

*Full Length Research Paper*

## **A study of work environment and employees' performance in Pakistan**

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**This study investigates the work environment and employee performance in Pakistan. It aims to test a model based on five dimensions of work environment and their effect on the performance of employees. The data were collected from 115 employees of Pakistan Telecommunication Company Limited (PTCL) and processed through Statistical Package for Social Science (SPSS) to apply statistical tests, that is, descriptive statistics, Pearson's correlation and regression analysis, to investigate the relationship of the selected variables. The results of the study reveal that most of the employees are males working at the supervisory level. The Pearson's correlation results show that all the independent variables have strong and significant relationship with employee performance, especially physical working conditions which reflect the strongest positive and significant relationship. Whereas the results of regression analysis reveal that performance of employees mostly depends on physical working conditions, training and development and communication practices. It was concluded that the entire hypotheses were upheld. The work environment has an impact on an individual's ability to work safely, competently and in compliance with operational performance targets. It is necessary to train the employees to efficiently and effectively handle the work overload. The current study suggests that improvement in the working conditions leads to better employees' performance. It could result into improved performance of the organization due to retention of employees and the retained employees try their best to perform well at their work places.**

**Key words:** Work environment, employee performance, Pakistan.

### **INTRODUCTION**

Every organization is required to monitor its internal and external environment for the attainment of specific goals. Organization is the structured entity established to attain specific objectives by blending of different types of resources (Ahmad, 2010). Internal environment of the corporate entities is important for the successful survival. The economic conditions and competitive environment have compelled organizations to concentrate on improving employee performance. Work environment is the combination of factors (social support, physical working conditions, job characteristics, training and

development and communication process) that influence work. The social support means the help that an individual receives from his/her co-workers, supervisor and colleagues to perform his/her work effectively. It reveals the structure of relationships (Greenhaus and Parasuraman, 1994). It can be divided into two categories such as the work related social support and the personal social support.

Giga and Hoel (2003) believe that the mergers and acquisitions lead to economic inter-dependence due to technological changes, globalization and organizational work environment. Employee performance is multidimensional and essential for organizational success (Campbell, 1990; Dyne et al., 2002). Job performance is the result of three factors: skill, effort and the nature of

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work conditions. The skills include knowledge, abilities and competencies the employee brings to the job; effort is the degree of motivation the employee puts forth toward getting the job done and the nature of work conditions is the degree of accommodation of these conditions in facilitating the employee's productivity (Kazmi et al., 2008). The current study contributes to the existing body of knowledge by exploring employees' performance in different cultural setting. It aims to investigate the effect of work environment on performance of employees working in the telecommunication sector of Pakistan.

In another study, the results indicate that competitiveness, self-efficacy and effort are significant predictors of frontline employee performance. However, the direct effect of competitiveness on performance has been found stronger than that of effort (Karatepe et al., 2005). It is reported that organizational commitment mediates the relationship between age and work performance (Iun and Huang, 2007). The organizational performance could be the outcome of employees' positive behavioral change that may be linked with incentive programs (Feldman and Landsman, 2007). It may create greater feelings of belongingness, esteem, satisfaction and commitment (Green and Heywood, 2007). Conducive work environment including friendly human resource policies may enhance employee productivity, organizational commitment and overall performance (Chiang and Birtch 2010).

## LITERATURE REVIEW

The employee performance depends upon the different factors contributing to the work environment. The organization is the combination of employees, policies and procedures. It could be managed effectively with the help of environment friendly policies and positively motivated employees. The relationship of each dimension of the variable affecting employee performance is discussed in the light of literature.

### Social support

The social support means the help that an individual receives from his/her co-workers, supervisor and colleagues to perform his/her work effectively. The literature reveals social support as the structure of relationships (Greenhaus and Parasuraman, 1994). It can be divided into two categories such as the work related social support and the personal social support. The current study deals with work related social support that may come from the work place within organizations including the supervisor and the co-workers. Employee performance is multidimensional and essential for organizational success (Campbell, 1990; Dyne et al., 2002).

Abualrub (2004) found that, perceived social support

from co-workers enhance job performance and decrease job stress. Similarly, it is suggested that supportive management practices are crucial to achieve high performance (Drach-Zahavy, 2004). It is documented that people having social support at work are more productive than people who do not have social support at work (Castilla, 2005). The co-workers provide a sense of identity, support and friendship to other individuals (Bowler and Brass, 2006). In addition, it is found that co-worker trust is related to individual willingness to share resources with other co-worker (Dirks and Skarlicki, 2009). While the trust level among employees in an organization has a significant effect on the work behaviors of employees (Dar, 2010).

