

Determinants of Employee Performance: A Study of Commercial Banks in Dhangadhi, Nepal

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Abstract

This research paper examines and investigates the impact of Work Discipline (WD), Work Environment (WE), and Work Motivation (WM) on Employee Performance (EP) at the commercial banks of Dhangadhi, Kailali, Far Western Province, Nepal. For the fulfillment of research gap, this study employed an explanatory research design specifically focused on sectors and geography. This investigation mainly collected primary data from 150 respondents through a structured questionnaire. This study used descriptive (Mean and Standard Deviation) and inferential statistical tools (Coefficient, regression, F-test, T-test) to analyze the collected data. The empirical results show that all three independent variables (WS, WE, WM) have a positive and significant effect on EP. The regression model shows that the independent variables account for 23.6% of the variance of employee performance ($R^2=0.236$, $F= 15.011$, $\alpha<0.05$). The findings present that the Work Environment has the strongest comparative effect among the analysts ($\beta = 0.267$), while work motivation ($\beta = 0.228$) and work discipline ($\beta = 0.222$) represent the second and third most influential factors, respectively. The descriptive analysis indicates that interferences were well in line with operational SOPs, and motivationally, workers respond most strongly to immediate supervisor identity of performance and weakly to opportunities for long-term career development. In summary, the investigation explores that preserving long-term workers' performance in the provisional banking sectors is a mixture of work-related orientation towards physical infrastructure support, a stable working system and intrinsic motivational mechanisms. The key variables examined include workforce performance, work environment, work motivation, work discipline, and commercial banks.

Keywords: Work Discipline; Work Motivation; Work Environment; Employee Performance; Commercial Banks.

Introduction

Currently, businesses are subject to a great deal of volatility and competition and are experiencing pressure from all directions in domestic and international markets (Al-Omari, & Okasheh, 2017). While innovation and high technology marketing are still important, they no longer are sufficient by themselves (Afroz, 2018). The talent, capacity, quality, innovation, and dedication that make non-linear success so achievable (Brando Sitopu et Al., 2021). So, the workforce is no longer just a line function pushing paper work it is a strategic imperative (Burbar, 2021). Investment, technology, strategy none of that translates to real output without people driving it (Maryani, et al., 2021). The reality is that an organization's success is determined entirely by the mindset of its employees. Those who are really capable and ambitious care about the long-term direction of the institution, not just the next quarterly figure they have to get (Jamal & Anwar, 2021). That this correction is what is expected managers too; they can't just manage anymore. They need to be active in building people: their skills, their motivation, their discipline (Bugdol, 2018).

In the context of digitalization and human capital development facilitating the transformation of competition among organizations within the global banking industry, ISEs play a strategic

role, with a soled emphasis on the micro basis of employee performance drivers increasingly being recognized as critical (Jamillah et al., 2025). The banking sector of Nepal has experienced this identical swing. It was a state dominated, rigid system and now it is more competitive and driven by technology. Most of the commercial banks are focal point in credit creation, financial intermediation and capital mobilization within the country (Thapa, et al., 2017). Yet the customers should expect a faster, more personalized service, which is becoming more complex for the banks to provide. And then, on this side, a lot of banks do their focus into physical infrastructure and financial settlement while the people their skills, their exertions, how good they actually are gets shoved to the back burner.

The banking sectors of Dhangadhi is dealing with all of this firsthand, given its role as the financial capital of Far Western province. Last thirty years the banking act there has gone from a small setup to a genuine regional financial center largely because national banks have been expanding westward and setting up business (Nepal Rastra Bank, 2024, Paudel, 2023). But the city of Kathmandu has decades of solid infrastructure and an established working culture behind it (UNCDF, 2023). Dhangadhi is grappling with all these issues in real time, as the de facto financial capital of Far Western Province. The banking industry there is now a realistic regional financial hub after being relatively small and local, largely due to national banks' expansion westward and their presence there in the last 30 years (Paudel, 2023). But here's the thing: a city like Kathmandu has decades of solid infrastructure and an established working mentality behind it (Pandey et al., 2022). Dhangadhi is not doing as a Kathmandu city because of infrastructure gaps, extreme seasonal temperatures, power cuts and local cultural dynamics that shape what people expect from the workplace. Apart from this, it can also be concluded that the Dhangadhi is seeking solutions or remedies to these problems. Most of the literature focuses on institutions in Kathmandu, much of it drawing on typologies borrowed from manufacturing that fail to capture what it's like to run a customer-facing, service-heavy bank in a regional setting (Khatri, 2024, Pandey et al., 2022,). This is the gap that this paper aims to fill: to examine the various actors and processes that influence how bank employees in Dhangadhi, a border town in far-western Nepal, actually conduct their work.

