

## “Impact of Workplace Environment on Employee Performance”

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### Abstract

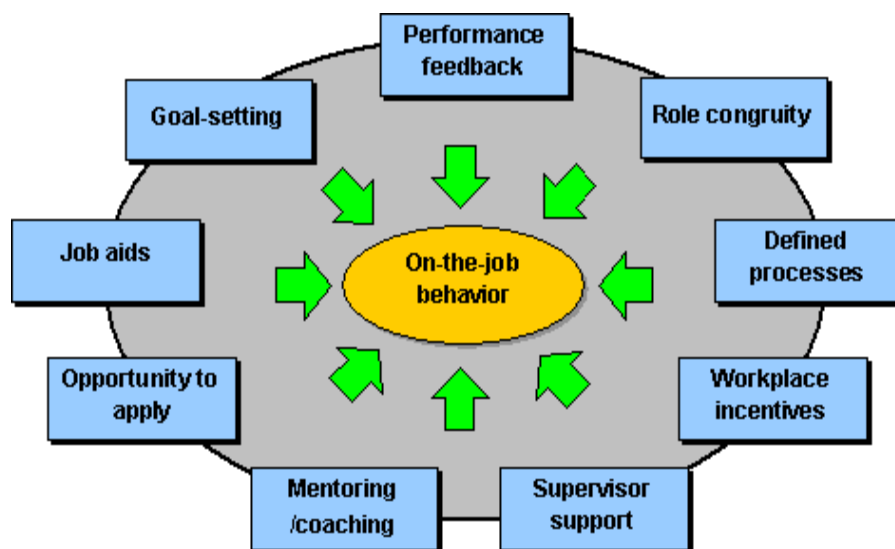
“Quality Workplace: “a place of wor(k)ship is frequently equated as holy as that of worshipping” - **Priyavrat Thareja**

Globalization practices of the world economies have brought tremendous changes in operational and managerial functions of the any industry. Achieving high productivity through human resource, especially in changed economic and global scenario is a daunting and herculean task of modern organizations. Today workplace environment plays a vital role in determining outcomes of the business. Healthy workplace environment of an organization merely influence level of innovation and collaboration within the employees, and also reduces the employees’ error rate, absenteeism and ultimately improve the time period to stay in the job. And, ultimately it leads to enhance employee’s motivation, subsequent performance and productivity. Hence, although employees may have large number working alternatives, the workplace environment always remains as the critical factor for accepting or keeping the jobs. The present study analyzes the working environment of Maha Cements at Banaganapalle and examines the relationship among the workplace physical conditions and employee’s productivity.

### Introduction

Today the relationship among employers and employees may be seen upside down. Because, growing worldwide economy has been creating number of alternative opportunities, not just for the employees but also employers, these create an environment to readjust themselves in order to cope up with the dynamics of business life. Hence, HR executives are crafting new strategies for recruiting and retaining finest talents for their organizations. Higher salaries and compensation benefits may seem the most likely way to attract employees. But, quality of the physical workplace environment also has a strong influence on a company’s ability to recruit and retain talented employees. Some factors in workplace environment considered as key, which affects employee’s engagement, performance, morale, comfort level, productivity etc., both positively and negatively.

**Figure: 1 – Workplace factors affecting employee performance**



**Source:** [http://www.businessperform.com/workplace-training/workplace\\_environment.html](http://www.businessperform.com/workplace-training/workplace_environment.html)

