

A study on the impact of work environment factors on company image

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Abstract

The basic purpose of HRM is to create an environment for the employee to ensure that they wear the company name with proud. In this study the researchers have studied the factors related to the work environment that impacts the company image in employee's perception. The researchers have used regression to understand the impact of various factors and contribution of the same with the image. The study has been conducted in Panchkula that is an urban area. The stores chosen for the study were all from the organized retail and the sample size of the study has been 165. The study proved that the scale used has been reliable and the impact of various factors had been found to be significant. The company image is impacted by various factors of the work environment.

Keywords: Organized retail, stereotype, ambience.

Introduction

The Retail industry is truly a service industry. The organized retailing world is providing the service of retailing and sales and acting as an intermediary in between company and consumer. Researchers are recognizing the importance of the industry and are focusing on researching it from various aspects in order to improve the service quality.

Among the various aspects the important aspect in order to advance the level of industry is to understand the behavioral outcome of the employees. The employees in the industry that provides the frontline services to the consumers are the service provider's face. A significant body of literature has been identified that addresses the behavioral outcome of the employees in various industries (Aiken, Clarke and Sloane, 2002). The store environment and work related factors play a significant role in designing the behavioral outcome. It has been duly noted by the managers that the even the physical design and the décor. The managers of today's era continually keeps on changing the décor at times to keep it fresh so that the work environment doesn't become monotonous (Kinzl et al. 2005).

The store environment has the ability to build an image and influence the behavior of an employee. The productivity of service has shown evident results on the same. There are other moderating factors which are over-looked at times such as gender (Clark, 1997). Many researchers have proven that females have reacted differently to workplace environment and events. The reflection of gender factor on many issues has been observed by the researchers and mostly it has been because the job role is not capable of over-riding the gender role (Schroffel, 1999). The work stress reaction and reaction to policies made by the management has impacted the two genders separately in most cases. In an Indian society the role of both the genders has been significantly different (Castillo and Cano 2004). The gen Y segment is witnessing diminish of the gap, yet the significant variance still exist. Till the time the role of both the gender will not be on the similar platform the factor will continue to dominate the varied impact on many levels.

The researcher has primarily focused on the factor that how the non-managerial frontline service providers are impacted by the store environment. The various factors of store environment such as work ambience, fellow employees, store management, Job Security and recognition, customers and company image (Clark, 1997). The mentioned constructs comprise of numerous variables that forms the complete store environment for the non-managerial employee.

Work ambience and work performance

Employee performance on the job is completely relying on the ambience in which the staff is working. The non-managerial staff has work which is physical as well as mental in nature (Aiken, Clarke and Sloane, 2002). The entire the staff has to be on their feet to serve to the customer. The ambience is directly impacting the customer reaction towards the brand and to which the representative face for the consumer is the frontline executives that are dealing with the customers.

The retailing industry is one of the most competitive industries in the country today. The brick and mortar stores are facing competition from other similar and non similar formats as well as

the online retailing channels which are very difficult to compete with. The industry is highly price sensitive and the consumer base is shifting to the online platform due to the same reason of lower pricing. The industry is working on a slick margin that is becoming slicker day by day (Lee and Brand, 2005). In order for the company to survive the only way is cost cutting and that is putting pressure on employees. This has altered the ambience and the rising expectation of the consumer isn't accepting it properly.

Fellow Employees

The fellow employees in the organisation make the ambience tolerable or intolerable for the employee. The work ambience is majorly constituted by the fellow employees as most time spent by an executive is with the similar rank employees. Social cognition researches conducted in the past has suggested that the role of a female in a work environment has been stereotyped. They have been thought to be Unconfident, emotional, possessive, weak, incompetent and dependent (Castillo and Cano, 2004). Co-workers have expectations from other that puts the factor about the female employees in to significant consideration. The misconception that has been served by the stereotype has been a prescriptive device that serves and designs the behavioral outcome of the other employees towards the female employees (Skalli et al. 2008).

Despite the advancement and progress, the discrepancies can still be witnessed. The number of women in a managerial position in this industry are still less. Women are still considered to be incompetent for handling a higher managerial position. The negative evaluation happens easily for women if they are not behaving as expected from a fair gender employee (Lane et al. 2009). The stereotype also hinders the promotions as they are thought to be less comfortable with pressure and traveling for the job. It is the misconception that women can't handle a big team and can have the leader image big enough for employee to follow (Buglear, 2005).

Store Management

The management attitude has been changing towards the female employee. In the past the stereotype was much more effective and the management was unable to consider the female employee for a much responsible role. Now a days the equity of gender has been increasing in the work place and there are many retail marts where it can be seen that the females are higher in number than the males (Rafiq et al. 2011). Yet in spite of the fact the married women still in an ambiguous role as their career choice or decisions are considered less important than the decisions of the husband.

The female employee's commitment to an organisation largely rest on the shoulders of the husband. Therefore it is not considered wise to be dependent on the female even if she is performing well and is showing signs of high satisfaction with her job (Lee and Brand, 2005). She will switch the organisation as soon as her family or husbands needs her to do it. The priority is family over job. This thing shows that male employees exhibit stronger relationship of job satisfaction to quitting intention. The management therefore is changing the attitude towards the female employees but not at the pace required as the trend has shown significant results otherwise.