The performance of the bank employees directly influences financial inclusion, accessibility to credit and economic stability in a developing country like Nepal, wherein the banking industry is taken as the major vehicle for capital mobilization and rural development (Sibassaha, Pea-Assounga, & Bambi, 2025). Therefore, to uncover the factors determining employee performance in regional banking centers is not only an academic challenge but a practical necessity for policy makers, bank managers and development workers seeking to multiply their impact in the services they provide to neglected regions.

Work discipline is one of the broader institutional that have long been linked to the success and the chance that employees have to be rewarded with promotion (Bugdol, 2018). In Nepalese context, more than being punctual in such a discipline the bank is required to follow some rules and regulation as stipulated by the Nepal Rashtra Bank's journal, Nepal Rasta Bank Issues directives, both with internal procedures, and moral conduct as the company law is also applicable. The real benefit comes when you apply it evenly: reduced revenue leak, reduced operational risk and a collective sense of responsibility throughout the group (Maryani et al., 2021). That is said, how discipline is enforced is just as important as the discipline itself

strictness without fairness almost always breeds resentment, while a firmer-but-fair style of an irony of tough love balance seems to resonate much more. Emerging meta-analytic findings from the A-Banking literature indicate that Discipline, in the form of compliance and self-regulated conduct, has a medium to large positive effect on task performance of individuals (Sibassaha, Pea-Assounga, & Bambi, 2025).

Discipline as a tool of control rather than consensual guidance will reduce motivation, increase work stress, and restrict personal autonomy in an already high pressure, target driven banking environment, says a study by Maulidiah and Baskoro (2025). Together with discipline, the working conditions have a significant influence on the employees' results. Work environment is a physical place with social conditions (James & James, 1989). Physical elements include office layout, temperature, lighting, ventilation and efficiency of office machine while intangible elements are the support of leaders, communication among members and cooperative of team work. The proper balance of these two physical and social environments results in prevention of physical discomfort and distraction, which in turn leads to employees being able to focus more on their work lives (Al-Omari & Okasheh, 2017). A nurturing work environment not only mitigates health hazards but also amplifies the employee's feeling of belongingness and safeness within the institution (Udau et al., 2026). Employees' motivation and performance improve when they are well supported by their leaders and have comfortable working conditions (Basalamah & As'ad, 2021). Meanwhile, decaying offices and outdated amenities drag productivity and morale down (Kafui Agbozo, 2017; Yusuf, 2024). In line with this, recent studies on Nepalese commercial banks also signified that job satisfaction and long-term performance were heavily influenced by the physical and psychosocial work environment (Chalise & Pokharel, 2022).

