

A Review paper on “Effect of work environment on the productivity and retention of employees”

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Abstract

The quantity and quality of an employee's output is influenced to a great extent by his/her's work environment- the work conditions,the ergonomics of your office,the lighting, co-workers, superiors, company practices etc. While work environment can improve productivity,poor environmental conditions can cause inefficient worker productivity and reduce their job satisfaction.Working environment plays an important role in employee retention. Thus, knowing how productivity and retention are affected by the work environment becomes very important from a management perspective. Once the effects are studied, work environments that are conducive to productivity can be designed.

Introduction

A widely accepted assumption is that better workplace environment produces better results and increased retention.

Brenner (2004) argued that work environment designed to suit employee's satisfaction and free flow of exchange of ideas is a better medium of motivating employees towards higher productivity. Work environment when appropriately designed, motivates employees toward higher productivity and stay long in organisation.

Longman dictionary of contemporary English (2003)defines work environment as “ all the situations, events, people etc that influence the way in which people live or work”,while “ work” is defined as “ a job you are paid to do or an activity that you do regularly to earn money”.

Accordingly, Kohun (1992) defines work environment as “an entity” which comprises the totality of forces, actions and other influential factors that are currently contending with the employee's activities and performance. Work environment is the sum of the inter relationships that exists between the employees, as well as those between the employees and the environment in which they work in.

Rolloos (1997) defined productivity “that which people can produce with the least effort”. Productivity is also defined by Sutermeister (1976) as, “output per employee hour, quality considered”.

Work Environment Model

Three theories have dominated office/work environment research thus far. They are:

The user preferences model (Vischer, 1985)-

“Do workers like or dislike features of their environment?” - This model considered the work environment at a basic level, and hence was able to come up with only obvious findings.

The motivational model (Frederick Herzberg (1966)-

“Adverse working conditions de-motivate workers”-Herzberg was concerned not only with the effects of environmental factors on behaviour, but he also elaborated on a range of influences on workers’ motivation. Among his categories of influence, the physical environment was identified as having a unidirectional effect on worker motivation; that is to say, when the physical setting was appropriate to the task, and problem-free, workers’ motivation was not affected. However, when the physical setting was adverse, and slowed down work, it had a ‘de-motivational’ influence on workers. Thus Herzberg concluded that it was important to maintain a comfortable, safe, supportive physical environment to help workers stay motivated, in other words, productive. Recent studies have looked at personality characteristics, employee morale and availability of choice (McCusker, 2002) in terms of changing workspace design, thus drawing on Herzberg’s original model incorporating the psychosocial aspects (which he calls motivation) into definitions and outcome measures of worker productivity

The adaptation model (Evans & Cohen, 1987)-

“Conditions can be considered adverse if they require excessive adaptation from occupants, thereby causing stress”-The theory that adverse environmental conditions cause stress at the point at which users are not able to adapt, or can only adapt with difficulty, has its origins in psychological studies of several decades ago. They provide an important formulation of the long-term relationship between people and their environment. In the context of worker productivity, environmental adaptation behaviour is a useful (positive) outcome measure, as is evidence of stress (negative) when adaptation behaviour fails. Thus the theory states that an effective and supportive environmental design does not mean users make no adaptation to the environment, but keeps the need for such behaviour within comfortable boundaries.

Literature Review

Significant research has been carried out with respect to the effect of the work environment on worker productivity and retention.

Brill et al. (1984) ranked factors, which affect productivity according to their importance. The factors are sequenced based on the significance: Furniture, Noise, Flexibility, Comfort, Communication, Lighting, Temperature and the Air Quality.

The American Society of Interior Designers (ASID, 1999) carried out an independent study and revealed that the physical workplace design is one of the top three factors, which affect performance and job satisfaction. The study results showed that 31 percent of people were

satisfied with their jobs, and they had pleasing workplace environments. 50 percent of people were seeking jobs, and said that they would prefer a job in a company where the physical environment is good.

Brenner (2004) in a workplace index survey conducted for steel case itemized what employees perceived to help their productivity in the work environment as better lighting, more elbow room, creative methods for assessing space, personalization, more impromptu meeting for work well done and involvement in the decision that impact their day to day lives at work.

Achoui and Mansour, 2007 The causes of turnover varies from external environmental factors such as economy, to the organizational variables such as type of industry, occupation, organization size, payment, supervisory level, location, selection process, work environment, benefits, promotions and growth

Hughes (2007) surveyed 2000 employees pertain to various organizations and industries in multiple levels. The reported results of this survey showed that nine out of ten believed that a workspace quality affects the attitude of employees and increase their productivity over the years; many organizations have been trying new designs and techniques to construct office buildings, which can increase productivity, and attract more employees. Many authors have noted that, 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).

Impact on management

It is the responsibility of the management to ensure that the work/office environment promotes worker productivity. Some of the factors that managers must keep in mind when analysing the work environment are:

Physical comfort:

While designing the work environment, workers' physical comfort must be assured. Any interruption or deficiency in basic building services, such as elevators, bathrooms, parking (if appropriate), and cleaning and maintenance, have a marked deleterious effect on worker behaviour. When workers identify a physical comfort problem, it tends to have a negative effect their judgment of all other workspace features.

Psychological Comfort:

A primary component of psychological comfort is sense of territory, both individual territory (office, workstation) and group territory (team workspace). Sense of privacy, sense of status and sense of control are fundamental components of territoriality, and that people define themselves and their work in part according to these criteria (Vischer et al, 2003). Thus many studies have found that people moving out of private enclosed offices into open workstations judge

their environment more negatively, citing lack of privacy, acoustic conditions, and confidentiality problems as reasons for their discomfort. Results indicate that workers at different levels have different perceptions of their territorial boundaries, with more senior workers having more physical boundary markers over a wider area than clerical workers. Moreover, measures of office personalization indicate that differences depend on people's longevity with the company and the type of work they do, rather than on any physical characteristic of the office or workstation.

Functional Comfort

Improved work environment will enhance employee productivity. For example, standard health facilities will protect the life of the workers. In case of any hazard on the job they have some assurance of some income. This assured income tends to minimize any inhibitory fears of the workers devoting themselves fully to their work.

Conducive work environment eradicates the problem of psychological pains of the workers, stress, ill health of workers etc. Factors in the internal work environment, particularly, the job related pressures also have their negative effect on labour productivity coupled with these are the human factors, namely, the worker's relationship with management and, or co-workers, the level of fringe benefits particularly the non cash benefits, as well as factors associated with the workers' safety and health.

Conclusion

An organization that wants to ensure employee productivity improvements will exploit the tools used for managing the work environment in employees work. Effective work environment management entails making the work environment attractive, creative, comfortable, satisfactory and motivating to employees so as to give them a sense of pride and purpose in what they do. Noise control, contaminants and hazard control, enhancing friendly and encouraging human environment, job fit, rewards, feedback, work environment modelling, creating qualitative work life concepts and favourable working conditions are some of the factors that can help improve productivity. If the employees are productive and they are happy with their job then they will be satisfied and stay long in their company.

If employees are working in a very good environment then it will add considerable positive impact on employee retention. So the research result reveals that the effect of work environment on employees is very much. It leads to feel employees happy and keep active to perform various job tasks. It is important to note that organizations exist in environments, in which they have been operated. Work environment influences especially when one considers employee retention. Good environment has a positive significant impact on Employee Retention.

No individual can work alone. The working of an organisation depends on the working of its employees "together". But it is a known fact that all employees in an organisation are not friends. But they are definitely expected to maintain a friendly behaviour amongst each other. If this peace and harmony is not maintained, it becomes difficult for people to sustain in the workplace.

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