

# Workplace Environment and its Impact on Organizational Performance of Manufacturing Industry

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## Abstract

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. Creating a work environment in which employees are productive is essential to increase profits for organization.

The paper presents the analysis of the working environment at different manufacturing organizations and the research done to understand the performance level of the employees due to the work environment, and also aims to suggest few interactions to provide better work environment at manufacturing organizations.

**Keywords:** Work Environment, Organizational Performance, Workplace Design.

## Introduction

In today's competitive business environment, organizations can no longer afford to waste the potential of their workforce. There are key factors in the employee's workplace environment that impact greatly on their level of motivation and performance. The workplace environment that is set in place impacts employee morale, productivity and engagement - both positively and negatively.

In an effort to motivate workers, firms have implemented a number of practices such as performance based pay, employment security agreements, practices to help balance work and family, as well as various forms of information sharing. In addition to motivation, workers need the skills and ability to do their job effectively & for many firms, training the worker has become a necessary input into the production process.

The work place environment in a majority of manufacturing 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 & because of this low employee productivity organizational performance badly affected. It is a wide industrial area where the employees are facing a serious problem in their work place like environmental and physical factors. So there is a need to provide facilities to increase their performance level.

## The Problem Statement

To analyze workplace environment & its impact on organizational performance of manufacturing industry.

## Scope & Objective

To be precise, the research paper would seek to fulfill the below listed objectives:

1. To study relationship between the employees performance & work environment of manufacturing organization.
2. To analyze workplace factors which affect the performance of manufacturing organization.
3. To suggest the measures to improve the working conditions for better performance of manufacturing organization.

This research paper aims to suggest few interactions to provide better work environment at manufacturing organizations, which is the outcome of the in depth analysis of the work environment.

The paper presents the analysis of the working environment at manufacturing organizations and the research done to understand the performance level of the employees due to the work environment. Also attempt has been made to identify the motivational factors to attain the target.

#### **Research Methodology**

The research work was a descriptive research of both primary data and secondary data. The research study is marked by prior formulation of research questions.

The study was done among 120 employees and inferences are drawn from them. 4 manufacturing industry are selected for research purpose. 2 out of them are from Jalgaon district & 2 out of them are from Dhule district.

For the purpose of the study the researcher used the stratified random sampling method. The total population divided into groups and the samples are collected randomly from these groups. By adopting proportional allocation among three categories of employees i.e. managerial level staff, supervisory staff & actual labour staff.

A well-designed questionnaire was used to collect primary data. The questionnaire was carefully constructed and properly setup. Basically questionnaire is prepared in 2 parts which focused on separate aspects of workplace environment. Questionnaire 'A' focused on Physical workplace environment & questionnaire 'B' focused on Psychological work environment. The data collected through primary source were subjected to statistical techniques for analysis of the worker's opinion towards the workplace environment and its impact on their performance.

#### **Review of Literature**

The researcher has attempted a close & in depth reading of the review literature. Researcher reviewed various national & international studies on this relevant subject. It is this literature that inspires researcher for the research. Here she classified all the studies according to the variables with reference to research problem. Some previous studies are as follows-

"Workplace design may promote organizational success by creating environments that support work quantity, quality, and style, while improving turnover and absentee rates (Becker, 1981)."

Dr. K Chandrasekar mentioned that , "The management must take an active role in not only defining the physical environment of the workplace and making it conducive for workers but also alter the management style to suit the employees. His study refers to changing aspects like ethics, behavior, commitment, professionalism, drive and interpersonal relations in employees for the better. 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. Many studies have revealed that most employees leave their organization because of the relationship with their immediate supervisor or manager. (Jan. 2011)"

Akinyele Samuel Taiwo suggest that, "Productivity in an organization can be influenced by a wide range of internal and external variables, which may be categorized as:

1. General factors: Among which are climate, geographic distribution of raw materials, fiscal and credit policies, adequacy of public utilities and infrastructural facilities, etc.
2. Organizational and Technical factors: Namely, the degree of integration, percentage of capacity, size and stability of production, etc.
3. Human factors: Which include labour- management relations, social and psychological conditions of work, wage incentives, physical fatigue, trade union practices, etc. ( Dec.2009 )"

Brill, Margulis, & Konar, 1985; Clements-Croome, 2000; Davis, 1984; Dolden & Ward, 1986; Newsham, Veitch, Charles, Clinton, Marquardt, Bradley, Shaw, & Readon, 2004; Vischer, 1989, mentioned that, "Studies of stress in the work environment tend to focus on psychosocial influences in the environment where work is performed. His paper asserts that another important influence on work performance results from physical features of the work environment. Evidence is accumulating that the physical environment in which people work affects both job performance and job satisfaction."

"The physical layout of the workspace, along with efficient management processes, is playing a major role in boosting employees' productivity and improving organizational performance (Uzee, 1999; Leaman and Bordass, 1993; Williams et al. 1985)."

#### **Appraising Factors of Workplace Environment**

##### **1) Facilities required while doing the Job**

The actual physical layout of an office is extremely important when it comes to maximizing performance of organization. Table 1 shows satisfaction of employees towards the space and facilities provided to do the job. 66.7% respondents are satisfied with the space and facilities provided by their organization. Majority of the employees are given the required space and facilities to do their job.

