



THE INFLUENCE OF CONDUCTIVE WORK ENVIRONMENT IN ENHANCING SERVICE DELIVERY WITHIN COMMERCIAL BANKS IN NORTHERN KENYA

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ABSTRACT

This study examined the influence of a conducive work environment on service delivery within commercial banks in Northern Kenya, a region characterized by unique socio-economic challenges, infrastructural gaps, and dispersed clientele. Anchored on Self-Determination Theory and Social Exchange Theory, the research adopted a pragmatism philosophy and a convergent parallel mixed-methods design, targeting 221 employees from 30 bank branches, with a sample size of 141 selected through multistage sampling. Quantitative data were collected via structured questionnaires, while qualitative insights were gathered through manager interviews. Descriptive statistics revealed a highly positive perception of the work environment, with high mean scores for resource adequacy ($M = 4.36$), fair workload distribution ($M = 4.31$), and recognition systems ($M = 4.25$), alongside positive ratings for flexible work arrangements. Service delivery was also rated positively, particularly in achieving financial targets ($M = 4.03$) and leveraging technology ($M = 4.03$), though areas such as valuing employee suggestions ($M = 3.39$) required improvement. Correlation analysis showed a strong, statistically significant relationship between a conducive work environment and service delivery ($r = .745, p = .000$). Regression results confirmed a significant positive effect ($\beta = 0.790, p = 0.000$), indicating that enhancing the work environment by one unit leads to a 0.729 increase in service delivery. The study concludes that safe, resource-equipped, and flexible workspaces foster employee engagement, motivation, and performance, thereby improving service quality. It recommends that bank managers prioritize physical infrastructure, emotional safety, fair policies, and open communication, especially in remote branches, and calls for further research into how institutional capacity moderates this relationship.

KEYWORDS: Conducive Work Environment, Service Delivery, Commercial Banks.

INTRODUCTION

Globally, the financial services sector, especially the banking industry, plays a critical role in facilitating economic growth and development. Commercial banks act as financial intermediaries, bridging the gap between borrowers and lenders. With growing global competition, heightened customer expectations, and increasing credit risks, banks are under pressure to transform their service delivery systems. Scholars such as Rahaman et al. (2020) and Kamboh & Leghari (2016) highlight that traditional banking is giving way to digital and customer-centered models to remain competitive. Despite advancements, global research (Gallup, 2021; Harter & Mann, 2017) points to a crisis in service delivery (SD) and employee engagement (EE). In the United States, disengaged employees cost firms an estimated \$250–\$300 billion annually. Only 15% of employees are actively engaged, with many countries such as the UK (8%) and Western Europe (10%) faring even worse. These figures emphasize a global engagement gap affecting organizational effectiveness and service quality.

A conducive work environment is identified as a critical component of employee engagement practices. It refers to a workplace that provides the necessary resources and conditions

for employees to perform effectively and comfortably, thereby fostering productivity (Mwangi, 2021). Such an environment is believed to boost employees' sense of self-assurance and ownership, leading to higher engagement levels, improved service delivery, and enhanced overall performance. This includes physical facilities, adequate resources, organizational culture, safety, fair reward, clear communication, and opportunities for growth and advancement. According to (Theuri, Macharia & Kamau, 2020) working environment positively and significantly affects service delivery. A work environment that is conducive will foster a greater sense of self-assurance and ownership over the company, which will raise employee engagement levels, improve service delivery, and eventually overall performance (Mwangi & Murunga, 2017; Njoroge and Kwasira, 2015).

Additionally, Mwangi (2021) posits that a conducive work environment, particularly in terms of availability of physical facilities, adequate resources and organizational culture, had a positive relation and statistically significantly influences service delivery in county hospitals. Similarly, Wanyonyi and Wanjiru (2019) demonstrated that the psycho-social work environment significantly and positively influences



organizational performance, implying improvements in service delivery across public sectors. A favorable workplace that enhances employees' performance and improve service delivery will be characterized by several factors, such as safety both physically and emotionally, work autonomy, fair reward and compensation, organizational culture, clear goals and communication, relevant resources and opportunities for growth and advancement (Albrecht *et al.*, 2015).

a conducive work environment plays a pivotal role in enhancing service delivery within commercial banks in regions such as Northern Kenya. Research has shown that aspects of the organizational climate, including workplace safety, adequate resourcing, management support, and psychosocial factors, significantly influence employee satisfaction, engagement, and ultimately performance (Adan & Amuhaya, 2020). Indeed, a study in Homabay County found that working organizational climate alongside employee rewards—explained over 76% of variance in retention outcomes, underscoring that a supportive environment boosts continuity and service consistency in the banking sector (Ndede, 2020)