Job Security and Recognition

Women in comparison to men according to many studies in the past have shown less self-gratification in their job life. The relationship between job satisfaction and life satisfaction has been weak in the female employees. The work-life balance on the males become comparatively easy as the male tends to show less concern towards the domestic life than females. The female role has been designed in the country in such a manner that they show higher concern for the domestic than the work life. So the job security and job recognition factors act as less of a motivator for the women in comparison to men (Spector, 1997). The factors although have still shown significant contributive results. Recognition is booster towards performance and the security is the factor that helps female to stay for longer in an organisation (Sousa-Poza and Sousa-Poza, 2000).

Customer and Company image

Not just the fellow workers but also the customer expectation is affected by the stereotyped. The behavioral outcome and expectation is designed by the stereotype and it varies correspondingly. The customer is also impacted by various other factors than the stereotyping. The physical environment set up by the company for the consumers is mostly driven by the factor of cost these days. The industry of retail is trying to be cost effective in order to survive. The stores like Easyday and Vishal Megamart are a part of business district that is high on rent and the cost of running the business is already too high. In order to make the venture profitable with such low margins that these ventures are offering, the company does alter the environment by a cost driven mindset (Chandrasekar, 2011). The company tries to offer a lot of product in a small setup that at times also confuses the customer. The frontline non-managerial executives responsible for the sales and customer handling are the ones that have to face the wrath (Bakotic and Babic, 2013). The poor decision making of the shortcomings of the environment provided to the consumer for their shopping experience is covered and beard by the employees of the company.

The negative encounters are countered by company only and after the quantity of it rises by making it the fault of the employee at times and not of the environment. There is positive relation between employee performance and customer-employee relationship that is completely based on the encounter and the store environmental setup. The stress created by the job results in many detrimental effects. It can be considered as one of the biggest reason why the female employee turnover rate is high in comparison to the male turnover. Stress produces role ambiguity and this affects both performance and satisfaction to the job (Babin and Boles, 1996).

Research methodology

Research Problem

The research is conducted as the problem that was found in the literature studies was that none of the paper had a focus on female employees in the retail sector. It was found that one of the most emerging sectors in the country has been ignored. The other reason was that there are many factors due to which the impact of the work environment and policies in the industry impacts a female employee differently. There have been many studies that have focused on the factor of gender difference in the reaction towards various factors of work environment. In this study the focus is on the niche segment in a particular industry (Tariq, Ramzan, and Riaz, 2013). The other reason was the aim to find out the impact of the same on the impact of the work environment on the perception toward company.

Population and sample size

This study has been conducted with the purpose to find out the impact of work on environment on job performance and whether various demographics matter to the perception towards environment. The data has been gathered randomly by female employees working in the retail sector. There were 11 store visits in the area of Panchkula, which were randomly selected. The target was to collect 15 female employee data from each unit and the targeted sample collection was 165. The self administered questionnaire which was predesigned for the purpose was distributed to the targeted sample size. Since the group is female employee that too from only one sector of, the diversity is less and the focus is higher.

Data Instrument and Analysis Technique

There are 27 items in the questionnaire that has been categorized under 6 major factors. The items in the questionnaire are recording the perception of the customers on a 5 pointer Likert scale ranging from 'Strongly Disagree to Strongly Agree'. Believe of many research scholar is that the best way to analyse the data of any kind is to analyse it through the statistical package. There for most of the analysis is done by the help of SPSS (Statistical Package for Social Science).

Factor analysis is performed as the data is size is more than 5 times of the number of variables studies. The hypothesis of the study was to know that the work environment factors impacts the perception of job performance regression analysis is the suitable method for testing such hypothesis.

Data Interpretation and Result

There are various factors that contribute to the perception of the employees about the work environment. To study the data further it is of utmost importance to understand the [profile of the respondents. Various demographic that comprises the profile are given in table 1. The table is showing that the majority of the respondent class belonged to a young age group which is unmarried and the education of the most of non managerial staff is below graduation.

	Frequency	Percentage
Age		
21 – 30	93	57.4
31 – 40	48	29.6
Above 40	21	13
Residential		
Rural	88	54.3
Urban	0	0
Semi Urban	74	45.7
Marital Status		
Married	77	47.5
Unmarried	85	52.5
Education		

Metric	42	26
+2	88	54.3
Graduation	24	14.8
Post Graduation and above	8	4.9

The Cronbach’s alpha of the factors has been statement has been shown in the Table 2. This is the significance of reliability of data. The alpha values have been calculated factor wise. These factors were pre defined and the collected data as discussed above was recorded on the instrument by predefining the factors in categories. There are 6 different factors that is comprising the work environment. The data has revealed that the weakest alpha value is for the factor of job security and recognition. In this case what can be understood is that the variables in studied under this construct can be more or can be asked in a better manner than the way these have been asked. The other interpretation of data can be that to the respondent class the factor secure job and recognition in the company has a varied opinion.