### Physical working conditions

The quality of work depends upon safe and healthy working conditions in determining employee's job behavior. The organizational climate is an important indicator of employee behavior as a combination of social and psychological factors. It is found that working conditions are attached with employees' job involvement and job satisfaction that ultimately leads to better performance of the employees (Scott et al., 2000). It is reported that there is a positive correlation between perceived supervisor support and nurse occupation-related outcomes (Hall, 2007).

Kazmi et al. (2008) examines the effects of stressful work environment on the performance of medical house officers. The results reveal an inverse relationship between job stress and job performance. High job stress in the house of officers results in low job performance. Similarly, it is reported that perceived adequacy or inadequacy of work environment, both physical and psycho-social, extends noticeable effect on employees' job satisfaction, performance and perception of effectiveness of an organization (Srivastava, 2008).

### Job characteristics

Brown et al. (2003) reported that a positive relationship between employees' perception of performance-related pay plans and management-employee relations. The performance of public sector employees is affected by compensation practices and promotion practices whereas performance evaluation practices have insignificant impact on perceived employee performance (Bashir and Khattak 2008). It is inferred that, when employees perceive high pay for performance, they tend to exhibit positive work attitudes. In addition, it is reported that reward practices could be linked to one's pay increase to one's performance. It can be used to direct, sustain and motivate desirable behaviors, such as knowledge sharing, creativity, quality and customer satisfaction (Chiang and Birtch 2010).

## Training and development

Training and development activities are designed for the employees and organizational development to cope with the challenges of the recent age. It aims to increase and refine the knowledge and skills of employees for better performance. Training has direct relationship with the employees' performance. The training focuses on formal and systematic modification of behavior through learning which occurs as result of education, instruction, development and planned experience (Armstrong, 2000). Training has acquired a strategic value for the organizations (Boudreau et al., 2001) and service quality depends on employee customer care effectiveness (Tsaur and Lin, 2004). So organizations must reduce the gap between desired and actual performance (Sahinidis and Bouris, 2008).

Tzeng (2004) suggested that education and training are essential for improving performance. Organizations make heavy investment to upgrade employee skills in order to attain job performance, job satisfaction and job involvement. These skills can be improved by providing necessary technical/non-technical training and coaching (Abbas and Yaqoob, 2009). Similarly, it is reported that cognitive-behavioral training has a positive effect on employee well-being, job satisfaction and productivity (Proudfoot et al., 2009).

## Communication practices

Communication is the transmission of meaning from one person to another or many people, verbally or non-verbally. The simple and easy ways of getting and sharing information that helps the employees to get through difficult situations easily to perform job. Communication from one person to another is commonly depicted as a simple triangle consisting of the context; the sender, the message and the receiver (Barrett, 2006).

Chen et al. (2006) found that there are positive relationships between organization communication, organizational commitment and job performance. Effective interpersonal communication skills are essential for social interaction, building and maintenance of relationships. Poor communication skills can cause irrevocable damage to relationships; affecting productivity, satisfaction, performance, morale, trust, respect, self confidence and even physical health (Matin et al., 2010). The researchers proposed a local model of work environment and employee performance in the light of existing literature to investigate the relationship among selected variables. The conceptual model is presented in Figure 1.

On the basis of existing literature, this study investigates the work environment and employee performance to test the following hypotheses:

H<sub>1</sub>: Social support has a positive effect on the performance of employees

H<sub>2</sub>: Physical working conditions have a positive effect on the performance of employees

H<sub>3</sub>: Job characteristics have a positive effect on the performance of employees

H<sub>4</sub>: Training and development have a positive effect on the performance of employees

H<sub>5</sub>: Communication practices have a positive effect on the performance of employees

## METHODOLOGY

This study investigates the influence of work environment (social support, physical working conditions, job characteristics, training and development and communication practices) and employee performance. The data was collected from the employees of PTCL by simple random sampling technique. It took two months to finalize the data collection and processing. The data was processed through SPSS to apply statistical tests, that is, descriptive statistics, Pearson's correlation and regression analysis to investigate the relationship of the selected variables. The 250 questionnaires were distributed among employees working in PTCL, out of which 115 complete responses were received.

