Impact of Working Environment on Job Satisfaction

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Abstract

In the modern era, organizations are facing several challenges due to the dynamic nature of the environment. One of the many challenges for a business is to satisfy its employees in order to cope up with the ever changing and evolving environment and to achieve success and remain in competition. In order to increase efficiency, effectiveness, productivity and job commitment of employees, the business must satisfy the needs of its employees by providing good working conditions. The objective of this paper is to analyse the impact of working environment on employee job satisfaction. The study employed a quantitative methodology. Data was collected through a self-administered survey questionnaire. The questionnaire is adopted from a previous validated survey. The target population consists of educational institutes, banking sector and telecommunication industry operating in the city of Quetta, Pakistan. Simple random sampling is used for collection of data from 210 employees. The results indicates a positive relationship between working environment and employee job satisfaction. The study concludes with some brief prospects that the businesses need to realize the importance of good working environment for maximizing the level of job satisfaction. This paper may benefit society by encouraging people to contribute more to their jobs and may help them in their personal growth and development. Hence, it is essential for an organization to motivate their employees to work hard for achieving the organizational goals and objectives.

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1. Introduction

Many businesses fail to understand the importance of working environment for employee job satisfaction and thus face a lot of difficulties during their work. Such organizations are internally weak therefore unable to introduce innovative products into the market to outshine their competitors (Aiken, Clarke, & Sloane, 2002). Employee is an essential component in the process of achieving the mission and vision of a business. Employees should meet the performance criteria set by the organization to ensure the quality of their work. To meet the standards of organization, employees need a working environment that allows them to work freely without problems that may restrain them from performing up to the level of their full potential. The objective of this research paper is to analyse the impact of working environment on employee job satisfaction.

1.1. Job Satisfaction

According to Vroom (1964) Job satisfaction is an orientation of emotions that employees possess towards role they are performing at the work place. Job Satisfaction is the essential component for employee motivation and encouragement towards better performance. Many people have defined job satisfaction over the years. Hoppok & Spielgler (1938) defines job satisfaction as the integrated set of psychological, physiological and environmental conditions that encourage employees to admit that they are satisfied or happy with their jobs. Further, the role of employees at workplace is emphasized as there is an influence of various elements on an employee within the organization.

Clark (1997) argue that if employees are not satisfied with the task assigned to them, they are not certain about factors such as their rights, working conditions are unsafe, co-workers are not cooperative, supervisor is not giving them respect and they are not considered in the decision making process; resulting them to feel separate from the organization. Furthermore, he highlighted that in current times, firms cannot afford dissatisfied employees as they will not perform up to the standards or the expectations of their supervisor, they will be fired, resulting firms to bear additional costs for recruiting new staff. So, it is beneficial for firms to provide flexible working environment to employees where they feel their opinions are valued and they are a part of the organization. Employee morale should be high as it will be reflected in their performance because with low morale, they will make lesser efforts to improve.

1.2. Working Environment

The working environment consists of two broader dimensions such as work and context. Work includes all the different characteristics of the job like the way job is carried out and completed, involving the tasks like task activities training, control on one’s own job related activities, a sense of achievement from work, variety in tasks and the intrinsic value for a task. Many research papers have focused on the intrinsic aspect of the job satisfaction. Results have shown that there is a positive link between work environment and intrinsic aspect of the job satisfaction. Further they described the second dimension of job satisfaction known as context comprises of the physical working conditions and the social working conditions (Sousa-Poza & Sousa-Poza, 2000; Gazioglu & Tanselb, 2006; Skalli, Theodossiou, & Vasileiou, 2008).

Spector (1997) observed that most businesses ignore the working environment within their organization resulting in an adverse effect on the performance of their employees. According to him, working environment consists of safety to employees, job security, good relations with co-workers, recognition for good performance, motivation for performing well and participation in the decision making process of the firm. He further elaborated that once employees realize that the firm considers them important, they will have high level of commitment and a sense of ownership for their organization.

Different factors within the working environment such as wages, working hours, autonomy given to employees, organizational structure and communication between employees & management may affect job satisfaction (Lane, Esser, Holte, & Anne, 2010). Arnetz (1999) argue that in organizations, can be observed that mostly employees have problems with their supervisor who is not giving them the respect they deserve. Supervisors also show harsh behaviours to employees due to which they are not comfortable to share good and innovative ideas with their
supervisors. Furthermore, he describes that top management limits employees to their tasks rather than creating a sense of responsibility in employees by making them work in teams to attain high performance.

Petterson (1998) argues that the interaction between employees within a business is crucial for accomplishing the organizational goals. Further he describes that the communication of information must be properly done in a timely manner so that the operations of the business are running smoothly. If there is a clash between co-workers then it is difficult to achieve the objectives of organization.

