

# **THE IMPACT OF WORKING ENVIRONMENT TOWARDS EMPLOYEE JOB SATISFACTION: A CASE STUDY IN PT. X**

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## **ABSTRACT**

Employee job satisfaction is a parameter that measures the depth of Employee affectionate or positive experience derived from the work. Researchers have mentioned that employees with higher satisfaction tend to be more loyal and productive, yet there are no exact formula on maximizing employee job satisfaction, let alone a research to serve as an exact parameter of the factors influencing the job satisfaction. The writer's purpose in this study is to examine and analyze the influence of the working environment condition towards employee job satisfaction and to provide insight on how to increase employee job satisfaction through the work environment. The writer is using the multiple regression analysis with 74 samples to measure the significance of work environment towards the job satisfaction through the distribution of questionnaire in PT. X. The result of this research shows that simultaneously work environment factors is significant towards the employee job satisfaction.

Keywords: Work Environment, Job Satisfaction, Human Resource Management, Gas Industry.

## **ABSTRAK**

Kepuasan bekerja karyawan adalah sebuah ukuran untuk mengetahui sejauh apa karyawan mengalami perasaan yang positif pada saat bekerja. Para peneliti telah menyatakan bahwa karyawan yang puas dengan pekerjaannya cenderung lebih loyal dan produktif, tetapi belum ada rumusan yang tepat untuk memaksimalkan kepuasan bekerja karyawan atau penelitian yang menjelaskan faktor-faktor yang mempengaruhi kepuasan bekerja secara sempurna. Penulis penelitian ini berharap untuk dapat mengukur dan menganalisa pengaruh lingkungan bekerja terhadap kepuasan bekerja karyawan dan memberikan kontribusi ilmu untuk meningkatkan kepuasan bekerja karyawan melalui lingkungan kerja. Penulis menggunakan analisa regresi linear berganda dengan 74 sample untuk mengukur signifikansi dari lingkungan bekerja terhadap kepuasan bekerja melalui pembagian kuisisioner di PT. X. Hasil dari tes ini telah menunjukkan bahwa faktor – faktor lingkungan bekerja signifikan secara bersamaan terhadap kepuasan bekerja karyawan.

Kata Kunci: Lingkungan Bekerja, Kepuasan Bekerja, Manajemen Sumber Daya Manusia, Industri Gas.

## **INTRODUCTION**

There has been numerous research about job satisfaction. Judge and Church (2000) mentioned that "The most widely investigated job attitude-job satisfaction may be the most extensively researched topic in the history of industrial/organizational psychology" (p. 166).

Job attitude and job satisfaction become an important issue due to their relationship towards employee productivity as suggested by Janz (2003). So, in order to improve employee productivity and performance, companies need to pay attention towards the employee job satisfaction because higher level of job satisfaction leads to higher employee productivity and performance.

The writer chose to assess the work environment factor that has influence towards the employee job satisfaction. Robbins (2001) mentioned that working condition will influence the job satisfaction, as employees are concerned with comfortable working environment.

### LITERATURE REVIEW

In this research, the writer is going to link and measure the influence of the work environment towards employee job satisfaction.

The work environment is defined by Huysamen (1997) as physical work environment, human work environment, and organizational environment. The physical work environment is the physical aspect of the working area such as place, lighting, appliances, etc. The human work environment is the relationship between the employees with their peers. The organizational environment is the procedures and organization system that runs in the workplace.

The job satisfaction concept is referring to Locke concept which states that job satisfaction is (1976) “a pleasurable or positive emotional state resulting from one’s job or job experience”.

Leblebici (2012) states that when employees are satisfied with the workplace quality their performance will increase. Parvin (2011) conducted a research on the factors affecting employee job satisfaction of pharmaceutical sector. The result of his research was that working environment factor is one of the major influencer of employee job satisfaction. Moreover, Noah and Steve (2012) research aims on assessing the relation of work environment towards the job attitude and organizational commitment of employees in Nigeria, the result of this research is that work environment give significant influence towards employee job satisfaction

By conducting such research, the writer hopes that he will be able to prove the influence of work environment towards employee job satisfaction. Thus, providing insight for companies to increase the employee job satisfaction and increase their productivity.