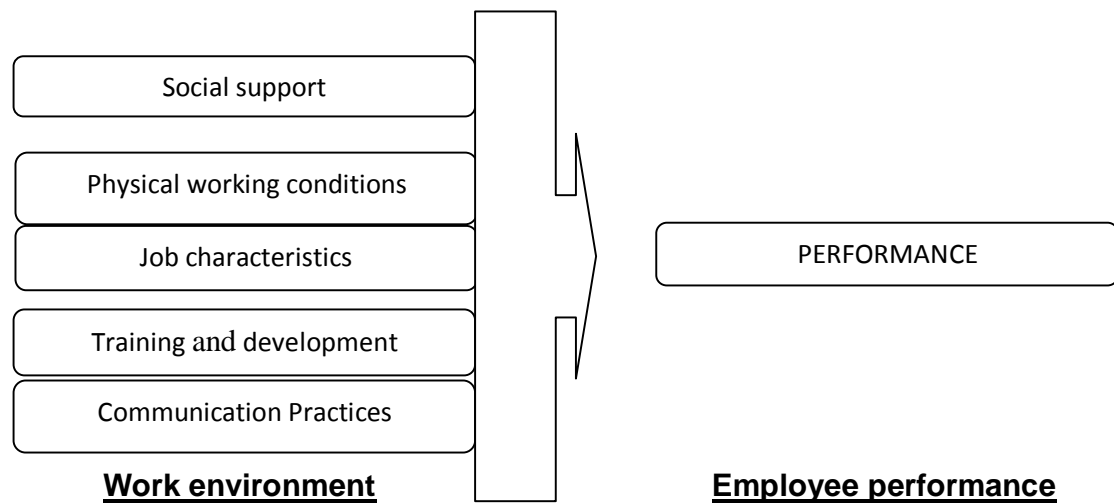
The response rate of survey is 46.0%. Data was collected by structured questionnaire in English through personal contact approach by using a modified version of research instruments. The instrument of social support was adopted from Caplan et al. (1980). The items were assessed on a five point Likert scale ranging from 1 to 5 (1=strongly disagree to 5=strongly agree). The Cronbach alpha coefficient reveals  $\alpha=0.78$  for this construct, indicating high reliability. Employees' perceptions of physical working conditions were recorded by Mohapatra and Srivastava (2003). It assessed the various aspect of physical work environment on five point Likert scale ranged from 1=strongly disagree to 5=strongly agree to inquire the working conditions. The alpha coefficient is  $\alpha=0.87$ , indicating high reliability. Similarly, job characteristics were documented by a modified version of Weiss et al. (1967). Items are rated along a five point Likert scale ranging from 1=strongly disagree to 5=strongly agree and produced alpha coefficient  $\alpha=0.93$ , reflects good reliability.

The training and development of the employees was assessed by a local version of Chiang et al. (2005). Items are rated on a five point Likert scale ranging from 1=strongly disagree to 5=strongly agree. The coefficient of alpha is  $\alpha=0.78$ , depicts good reliability. Similarly, communication practices were documented by Penley and Hawkins (1985). Items are rated along a five point Likert scale ranging from 1=strongly disagree to 5=strongly. Finally, the employees' performance was measured by a modified version of Babin and Boles (1998).

Items were rated on a five point Likert scale ranging from 1=strongly disagree to 5=strongly and the alpha coefficient  $\alpha=0.89$  indicates the reasonable reliability.

## RESULTS AND DISCUSSION

This study investigates the effect of work environment on performance of the employees. The data was collected and processed through SPSS to apply statistical tests, that is, descriptive statistics, Pearson's correlation and regression analysis to investigate the relationship of the selected variables. Demographic profile indicates that majority of respondents age is between 26 to 35 years. 76% of the respondents are male while 24% represents the female segment. Employees were classified on the



**Figure 1.** Conceptual framework of the proposed model.

**Table 1.** Summary of Pearson's correlation between selected variables.

Variable	Pearson correlation	Sig. (2-tailed)
Social Support and Employee Performance	0.860**	0.000
Work Environment and Employee Performance	0.908**	0.000
Job Characteristics and Employee Performance	0.871**	0.000
Training and Development and Employee Performance	0.848**	0.000
Communication Process and Employee Performance	0.889**	0.000

\*\*Significant at 0.01 level (2-tailed).

basis of the designation and reveals that 40% of the total respondents consist of supervisors, 35% managers and rest of the lot that is 25% represents the senior management and directors. Similarly, 36% employees were working in services department, 24% in finance department, 31% represents human resource (HR) department, and only 9% employees were working in marketing and other departments. The relationship among selected variables is examined by Pearson's correlation, presented in Table 1.