## Workplace Performance - Key Factors

- 1. Goal-setting:** Employees are involved in setting meaningful goals and performance measures for their work. This can be done informally between the employee and their immediate supervisor or as part of an organization's formal performance management process. The key here is that each employee is actively engaged in the goal-setting process and takes ownership of the final agreed goals and measures.
- 2. Performance feedback:** Information on how employee is performing is fed back regularly to employees. This consists of both positive feedback on what the employee is doing right as well as feedback on what requires improvement. The feedback is objective and delivered with the appropriate interpersonal and conflict resolution skills and can be a mix of both formal and informal feedback delivered as part of a formal performance management cycle.
- 3. Role congruity:** The role that the employee is required to perform is consistent with their expectations on joining the organization and any subsequent training. The organization's role expectations are typically reflected in formal documents, such as Job Descriptions and Role Specifications. These expectations are consistent with tasks allocated by the employee's immediate supervisor.
- 4. Defined processes:** The organization constrains the variability of how work is actually performed through documenting processes and communicating such expectations to employees. The organization verifies on a regular or random basis that the work is actually performed in the way required.
- 5. Workplace incentives:** The organization has determined what motivates its employees and has set up formal and informal structures for rewarding employees that behave in the way required. Rewards may consist of a mix of internal rewards, such as challenging assignments, and external rewards, such as higher compensation and peer recognition.
- 6. Supervisor support:** Immediate supervisors act as advocates for employees, gathering and distributing the resources needed by employees in order for them to be able to do a good job and providing positive encouragement for a job well done. Supervisors display the interpersonal skills required to engage employees and enhance their self-confidence.
- 7. Mentoring/Coaching:** Skilled and respected people are available to employees to help them perform better in their current role and to assist them develop further into a future role. Mentors and coaches may be internal to an organization or external. Either way, they possess the necessary facilitation skills to assist employees develop and apply new skills.
- 8. Opportunity to apply:** Time and material resources are available to employees, enabling them to perform to the best of their ability. Individual workloads and organizational systems and processes do not hinder employees from applying established skills or from practicing newly learned skills.
- 9. Job aids:** The work environment is set up so that templates, guides, models, checklists and other such workplace aids are readily available to help minimize error rates and customer dissatisfaction.

## Review of literature

A widely accepted assumption is that better workplace environment motivates employees and produces better results. Office environment can be described in terms of **physical and behavioural components**. An organization's physical environment and its design and layout can affect employee behaviour in the workplace. **Brill (1992)<sup>2</sup>** estimates that improvements in the physical design of the workplace may result in a 5-10 percent increase in employee productivity. **Stallworth and Kleiner (1996)<sup>3</sup>** argue that increasingly an organization's physical layout is designed around employee needs in order to maximize productivity and satisfaction. They argue that innovative workplaces can be developed to encourage the sharing of information and networking regardless to job boundaries by allowing communication freely across departmental groups. **Statt (1994)<sup>4</sup>** argues that the modern

work physical environment is characterized by technology; computers and machines as well as general furniture and furnishings. To achieve high levels of employee productivity, organizations must ensure that the physical environment is conducive to organizational needs facilitating interaction and privacy, formality and informality, functionality and cross-disciplinarily. Consequently, the physical environment is a tool that can be leveraged both to improve business results (Mohr, 1996)<sup>5</sup> and employee well-being (Huang, Robertson and Chang, 2004)<sup>6</sup>. Ensuring adequate facilities are provided to employees is critical to generating greater employee commitment and productivity. The provision of inadequate equipment and adverse working conditions has been shown to affect employee commitment and intention to stay with the organization (Weiss, 1999; Wise, Darling-Hammond and Berry, 1987)<sup>7</sup> as well as levels of job satisfaction and the perception of fairness of pay (Bockerman and Ilmakunnas, 2006)<sup>8</sup>. From a safety perspective, Gyekye (2006)<sup>9</sup> indicates that environmental conditions affect employee safety perceptions which impact upon employee commitment.

