student from Addis Ababa University, College of Business and Economics, Department of Management. As part of the requirement for the award of the degree, I am expected to undertake a research study on **"The Effect of Work Environment on Employee Efficiency: A Case study in Abay Bank S.C."**I'm there for seeking your assistance to fill the questionnaires attached. The attached questionnaire will take about twenty minutes to complete. Kindly answer all the questions. The outcome of this study will enhance knowledge on **"The Effect of Work Environment on Employee Efficiency: A Case study in Abay Bank S.C."**. Your name is not needed. All information offered will be treated confidentially and there results will be presented in such a way that no individuals may be recognized. Thank you in advance for the available information you are sharing and the precious time you are going to spend for this purpose

If you have any enquiry please don't hesitate to contact the researcher on:-Email

Eyoblegesse23@gmail.com

Sincerely,

Eyob Legesse

Phone # 09-23-47-97-67

General guidelines:

Please read each question carefully and make a tick and you can write your opinion on the remark section.

Section A: Demographic Information

1. Sex:

1) Female ☐ 2) Male ☐

2. Age:

1) Under 25 ☐ 2) 26-35 ☐

3) 36-45 4) Above 45 ☐

3. Educational Status:

1) Diploma ☐ 2) First degree ☐

3) Masters and above ☐

4. Relevant work experience:

1) 0-2 years ☐ 2) 2-5 years ☐

3) 6-10 years ☐ 4) Above 10 years ☐

5. Respondent's position:

1) Director ☐ 2) Manager ☐ 3) Senior officer ☐

4) Officer ☐ 5) Junior office ☐ 6) Customer service officer ☐

Instruction: Kindly indicate the degree to which you agree with the following statements concerning ***The Effect of Work Environment on Employee Efficiency: A Case study in Abay Bank S.C.***

Rate using a scale of 1 to 5 where:

1 is strongly disagree, 2 is Disagree, 3 is Neutral, 4 is Agree and 5 is Strongly agree.

Please put (√) sign for each of the following statements as appropriate

Section B: Physical Work Environment Factors

No.	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
B1	The office layout allows me to perform my tasks effectively.	[ ]	[ ]	[ ]	[ ]	[ ]
B2	The lighting in my workspace is adequate and does not cause eye strain.	[ ]	[ ]	[ ]	[ ]	[ ]
B3	The noise level in my work area is acceptable and not disruptive.	[ ]	[ ]	[ ]	[ ]	[ ]

B4	The office temperature and air quality are comfortable.	[ ]	[ ]	[ ]	[ ]	[ ]
B5	The furniture (chair, desk) provided is ergonomic and supports my comfort.	[ ]	[ ]	[ ]	[ ]	[ ]
B6	The necessary work tools and equipment are modern and function properly.	[ ]	[ ]	[ ]	[ ]	[ ]

Section C: Psychological Work Environment Factors

No.	**Statement**	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
C1	I feel a low level of stress in my job.	[ ]	[ ]	[ ]	[ ]	[ ]
C2	I am satisfied with my current job.	[ ]	[ ]	[ ]	[ ]	[ ]

C3	The overall morale in my department is high.	[ ]	[ ]	[ ]	[ ]	[ ]
C4	I have sufficient autonomy to make decisions related to my work.	[ ]	[ ]	[ ]	[ ]	[ ]
C5	I feel recognized and appreciated for my contributions.	[ ]	[ ]	[ ]	[ ]	[ ]
C6	I feel psychologically safe to express my ideas and opinions.	[ ]	[ ]	[ ]	[ ]	[ ]

Section D: Organizational Work Environment Factors

No.	**Statement**	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
D1	The leadership in my department is supportive and effective.	[ ]	[ ]	[ ]	[ ]	[ ]

D2	Communication within my team and department is clear and open.	[ ]	[ ]	[ ]	[ ]	[ ]
D3	The bank's policies and procedures support my efficiency.	[ ]	[ ]	[ ]	[ ]	[ ]
D4	I receive adequate training and development opportunities.	[ ]	[ ]	[ ]	[ ]	[ ]
D5	Teamwork and collaboration are encouraged in my department.	[ ]	[ ]	[ ]	[ ]	[ ]
D6	The organizational culture values employee well-being.	[ ]	[ ]	[ ]	[ ]	[ ]

Section E: Self-Assessed Employee Efficiency

No.	**Statement**	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
E1	I am able to complete my assigned tasks quickly.	[ ]	[ ]	[ ]	[ ]	[ ]

E2	I maintain a high level of accuracy in my work.	[ ]	[ ]	[ ]	[ ]	[ ]
E3	My daily/weekly productivity meets or exceeds expectations.	[ ]	[ ]	[ ]	[ ]	[ ]
E4	I effectively manage my time to meet deadlines.	[ ]	[ ]	[ ]	[ ]	[ ]
E5	I am able to adapt to new tasks or technologies with ease.	[ ]	[ ]	[ ]	[ ]	[ ]

Thank you very much for your valuable time and cooperation!