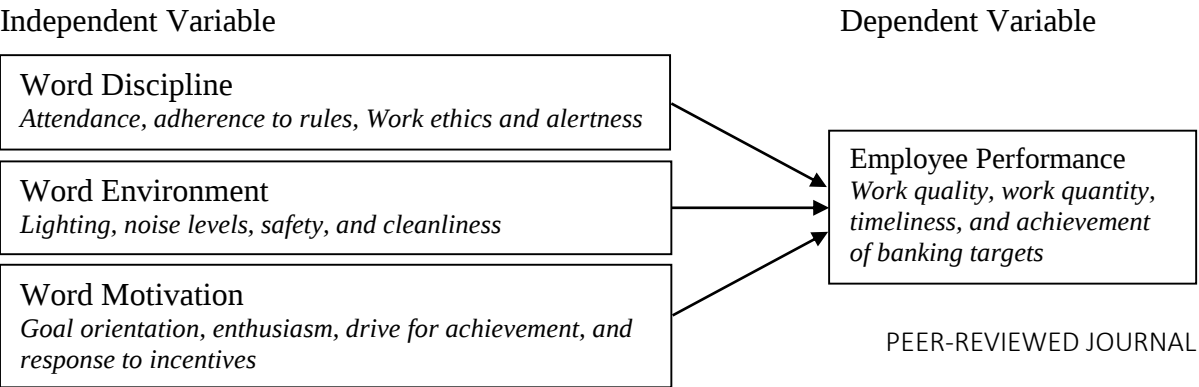
Work motivation is an intrinsic driving force that makes employees exert energies in their duties and towards the organizational objectives (Diefendorff et al., 2022). This motivation is the outcome of psychological mechanisms that determine the level and duration of activity of a worker particularly when confronted with challenging tasks (Setyo Riyanto et al., 2021). The employees in Nepalese banking industry are under heavy pressure to fulfill stringent deposit and lending targets. Although management tend to use financial rewards and bonuses to incentivize employees these are often seen as fantastical. Also generalized monetary benefit may not fulfill employees in different regional areas as in Dhangadhi employees generally are more concerned with intrinsic factors like work life balance, social recognition and job security (Jamal Ali & Anwar, 2021). When organizations fail to recognize such intrinsic needs, employees stay unmotivated even in a working environment designed with target based incentive schemes. In the end, all of these factors result in what is called employee performance, i.e. the quantifiable output and outcome that an individual achieves while performing the role that was assigned to him/her (Afroz, 2018). Service quality has been defined in terms of quantity and sale of whole service as well as accuracy and timeliness in service. These results are tracked over time and benchmarked to determine how well employees are able to transform their capabilities into outcomes (Pawirosumarto et al., 2017). Rigorous appraisal procedures make it possible for firms to assess how much individuals contribute to helping the organization meet its objectives as a whole (Eliyana et al., 2019). Although there is a burgeoning literature on employee performance in the banking sector of South Asia, there are sparse empirical investigations based in the

provincial financial centers of Nepal; the focus of research is mostly limited to the banks operating within the Kathmandu Valley, thus puzzling constitutes a critical knowledge vacuum on what this means for discipline, environment and motivation to perform, in regions such as Dhangadhi (Ghimire, Dahal, Rai, & Upadhyay, 2023).

When employees are truly passionate, knowledgeable about their work, and work in organized settings, they can reliably deliver superior output (Diamantidis & Chatzoglou, 2019; Zhenjing et al., 2022). In this regard, the present study develops a focused conceptual model that connects the above-mentioned constructs for investigating these relations systematically. Work Discipline, Work Environment, and Work Motivation are the independent variables, which can be considered as the core internal, physical, and motivational factors of a bank environment, respectively. Employee Performance remains the dependent variable and the main outcome of interest. This study investigates the influence of three independent variables on the work performance of the employees of commercial banks in the regional city of Dhangadhi, by using them simultaneously.

Considering the interaction between the variables, the theoretical framework that describes work discipline, work environment, work motivation are not individual predictor of employee's job performance, however they can be viewed as a group of concepts that synergistically effect on employee performance. The interplay between work discipline and work output is influenced by motivators: an arm of supervisory compliance that seems loyal and not dictatorial promotes internal motivation and consequently quality of output (Maryani, Zain, & Sari, 2021, Maulidiah & Baskoro, 2025). Likewise, motivation partially moderates the relationship between the occupational atmosphere, and employee performance, where a physical environment perceived as comfortable and a social environment evaluated as supportive are positively related to employees' goal orientation and task persistence (Basalamah & As'ad, 2021; Zhenjing et al., 2022). Finally, the motive to perform-outcome the relationship itself is contingent on the degree to which this is supported-outcome by corrective sanction and facilitated by the appropriate milieu to act (Diefendorff et al., 2022; Pawirosumarto et al., 2017). Agrawal, Sharma and Mishra (2019) also reveal that the multi-domain effect on human behaviour outcomes can be understood relationally instead of variable-by-variable which is applicable to as well as organizational behaviour in this instance is that of banking. Together these relationally dynamic aspects imply that the managerial level attempts to correct workers performance in the banking sector of Dhangadhi will be most successful if (3) the work discipline, work environment and work motivation are addressed simultaneously and in a holistic manner.

Conceptual Framework



Based on aims and conceptual framework in the referent studies, the following hypotheses were postulated:

- H1: Work discipline has a positive and significant effect on work performance of employees in commercial banks of Dhanagadhi.
- H2: Work environment has positive and significant effect on employee performance.
- H3: Working motivation has a positive and significant impact on employees' performance.
- H4: Working discipline, working environment and working motivation have also a combined significant impact on the work performance of employees.