Given the unique socio-economic landscape of Northern Kenya with infrastructural gaps, security concerns, and dispersed clientele a work environment that supports employees physically, socially, and psychologically can bolster motivation, reduce stress, and elevate service delivery standards. Thus, focusing on workplace conditions is essential for commercial banks seeking to improve customer experiences and operational effectiveness in the region. Despite its recognized importance, the specific impact of a conducive work environment on service delivery in the unique context of Northern Kenya, with its distinct socio-economic and cultural landscape, remains underexplored (Theuri, Macharia & Kamau, 2020). To fill the gap, the study sought to determine the relationship between Conducive Work Environment and service delivery in commercial banks in Northern Kenya.

THEORY AND HYPOTHESIS

The study is primarily anchored on the Self-Determination Theory (SDT) and the Social Exchange Theory (SET). Self-Determination Theory (SDT), introduced by Deci and Ryan in 1985, examines factors of employee motivation and explains human behavior. Its core presumption is that "Humans are active, growth-oriented entities," linking employee engagement to an individual's behaviors and job satisfaction. SDT identifies three innate psychological needs: autonomy, competence, and relatedness. Employees are more engaged when they feel autonomous and competent, and when their work aligns with personal values. A conducive work environment directly supports these needs by providing a safe and enabling space, allowing employees to feel more autonomous and competent in their roles, which enhances their motivation and engagement, thereby affecting service delivery. Social Exchange Theory (SET), developed by Blau in 1964, also clarifies how individuals engage and make decisions in relationships, particularly employee relations within an organization. It posits that if workers are provided with a positive and fulfilling work

environment, they will exert more effort and involvement, increasing their commitment to the organization. SET explains the reciprocal relationship where positive treatment of employees—such as a conducive working environment—leads to reciprocation in the form of better performance and support for organizational goals.

Hypothesis: *H0: There is no significant relationship between Conducive Work Environment and service delivery in the commercial banks in Northern Kenya.*

DATA METHODS

This study adopted a pragmatism research philosophy, combining elements of both positivism and interpretivism to explore practical outcomes and real-world applications. This approach supports a convergent parallel mixed-methods design, allowing for the simultaneous collection and analysis of both quantitative and qualitative data to provide a comprehensive understanding of the research problem.

The target population comprised 221 employees from 30 commercial bank branches in Northern Kenya, including managers, tellers, customer care staff, and credit section staff, as these categories are directly involved in service delivery and engagement practices. A sample size of 141 employees was proportionally distributed across these categories using multistage sampling, which included stratified random sampling and purposive sampling for managers.

Data were collected using structured questionnaires for quantitative data and interview guides for qualitative data. The questionnaires utilized a five-point Likert scale (1-Strongly Disagree to 5-Strongly Agree) to capture perceptions on various aspects, including conducive work environment (Section 3B) and service delivery (Section A). Interview guides, used with managers, aimed to gather deeper insights into the creation of a conducive work environment and its impact on service delivery. A pilot test was conducted to ensure the reliability and validity of the instruments, achieving a Cronbach's alpha coefficient of above 0.70 for acceptable reliability.

DATA ANALYSIS

Quantitative data from questionnaires were analyzed using descriptive statistics (frequencies, mean, standard deviation) and inferential statistics (correlation and linear regression analysis). Qualitative data from interviews were analyzed thematically to identify patterns and themes. Statistical Package for Social Sciences (SPSS) was utilized for quantitative analysis.

Descriptive Statistics for Conducive Work Environment

Descriptive statistics for the conducive work environment was done to provide insights into employees' perceptions of workplace conditions, resources, and support systems. The analysis highlights key aspects such as resource adequacy, workload fairness, recognition, and flexibility, which collectively shape a positive organizational climate.



