

Impact of Working Environment on Job Satisfaction

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Abstract

In the developing & modern era, organizations are facing several challenges due to the ever changing nature of the environment. One of the major challenges for an entity is to satisfy its employees in order to cope up with the evolving environment, to achieve success and to remain in the competition. The business must satisfy the needs of its employees by providing good working environment to increase efficiency, effectiveness, productivity and job commitment of its employees. 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 online survey questionnaire. The questionnaire is adopted from a previous validated survey. The target population consists of financial sector operating in the city of Gurugram, India. Simple random sampling is used for collection of data from 200 employees. The results indicate a positive relationship between working environment and employee job satisfaction. The study concludes with a brief that all organisations need to realize the importance of good working environment for maximizing the level of job satisfaction and hence, it is very essential for all organizations to motivate their employees to work hard for achieving the organizational goals and objectives.

Keywords: Self-satisfaction; Working Environment; Job satisfaction; Motivation; efficiency & effectiveness.

1. Introduction

Many organizations fail to understand the importance of working environment for employee job satisfaction are co-related 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 a main component in the process of achieving the mission and vision created in the organization. Employees must meet the performance criteria set by the organization to ensure the quality of their work and to meet the standards set by the organization; employees need a working environment that allows them to work freely. 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.



1.3. efficiency & effectiveness

Efficiency means whatever you produce or perform; it should be done in a perfect way. Although, Effectiveness has a broader approach, which means the extent to which the actual results have been achieved to fulfil the desired outcome i.e. doing accurate things. These are the metric used to gauge the performance of an employee in an organization. Efficiency and Effectiveness are the two words which are most commonly juxtaposed by the people; they are used in place of each other, however they are different. While efficiency is the state of attaining the maximum productivity, with least effort spent, effectiveness is the extent to which something is successful in providing the desired result.

2. Literature Review

This is 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 a journey by sea of time because of its nature and impact on the community. A study that suggests how a firm can increase its productivity through the improvement of physical facet of work environment. 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, however
- ✓ 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 discontented 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. Based on the above literature, the conceptual model tested in this paper is presented in the below 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 which further leads to efficiency & effectiveness of the employees.



Fig 1: A conceptual model of Working Environment and Job Satisfaction

This research study will test the relationship between working conditions and the job satisfaction

3. Methodology

Area of study: The area of study to respondents from 3 financial organizations

Research instrument: Structured questionnaire in Likert's five point scale.

Sample size: 200 samples.

Sampling Technique: Simple Random Sampling Technique

Testing of Hypothesis: Statistical test chi-square is applied.

Analysis of Data: Once the data has been collected through questionnaire then the simplest and most revealing devices for summarizing data is the statistical table. A table will be systematic arrangement of data in column and rows. The purpose of a table will be simplifying the presentation and to facilitate results.

Technique: The questionnaire adapted consisted 30 items 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 collision of overall working environment on employee job satisfaction. A 5-point Likert scale is used to evaluate answer ranging from

1. Strongly dissatisfied
2. Dissatisfied
3. Neither satisfied nor dissatisfied
4. somewhat satisfied
5. Strongly satisfied.

DATA ANALYSIS AND INTERPRETATION

Below are the results of the analysis reported and presented. Data for the analysis was collected from 03 financial organizations. Questionnaires were administered to 200 respondents personally and collected, and found suitable for further analysis. Analysis and interpretation drawn with the help of presenting frequency and percentage table and hypothesis tested with help of chi-square test.

Table 1. The number organization used for data collection

Sr.No	Name of organization	age-group	No. of employees taken the survey
1	Blackrock	20-40	50
2	NIIT technologies	23-45	65
3	Citi group services	25-40	85
	Total		200

Table 2. Esteem needs

Sr.No	Particulars	Frequency	Percentage
1	Strongly Dissatisfied	12	6%
2	Dissatisfied	15	8%
3	Neither Satisfied nor Dissatisfied	50	25%
4	Satisfied	108	54%
5	Strongly Satisfied	15	8%
	Total	200	

Interpretation: 54% of the employees result shows that they are satisfied with the Esteem needs fulfilled by the organization. Also 25% of the employees fall in the neutral category.

