A STUDY ON THE IMPACT OF WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE

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ABSTRACT

A work environment can be identified as the place that one works, which means the milieu around a person. It is the social and professional environment in which a person is supposed to interact with a number of people. The work environment has a significant impact upon employee performance and productivity. This study aims to provide the vital information regarding the work environment factors which have an influence on employee performance. Creating a work environment in which employees are productive is essential to increase profits for the organization and businesses as well. In short the work place becomes an integral part of the work itself. Businesses must step outside their traditional roles to create a work environment where employees enjoy what they do, have pride in what they do, can reach their potential. The respondents surveyed were the employees of the manufacturing companies. Total number of employees surveyed is 100. The study shows how the work environment in this organization is affecting the employee performance.

Key Words

INTRODUCTION

A work environment can be identified as the place that one works, which means the milieus around a person. It is the social and professional environment in which a person is supposed to interact with a number of people. The work environment has a significant impact upon employee performance and productivity. By work environment we mean those processes, systems, structures, tools or conditions in the workplace that impact favorably or unfavorably individual performance. The work environment also includes policies, rules, culture, resources, working relationships, work location, and internal and external environmental factors, all of which influence the ways those employees perform their job functions.

It is the quality of the employee’s workplace environment that most impacts on the level of employee’s motivation and subsequent performance. How well they engage with the organization, especially with their immediate environment, influences to a great extent their error rate, level of innovation and collaboration with other employees, absenteeism and, ultimately, how long they stay in the job.

The environment that people are required to work in can have a significant impact on their ability to undertake the tasks that they have been asked to do. This can affect productivity and employee health and well-being. The key factors fall into two categories, those that are driven by procedures, protocols and management requirements and the factors that arise from premises, office or factory design. Management driven factors include the development of Organization plans such as the allocation of responsibilities at all levels of the organization, definition of job descriptions and the degree of access to the management and administrative support needed to complete their tasks; Working patterns, shift-working, break times, absence or holiday cover; and Health and safety policies, including the provision of training, development of safe working practices and the adequate supply of protective clothing and equipment. In today’s competitive business environment, management cannot afford to waste the potential of their workforce. The key factors in workplace environment impact greatly on employee’s level of motivation and their performance. The workplace environment set in place impacts employee morale, productivity and performance—both positive and negative. And if the circumstances are not good it will be affecting the performance of the employees in the form of delay in work completion, frustration, affect on personal growth etc.

In an effort to motivate employees, organizations have implemented performance based pay, practices to help balance both work and family and various forms of information sharing. Management’s new challenge is to create a work environment that attracts keeps and motivates its workforce. According Patterson the development and validation of a multidimensional measure of organizational climate, the Organizational Climate Measure (OCM), based upon Quinn and Rohrbaugh’s Competing Values model. The Competing Values model, developed in series of articles and studies by Quinn and colleagues proposes that organizational
effectiveness criteria in the literature can best be understood when organized along fundamental dimensions—flexibility versus control and internal versus external orientation. In the study of Parker, meta-analytic procedures were used to examine the relationships between individual-level (psychological) climate perceptions and work outcomes such as employee attitudes, psychological well-being, motivation, and performance. Review of the literature generated 121 independent samples in which climate perceptions were measured and analyzed at the individual level. These studies document considerable confusion regarding the constructs of psychological climate, organizational climate, and organizational culture and reveal a need for researchers to use terminology that is consistent with their level of measurement, theory, and analysis. The meta-analytic findings indicate that psychological climate, operationalized as individuals' perceptions of their work environment, does have significant relationships with individuals' work attitudes, motivation, and performance. Structural equation modeling analyses of the meta-analytic correlation matrix indicated that the relationships of psychological climate with employee motivation and performance are fully mediated by employees' work attitudes. Despite the number of published individual-level climate studies that we found, there is a need for more research using standardized measures so as to enable analyses of the organizational and contextual factors that might moderate the effects of psychological climate perceptions. Finally, we argue for a molar theory of psychological climate that is rooted in the psychological processes by which individuals make meaning or their work experiences.

STATEMENT OF THE PROBLEM

The work environment has a significant impact upon employee performance and productivity. Work environment means those processes, systems, structures, tools or conditions in the workplace that impact favorably or unfavorably individual performance. The work environment also includes policies, rules, culture, resources, working relationships, work location, and internal and external environmental factors, all of which influence the ways that employee perform their job functions.