Robbins (2001) have explained that work environment influence the job satisfaction factor, the writer have come up with the following framework:

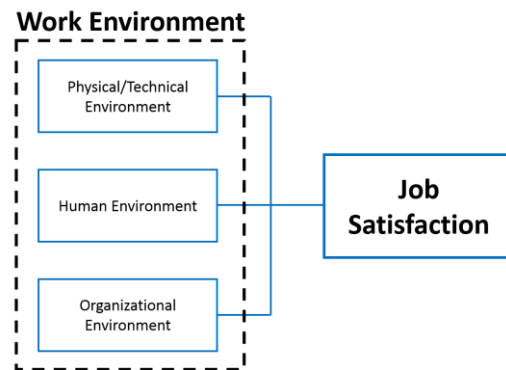


Figure 1. Relationship between concepts

### RESEARCH METHOD

There are two variable being used for this research, the first one is the dependent variable and the other is independent variable.

The dependent variable is the employee job satisfaction which will be measured through with three parameters which are pleasurable feelings experienced during the job, positive emotion generated by the job experience, and the feelings of acceptance.

The independent variable in this research is the work environment with the parameter as the following:

- **Physical Work Environment:** width of the workspace, privacy of the workspace, workspace infrastructure, workplace tools, noise in the workplace, workplace temperature and workplace lighting.
- **Human Work Environment:** support by the superior, clarity of information from superior, clear expectation from superior, clear feedback from the superior, tolerance from superior, friendliness of superior, support of colleagues, teamwork of colleagues, colleagues tolerance, and friendliness of colleagues.
- **Organizational Environment:** organization culture, the organization structure, the organization administration and the organization procedure.

This research is using nominal and interval data. The nominal data is being used to record the data of the respondent. The interval data is being used through the likert scale to measure the parameters of the variables.

The source of data for this research are primary and secondary data. The primary data are the questionnaires and the secondary data are the theories and reference being used to conduct this research.

This research is using Pallant (2005) theory of sampling with the formula of  $N \geq 50 + 8*m$ .

Thus in this research the minimum sample would be 74.

This research used the multiple regression analysis with the formula as the following:

$$YI = \beta_0 + \beta_a X_a + \beta_b X_b + \beta_c X_c + \epsilon$$

YI: Dependent Variable

$\beta_0$ : Y Intercept, the value of the Y when all of the X is equal to 0

$X_a - X_c$ : Independent Variables

$\beta_a - \beta_c$ : Regression coefficient associated with each variable

$\epsilon$ : Random error in Y for the observation

The result of the multiple regression model can be interpreted through the adjusted R square value, F-test and T-test.

The adjusted R Square is the coefficient of multiple determinations.

The F test is the test that measures whether the regression model can be used for the research, the value of the F-test significance generated from the SPSS should be lower than 0.05 % in order to be accepted.

The T-test purpose is to determine the significance level of each independent variable towards the dependent variable, the value of the F-test significance generated from the SPSS should be lower than 0.05 %.

Before doing the multiple regression analysis, validity and reliability tests are needed to make sure that the data can be used for the regression model. The validity and reliability is measured using the Cronbach Alpha value using Pearson Correlation Significance according to Hoffman (2010). The value of the Cronbach Alpha have to be on the acceptable range of 0.6 to 0.8.

For the multiple regression, several tests are done which are:

- Normality test to measure whether the data error is being distributed normally or not. The normality test is using the P-Plot diagram, Histogram diagram processed through SPSS 13 and "Z" value of Kolmogorov Smirnov test processed with the SPSS 13. The value of Kolmogorov Smirnov unstandardized residual should be above 0.05.
- Homoscedasticity test determines whether the regression model variance of the residual is the same in one observation with the other. This test is carried out by conducting the park test by changing the regression formula dependent variable into  $LN U^2i$  while the independent variable remains the same. The formula for Park test is:

$$LN U^2i = \beta_0 + \beta_a X_a + \beta_b X_b + \beta_c X_c + \sum$$

$LN U^2i$ : The value of the square residual value

$\beta_0$ : Y intercept, the value of y when all X is 0

$\beta_a - \beta_c$ : Regression coefficient associated with each X variable

$X_a - X_c$ : Independent Variables

- Autocorrelation test measures whether the errors are independent or not. In this research it is measured by processing it with Durbin Watson value in SPSS 13. The formula of Durbin Watson according to Ghazali (2011) is  $Du < d < 4 - Du$ .
- Multicollinearity is the test that determines the possibility of co-linearity of the variable. The multicollinearity is measured with the tolerance and VIF value generated. The tolerance of should be above 0.10 and the VIF should be under 10 in order for the regression analysis to be non-multicollinearity.