Table 3. Job safety and security

Sr.No	Particulars	Frequency	Percentage
1	Strongly Dissatisfied	1	1%
2	Dissatisfied	4	2%
3	Neither Satisfied nor Dissatisfied	0	0%
4	Satisfied	182	91%
5	Strongly Satisfied	13	7%
	Total	200	

Interpretation: 91% of the employees are satisfied with the job safety and security policies of the organizations.

Table 4. Working hour

Sr.No	Particulars	Frequency	Percentage
1	Strongly Dissatisfied	56	28%
2	Dissatisfied	74	37%
3	Neither Satisfied nor Dissatisfied	6	3%
4	Satisfied	39	20%
5	Strongly Satisfied	25	13%
	Total	200	

Interpretation: The table shows that the employees of the financial organizations are dissatisfied with the working hours.

Table 5. Trust within organizational work

Sr.No	Particulars	Frequency	Percentage
1	Strongly Dissatisfied	82	41%
2	Dissatisfied	76	38%
3	Neither Satisfied nor Dissatisfied	13	7%
4	Satisfied	20	10%
5	Strongly Satisfied	9	5%
	Total	200	

Interpretation: Trust factor do not really imply in the organizations as all information is highly confidential are hidden until revealed. "Word of mouth" do not imply here.

Table 6. Relationship with co-workers and Supervisor

Sr.No	Particulars	Frequency	Percentage
1	Strongly Dissatisfied	2	1%
2	Dissatisfied	9	5%
3	Neither Satisfied nor Dissatisfied	87	44%
4	Satisfied	79	40%
5	Strongly Satisfied	23	12%
	Total	200	

Interpretation: The table shows a very neutral reaction of employees regarding the relationship with co-workers and Supervisor.

Table 7. Nature of work

Sr.No	Particulars	Frequency	Percentage
1	Strongly Dissatisfied	32	16%
2	Dissatisfied	13	7%
3	Neither Satisfied nor Dissatisfied	20	10%
4	Satisfied	77	39%
5	Strongly Satisfied	58	29%
	Total	200	

Interpretation: Overall satisfaction with the nature of work was presented by the employees as a mostly people like to work in the field in which they have interest.

Table 8. H 1-Work environment impact on employee job satisfaction.

Chi-Square Table

S.no	Particulars	Observed Frequency	Expected Frequency	O-E	(O-E) ² / E
1	Strongly Dissatisfied	0	40	-40	40
2	Dissatisfied	2	40	-38	36.1
3	Neither Satisfied nor Dissatisfied	12	40	-28	19.6
4	Satisfied	74	40	34	28.9
5	Strongly Satisfied	112	40	72	129.6
	Total	200	200		

Interpretation: Employees strongly agree on the statement that work environment do impact employee job satisfaction.

LIMITATION OF THE STUDY

- Satisfaction level to environmental factor may differ from person to person or region to region.
- Study may be absolute because of dynamic environment and needs.

FINDINGS OF THE STUDY

Survey reveals that employees of the financial sector are basically satisfied with these factors: esteem needs, job safety and security, working hour, trust, relationship with co-workers and Supervisor, and Nature of work. The 3 organizations do retain their employees by retention policy also the finding shows that workplace environment is suitable for the employees. The study found that work environment significantly affects employee job satisfaction in financial organizations. Employees do agree that these factors: working hour, trust, relationship with co-workers and Supervisor are affecting work environment. These aspects can have direct or indirect impact on job satisfaction of the employees. There is a considerable impact of the employees' perceptions for the nature of his work and the level of overall job satisfaction.

CONCLUSIONS

The agenda of the study was to investigate the relationship between work environment and job satisfaction of employee's in financial organizations. Review of literature provided a strong evidence of the relationship between the study and its variables. Analysis and interpretation of the data have factually demonstrated that natures of work, stress, overtime, boredom are some factors to increase job dissatisfaction. On the other way round good working condition, fun at workplace increase the degree of job satisfaction. Hence, for the success of an organisation it is vital to maintain healthy work environment which will satisfy the employees.

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