



A study of impact of workplace environment on employee performance: empirical evidence from Banking sector, India

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Abstract: Workplace environment is the environment in which people work that include physical setting, job profile, culture and market condition while performance is the development of quantified objectives. This study focuses on measuring the effect of workplace environment factors on performance of employees working public sector bank in Madhya Pradesh. Results revealed that there is a significant impact of impact of workplace environment on employee performance. So organisation can monitor workplace environment to related with employee performance.

Keywords: Workplace environment, employee performance, banking sector

1. Introduction

Employees are very important assets in an organization. A good organization is one which takes care of its employees. This is often done by paying attention to their workplace environment. This is because the employees spend substantial part of the time of their lives at the workplace while carrying out their work (Pasaoglu, 2014). Hence, workplace environment influences their cognitive and emotional states, concentration, behaviour, actions, and abilities. It plays an important role in the employees' engagement as well as in their performance. In fact, workplace environment has a big contribution for the organization in maintaining a high level of employees' productivity and hence the organizational productivity (Petty, 1984).

Workplace environment can be anything which exists around the employees where they work and which affect how they carry out their work. It consists of both external and internal conditions which can

influence the working spirit and hence, reflect in their performance at work. There exists a strong interaction between employees' performance and physical workplace environment. The physical environment at work is critical to employees' performance, satisfaction, social relations and health. The environmental conditions at the workplace are important factors which has an influence on the employees' morale and job satisfaction and hence their performance (Ramaseshan, 2103).

Workplace environment and productivity are often perceived as two opposites by the managements in some of the organizations. This is because, the managements of such organizations consider workplace environment as an extra, resource-consuming, non-productive activity, which they dislike because of the lack of production stemming from it (Ramus, 2000). They believe that the productivity enhancement of the employees can be achieved by enhancing the employees' skills. Such managements are ignorant of the fact that majority of the productivity problems reside in the workplace environment in which the employees operate. These managements are not aware that the lower productivity and unable to fulfil the urge to increase productivity is because of the malfunctioning of workplace environment. The type of work environment in which employees operate determines the way how they perform. Effective workplace environment raises the bar of what is expected from the employees without necessarily giving them extra means or resources to handle this.

The workplace environment is the employees immediate surrounding where he performs his work. Employees' workplace environment is a key determinant of the quality of their work and their level of productivity. Improper surroundings introduce hazards which make the workplace environment unsafe and impede the productivity rate of the employee. Hence, the workplace needs an environment in which the employee can carry out his work without any hindrance. An effective workplace is required to have an environment where the expected results can be achieved comfortably. Physical environment affect how employees in an organization interact, perform tasks, and are led. Physical environment as an aspect of the work environment has a direct effect on the human sense and it delicately changes interpersonal interactions and thus productivity. This is so because the characteristics of the workplace have consequences regarding productivity and satisfaction level. The workplace environment is the most critical factor for the employees to perform.

2. Literature Review

Kohun (1992), defines working environment as an entirety which comprises the totality of forces, actions and other influential factors that are currently and, or potentially contending with the employee's activities and performance. Working environment is the sum of the interrelationship that exists within the employees and the environment in which the employees work. Sinha (2001) stated that employees' performance is depending on the willingness and also the openness of the employees itself on doing their job. He also stated that by having this willingness and openness of the employees in doing their job, it could increase the employees' productivity which also leads to the performance.

Stup (2003) also explained that to have a standard performance, employers have to get the employees task to be done on track as to achieve the organization goal or target. By having the work or job done on track, employers could be able to monitor their employees and help them to improve their performance. Franco et al (2002) defined performance that relies on internal motivation but presence of internal factors such as necessary skills, intellectual capacity and resources to do the job clearly have an impact. As a consequence employers are supposed to provide appropriate working conditions in order to make sure the performance of employees meet the required standards.