## RESULT

For the validity test result, all of the Pearson correlation significance level of each item in all variable is below 0.05 which means that the data gathered from the questionnaire can serve as the right indicator for the research.

The variables being used in this research also fulfilled the reliability test, the result of the Cronbach Alpha fulfilled the minimum value of 0.6 which can be seen in table 1 below.

**Table 1. Reliability**

Variable	Cronbach Alpha	Reliable or Not Reliable
Physical Environment (Independent)	0.755	Reliable
Human Environment (Independent)	0.812	Reliable
Organization Environment (Independent)	0.680	Reliable
Job Satisfaction (Dependent)	0.674	Reliable

As can be seen from the table 1, the adjusted R square value is 0.459 which indicates that these three variable influence the job satisfaction as much as 45.9% while the rest is explained by another factor.

**Table 2. Adjusted R square**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.694 <sup>a</sup>	.482	.459	.47152	2.128

a. Predictors: (Constant), Organization Environment, Human Environment, Physical Environment

b. Dependent Variable: Job Satisfaction

The result of the F - test below shows that the F value of the regression model is 21.68 which is larger than the F table result of 2.73 (df1=3, df2=70, Alpha 2.73). The significance level of the multiple regression test is under 0.05. Thus, the F - test result of the regression model shows that the physical work environment, human work environment, and organization work environment simultaneously influence the job satisfaction of employee.

**Table 3. F-test**

Model	Sum of Squares	df	Mean Square	F Value	Sig.
Regression	14.46	3	4.82	21.68	0.000
Residual	15.56	70	0.222		
Total	30.02	73			

The T-test result significance of physical environment, human environment, and organizational environment are as the following 0.026, 0.001, and 0.884. Physical environment and human environment fulfilled the requirement of significance below 0.05, thus physical environment and human environment are significant towards the job satisfaction, however, the organizational environment significance is above 0.5, so organizational environment is not significant towards job satisfaction.

**Table 4. T-test**

Independent Variable	B	Std. Error	Beta	T-value	Sig.	Significant or Not Significant
Physical Environment	0.413	0.18	0.315	2.274	0.026	Significant
Human Environment	0.529	0.16	0.420	3.280	0.001	Significant
Organization Environment	0.022	0.15	0.020	0.146	0.884	Insignificant

## CONCLUSION

The writer have concluded from the research result that simultaneously, the overall model of work environment proposed by Huysamen (1997) have significant influence towards employee job satisfaction in PT.X.

However, as a partial variable, organizational environment does not have significant influence towards employee job satisfaction.

Thus, from this research it is certain that there are significant influence of work environment towards the job satisfaction of the employees.

Therefore, it can be concluded that in order to improve the company employee job satisfaction, the company needs to pay attention to the work environment they provide for the employees.

There are several unforeseen limitations for the research, thus, the writer is unable to maximize the potential of the research. Some limitations are:

### 1. Location Constraint

Due to the location constraint, the writer is unable to do research in all of pt. X companies. The office for pt. X is spread all over Indonesia, however the writer resides in Surabaya. The writer only conduct the research in pt. X headquarters in Surabaya.

### 2. Respondent constraint

The writer is unable to give the questionnaire to the employee with the level higher than manager.

The writer also have several suggestion for upcoming research for the other researchers with the intention to do research with a similar topic or similar company which is pt. X:

1. The researcher should make sure that the data gathered through questionnaire is distributed among all position. in order to make sure that the research is able to picture the impact of work environment towards job satisfaction in all levels and division.
2. The researcher should differentiate sets of work environment variable for different types of work environment, for example, the sets of parameter needed to measure work environment for office workers is different with the sets of parameter needed to measure work environment for factory workers.
3. For further research, the writer should adjust the composition of work environment variable according to the business. Because different line of jobs or business might have different composition of work environment variable significance towards employee job satisfaction.

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