Table 1 reflects the results of Pearson's correlation for the selected variables. It shows that all the independent variables such as social support, physical working conditions, job characteristics, training and development and communication practices have a strong and significant relationship with employee performance. The magnitude of influence of selected variables was examined by multiple regression analysis that is presented in Table 2.

Table 2 reflects the regression coefficients for the selected variables. The results of multiple regression analysis confirmed the relationship between the dependent variable (employee performance) and the independent variables (social support, physical working conditions, job characteristics, training and development

and communication practices). The results show that social support ( $\beta=0.317$ ) has non-significant positive impact on employee performance, physical working conditions ( $\beta=0.454$ ) reveals the strong positive and significant effect on the employee performance. Similarly, job characteristics ( $\beta=0.293$ ) has weak non-significant positive influence on the employee performance, training and development ( $\beta=0.611$ ) reflects the strong positive and significant impact on performance. Finally, communication practices ( $\beta=0.590$ ) indicates the strong positive and significant relationship with employee performance. The results supported the hypothesis as it is evident that there is positive relationship between the selected variables.

Table 2 indicates that  $R^2$  is 0.869 and F-statistic is 144.440. It confirms the fitness of the model. The  $R^2$  shows that independent variables such as social support, physical working conditions, job characteristics, training and development and communication practices account for 86.9% variation in the dependent variable that is performance of employees. The findings reveal that all the hypotheses are upheld. First hypothesis is accepted although results reflect weak positive influence of social support on employee performance. Second hypothesis is confirmed due to strong impact of physical working

**Table 2.** Summary of the work environment and employee performance-regression model (coefficients, standard error in parenthesis, t-values in brackets and p-values in italics).

Constant	SS	WE	JC	TD	CP	R2	F- statistic
24.225	0.317	0.454	0.293	0.611	0.590	0.869	144.440
(0.339)	(0.326)	(0.423)	(0.145)	(0.191)	(0.123)		
[0.405]	[3.937]	[4.874]	[3.692]	[3.211]	[4.226]		
0.000	0.123	0.000	0.493	0.000	0.003		0.000

Dependent variable: EP, Employee performance. Independent variables: SS, Social support; WE, work environment; JC, job characteristics; TD, training and development; CP, communication practices.

conditions on employee performance. The results also uphold the third hypothesis as positive effect of job characteristics on employee performance. Similarly, the fourth hypothesis proves true in the existence of positive relationship between training and development and performance of employees. Lastly, the results also reveal a positive relationship between communication practices and performance of employees.

It is concluded that performance of employees mostly depends upon work environment (physical working conditions, training and development and communication practices). The results of the study support the findings of the earlier researches that employee performance is affected by the factors such as social support (Abualrub, 2004; Castilla, 2005; Dirks and Skarlicki, 2009), physical working conditions (Hall, 2007; Srivastava, 2008; Kazmi et al., 2008), job characteristics (Brown and Sessions, 2003; Bashir and Khattak, 2008; Chiang and Birtch, 2010), training and development (Armstrong, 2000; Tsaur and Lin, 2004; Abbas and Yaqoob, 2009) and communication practices (Chen et al., 2006; Matin et al., 2010).

## SUMMARY AND CONCLUDING REMARKS

Work environment is an important element in the organizational studies. This study investigates the work environment and employee performance in Pakistan. The study aims to test a model based on five dimensions of work environment and their effect on the performance of employees. The data was collected from 115 employees of PTCL and processed through SPSS to apply statistical tests that is, descriptive statistics, Pearson's correlation and regression analysis to investigate the relationship of the selected variables. The results reveal that most of the employees are male and working at the supervisory level. The Pearson's correlation results show positive relationship between dimensions of work environment and employee performance especially physical working conditions reflect the strongest positive and significant relationship. Whereas, the results of multiple regression analysis reveal that employee performance mostly depends upon physical working conditions, training and development and communication practices. It is concluded that the entire hypotheses are upheld.

The work environment has an impact on individual's ability to work safely, competently and in compliance with operational performance targets. It is necessary to train the employees to efficiently and effectively handle the work overload. The aim behind training of employees is "achieving cost effective high performance" that leads to quality assurance. Effective communication practices have a positive effect on employee performance. The finding suggests that companies should strengthen their communication channels and processes in order to enhance the employee's job performance. The current study suggests that improvement in the working conditions leads to better employees' performance. It could result into improved performance of the organization due to retention of employees and the retained employees try their best to perform well at their work places.

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