**Table 1: Satisfaction of Employees towards the facilities provided**

S.No	Responses	Percentage
1.	Highly Satisfied	23.4
2.	Satisfied	66.7
3.	Dissatisfied	8.0
4.	Highly dissatisfied	1.9
<b>Total</b>		<b>100.0</b>

##### **2) Supervision at the Workplace**

Superiors act as advocates for employees, gathering and distributing the resources needed by the employees in order to do a good job and providing positive encouragement for a job well done. It can be inferred from Table 2 that 80.8%

respondents maintain a strong relationship with their superior at the workplace.

**Table 2: Cordial Relationship with Superiors at the Workplace**

S.No	Responses	Percentage
1.	Very Strong	9.0
2.	Strong	80.8
4.	Not Strong	8.3
5.	Not Very Strong	1.9
	Total	100.0

### 3) Equality of Treatment at the Work Place

Treating employees equally at their workplace motivates employees to do their work with full interest in their work environment. Table 3 below, shows 51.9% respondents agree that they are motivated since they are treated equally at their workplace.

**Table 3  
Treating Everyone Equally at the Work Place**

S.No	Responses	Percentage
1.	Strongly Agree	10.3
2.	Agree	51.9
3.	Disagree	25.6
4.	Strongly disagree	12.2
	Total	100.0

### 4) Communication System at the Workplace

A formal communication system at the workplace promotes trust and loyalty among the employees and encourages better team work & relationship shows that communication system at the workplace. 75% respondents (Table 4) feel that there is a formal communication system at their workplace.

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

S.No	Respondents	Percentage
1.	Yes	75
2.	No	25
	Total	100

### 5) Environmental Factors are Conducive to Work

Organizations have to provide a friendly and comfortable workplace to work. Most of the employees agree that environmental factors such as temperature, lighting and ventilation will impact on health. Through Table 5, it is seen that 74.4% respondents agree that the environmental factors are highly conducive to work in the organization.

**Table 5  
Environmental Factors are Conducive to Work**

S.No	Responses	Percentage
1.	Strongly Agree	11.5
2.	Agree	74.4
4.	Disagree	11.5
5.	Strongly Disagree	2.6
	Total	100.0

### 6) Procedures to Identify and Control Hazards

There are several procedures followed to identify and control hazards. Majority of employees agree that the procedures are followed strictly to identify and control hazards at the workplace which helps to improve working area. 73.2% respondents (Table 6) agree that organization follows procedures to identify & control hazards.

**Table 6  
Procedures to Identify and Control Hazards**

S. No	Responses	Percentage
1.	Strongly Agree	8.3
2.	Agree	73.2
3.	Disagree	11.5
4.	Strongly Disagree	7.0
	Total	100.0

### Influence of Workplace Environment on Employee's Performance

On the basis of responses of Questionnaire 'A' researcher found following analysis

#### A) Physical Aspects influencing Employee's Performance at the Workplace

Office space is one of the leading physical aspects that influence the employee's performance at the workplace with mean value 3.06. Majority of the employees ensure that a poor arrangement of office space, wastes time and energy by failing to provide the means for effective work habits. Since sufficient space is not provided by the organization for the assigned job.

Furniture and furnishing is ranked second leading physical aspect with mean value 2.71 by the employees. In the organization furniture is not maintained in a good condition and proper furnishing is not done so employees feel unsophisticated while they work. Thus it influences employee's performance at the workplace.

Storage of materials has been given third rank with mean value 2.20. Adequate storage facilities for materials are provided by the organization in order to arrange the materials properly. Thus it does not influence much on work performance.

Interior space has been given the lowest significance with mean value 2.02 because employees are comfortable and satisfied by the interior space of the organization, since it act as a practical, aesthetic, and conducive to intended

purposes, such as raising productivity, selling merchandise, or improving life style. Table 7 indicates that office space highly influences employee's performance at the workplace than other physical aspects.

**Table 7: Physical Aspects influencing Employee's Performance at the Workplace**

Factors	Mean Value	Rank
Office Space	3.06	1
Furniture & Furnishing	2.71	2
Storage of Materials	2.20	3
Interior Surface	2.02	4

On the basis of responses of Questionnaire 'B' researcher found following analysis

**B) Psychological workplace factors which affect employee's performance to attain the target**

Interesting work, opportunity to develop special abilities, adequate information, enough authority, sufficient help and equipment, friendly and helpful co-workers, opportunity to see results of work, competent supervision, clearly defined responsibilities and good pay (Table 8) are considered to be the job factors that motivates employees performance to attain the target.

Interesting work has got the highest significance with mean value 8.24. Majority of employees agree that the work they are indulged to do is very interesting and also motivates their performance to attain the target.

Good pay is ranked second with mean value 6.89, since organization pays good pay according to their position and work. Thus most of the employees are motivated by the good pay to perform their work. Opportunity to develop special abilities got the third rank with mean value 6.41. Their organization is providing training facilities for their employees to develop their special abilities for the particular job which help them to gain knowledge and develop abilities.