Table 1: Descriptive Statistics for Conducive Work Environment

Statement	SD (%)	F (%)	D (%)	F (%)	N (%)	F (%)	A (%)	F (%)	SA (%)	F (%)	Mean	Std Dev.
The bank allows remote working to promote flexible work arrangement in the workplace.	0 (0.0%)		6 (5.1%)		16 (13.6%)		48 (40.7%)		48 (40.7%)		4.17	0.85
Employees can adjust work schedule when necessary.	0 (0.0%)		8 (6.8%)		10 (8.5%)		55 (46.6%)		45 (38.1%)		4.16	0.85
The bank provides adequate resources and support to enhance service delivery.	0 (0.0%)		3 (2.5%)		9 (7.6%)		48 (40.7%)		58 (49.2%)		4.36	0.74
Management in the bank give regular feedback on employees' efforts contributing to productivity.	0 (0.0%)		5 (4.2%)		13 (11.0%)		57 (48.3%)		43 (36.4%)		4.17	0.79
Employees' contributions and achievements at work are regularly recognized and appreciated in the bank.	0 (0.0%)		5 (4.2%)		13 (11.0%)		52 (44.1%)		48 (40.7%)		4.21	0.80
The workload is fairly distributed, allowing employees to maintain a healthy work-life balance.	0 (0.0%)		4 (3.4%)		9 (7.6%)		52 (44.1%)		53 (44.9%)		4.31	0.76
Employees are informed and prepared when organizational changes are implemented.	0 (0.0%)		9 (7.6%)		7 (5.9%)		56 (47.5%)		46 (39.0%)		4.18	0.85
Employees' efforts and achievements are frequently rewarded and acknowledged.	0 (0.0%)		4 (3.4%)		3 (2.5%)		71 (60.2%)		40 (33.9%)		4.25	0.67

Source: Researcher, (2025)

Descriptive statistics revealed that employees perceived the work environment as highly conducive, with consistently high mean scores across key indicators. Adequate resources and support for service delivery ranked highest (M = 4.36, SD = 0.74), followed by fair workload distribution supporting work-life balance (M = 4.31, SD = 0.76) and frequent recognition of employee achievements (M = 4.25, SD = 0.67). Flexible work arrangements, including remote working (M = 4.17) and adjustable schedules (M = 4.16), were also positively rated. Qualitative feedback from 15 of 18 branch managers reinforced these findings, highlighting equitable workload, physical safety,

managerial support, and flexible policies as central to fostering a positive organizational climate.

Descriptive Statistics for Service Delivery

Descriptive statistics for service delivery present an overview of employees' perceptions regarding the bank's performance in meeting targets, leveraging technology, and responding to customer needs. The analysis identifies both areas of strength and aspects requiring improvement to enhance overall service quality.

Table 2: Descriptive Statistics for Service Delivery

Statement	SD F (%)	D F (%)	N F (%)	A F (%)	SA F (%)	Mean	Std Dev.
The bank's policies and procedures make it easy for employees to satisfy customer needs effectively.	1 (0.8%)	16 (13.6%)	35 (29.7%)	43 (36.4%)	23 (19.5%)	3.60	0.98
Employees' opinions and suggestions regarding service improvement are taken seriously by the bank.	1 (0.8%)	14 (11.9%)	53 (44.9%)	38 (32.2%)	12 (10.2%)	3.39	0.86
The bank employees have necessary resources and information to provide high-quality service to our customers.	1 (0.8%)	16 (13.6%)	46 (39.0%)	33 (28.0%)	22 (18.6%)	3.50	0.98
Training received by employees in the bank equips them well to handle diverse customer interactions.	1 (0.8%)	15 (12.7%)	41 (34.7%)	40 (33.9%)	21 (17.8%)	3.55	0.96



Employees respond promptly and effectively to the inquiries and service requested by customers.	0 (0.0%)	22 (18.6%)	45 (38.1%)	32 (27.1%)	19 (16.1%)	3.41	0.97
The bank consistently meets customer expectations through reliable and high-quality service.	1 (0.8%)	18 (15.3%)	48 (40.7%)	34 (28.8%)	17 (14.4%)	3.41	0.94
Employees understand how retaining existing customers through excellent service contributes to the bank's long-term profitability.	2 (1.7%)	14 (11.9%)	36 (30.5%)	43 (36.4%)	23 (19.5%)	3.60	0.99
The bank regularly achieves the annual financial targets set.	0 (0.0%)	0 (0.0%)	41 (34.7%)	33 (28.0%)	44 (37.3%)	4.03	0.85
When issues arise that impact service delivery, there are effective processes in place to resolve them quickly.	0 (0.0%)	0 (0.0%)	49 (41.5%)	39 (33.1%)	30 (25.4%)	3.84	0.81
The bank effectively leverages technology to improve workflow and customer service.	0 (0.0%)	0 (0.0%)	39 (33.1%)	37 (31.4%)	42 (35.6%)	4.03	0.83

Source: Researcher, (2025)

Descriptive statistics indicated generally positive perceptions of service delivery, with strong confidence in the bank's ability to meet annual financial targets ($M = 4.03$, $SD = 0.85$) and effectively leverage technology to enhance workflow and customer service ($M = 4.03$, $SD = 0.83$). While these areas

received widespread support, aspects such as valuing employees' suggestions for service improvement ($M = 3.39$) and promptness in responding to inquiries ($M = 3.41$) showed more neutral or mixed views, highlighting potential improvement areas.