It is widely accepted that the work environment has an impact - positive or negative - on employee performance. The work environment strongly influences the extent to which employees are engaged in their work and committed to the organization. Disengaged workers produce mediocre results; highly engaged workers produce extraordinary results. So it is necessary to study the impact of the work environment in an organization on the performance of its employees.

OBJECTIVES OF THE STUDY

To assess the impact of work environment on employee performance. To identify the factors influencing the employee performance.

RESEARCH METHODOLOGY

A research design is a conceptual structure within which the research would be conducted. The research design adopted here is descriptive research. The major purpose of the descriptive research is description of the state of affairs as it exists; usually includes surveys and fact-finding enquiries. The main goal of this type of
research is to describe the data and characteristics about what is being studied. The study was conducted among employees in manufacturing sector. Sampling is that part of statistical practice concerned with the selection of an unbiased or random subset of individual observations within a population of individuals intended to yield some knowledge about the population of concern. The sampling technique used here is Random sampling. The sample size taken for the study is 100. Collection of information is called as data. Data is of two types. Primary data are those which are collected afresh and for the first time, and thus happen to be original in character. The questionnaire was found to be the suitable research instrument to collect the primary data from the employees. The rating scale used is 5 point likert scale. The sources of secondary data are books, magazines, journals, news papers and other websites. The percentages analysis is used for the study. Simple percentage analysis refers to a special kind of ratio in making comparison between two or more data and to describe the relation between the data. Percentage can also be used to compare relative items, the distribution of two or more series of data.

VARIABLES USED FOR THE STUDY

A concept which can take different quantitative values is called variable. It can be quantitative or qualitative. This research was studied keeping the dependent variable as employee performance. Then independent variables were analyzed based on how it affects the climate variable.

DEPENDENT VARIABLE

A dependent variable is a variable that depends or is a consequence of another variable. In this research the dependent variable is employee performance.

DEFINITION OF INDEPENDENT VARIABLES

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>DEFINITION</th>
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<tbody>
<tr>
<td>INTERPERSONAL RELATIONSHIPS</td>
<td>An interpersonal relationship is the nature of interaction that occurs between two or more people.</td>
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<tr>
<td>PARTICIPATIVE MANAGEMENT</td>
<td>Participative management, however, involves more than allowing employees to take part in making decisions. It also involves management treating the ideas and suggestions of employees with consideration and respect.</td>
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<tr>
<td>FORMALIZATION AND STANDARDIZATION</td>
<td>The purpose of standardization or formalization is to make a person in an organization independent, whereby the interaction between the individuals in the organization is minimum. The people work on the basis of rules, procedures, systems, guidelines and policies.</td>
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<tr>
<td>TRAINING AND DEVELOPMENT</td>
<td>Training and development is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings.</td>
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<tr>
<td>MONETARY BENEFITS</td>
<td>Direct compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization.</td>
</tr>
<tr>
<td>OBJECTIVITY AND RATIONALITY</td>
<td>The state of having good sense and sound judgment. This means Judgment based on observable phenomena and uninfluenced by emotions or personal prejudices.</td>
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SCOPE FOR ADVANCEMENT
The act of advancing, or the state of being advanced; progression; improvement; furtherance; promotion to a higher place or dignity; as, the advancement of learning.

SUPERVISION
Supervision is an intervention that is provided by a senior member of a profession to a junior member or members of that same profession.

EMPLOYEE WELFARE
Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages.

SAFETY AND SECURITY
The condition of being protected from or unlikely to cause danger, risk, or injury.

DATA ANALYSIS AND INTERPRETATION

CHART No. 1. INTERPERSONAL RELATIONSHIP

INTERPRETATION
The above table shows the responses of the employees towards the statement that the employees in the organization are friendly. Out of the 100 respondents 61% agree, 24% have neutral opinion, 12% disagree and 3% strongly disagree to the above statement. There is no response for ‘Strongly agree’. Since most of the employees are agreeing with the statement we can conclude that there is good interpersonal relationship in the organization.

CHART No. 2. IMPACT OF INTERPERSONAL RELATIONSHIP ON EMPLOYEE PERFORMANCE
INTEPRETATION:

The above table shows the responses of the employees towards the statement that the employees in the organization are friendly. Out of the 100 respondents, 61% agree, 24% have neutral opinion, 12% disagree and 3% strongly disagree to the above statement. There is no response for ‘Strongly agree’. Since most of the employees are agreeing with the statement we can conclude that there is good interpersonal relationship in the organization.