Material and Method

The impact on performance of employees is assessed and analyzed by using quantitative methods in line with positivist paradigm. The representation between the independent and dependent variables is investigated through explanatory research design. The dependent variable under consideration is employee's performance, and the independent variables considered in this study are work motivation, work discipline and work environment. Within the context of Dhangadhi, the magnitude and direction of each variable's effects are investigated by hypothesis testing. Both permanent and contract employees were included in selection process for employee of Dhangadhi commercial bank-working in the Sub Metropolitan city at Kailali. To ensure clean representation of all type of employee i.e. residing in private and public banks, chose a sample size of 150 based on the corresponding workforce size of the banks. This will minimize sampling errors and help generalize the findings. A five-point Likert scale ranging from "Strongly Agree" to "Strongly Disagree" was applied. Related research in human resource management to ensure the validity of the scale various indicators. Prior to analysis the data were tested for validity by using Pearson's Product-Moment correlation. Furthermore, data reliability was checked using Cronbach's alpha with the value of more than 0.50 suggesting internal consistency.

The questionnaire was designed in four sectors with 16 questions. The first domain is work discipline and the items are attendance, uniform and professionalism and time management, compliance to standard operating procedures (SOPs). The second aspect is the work environment, in which they address physical comfort, safety and security, equipment reliability and cooperation among staffs. The third work motivation (monetary rewards, career development opportunities, supervisor's recognition and motivation to achieve targets), and fourth work reward (non-monetary rewards, job security and supervisors' support). The dependent variable in the fourth questionnaire is employee performance, which encompasses quality of work, quantity of work, timelines of service, consistency. All these items adapted from established HRM measuring scales (Mishra, Sharma & Garg, 2025).

Data analysis was performed using Statistical Package for Social Sciences (SPSS). Descriptive statistics were performed in the first part to profile the respondents' demographics. Multiple linear regression analyses were then applied to examine the Research Model ($Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$). To evaluate the partial impact of each independent

variable, hypothesis testing was conducted using t-test. Also, the combined effect of independent variables on dependent variables was tested by F-test at 5% level of significance ($p < 0.05$). To the extent to which the independent variable explained the dependent variable, the coefficient of determination (R^2) is computed.

Results

Table 1: Socio-Demographic Profile of Respondents

Demographic Variables	Frequency (N)	Percentage (%)
Age Group		
20-29	49	32.7%
30-39	58	38.7%
40-49	26	17.3%
50 and above	17	11.3%
Education Level		
+2/PCL	2	1.3%
Bachelor's Degree	76	50.7%
Master's Degree	69	46.0%
MPhil	3	2.0%
Designation		
Managerial level	30	20.0%
Officer level	50	32.7%
Assistant level	70	47.3%
Gender		
Male	76	50.7%
Female	74	49.3%
Types of Banks		
Private Commercial	17	94.0%
Public Sector	3	6.0%

Source: Survey 2025

Table 1 is discovering that respondents in our study consists of 50.7% male and 49.3% Female ($n=150$), which implies there is a relatively proportional gender composition and echoes a non-biased recruiting to gender manner among the association would be in dhangadhi's banking sector. Largest number (38.7%) of the respondents are from the age group of 30–39 years. In addition, 32.7% and 17.3% of the respondents are within the age group of 20–29 years and 40–49 years, respectively, which indicate that the employees are mostly young and energetic.

With regard to designation, almost half of the respondents are working at assistant level, i.e. 47.3%, and 32.7% are at officer level and only 20% are holding a managerial position. This suggests that young individuals currently dominate the bank workforce in the early and middle levels of their career. Concerning the educational qualification of the respondents, 50.7% are graduates and 46% have postgraduation. A very less percentage hold an M Phil (2 %) and 1.3 % are with educational qualification of +2. These results signify that there is a highly competent man power which is a sine qua non to conduct the business of banking productively. Moreover, 94% (n = 126) of the participants were working in private commercial banks and 6% (n = 8) in public commercial banks.