Addis Ababa University
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SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY !

Qualitative Interview Guide

Interview **ID:** _____

Date: _____

Participant Category: (Manager / Senior Officer / Officer / Junior Officer / CSO)

Introduction and Consent Statement

I am Eyob Legesse, an MBA student at Addis Ababa university conducting a study oon work environment and employee efficiency at Abay Bank S.C.

Thank you for your willingness to take part. This interview tries to find to gain deeper understanding of your professional experiences. It will take 20-30 minutes of your time.

To confirm accurateness, I request your permission to audio-record this session. The recording will be stored securely, transcribed anonymously and used exclusively for this research.

Your personal information is not be given to any other third party. Participation is completely voluntary. You skip any question or withdraw at any time without any consequences.

Please indicate your consent below before we proceed to the core questions.

[ ] I provide my consent to participate and be audio-recorded.

[ ] I provide my consent to participate but do not consent to audio recording.

Core Interview Questions

1. General Question

- As a beginning, could you describe your overall experience working in your current role at Abay Bank?

2. Physical Work Environment

- How would you characterize your immediate physical workspace factors, like layout, noise levels and comfort?
- In what specific ways does this environment support or challenge your ability to complete daily tasks efficiently?

3. Psychological Work Environment

- How would you describe the general morale and stress levels within your team or among your close colleagues?
- Could you describe specific instance whre you felt genuinely recognized for your work?

4. Organizational Work Environment

- Based on your experience, how would you describe the typical leadership and communication style within your team or department?
- In your view, how do the bank's formal policies, overall culture and opportunities for professional development affect how employees approach and perform their jobs?

5. Employee Efficiency

- From your perspective, what are the top three factors within Abay Bank that most significantly help or hinder how efficiently employees can work?

6. Synthesis and Conclusion

- If you could advise senior management on one single change to the work environment to improve efficiency, what you recommend and why?
- Is there any other aspect of the work environment and its impact on performance that we have not discussed yet, but that you feel is important to mention?

APPENDIX –B

The graphical representation demonstrates the strong positive correlations between employee efficiency and work environment factors at Abay bank S.C.