Based on the above discussion, the objective of this paper is to determine the relationship between the working environment and employee job satisfaction.

2. Literature Review

Work has been done to understand the relationship between work environment and job satisfaction all around the world in different contexts over the years. The study is gaining more and more importance with the passage of time because of its nature and impact on the society. The findings of a Danish study suggest that a firm can increase its productivity through the improvement of physical dimensions of work environment (internal climate) and may have a positive impact on firms’ productivity (Buhai, Cottini, & Nielseny, 2008).

Herzberg et al. (1959) developed motivational model for job satisfaction and through research he found that the job related factors can be divided into two categories, Hygiene factors and motivation factors. Hygiene factors can not cause satisfaction but they can change dissatisfaction into no dissatisfaction or short term motivation, whereas motivational factors have long lasting effect as they raise positive feelings towards job and convert no dissatisfaction into satisfaction. In the absence of hygiene factors (that are working conditions, supervision quality and level, the company policy and administration, interpersonal relations, job security, and salary) the employees chances of getting dissatisfied increase.

Baah and Amoako (2011) described that the motivational factors (the nature of work, the sense of achievement from their work, the recognition, the responsibility that is granted to them, and opportunities for personal growth and advancement) helps employees to find their worth with respect to value given to them by organization. Further, this can increase motivational level of employees which will ultimately raise internal happiness of employees and that the internal happiness will cause satisfaction. Hygiene factor can only cause external happiness but they are not powerful enough to convert dissatisfaction into satisfaction but still its presence is too much important. According to them the Herzberg Two Factor Theory, both Hygiene and Motivation factors are linked with each other, as Hygiene factors move employee from Job dissatisfaction to No Job dissatisfaction, whereas motivation factors moves employees from no job dissatisfaction to job satisfaction (Herzberg et al., 1959).

Sell and Cleal (2011) developed a model on job satisfaction by integrating economic variables and work environment variables to study the reaction of employees in hazardous work environment with high monetary benefits and non-hazardous work environment and low monetary benefits. The study showed that different psychosocial and work environment variables like work place, social support has direct impact on job satisfaction and that increase in rewards does not improve the dissatisfaction level among employees.

The supervisors’ availability at time of need, ability to interlink employees, stimulate creative thinking and knowledge of worth of open mindedness in view of workers, and ability to communicate with employees, are the basic supervision traits. Results revealed that with good and effective supervision, employees’ satisfaction level was high whereas with poorer communication ability, dissatisfaction level among employees was high (Schroffel, 1999).

Another study by Catillo & Cano (2004) on the job satisfaction level among faculty members of colleges showed that if proper attention is given towards interpersonal relationships, recognition and supervision, the level of job satisfaction would rise.

Bakotic & Babic (2013) found that for the workers who work under difficult working conditions, working condition is an important factor for job satisfaction, so workers under difficult working conditions are dissatisfied through this factor. To improve satisfaction of employees working under difficult working conditions, it is necessary for the management to improve the working conditions. This will make them equally satisfied with those who work under normal working condition and in return overall performance will increase.

A study in telecom sector by Tariq et al (2013) revealed that there are different variables like workload, salary, stress at work place and conflicts with family due to job leads an employee towards dissatisfaction that further
results in turnover. At final stage these independent factors impacts negatively on organizational performance which is negatively influenced by these factors.

Chandrasekar (2011) argue that an organization needs to pay attention to create a work environment that enhances the ability of employees to become more productive in order to increase profits for organization. He also argued that Human to human interactions and relations are playing more dominant role in the overall job satisfaction rather than money whereas management skills, time and energy, all are needed for improving the overall performance of the organization in current era.

Based on the above literature, the conceptual model tested in this paper is presented in Fig 1. The independent variable in this research is the working environment in which the employees are working within an organization and the dependent variable is the Job satisfaction of employees. Working environment includes the working hours, job safety, job security, relationship among employees, esteem needs of employees and the influence of top management on the work of employees.

This research study will test the relationship between working conditions and the job satisfaction. The hypothesis below is developed to analyze the relationship between the variables.

**H₁:** The better working environment will lead to increased job satisfaction.

3. **Methodology**

3.1. **Population and Sample size**

The purpose of the study is to study the relationship between working environment and job satisfaction. The data is gathered randomly from the employees of banks, telecommunication sector and universities in the city of Quetta Pakistan, through survey questionnaire. From each sector, 70 respondents were chosen that allow us to get 210 responses from employees working in different institutions through the use of self-administered questionnaires. As evidence suggest that self-administered questionnaire, distributed by hand and via emails, is most suitable in many researches (Werner & Eleanor, 1993). The main aim of selecting employees from various fields is to get opinion from a diverse group of people so that the results can be generalized on the vast group of population.