Table 2: Descriptive Analysis of Work Discipline

Questionnaire Item	Mean	Standard Deviation
Attendance	4.06	0.73
Adherence to SOPs	4.08	0.52
Uniform & Professionalism	4.04	0.70
Effective Time Usage	4.01	0.70
Grand Mean	4.05	

The mean score of 4.05 suggests that a high level of work professionalization exists among workers in this industry of banking. Adhering to SOPs is the best-performing factor with an average score of 4.08 in terms of work discipline. Concurrently, standardization and professionalization of behavior presents the largest disparities in terms of standard deviations (0.73). The lowest mean score is of effective time usage (4.01), but it has a similar value of the standard deviation (0.70) which indicates some consensus among employees. Attendance (4.06) and SOPs compliance (4.08) were rated positively, which indicates a high degree of work discipline.

Table 3: Descriptive Analysis of Work Environment

Questionnaire Item	Mean	Standard Deviation
Physical Comfort	4.25	0.78
Safety and security	3.83	0.57
Equipment efficiency	4.07	0.82
Staff Cooperation	4.17	0.67
Grand Mean	4.08	

The result of 4.08 at the grand mean level suggests a strong positive work environment in the banking sector. Of all the variables, physical comfort has the highest mean (4.25). Meanwhile, equipment effectiveness is the highest expanded aspect with the strongest standard deviation

(0.82), enlightening that this is a feature on which views are most separated. The lowest mean score is for the category of safety and security (3.83) but with a relatively small standard deviation of 0.57, which suggests a high degree of agreement amongst the employees. Both physical comfort (4.25) and staff cooperation (4.17) were rated positively, which implied the respondents being generally satisfied with their overall working conditions.

Table 4: Descriptive Analysis of Work Motivation

Questionnaire Item	Mean	Standard Deviation
Financial Incentives	3.82	0.60
Career growth opportunities	3.58	0.68
Supervisor Recognition	4.29	0.71
Target Achievement Drive	3.85	0.74
Grand Mean	3.88	

Table 4 illustrates that the mean value is an indicative high level of work motivation of the workforce in the commercial banks in Dhangadhi. The table exhibits that supervisor recognition was significant with a maximum mean score of 4.29. The drive to achieve targets also demonstrates the largest variation as expressed by the greatest standard deviation (0.74), indicating that respondents are more heterogeneous in their opinions. The mean value for career development is 3.58 with a standard deviation of 0.68, which indicates that there is a moderate agreement in the workforce opinion in this regard. The results show that the financial reward (3.82) and motivation to achieve target (3.85) were also rated high respectively, which would imply that the employees are still fairly motivated.

Table 5: Descriptive Analysis of Work Performance

Questionnaire Item	Mean	Standard Deviation
Work quality	4.19	0.74
Work quantity	3.81	0.47
Timeliness of service	4.13	0.79
Consistency	4.18	0.61
Grand Mean	4.08	

The overall mean of 4.08 suggests a high quality of work performed by the employees of the banking sector. Work quality has the greatest mean value among the performance measures. In addition, timeliness of service has the maximum variability with the largest value of standard deviation (0.79), indicating that the responses are widely scattered on this variable. The mean score for work quantity is also the lowest (3.81), but this has the lowest SD (0.47), indicating the respondents are most in agreement over this point. The work quality (4.19) and

consistency (4.18) got very positive scores, indicating that the overall job performance is a good level.

Inferential Statistics

Coefficient of Determination: To assess the degree to which the model accounted for variability in employee performance, the coefficient of determination (R^2) was computed, with its value located within the interval of $0 \leq R^2 \leq 1$. Larger values represent a better explanation, and smaller values indicate a worse association.

Table 6. Coefficient of Determination Results

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	0.486	0.236	0.220	0.331

Predictors (Constant): Work Discipline, Work Motivation, Work Environment

Dependent Variable: Employee Performance

In view of the Table 7, there is a significant correlation between the dependent variable employee performance and independent variables work motivation, work discipline and work environment with a moderate relationship which have a correlation coefficient (R) of 0.486. The result presents that the combination of the independent variables accounts for about 23.6% variance in dependent variables of workforce performance. The variables have a correlation coefficient (R) of 0.486. The result shows that the combination of the three independent variables accounts for about 23.6% variance in dependent variable of employee performance.

The finding of Adjusted R Square is 0.220 which also supports the significant explanatory power of the model, this finding tells that the performance of the model R square has not been overestimated because of the inclusion of more predictors. In addition the 0.331 standard error suggests a fair level of precision among the variables. In sum, the result implies that positive work environment, work discipline and work motivation facilitate employee performance, but there are also other latent constructs undetermined contributing to employee performance.