Table 3: Correlation Between Conducive Work Environment and Service Delivery

		Conducive Work Environment	Service Delivery
Conducive Work Environment	Pearson Correlation	1	.745**
	Sig. (2-tailed)		.000
	N	118	118
Service Delivery	Pearson Correlation	.745**	1
	Sig. (2-tailed)	.000	
	N	118	118

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

Correlation analysis revealed a strong, statistically significant positive relationship between a conducive work environment and service delivery ($r = .745$, $p = .000$), indicating that supportive and flexible workplace conditions enhance service quality. Regression results showed that, without considering firm size (Model 1), the effect was modest and not statistically significant ($Beta = .141$, $p = .113$). However, when firm size was included (Model 2), the effect became significant ($Beta = .183$, $p = .008$) and remained so in the full moderation model (Model 3: $Beta = .149$, $p = .014$). This suggests that the positive impact of a conducive work environment on service delivery is amplified in larger organizations with greater structural capacity and resources.

Regression Analyses; Hypothesis Testing

Regression analyses were conducted to examine the predictive relationship between a conducive work environment and service delivery. The results provide insights into the strength, direction, and statistical significance of this relationship. Additionally, regression analysis was used to test the null hypothesis:

H_{04} : There is no significant relationship between Conducive Work Environment and service delivery in the commercial banks in Northern Kenya.



Table 4
Coefficients for Conducive Work Environment and Service Delivery

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.052	.207		5.073	0.000
Conducive Work Environment	.729	.053	0.790	13.854	0.000

a. Dependent Variable: Service Delivery

To test the hypothesis H₀₄: There is no significant relationship between Conducive Work Environment and Service Delivery in the commercial banks in Northern Kenya, we use the regression model:

$$Y = B_0 + B_1X_1 + e, \text{ where:}$$

Y = Service Delivery

X₁ = Conducive Work Environment

B₀ = 1.052 (intercept)

B₁ = 0.729 (coefficient for Conducive Work Environment)

Substituting into the model:

$$Y = 1.052 + 0.729(\text{Conducive Work Environment}) + e$$

p-value (Sig.) = 0.000

Since the p-value is less than 0.05, we reject the null hypothesis (H₀₄). This means that Conducive Work Environment has a statistically significant and positive effect on Service Delivery in the commercial banks in Northern Kenya. The coefficient of 0.729 indicates that improving the work environment by one unit is associated with a 0.729 increase in service delivery. This result is supported by literature in the thesis such as Mwangi & Murunga (2017) and Theuri et al. (2020), who found that a favorable physical and psychosocial work environment enhances employee confidence and ownership, leading to improved service delivery. Therefore, creating safe, well-resourced, and empowering work environments in banks is critical for better service performance.

SUMMARY OF THE FINDINGS, CONCLUSION, RECOMMENDATIONS, AREAS OF FURTHER RESEARCH

The dimension of conducive work environment also received high mean scores, reflecting a positive organizational climate. Notably, the items “The bank provides adequate resources” (Mean = 4.36, SD = 0.74) and “Workload is fairly distributed” (Mean = 4.31, SD = 0.76) point to a well-managed work environment. Other statements such as “Employees are informed and prepared during change” and “Remote work arrangements are supported” scored means above 4.0, indicating that flexibility and communication are embedded practices. The correlation between Conducive Work Environment and service delivery was positive and significant (r = 0.745; p = .000). In the regression model testing the relationship between Conducive Work Environment and service delivery, the effect was significant (β=0.790, p=0.000).

In conclusion, A conducive work environment was found to have a strong positive relationship with service delivery. Though initially not statistically significant in regression, its importance became evident when firm size was introduced into the model. This implies that a supportive and resource-rich environment enables employees to perform better, especially in larger institutions where infrastructure and organizational support are stronger.

It was recommended that since a conducive work environment significantly enhances service delivery branch managers and facility administrators should prioritize creating safe, resource-equipped, and psychologically supportive workspaces. Physical infrastructure, emotional safety, fair work policies, and clear communication channels should be enhanced, particularly in remote or under-resourced branches where these environmental elements are often lacking.

The study found that the conducive work environment only became a significant predictor of service delivery when firm size was accounted for. This indicates that the physical and psychosocial environment may interact with institutional capacity. Future researchers could examine the interaction between work environment and resource availability or leadership style, particularly comparing remote and urban branches of commercial banks.

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