CHART NO. 3 - PARTICIPATIVE MANAGEMENT

INTEPRETATION

The above table shows the responses of the employees towards the Participative management. Out of 100 respondents, 25% agree, 33% have a neutral opinion, 21% disagree and 21% ‘Strongly disagree.’ There is no response for ‘strongly agree’.

CHART No. 4. IMPACT OF CONSULTATIVE APPROACH ON EMPLOYEE PERFORMANCE
INPRETATION:

The above table shows the responses of the employees towards the impact of consultative approach on employee performance. Out of 100 respondents, 28% agree, 40% have a neutral opinion, 17% disagree and 15% ‘Strongly disagree.’ There is no response for ‘strongly agree’.

CHART No. 5. FORMALIZATION AND STANDARDIZATION

INPRETATION:

The above table shows the responses of the employees towards the statement that the rules and regulations in the organization are followed without any change. Out of 100 respondents, 2% strongly agree, 17% agree, 48% have neutral opinion, 27% disagree and 6% ‘Strongly disagree.’

CHART No. 6 – IMPACT OF FORMALIZATION AND STANDARDIZATION ON EMPLOYEE PERFORMANCE
INTEPRETATION:

The above table shows the responses of the employees towards the statement that there is an impact of formalization and standardization on employee performance. Out of 100 respondents 2% strongly agree, 29% agree, 37% have neutral opinion, 20% disagree and 12% ‘Strongly disagree.’

CHART No. 7 – TRAINING AND DEVELOPMENT

INTEPRETATION:

The above table shows the responses of the employees towards the statement of training and development in the organization. Out of 100 respondents, 24% agree, 26% have neutral opinion, 44% disagree and 6% ‘Strongly disagree.’ There is no response for ‘strongly agree’. Since most of the employees are disagreeing with the statement it is possible to conclude that the training facilities are less in this organization.

CHART No. 8 – IMPACT OF TRAINING FACILITIES ON EMPLOYEE PERFORMANCE
The above table shows the responses of the employees towards the statement of impact of training facilities on employee performance. Out of 100 respondents, 2% strongly agree, 42% agree, 29% have neutral opinion, 24% disagree and 3% ‘Strongly disagree.’ Most of the employees agree that if training facilities are available it will improve their current performance.

CHART No. 9 – MONERARY BENEFITS

The above table shows the responses of the employees towards the statement of monetary benefits. Out of 100 respondents, 7% agree, 33% have neutral opinion, 45% disagree and 15% strongly disagree. There is no response for ‘strongly agree’. The monetary benefits are not attractive in this organization as most of the employees are disagreeing with the statement.

CHART No. 10. – IMPACT OF CURRENT PAY SYSTEM ON EMPLOYEE PERFORMANCE
INTEPRETATION

The above table shows the responses of the employees towards the statement of impact of current pay system on employee performance. Out of 100 respondents, 2% strongly agree, 6% agree, 32% have neutral opinion, 42% disagree and 18% ‘Strongly disagree.’ Since the current pay system is not attractive there is no positive effect on employee performance.

CHART No. 11 - OBJECTIVITY AND RATIONALITY

INTEPRETATION

The above table shows the responses of the employees towards the statement of objectivity and rationality in the organization. Out of 100 respondents, 2% strongly agree, 19% agree, 38% have neutral opinion, 32% disagree and 9% ‘Strongly disagree.’

CHART No. 12 – IMPACT OF OBJECTIVITY AND RATIONALITY ON EMPLOYEE PERFORMANCE
INTEPRETATION:

The above table shows the responses of the employees towards the statement of impact of objectivity and Rationality on employee performance. Out of 100 respondents 24% agree, 51% have neutral opinion, 19% disagree and 6% strongly disagree. There is no response for ‘strongly agree’.

CHART No. 13 – SCOPE FOR ADVANCEMENT

INTEPRETATION

The above table shows the responses of the employees towards the statement of scope for advancement in the organization. Out of 100 respondents 32% agree, 8% have neutral opinion, 57% disagree and 3% ‘Strongly disagree.’ There is no response for ‘strongly agree’. The response of the employees towards the statement shows that there are not much career opportunities in this organization.

CHART No. 14 – IMPACT OF PROMOTION OPPORTUNITIES ON EMPLOYEE PERFORMANCE
INPRETATATION

The above table shows the responses of the employees towards the statement of impact of promotion opportunities on employee performance. Out of 100 respondents, 2% strongly agree, 20% agree, 12% have neutral opinion, 57% disagree and 9% ‘Strongly disagree.’ As per the response of employees promotion opportunities are not open to everybody in the organization, so that there is no much positive impact on employee performance.