Factor	Frequency	Cronbach’s Alpha
Work Ambience	5	.756
Fellow Employees	4	.810
Store Management	4	.781
Job security and recognition	4	.693
Customers	3	.821
Company Image	4	.854

The perception of the employees has been studied first with the help of Exploratory Factor Analysis (EFA) for the purpose of knowing the importance of factors in contributing to the perception of female employees. The factor analysis has been studied on the basis of principal component matrix which has been studied on Varimax rotation and the size has been sorted and suppressed to 0.5. The values under which will not be displayed. Out of the 27 statements 3 statements were found weak in contributing towards the matrix and those have been eliminated. The data is clearly indicating the fact that the work ambience is one of the highest contributing factors. Here Herzberg’s Hygiene theory can be quoted. The factor that is contributing the

maximum is the proper work ambience and that is a non-motivational factor as this is required. Yet it is still contributing the highest contributing factor (Buhai, Cottini and Nielseny, 2008).

The contribution according to the data of the employees is 25% which means that the phenomena of ambience matters big time for the employees. This is followed by store management that is again contributing a huge 15% to the explanation. The store management and policy factor is the one that helps in explaining the policies and financial motive of the employees. The financial incentive is a huge contributor to the motivation of female employees.

	1	2	3	4	5	6
Pleasant music	.786					
Correctly lit	.774					
Easy to move	.759					
Attractive display	.653					
Easy accessibility	.563					
Work salary ratio		.731				
Salary on time		.706				
Guidance and support		.657				
Career Growth		.587				
Safe and secure			.744			
Work credit			.693			
Rewarded and Honored			.606			
Asset to organisation			.503			
Friendly Staff				.767		
Helpful Staff				.663		
Knowledgeable Staff				.606		
Helps in work completion				.597		
Good feedback by customer					.674	
Friendly customer					.652	

Educated & civilized customer					.604	
Like wearing Co. logo						.689
Feel good about working for this company						.623
Co. TV ad is good						.569
Company has good technology						.559

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

Total Variance Explained

Component	Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
	6.545	25.728	25.728
	4.241	15.965	41.693
	2.790	10.158	51.851
	1.677	7.709	59.560
	1.396	5.586	65.146
	1.183	4.733	69.879

Extraction Method: Principal Component Analysis

The other objective was to achieve the correlation and the impact between the working environment and the perception of the employees about the company. The correlation analysis was conducted to determine the relationship between the working environment (Work Ambience, Fellow Employees, Store management, Job Security and Recognition and customers) and company image. The analysis revealed that the work ambience has the top Job Security and

Recognition with company Image. The value of $r = .396$ and the p value is less than 0.05. This is followed by store management and work ambience that has shown significant relationship. The values of r has been .295 and .270 with P values below .05 respectively.

Correlation Matrix for Work Environment Factors and Company Image

Correlation	Work Ambience	Fellow Employees	Store Management	Job security and recognition	Customers	Company Image
Work Ambience	1.000					
Fellow Employees	.283*	1.000				
Store Management	.268*	.253	1.000			
Job security and recognition	.241*	.106	.165*	1.000		
Customers	.135	.057	.114	.175	1.000	
Company Image	.170*	.184	.295*	.396*	.234	1.000

P < 0.05*

The regression analysis has been conducted to check the impact of various factors of working environment which are Work Ambience, Fellow Employees, Store management, Job Security and Recognition and customers on company image. The values revealed that the most important factors that establish the company image in the eyes of an employee or the respondents in the research are work ambience and Job Security and Recognition.

Variable	Coefficient	Standard Error	Standard Beta
Intercept	.875*	.041	—
Job Security and Recognition	.210*	.084	.201
Work Ambience	.190*	.035	.174
Store Management	.105*	.051	.098
Fellow Employees	.087	.041	.074
Customers	.021	.024	.011

Note: R2 =17.2; F= 13.42 P < 0.05*

Conclusion

Working environment has high positive impact on company image. The organizations should start to realize that the importance of working environment can have direct impact on the company productivity. In an industry like retail sales and service staff is the thing that is separating the organized retail chain from the unorganized ones. The quality of the service goes down this leaves an impact on the productivity and the overall value of the company. Factors like work ambience that comprises of the infrastructure of the store is even impactful on consumers (Hair et al., 2010). During the research limitations were faced, like the availability of time for conducting the research for obtaining the required amount of data. But time was one of the limitations, which has restricted the researchers for adding more information about the importance of this topic. Other limitation was the access to data which was to be collected from many retail stores. The information gathered was difficult to acquire since the employees were female and some organizations were hesitant to share their true opinions.

Such a working environment where the employees are considered important and are taken care of by recognition reward and help when required leaves a positive impact on their motivation. They should be given flexible working hours and an understandable adjustment possibility among themselves (Tokuda et al. 2009). Moreover the management should consider them as a part of decision making process and include their suggestions for the decision making and ensures the recognition to boost their morale and image of the company in their eyes.

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