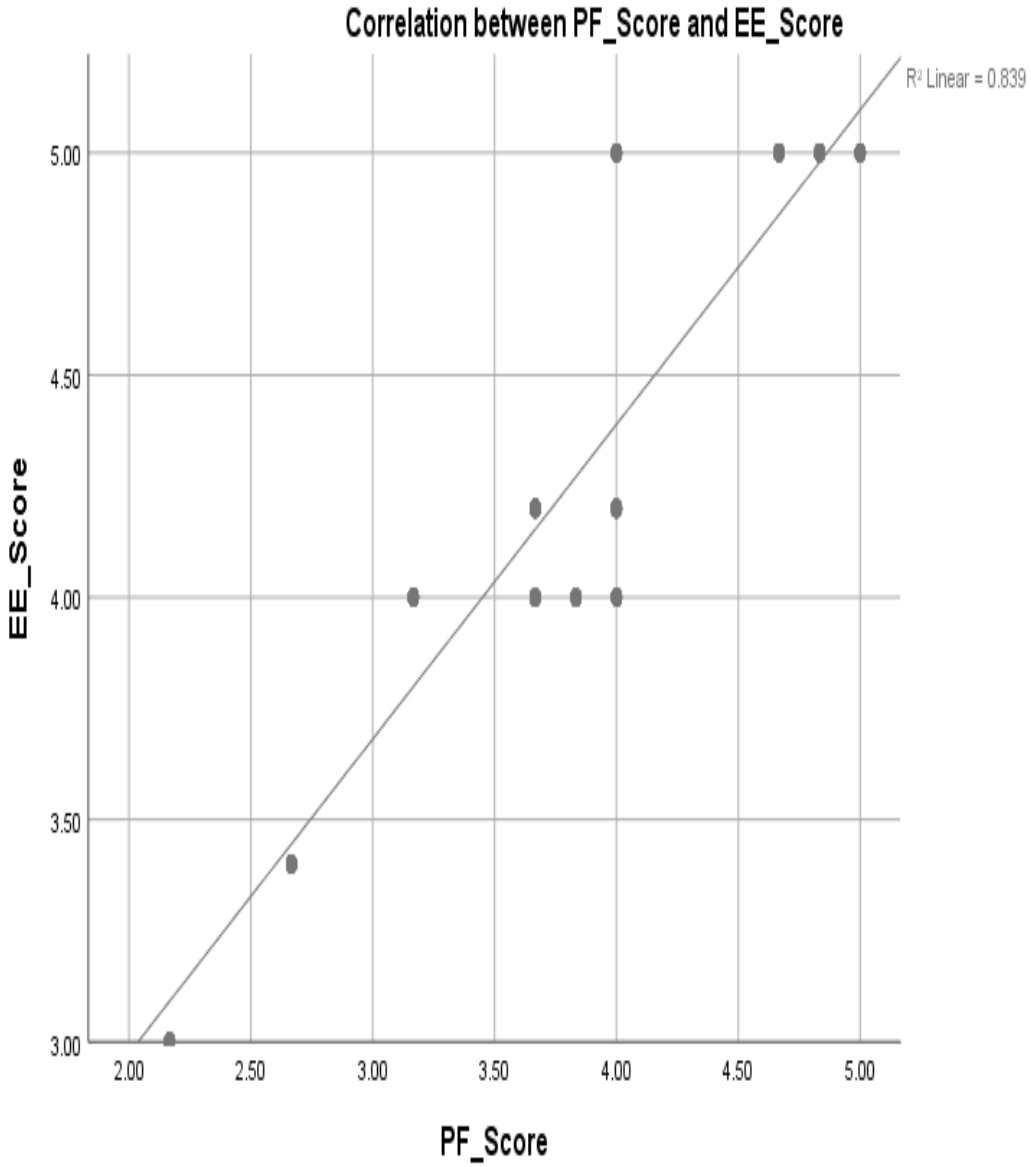

Figure B1: Scatterplot of Efficiency vs. Physical Factors

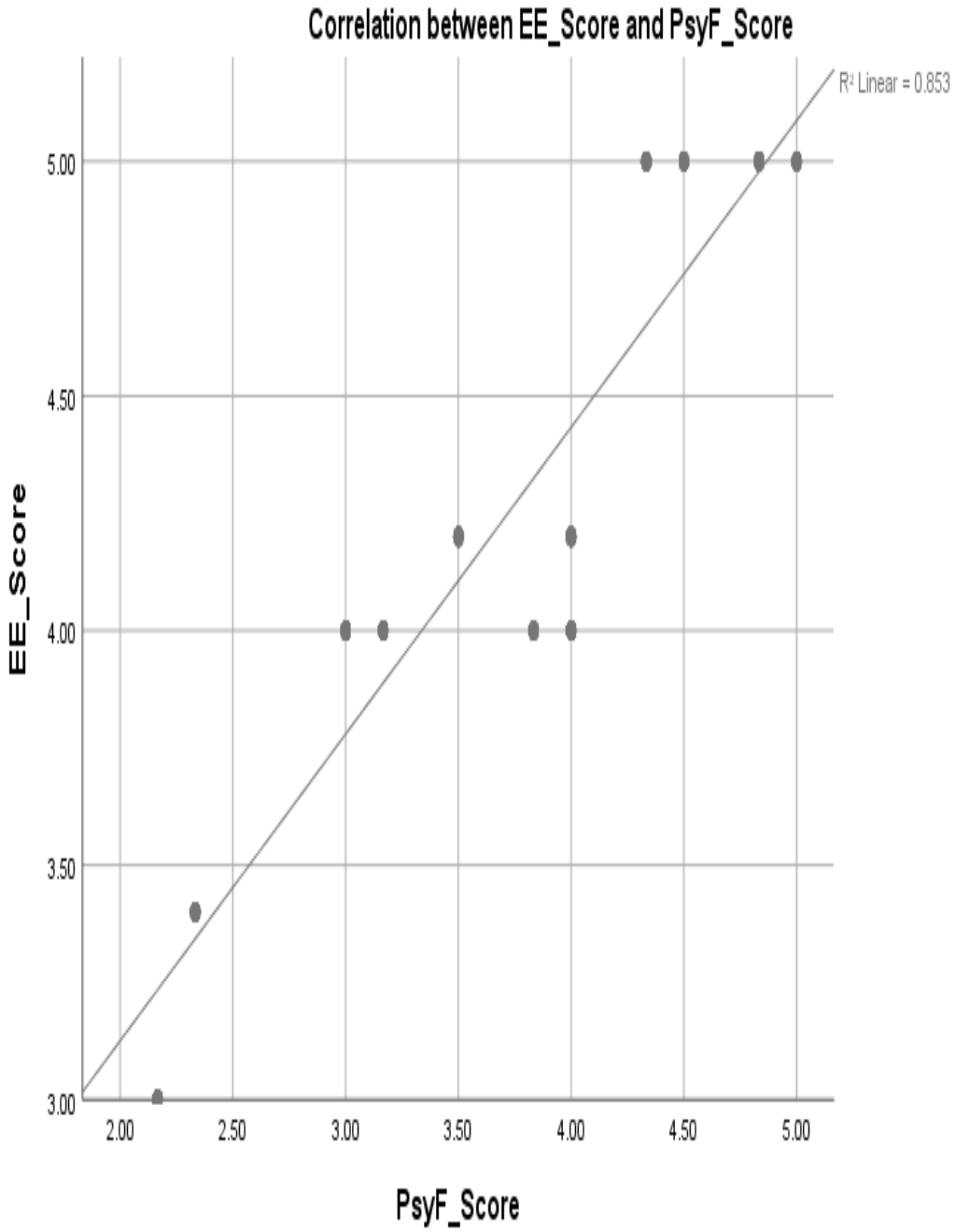