CHART No. 15 - SUPERVISION

INPRETATATION

The above table shows the responses of the employees towards the statement of Supervision in the organization. Out of 100 respondents 30% agree, 45% have neutral opinion, 19% disagree and 6% strongly disagree. There is no response for ‘strongly agree’.

CHART No. 16 – IMPACT OF SUPERVISION ON EMPLOYEE PERFORMANCE
The above table shows the responses of the employees towards the statement of impact of Supervision on employee performance. Out of 100 respondents 18% strongly agree, 36% agree, 40% have neutral opinion, and 6% strongly disagree. There is no response for ‘Disagree’.

INTEPRETATION

The above table shows the responses of the employees towards the statement of employee welfare in the organization. Out of 100 respondents 2% strongly agree, 37% agree, 34% have neutral opinion, and 27% Disagree. There is no response for ‘Strongly Disagree’. Since most of the employees are agreeing with the statement, the organization is providing good welfare facilities.

INTEPRETATION

The above table shows the responses of the employees towards the statement of impact of Supervision on employee performance. Out of 100 respondents 18% strongly agree, 36% agree, 40% have neutral opinion, and 6% strongly disagree. There is no response for ‘Disagree’.

The above table shows the responses of the employees towards the statement of employee welfare in the organization. Out of 100 respondents 2% strongly agree, 37% agree, 34% have neutral opinion, and 27% Disagree. There is no response for ‘Strongly Disagree’. Since most of the employees are agreeing with the statement, the organization is providing good welfare facilities.

CHART No. 17 - EMPLOYEE WELFARE

CHART No. 18 – IMPACT OF REWARDS AND RECOGNITION ON EMPLOYEE PERFORMANCE
INPRETATION

The above table shows the responses of the employees towards the statement of impact of rewards and recognition on employee performance. Out of 100 respondents, 18% agree, 45% have neutral opinion, 28% Disagree and 9% strongly disagree. There is no response for ‘Strongly agree’.

CHART N). 19 – SAFETY AND SECURITY

INPRETATION

The above table shows the responses of the employees towards the statement of safety and security in the organization. Out of 100 respondents, 40% agree, 35% have neutral opinion, 16% Disagree and 9% strongly disagree. There is no response for ‘Strongly agree’. From this table it is understood that most of the employees are agreeing with the safe working conditions provided by the organization.

CHART No. 20 – IMPACT OF JOB SECURITY ON EMPLOYEE PERFORMANCE
INTEGRATION

The above table shows the responses of the employees towards the statement of impact of job security on employee performance. Out of 100 respondents, 2% strongly agree, 48% agree, 19% have neutral opinion, 19% Disagree and 12% strongly disagree. As per the statement most of the employees are agreeing that there is job security in the organization.

FINDINGS AND SUGGESTIONS

The employees are agreeing that the employees in the organization are friendly. This means that there is good interpersonal relationship exist in the organization. The employees are disagreeing that there is scope for advancement in the organization. This means that, since there is no adequate promotion opportunity in the organization it has less impact on employee performance. Moreover, Training facilities, monetary package, impact of rewards and recognitions, safe working conditions, job security will influence the employee performance. In order to improve the performance management can consult the employees before decision making to seek their suggestions. In order to rectify that the management has to encourage their employees to experiment new methods and try out creative ideas which will results a positive impact on their performance. The management has to organize more training and development programs for improving the performance of employees. Since most of the employees are not satisfied with the monetary benefits, the management has to consider this as a serious issue and try to give more salaries according to their years of experience. The management has to look into the grievances and complaints of the employees on observable phenomena which are influenced by emotions or personal prejudices. Promotions have to be given according to their experiences and performance.

CONCLUSIONS

The workplace environment impacts employee morale, productivity and engagement - both positively and negatively. The work place environment in a majority of industry is unsafe and unhealthy. These includes poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting, excessive noise, insufficient safety measures in fire emergencies and lack of personal protective equipment. People working in such environment are prone to occupational disease and it impacts on employee’s performance. Thus productivity is decreased due to the workplace environment. It is the quality of the employee’s workplace environment that most impacts on their level of motivation and subsequent performance. How well they engage with the organization, especially with their immediate environment, influences to a great extent their error rate, level of innovation and collaboration with other employees, absenteeism and ultimately, how long they stay in the job.

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