Does Work Environment Matter for Employee Productivity?
(An Evidence from Public Sector in Sri Lanka)

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Abstract: This study is mainly intended to investigate the impact of work environment on productivity of Management Assistant employees of Divisional Secretariats in Anuradhapura District. As a quantitative study complemented by explanatory research design the study collected data from 80 Management Assistant employees in Divisional secretariat Offices in Anuradhapura district by using Stratified Sampling method employing a self-completion questionnaire. The questionnaire consisted with two parts and first part was devoted to collect the demographic information of respondents as age, gender, education and experience while the second part was devoted to assess the work environment and the productivity. Work environment and productivity measured by employing five point Likert scale and data analysis was performed by using Descriptive statistics, ANOVA, correlation and regression analysis by using Statistical Package for Social Sciences (SPSS) 21.0 version. As per the findings all the predictors of the model (Physical Environment, Psychological Environment, and Social Environment) explained 20.7 % variation of employee productivity where Psychological work environment and Social work environment show significant impact on employee productivity. Thus, it is recommended that employees’ productivity can be increased by asserting high consideration on both Psychological work environment variables as salary, health and safety, job security and social work environment as communication, performance feedback, supervisory support, decision making, workplace culture and co-workers in the Divisional Secretariat Offices in Sri Lanka.

Keywords: Productivity, Work environment, Public sector employees & Srilanka.
1. Introduction

In the current context working environment impacts immensely on employees’ productivity which grant more effective benefits over the competitors (Sehgal, 2012; Oswald, 2012; Leblebici, 2012). It also impacts employee morale and engagement both positive and negatively (Chandrasekar, 2011; Boles et al. 2004; Noble, 2009) as most of the problems faced by employees are related to working environment. Thus, the level of productivity can be increased through developing an effective working environment in the organization.

When concentrating on public sector productivity three main reasons are highlighting the productivity is important as public sector is the major employer, the major provider of services and the consumer of tax resources (Linna et al, 2014). As the public sector is providing various government services as a main service provider of a country, it is very important to measure productivity in the public sector. In the Sri Lankan context, it is evident that productivity in the government sector has been low and the low productivity erodes Sri Lanka’s competitiveness in international markets.

There are limited number of literature is available to address the issue of poor productivity even though the poor productivity of the workforce creates a greater impact on organizational performance in the Public sector. Moreover, there are limited number of studies pertain to identify the relationship between work environment and the employees’ productivity in the public sector.

As a result of that the study was intended to accomplish following objectives,

- To identify the relationship between work environment and employees’ productivity in Divisional Secretariats in Anuradhapura District.
- To identify the impact of work environment and employees’ productivity in Divisional Secretariats in Anuradhapura District.
- To provide necessary recommendations to improve employees’ productivity in Divisional Secretariats in Anuradhapura District.

In order to accomplish these objectives the study intended to answer following research questions.

- What is the relationship between work environment and employees’ productivity in Divisional Secretariats in Anuradhapura District?
- To identify the impact of work environment and employees’ productivity in Divisional Secretariats in Anuradhapura District.
- To provide necessary recommendations to improve employees’ productivity in Divisional Secretariats in Anuradhapura District.
2. Conceptual Framework

The study employed following conceptual model to test the hypothesis.

![Conceptual Framework]

H1: There is significant relationship between Physical work environment and employee productivity.
H2: There is significant relationship between Psychological work environment and employee productivity.
H3: There is significant relationship between Social work environment and employee productivity.

3. Methodology

As a quantitative study complemented by explanatory research design the study collected data from 80 Management Assistant employees in Divisional secretariats in Anuradhapura district by using simple random method employing a self-completion questionnaire. The questionnaire consisted with two parts and first part was devoted to collect the demographic information of respondents as age, gender, education and experience while the second part was devoted to assess the work environment and productivity. Work environment and productivity measured by employing five point Likert scale (5 = strongly disagree, 1 = strongly agree). Data analysis was performed by using Descriptive statistics, ANOVA, correlation and regression analysis by using Statistical Package for Social Sciences (SPSS) 21.0 version.

4. Results and Discussion

Table 1 shows the results of correlation analysis. The result indicates that psychological environment ($r = 0.334$, $p<.01$) and social environment ($r= 0.394$, $p<.01$) show significant positive correlation with employee productivity while physical work environment does not indicate any significant relationship with employee productivity.
According to the multiple regression result presented by Table 2, all the predictors of the model (Physical Environment, Psychological Environment, and Social Environment) explained 20.7% variation of employee productivity. Moreover, the analysis reveals that both psychological work environment and social work environment have a positive and significant effect on employee productivity.

Table 1: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Physical Environment</th>
<th>Psychological Environment</th>
<th>Social Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Environment</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological Environment</td>
<td>.379**</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Social Environment</td>
<td>.038</td>
<td>.173</td>
<td>-</td>
</tr>
<tr>
<td>Productivity</td>
<td>.031</td>
<td>.334**</td>
<td>.394**</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)

5. Conclusion and Recommendations

This study aimed to investigate the impact of work environment on employee productivity in Divisional Secretariat offices in Anuradhapura district. Researcher analysed three dimensions as Physical work environment, Psychological work environment and Social work environment to identify the effect on work environment on employee productivity. As the results indicate both Psychological work environment and Social work environment show significant impact on employee productivity the researcher recommended that public sector productivity can be increased by asserting high consideration on both Psychological work environment variables (salary, health and safety, job security) and social work environment (communication, performance feed-back, supervisory support, decision making, workplace culture and co-workers) in the divisional secretariat offices in Anuradhapura district.

6. References


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