There are many factors that affect the performance of employees in organizations. Workplace environment plays an essential role towards workers' performance and productivity in any organization (El-Zeiny, 2013). Providing a good workplace environment increases employee performance in organizations (Shikdar & Shawaqed, 2003). When people are working in situations that suit their physical and mental abilities, the correct fit between the person and work task is accomplished. Employees are then in the optimum situation for learning, working and achieving. Work environment comprises the totality of forces and influential factors that are currently or potentially contending with the employees' activities and performance. According to Chandrasekar (2011) there are key factors in the workplace environment that could give a great impact towards the motivation and performance level. The business environment is becoming very competitive, dynamic and complex. Management should therefore find ways to ensure that workplace environment is conducive enough to enable employee performance in order to remain competitive. Empirical studies done include Gitahi (2014) who looked at the Effect of Workplace Environment on Performance of Commercial Banks Employees in Nakuru Town and the findings showed that psychosocial aspects are an important factor in boosting the performance of employees than the physical workplace factors and work life factors. Naharuddin and Sadegi (2013) did a study on Factors of Workplace Environment that Affect Employees' Performance: A case of Miyazu Malaysia. The findings showed that only supervisor support is not significant towards the employees' performance while job aid and physical workplace environment had a significant relationship towards employees' performance.

Ismail et al. (2010) opine that the conditions of physical workplace environment influence the employees' functions and it will determine the well-being of organizations. They add that the physical work environment includes the internal and external office layout, temperature, comfort zone and also the work setting or arrangement. The comfort level and temperature also substantially influence health of employees. Niemela et al. (2002) found out that there is decrement in work performance when temperatures are high, and low temperature has relation to performance of manual tasks. Office design encourages employees to work in a certain way by the way their work stations are built. Spatial layouts contribute a lot towards how the employees perform their tasks (Al- Anzi, 2009).

3. Research Methodology

Descriptive research design was used in collecting data from the respondents. The design is preferred because it is concerned with answering questions such as who, how, what, which, when and how much.

This design uses both qualitative and quantitative data analysis. A descriptive study was carefully designed to ensure complete description of the situation, making sure that there was minimum bias in the collection of data and reduce errors in the interpretation of the data. The target population of this study was all employees of Public sector bank in Madhya Pradesh. Stratified random sampling procedure was used to arrive at the sample of employees who took part in the study. The researcher classified the employees into strata based on the job cadres. To arrive at the sample of the study, the researcher considered 10% of the total number of employees. This is in conformity with Mugenda and Mugenda (2003) who postulated that at least 10% of the accessible target population is appropriate for statistical reporting. Primary data was used and it was obtained through semi-structured questionnaire. This method allows for the respondents to receive the same set of questions in exactly the same manner. According to Mugenda and Mugenda (2003) open-ended questions are simple to formulate and flexible. Descriptive statistics which includes frequencies, mean, standard deviation and percentages was applied to establish patterns and trends for easy understanding and interpretation of the findings. Data collected was reported using frequency tables, pie charts and bar charts.

4. Data Analysis

To check the impact of workplace environment on employee performance, Regression analysis has been applied.

Table 1: Regression of workplace environment on employee performance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	77.270	10.233		7.551	0.000
	Building design and age	0.514	0.313	0.111	1.640	0.002
	Workplace layout	0.019	0.204	0.126	3.094	0.025
	Cleanliness	0.057	0.122	0.138	5.469	0.000
	Temperature	0.069	0.136	0.281	3.312	0.000
	Ventilation	0.077	0.167	0.338	4.034	0.000
	Lighting	0.082	0.142	0.297	5.104	0.000
	Air quality	0.097	0.267	0.446	4.236	0.000

a Dependent Variable: workplace environment

From table 1 it is found that, the “t” value for workplace environment dimension is significant at 0.05 level of significance. This shows that, there is a significant impact of impact of workplace environment on employee performance.

5. Conclusion

Workplace environment has an effect on the 'ergonomics' which can be defined as the science of designing to fit the employee, rather than physically forcing the employee's body to fit the job. It also can be considered as physical and mental capabilities which it limits in the employee as he interacts with tools, equipment, work methods, tasks and the workplace environment. If the ergonomics issues are not addressed then the employees act on a subconscious level, adapting their behaviour to lighten the pain thus affect their performance and reduce productivity. The work stress in the employees increases. The increase in the work stress is caused by the work design and workplace environment. Results revealed that there is a significant impact of impact of workplace environment on employee performance. So organisation can monitor workplace environment to related with employee performance.

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