F-Test

An F-test was performed to assess the joint impact of the three independent variables (work environment, work motivation, work discipline) on the dependent variable (employee performance). To determine significance, the computed F-value is compared with the tabulated F-value. If the calculated value is greater than the tabulated value, the alternative hypothesis is accepted, and if not, it is the null hypothesis is accepted due to no statistical significance.

Table 7. Simultaneous Test Results (F Test)

ANOVA Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.943	3	1.648	15.011	0.000

Residual	16.026	146	0.110
Total	20.969	149	

Dependent Variable: Employee Performance

Predictors: Work Discipline, Work Motivation, Work Environment

Table 8 represents the ANOVA table which tests if the regression model is used effectively to predict the employee performance. The F-value is 15.011 with a sig value 0.000. The overall model is significant as the value of significance is less than the acceptable value of 0.05. Because the regression sum of squares (4.943) is substantial relative to the residual sum of squares (16.026), the model accounts for a modest amount of the variance in job performance. The model was considered good for predicting overall fit, although there is still a substantial amount of variance not accounted for by the three specified predictors."

Coefficient and T-test: The t-test checks that the independent and the dependent variables are separately related; an error probability (p-value) of more than 5% ($p > 0.05$) is considered statistically nonsignificant.

Table 8: Coefficient and T-test Result

Model Predictors	Unstandardized B	Std. Error	Std. Beta	t	Sig.
Constant	1.653	0.364	-	4.537	0.000
Work Discipline (X1)	0.209	0.071	0.222	2.937	0.004
Work Environment (X2)	0.214	0.060	0.267	3.584	0.000
Work Motivation (X3)	0.181	0.059	0.228	3.059	0.003

Dependent Variable: Employee Performance

Regression Equation: $Y = 1.653 + 0.209(X1) + 0.214(X2) + 0.181(X3) + e$

Hypothesis Verification:

- H1 (Work Discipline): Accepted (Sig 0.004 < 0.05)
- H2 (Work Environment): Accepted (Sig 0.000 < 0.05)
- H3 (Work Motivation): Accepted (Sig 0.003 < 0.05)

From Table 8, all the independent variables p-value are less than the 0.05 level indicating that they are significant in predicting the performance. Therefore, all three research hypotheses are supported. The working environment has the most significant impact on work performance, according to the standardize beta coefficient ($\beta = 0.267$). Work motivation ($\beta = 0.228$) exerts the second greatest positive effect on work discipline ($\beta = 0.222$).

The regression equation $Y = 1.653 + 0.209X1 + 0.214X2 + 0.181X3 + e$ indicates that work environment is the strongest predictor of employee performance among the predictors. More specifically, employee performance will increase 0.214 units if the work environment gets one unit better. Likewise, a one-unit increase in work discipline promotes performance by 0.209,

and work motivation adds 0.181 to performance. Consequently, the working environment are fundamental to improving the employees' productivity in the banking industry.

Discussion

The result demonstrates work discipline, work environment and work motivation had significant positive influence on work performance in the banking sector of Dhangadhi. The high R^2 (0.959) indicated that the three independent variables could significantly predict the employee performance at the commercial bank of Dhangadhi. In this context, to boost employee performance, individual effort alone is not a necessary condition but is influenced by a structured professional environment and internal energy.

How Work Discipline Affects Employee Performance

This discussion shows that there is significant and positive relationship between work discipline and employee performance ($\beta=0.275$, $p=0.00$). In the line of Hendri (2019) that work discipline also stimulates the filling of employees' responsibility and institutional performance. The summary exposed that discipline is more than just about being severe at the workroom, it is a well structure that gets consistency, accuracy and operational dependability. Some areas are more flexible and creative and that spring from a more relaxed work environment but in banking sector is quite opposite in the context of regulation, risk and accuracy. The financial security and the quality of service is only guaranteed in the existence of work discipline as a basis for employee performance.