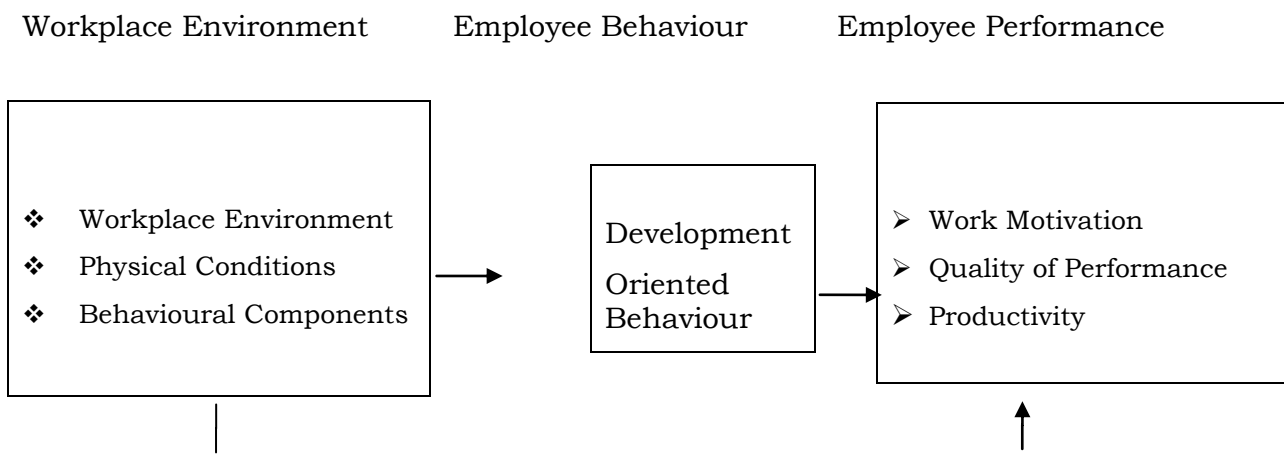
**Need and Significance of the Study**

In today’s competitive business world human resources have gained huge importance in any sort of sector i.e., especially in manufacturing industry. Because, human resource in manufacturing sector are typically key players who plays a major role at production point in determining quality of production and productivity. When production activities are not properly controlled and handled, the outcome is poor production that leads to high wastage for management and customer dissatisfaction experience. Finally, it make customer to turn to their competitors for better products/solutions.

**Scope of the study**

This research paper tries to discover the interrelation among workplace environment and employee performance in Maha Cements at Yanakandla (Village), Banaganapalle (M) in Kurnool District only. Particularly, the researcher selected this unit because it is located within accessible area and also assumes that cement industry is one of the manufacturing sectors where the workplace environment remains worst compare to others.

**Figure: 2- Workplace Environment- Employee Performance**



**Source:** Designed by Researcher

**Objectives of the study**

1. To study the impact of Workplace Environment on Employee Performance and Productivity in Maha Cements.
2. To critically evaluate the affect of Physical Working Conditions on Employee Performance Quality.
3. To analyze the role of Behavioural Components on Employee Performance and Employee Productivity.

### Hypotheses

- ✓ **H<sub>1</sub>**: There is a significant relationship between physical workplace environment and performance of the employees.
- ✓ **H<sub>2</sub>**: There is a significant relationship between behavioral components and productivity of employees.

### Research Design and Methodology

The present study is an empirical research in nature. The descriptive research procedure is also used for describing the present workplace scenario in manufacturing sector.

**Sources of Data:** For the present study, the data has been gathered from both primary and secondary sources. The primary data has been collected by administrating a well designed structured questionnaire and personal interviews from employees of Maha Cements. The secondary data has been gathered from Internet, books, research articles, survey reports, newsletters, various journals and magazines.

### Sample Size

For the present study 50 employees were selected by using purposive sample technique. The details of the sample respondents representing from the Employees at production unit and dispatch unit are mentioned below.

#### **Sample Size**

<b>S.No</b>	<b>Division of Employees</b>	<b>No of Respondents</b>
<b>1</b>	<i>Employees at Production Unit</i>	<i>20</i>
<b>2</b>	<i>Workers at Dispatch Unit</i>	<i>30</i>
	<b>Total</b>	<b>50</b>

**Source:** Primary Data

### Statistical tolls and techniques

The present study is a qualitative analysis of the responses and results based on observations. The collected data is analyzed and interpreted based on Weighted Averages, Mean and Correlation coefficient analysis with the aid of SPSS-22 Version.

### Limitations of the study

1. This study is limited to Maha Cements, Yanakandla only.
2. The results of the research cannot be generalized to other cement units.
3. The accuracy of given information may owe to change by time, work place and individual factors.

**RESULTS:**

**Table-1: Demographic Profile**

<b>Demographic Aspects</b>		<b>Division Wise Respondents</b>	
		<b>Production Unit (%)</b>	<b>Dispatch Unit (%)</b>
Age	20-30 years	40.0	50.0
	31-40 years	50.0	30.0
	41-50 years	0	20.0
	51 years and above	10.0	0
	<b>Total</b>	<b>100</b>	<b>100</b>
Educational Qualifications	SSC	0	100.0
	Intermediate	80.0	0
	Graduation	20.0	0
	Professional Degree	0	0
	<b>Total</b>	<b>100</b>	<b>100</b>
Marital Status	Married	70.0	80.0
	Unmarried	30.0	20.0
	<b>Total</b>	<b>100</b>	<b>100</b>
Job Experience	Less than 5 years	10.0	70.0
	5-10 years	80.0	30.0
	10-15 years	10.0	0
	15 years and above	0	0
	<b>Total</b>	<b>100</b>	<b>100</b>