Figure B2: Scatterplot of Efficiency vs. Psychological Factors

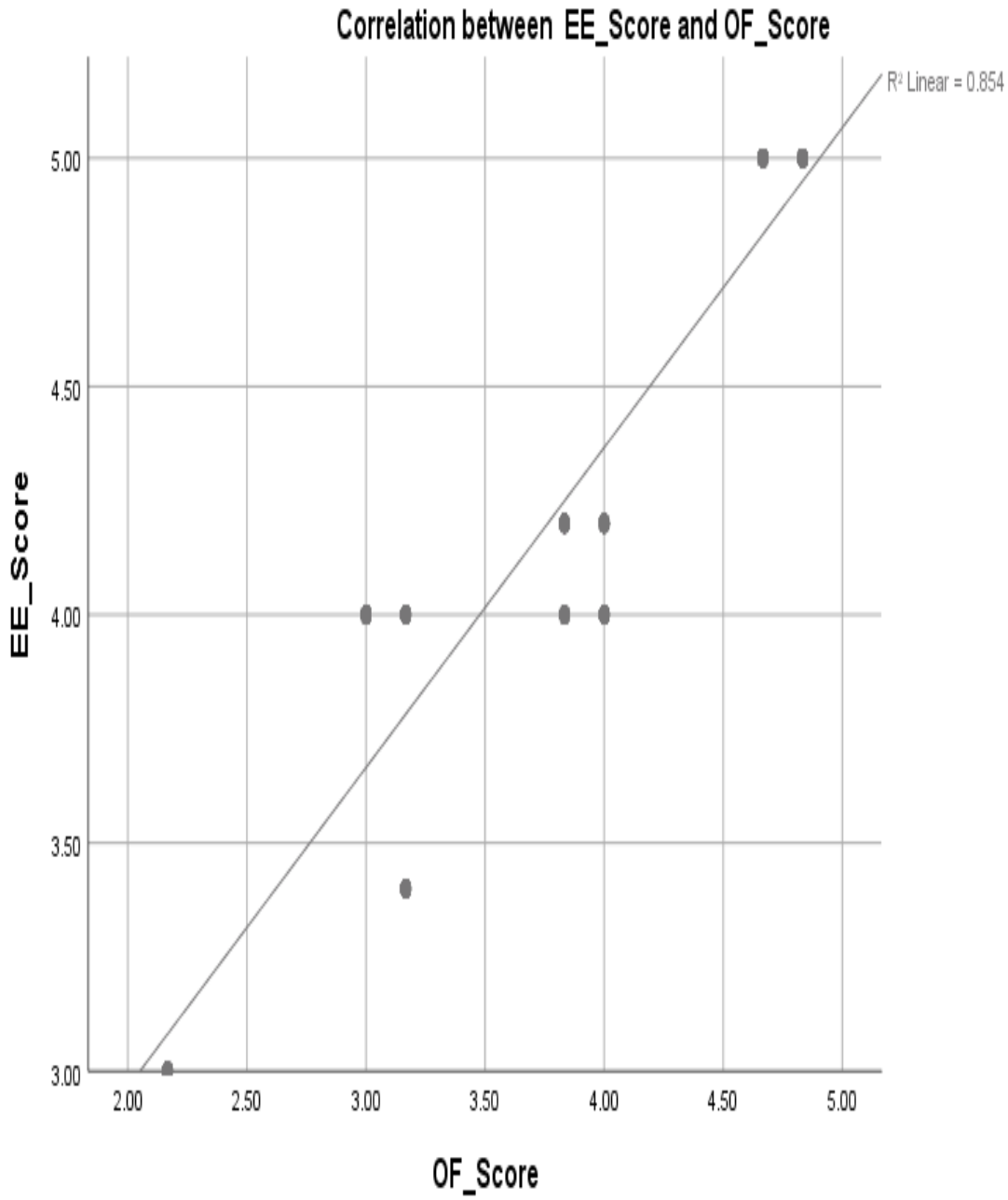

Figure B3: Scatterplot of Efficiency vs. Organizational Factors