3.2. **Data Instrument and Data Analysis Technique**

The 33 items questionnaire adapted from State Statistical Office (SSO, 2009) comprised of questions regarding esteem needs, job safety and security, working hour, trust, relationship with co-workers and Supervisor, and Nature of work to find the impact of overall working environment on employee job satisfaction. A 5-point Likert scale is used to evaluate answer ranging from not at all satisfied, dissatisfied, neither, somewhat satisfied and completely satisfied. Many scholars believe that statistical packages are the most suitable and most consistent instruments for comprehensively analyzing large set of data (Buglear, 2005). So, all statistical analysis is performed through the help of software “Statistical Package for Social Sciences” (SPSS). Factor analysis is also performed as it can be used...
4. Results

The valuable opinion of employees is displayed below through various statistical tables and graphs that show their responses on the topic about importance of work environment for employee job satisfaction. The Cronbach’s Alpha shows the reliability of the data used in the questionnaire. The Table1 shows that for 15 questions of the questionnaire about working environment, the consistency was 77.1% whereas for Job satisfaction the value was 81.6%. It makes the responses collected more valuable as the data is proper to analyze the impact of work environment on job satisfaction.

<table>
<thead>
<tr>
<th>Table 1: Descriptive and Reliability statistics table:</th>
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<tbody>
<tr>
<td>Frequency</td>
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<tr>
<td>Age</td>
</tr>
<tr>
<td>21-30</td>
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<tr>
<td>31-40</td>
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<tr>
<td>Gender</td>
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<tr>
<td>Male</td>
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<tr>
<td>Female</td>
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<tr>
<td>Occupation</td>
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<td>Banks</td>
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<td>Universities</td>
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<td>Telecommunication</td>
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<td>Working Environment</td>
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<td>Job Satisfaction</td>
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The data consist of 210 employees 63.3% of them belong to age group 21-30 whereas remaining 36.7 percent were from age group 31-40. Out of 210, 76.2% were males and 23.8% were females. Occupation wise 33.3% respondents were from all three sectors. Therefore we accept our alternative hypothesized notion that working environment impacts job satisfaction.

<table>
<thead>
<tr>
<th>Table 2: Rotated component matrix for Working Environment and Job Satisfaction variables</th>
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<tbody>
<tr>
<td>Job Satisfaction</td>
</tr>
<tr>
<td>Satisfaction with physical working conditions</td>
</tr>
<tr>
<td>Satisfaction with current maintenance of the building</td>
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<tr>
<td>The hygiene maintenance in the Organization</td>
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<tr>
<td>Satisfaction with Current fixed working hours</td>
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<tr>
<td>The work activities compared to your skills and the opportunities for improving your competence level</td>
</tr>
<tr>
<td>Access to equipment necessary for performing your tasks</td>
</tr>
<tr>
<td>Satisfaction with the training opportunities in the Organization</td>
</tr>
<tr>
<td>Team work in the institution</td>
</tr>
<tr>
<td>Possibilities to receive assistance from co-workers when necessary</td>
</tr>
<tr>
<td>Supervisor provides me with sufficient information related to work</td>
</tr>
<tr>
<td>Supervisor has reasonable expectations of work</td>
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</table>
There were five questions that were deleted from the factor matrix due to single factor loading. The nine questions significantly loaded on job satisfaction. The next six factors were significantly loaded on top management. Furthermore, five factors were significantly loaded on Esteem needs and work hours within organization and work hours. Finally, the remaining five factors were significantly loaded on relationship with co-workers.

The questionnaire used for the study was tested for reliability having both major variables. The cronbach alpha for working environment was 0.82 and job satisfaction was 0.77 that is why the data collected using the questionnaire has provided valuable information about the opinions of employees about the variables.

Correlation analysis was conducted to determine the relationship of working environment components (i.e. top management, esteem needs and work hours, and job security, safety and workplace relationships) and job satisfaction which revealed that top management has significant positive relation with the job satisfaction as $r_1 = 0.283$, $p < 0.05$, also for esteem needs and work hours relationship is both significant and positive that is $r_2 = 0.268$ at $p < 0.05$. For relationship with co-workers the value is significant and positive $r_3 = 0.137$.

\[
\begin{array}{l}
\text{Variable} \\
\hline
\text{Intercept} & .948^* & .042 \\
\text{Top Management & Esteem needs} & .290^* & .080 & .240 \\
\text{Job safety, security & work hours} & .232^* & .073 & .217 \\
\end{array}
\]
The regression analysis is performed to determine the impact of top management, esteem needs and work hours, job security and safety and workplace relations on job satisfaction. The regression result reveals that work environment has a statistically significant impact on job satisfaction, $R=0.363$, $\beta=0.948$, $t=2.335$, $p<0.05$.