**Source:** Primary data

**Table- 2: The effect of relations with Superiors at the Workplace**

<b>Opinion</b>	<b>Division Wise Respondents</b>	
	<b>Production Unit (%)</b>	<b>Dispatch Unit (%)</b>
Strongly Agree	50.0	30.0
Agree	40.0	70.0
Can't Say	10.0	0.0
Disagree	0.0	0.0
Strongly Disagree	0.0	0.0

**Source:** Primary data

**Table- 3: Fair Treatment at the Workplace**

<b>Opinion</b>	<b>Division Wise Respondents</b>	
	<b>Production Unit (%)</b>	<b>Dispatch Unit (%)</b>
Strongly Agree	30.0	30.0
Agree	30.0	20.0
Can't Say	40.0	50.0
Disagree	0.0	0.0
Strongly Disagree	0.0	0.0

*Source: Primary data*

**Table- 4: Communication System at the Workplace**

<b>Opinion</b>	<b>Division Wise Respondents</b>	
	<b>Production Unit (%)</b>	<b>Dispatch Unit (%)</b>
Strongly Agree	50.0	60.0
Agree	50.0	40.0
Can't Say	0.0	0.0
Disagree	0.0	0.0
Strongly Disagree	0.0	0.0

*Source: Primary data*

**Table- 5: Environmental Factors – Physical Factors- are Conductive to Work**

<b>Opinion</b>	<b>Division Wise Respondents</b>	
	<b>Production Unit (%)</b>	<b>Dispatch Unit (%)</b>
Strongly Agree	20.0	44.0
Agree	50.0	56.0
Can't Say	30.0	0.0
Disagree	0.0	0.0
Strongly Disagree	0.0	0.0

*Source: Primary data*

**Table- 6: Behavioral Factors Affecting the Employee’s Productivity at the workplace**

<b>Factors</b>	<b>Division Wise Respondents</b>	
	<b>Production Unit (Mean)</b>	<b>Dispatch Unit (Mean)</b>
Interpersonal Relationships	60.0	20.0
Emotional Factors	40.0	20.0
Job Assignment	0.0	30.0
Overtime Duty	0.0	10.0
Extended work	0.0	20.0

**Source:** Primary data

**Table- 7: Physical Aspects Influencing Employee’s Performance at the Workplace**

<b>Factors</b>	<b>Division Wise Respondents</b>	
	<b>Production Unit(Mean)</b>	<b>Dispatch Unit (Mean)</b>
Furniture and Furnishing	30.0	00.0
Office Space	40.0	50.0
Interior Surface	30.0	20.0
Storage of Materials	0.0	40.0

**Source:** Primary data

**Table- 8: Satisfaction of Employees towards the Physical Factors Provided**

<b>Opinion</b>	<b>Division Wise Respondents</b>	
	<b>Production Unit (%)</b>	<b>Dispatch Unit (%)</b>
Strongly Agree	30.0	40.0
Agree	40.0	30.0
Can’t Say	30.0	0.0
Disagree	0.0	30.0
Strongly Disagree	0.0	0.0

**Source:** Primary data

**Table- 9: Satisfaction of Employees towards the Behavioural Factors**

Opinion	Division Wise Respondents	
	Production Unit (%)	Dispatch Unit (%)
Strongly Agree	60.0	30.0
Agree	40.0	70.0
Can't Say	0.0	0.0
Disagree	0.0	0.0
Strongly Disagree	0.0	0.0

*Source: Primary data*

**Table- 10: Satisfaction of Employees towards overall Workplace Environment**

Opinion	Division Wise Respondents	
	Production Unit (%)	Dispatch Unit (%)
Yes	50.0	40.0
No	20.0	30.0
Can't say	30.0	30.0

*Source: Primary data*

**Status of the Hypothesis Statements**

- ✓ **H<sub>1</sub>**: There is a significant relationship between physical workplace environment and performance of the employees. **ACCEPTED**
- ✓ **H<sub>2</sub>**: There is a significant relationship between behavioral components and productivity of employees. **ACCEPTED**

**Conclusion:**

The research is investigated dimensions of workplace environment in terms of physical as well as behavioral components. The study result proves that while the employees are unhappy with the physical conditions of the workplace, they have remarkable satisfaction with the workplace by having strong behavioral workplace conditions. According to the survey results it is confirmed that workplace environment affects employee performance but behavioral workplace environment has greater effect on employees' performance.

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