Clearly defined Responsibilities have got the fourth rank with mean value 6.17. In the organization every employee has been allocated with particular work which they need to attain before the given time. Thus responsibilities are clearly defined which motivates the employees performance. Enough authority has got the fifth rank with mean value 5.30. Each employee is given enough authority to perform their work. Thus it partially motivates employees to attain the target.

Adequate information is placed at sixth with mean value 5.28. In the organization each employees is getting the enough information about the work to be performed. The target to be attained has been set by the organization, where they pass enough information to their employees about the work. Thus it motivates employees to attain the target. Sufficient help and equipment is ranked seventh with mean value 4.69. Thus the organization provides required equipment for the work and superiors provide enough information to their co-workers to work in a corrective manner. Thus these two factors

motivate employees to perform well to attain the target.

Friendly and helpful co-workers ranks eighth with mean value 4.35. In the organization the relationship between the employees are moderate but this relation does not motivates performance. Opportunity to see the results of work has got ninth rank with mean value 4.25. So at the organization opportunity to see the results of work does not influence more on performance. Competent supervision is the least factor with mean value 3.89. In the organization most of employees does not consider competent supervision as a motivating factor so it does not motivate employees.

**Table 8: Psychological aspect which affects employee's performance**

Factors	Mean value	Rank
Interesting work	8.24	1
Opportunity to develop special abilities	6.41	3
Adequate information	5.28	6
Enough authority	5.30	5
Sufficient help and equipment	4.69	7
Friendly and helpful co-workers	4.35	8
Opportunity to see results of work	4.25	9
Competent supervision	3.89	10
Clearly defined responsibilities	6.17	4
Good pay	6.89	2

**Strategic Initiatives To Improve Workplace Environment**

The following recommendations may be taken as the strategic initiatives to take forward the organizations in line with the competitive advantage. Because of these measures employee can raised their productivity which automatically contributes positively to organizational performance.

**Open Communication**

A culture of open communication enforces loyalty among employees. Open communication tends to keep employees informed on key issues. Most importantly, they need to know that their opinions matter and that management is 100% interested in their input.

**Employee Reward Program**

A positive recognition for work boosts the motivational levels of employees. Recognition can be made explicit by providing awards like best employee of the month or punctuality award. Project based recognition also has great significance. The award can be in terms of gifts or money.

**Career Development Program**

Every individual is worried about his/her career. He is always keen to know his career path in the company. Organizations can offer various technical certification courses which will help employee in enhancing his knowledge.

1. **Performance Based Bonus:** A provision of performance linked bonus can be made wherein an employee is able to relate his performance with the company profits and hence will work hard. This bonus should strictly be productivity based.

#### **Recreation facilities**

Recreational facilities help in keeping employees away from stress factors. Various recreational programs should be arranged. They may include taking employees to trips annually or bi-annually, celebrating anniversaries, sports activities, etc.

#### **Gifts at some occasions**

Giving out some gifts at the time of one or two festivals to the employees making them feel good and understand that the management is concerned about them.

#### **Creating a Motivating Environment**

Team leaders who create motivating environments are likely to keep their team members together for a longer period of time. Motivation does not necessarily have to come through fun events such as parties, celebrations, team outings etc. They can also come through serious events e.g. arranging a talk by the VP of Quality on career opportunities in the field of quality. Employees who look forward to these events and are likely to remain more engaged.

#### **Providing coaching**

Everyone wants to be successful in his or her current job. However, not everyone knows how. Therefore, one of the key responsibilities will be providing coaching that is intended to improve the performance of employees. Managers often tend to escape this role by just coaching their employees. However, coaching is followed by monitoring performance and providing feedback on the same.

#### **Delegation**

Many team leaders and managers feel that they are the only people who can do a particular task or job. Therefore, they do not delegate their jobs as much as they should. Delegation is a great way to develop competencies.

#### **Extra Responsibility**

Giving extra responsibility to employees is another way to get them engaged with the company. However, just giving the extra responsibility does not help. The manager must spend good time teaching the employees of how to manage responsibilities given to them so that they don't feel over burdened.

#### **Good physical workplace**

Make your workspace look attractive to you. Try new furniture, photos, posters, mirrors, flowers, rugs, artwork, crystals, etc.

#### **Conclusion**

Workplace environment plays a vital role in motivating employees to perform their assigned work. Since money is not a sufficient motivator in encouraging the workplace performance required in today's competitive business environment. Managers and supervisors will need to be comfortable with working with the workplace factors that influence employee motivation. Skills required include the ability to engage employees in mutual goal setting clarify role expectations and provide regular performance back. Time and energy will also

need to be given to providing relevant performance incentives, managing processes, providing adequate resources and workplace coaching.

Last but not least, to drive their organizations to peak performance managers and supervisors must put out front the human face of their organization. Paramount here is the human-to-human interaction through providing individualized support and encouragement to each and every employee. From this study it is known that manufacturing organizations are providing a good workplace environment to their employees, which does not affect more on their work performance. That's why manufacturing organizations attain their targeted output actually & gain profits.

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