Impact of Work Climate on Employee Performance

There is the positive and significant effect among the work environment and employee performance ($\beta = 0.391$, $p = 0.000$). The conclusion of Burbar (2021) suggested that the physical and psychological area of the work climate have a strong impact on the work efficiency result of workforces. The study claims that four walls environment of the institution is a major factor that affecting productivity, ability and mental wellbeing of the employees. A few numbers of institutions are more advantageous to virtual collaboration with less need for a physical area. The necessity of the commercial banks in Dhangadhi area is far more rigorous in terms of infrastructure, climate control and cooperation etc. The root of workforce performance is recognized through a work environment that enables workers to sustain productivity and excellency of service.

Impact of Work Motivation on Employee Performance

The value of 0.0352 of the standardized beta coefficients indicates that work motivation is a positive and the best predictor of employee performance in Dhangadhi's banking sector. The findings are in favor of the research of Hassan (2023) who concluded that work motivation is the psychological force that energizes employee's performance. In the descriptive statistics, the participants are asked to what extent they had been motivated to realize some factors and that had been most effective in motivating them during the study. There are lot of effects of motivation on employees such as motivated employees increase productivity equals to greater output and greater output results in better profits. According to findings, bank employees of Dhangadhi were found to be more persistent, purpose-driven and sustainable in the face of

challenges than those working in other organizations. To achieve the greatest employee performance in an organization, all three variables must be collectively and harmoniously applied. When motivation for the work stretches the individual efforts, the milieu of work lends psychological encouragement and the discipline of work provides the essential operational organization. Therefore, a holistic human resource strategy should be developed which caters to the needs of the employees and the service industry to survive and excel in the future in the field of banking.

Implications

The results of this study offer a few practical insights for the managers of banks and HR officers of regional banks in Nepal. since work environment was the best determinant of employee performance ($\beta = 0.267$), bank management has to take a series of measures on the work environment, including air-conditioned working environment, stable power supply, and new equipment, to establish a physically comfortable environment which will make employees continue working. Since supervisor recognition topped the list of motivators (mean = 4.29), adding formal non-financial recognition programs, peer-nomination awards, and periodic performance feedback meetings remains one of the best investments for enhancing employee engagement without breaking the bank and a significant effect of work discipline ($\beta = 0.222$). Furthermore, this finding suggests an imperative need to establish equitable, transparent, and uniformly applied standard operating procedures that hold employees accountable while also affording them a level of independence to carry out their duties, which in turn, can serve to eliminate the type of animosity often roused by overly punitive systems of control (Maulidiah & Baskoro, 2025).

From an implementation viewpoint, the findings imply that the NRB and banking sector associations should formulate region-specific human resource policy taking the infrastructural and climatic challenges of the provincial branches into consideration instead of uniformly applying the Kathmandu-based standards. In addition, the mediation and moderation effects of organizational justice and transformational leadership as established by Singh, Mishra, Kumar, and Sharma (2024) suggest that managerial development programs for banks in Dhangadhi may benefit from an integration of leadership development with contextual and motivational strategies in order to maximize performance outcomes. In sum, this research is able to highlight the benefits of conducting employee performance studies in geographically peripheral financial centers for the wider academy, and thereby extends the generalizability of human resource theories beyond the typical capital city-based contexts.

Conclusion

The purpose of the study is to identify the determinant factors of employee performance in commercial banks of Nepal based in Dhangadhi with special reference to work discipline, work environment, and work motivation. The findings from the **empirical analyses** show that three independent variables significantly and positively affect the employee performances. Of the three predictors, the work environment had the greatest relative effect ($\beta = 0.267$), then work motivation ($\beta = 0.228$) and work discipline ($\beta = 0.222$). This suggests that advancing employee achievement at the regional banking centers is a matter of appropriately fusing

infrastructure workplace condition elements, institutional psychological components, well-ordered operational work drive, and individual motivational stimulations one can hold.

The research also illustrates the particular operational realities of the regional financial centers such as Dhangadhi, where limitations in infrastructure, extreme climate, and local socio-cultural norms press directly against workplace norms. The regression analysis reveals that the model accounts for 23.6% of the variance in employee performance. While this is a statistically significant amount, it also suggests that there are other unknown factors that could elucidate the findings such as leadership style, organizational culture, or individual technological savvy that could be effective in regional banking.

Author Contributions

Ghanshyam Bhatta prepared the manuscript of the research paper, while Hem Raj Joshi conducted the statistical test and the analytical derivations. Prof. Dr. Sanjay Baijal critically reviewed and revised the final manuscript. All authors contributed collaboratively and approved the final version of the paper for submission.

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