The value of $R^2=36.3\%$ showing that there is a positive linear relationship between working environment and job satisfaction. Furthermore, the result also shows that the work environment explains 13.2\% proportion of variation in job satisfaction that is $R^2$. The value of $F=10.42$ is statistically significant as $P<0.05$. And the value of $t=2.335$ is also statistically significant so we will reject our null hypothesis.

The regression equation that can be formulated based on the information obtained is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + E$$

(1)

Where

$Y$ = Job Satisfaction  
$X_1$ = Top Management  
$X_2$ = Esteem needs & work hours  
$X_3$ = Relationship with co-workers  
$E$ = Error term

As $X_3$ had insignificant result that is $\beta_3=0.137$ at $p>0.05$ so our equation has reduced to following

$$Y = 0.948 + 0.240X_1 + 0.217X_2 + 0.402$$

(2)

$$Job\ Satisfaction = 0.924 + 0.240\ (Top\ Management) + 0.217\ (Esteem\ needs\ &\ work\ hours) + 0.402$$

(3)

5. Discussion

The results of the study have shown a positive relationship between working environment and job satisfaction. The employees working in all three sectors (that are banking, university and telecommunication) have agreed that working environment plays a vital role in attaining job satisfaction. As the competition has increased and business environment is dynamic and challenging, so different organizations in order to operate up to their maximum potential, have to ensure that their employees are working in a conducive and friendly environment. Employees are becoming concerned about the working environment which includes working hours, job safety & security, relationship with co-worker, esteem needs and top management as mentioned in this study.

The regression analysis result showed that working environment has positive impact on job satisfaction as $R^2=13.2\%$ therefore organizations must pay attention towards this element of the job. The results are supported by Lee and Brand (2005) as their study also had shown that job satisfaction is increased by conducive working environment. Whereas the results of this study contradicted with the study results of Tokuda et al. (2009) and Rafiq et al. (2012) that working environment is negatively associated with employees’ job satisfaction whereas extrinsic rewards are the best motivator to cause job satisfaction.

As Kinzl et al. (2005) concluded that job satisfaction has positive relationship with opportunities provided to employees by the organization. In our study, it has been represented by esteem needs which also has a significant relationship with the job satisfaction (As correlation coefficient value was 0.268 at $p<0.05$). Babin & Boles (1996), argued that supervisory support and worker involvement decreases the work stress however; it is helpful in increasing job satisfaction and job performance. The study showed that top management support is positively related to job satisfaction, however relationship with co-workers doesn’t turn out to have significant relationship with the job satisfaction.

In the modern era, management of workforce has become more difficult because employees are highly qualified and aware of their rights while working in an organization. Therefore, it is imperative that the organizations identify the needs of their employees and satisfy them to ensure effective accomplishment of its goals and objectives. Good working environment increases employee loyalty, level of commitment, efficiency & effectiveness, productivity, and also develops a sense of ownership among employees which ultimately increases organizational effectiveness as well as reduces prohibit cost emerging as a result of dissatisfied employees.
6. Conclusion

Working environment has a positive impact on the Job satisfaction of employees. Bad working conditions restrict employees to portray their capabilities and attain full potential, so it is imperative that the businesses realize the importance of good working environment. This research paper contributes towards the welfare of society as the results create awareness about the importance of good working environment for employee job satisfaction. The study impacts upon the future performance of businesses by taking working environment more seriously within their organizations to increase the motivation and commitment level of their employees. This way their work force can achieve better results. It also ensures that the employees of the organization will have the ease of working in a relaxed and free environment without burden or pressure that would cause their performance to decline. The progress that will be achieved in the business will directly help the economy of a country as developmental efforts will increase. In such conditions, the country will be able to handle the minor problems prevailing as it will be in a strong state to deal with them. The benefits of providing a good working environment to the employees are tremendous for both the organization and its employees.

During the research certain limitations were there, such as the availability of time to conduct research for obtaining the required data. Time was one of the limitations faced which has restricted us to add more information about the importance of this topic. Another limitation was the access to data that was to be collected from various organizations. The information gathered was difficult to acquire since the employees of some organizations were hesitant to share their true opinions. We took special care of the ethical aspect related to the research by ensuring the respondents that their responses will be anonymous and confidential to which no one will have access. The issue has not been considered previously therefore, now firms have an opportunity to utilize the information from this research paper to design their future line of action that can help them ensure their long-term success.

Such working environments where employees are made a part of the overall decision making process, being given flexible working hours, less work load, a team work approach and a supportive top management have positive impact on the performance of employees. This leads to high level of employee job satisfaction thus making the employees more committed towards their business, more motivated to work hard and more inclined to get high productivity for their firms benefiting their respective businesses in the long run.

References


