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By Ahmed Imran Kabir, Shah Newaz, Aiman Kadhem Alkhalifa & Jakowan
University of Malaya

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Analyzing the Impact of Workplace Environment on Job Satisfaction of the Office Employees of Saudi Arabian Oil and Gas Industry

Ahmed Imran Kabir [α], Shah Newaz [σ], Aiman Kadhem Alkhalifa [ρ] & Jakowan [ω]

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I. Introduction

The work environment is crucial in any employment. For office employees, they spend a great deal of their working hours in the office and thus, their focal point is their workstation and that begs the question – how does the workplace environment effect on employee's overall job satisfaction. Previous studies have demonstrated a significant connection between job satisfaction and workplace environment. According to (Kainkan (2015), there is a positive relationship between work environment and job satisfaction.

Job satisfaction has been associated with positive workplace outcomes such as enhanced organizational commitment, with employees having high levels of job satisfaction were more likely to be committed to the organization (Brown and Peterson (1994). But, the most-used definition of job satisfaction in organizational research is that of (Locke and Dunnette (1976), who defined job satisfaction as "a pleasurable or positive emotional state resulting from the assessment of one's job or job experiences". Every organization needs human resources to maintain the organization's actions in every levels and department.

Author α ω: School of Business and Economics, United International University, Bangladesh. e-mails: ahmedimran@bus.uiu.ac.bd, jakowan@bus.uiu.ac.bd

Author σ ρ: Faculty of Business and Accountancy, University of Malaya, Malaysia. e-mails: saminewaz@gmail.com, sky33_the@hotmail.com

The job satisfaction of employees is always the primary factor in affecting the organization success in every industry. Therefore, this research is conducted to understand the factors that affect employee job satisfaction in Saudi Arabian Oil and Gas Industry.

II. Literature Review

Saudi Aramco which is a core part of the Saudi Arabian Oil and Gas Industry serves as the state oil company and produces 98 percent of Saudi Arabia's crude oil and natural gas both onshore and offshore (Falola and Genova (2005). Saudi government offered oil authorization to California Arabian Standard Oil Company (Chevron) in 1933 (Shelley (2013). The main determinant for this reward was to conduct oil exploration in the eastern territory of the Kingdom of Saudi Arabia. Part of the concession was traded to other American oil companies. After discovering a huge amount of oil, these American corporations were consolidated into Arabian American Oil Company (Aramco) 50% of its profits were paid to the Saudi government in 1948. In 1988, the company's shares were acquired by the Saudi government and thus, it achieved 100% of ownership. The name was changed to Saudi Arabian Oil and Gas Company in the same year. Since 1988, Saudi Arabian Oil and Gas Industry's responsibilities have grown to include new areas of exploration in the Kingdom, an international marine shipping subsidiary, and the establishment of a series of downstream joint ventures to provide outlets for the Kingdom's crude oil production (Cordesman (2003). Since the 1990s, the majority of Saudi Arabian Oil and Gas Industry's employees are Saudi, with many educated overseas.

Job satisfaction can be described as an individual's total attitude towards their job and the feelings they have towards different features or aspects of their work, also as an emotion and understanding that could consequently impact the degree of fit between the person and the organization (Ivancevich, Matteson et al. (1990), Spector (1997). (Spector, 1997) stated that for researchers to learn these approaches, researchers need to learn the complicated and interrelated facets of

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job satisfaction. A phase of job satisfaction can be because of its significant impact.

First, employee satisfaction leads to an improvement in performance. It follows that when employees are satisfied, they are more committed to meet the set deadlines and targets. Their participation and performance in different projects also improve (Gaurav, 2013).

Secondly, a motivated workforce paves the way for companies to meet the set goals and objectives and ascertains that the employees are managed more effectively

Thirdly, companies work toward retaining their workforce as they invest heavily in them through training and giving them a chance to improve their expertise in different fields. Employee satisfaction has been proven to be effective in promoting retention (Terera & Ngirande, 2014).

According to (Naharuddin and Sadegi (2013), these include lights, air circulation, and the temperature. The physical work environment includes all physical objects and incentives that employees associate in their working time. According to (Shea, Pettit et al. (2011), the physical work environment that usually affects employees can be separated into certain domains such as surrounding properties, space organization, and structural design. The surrounding properties are temperature, noise, vibration and air quality, while spatial composition comprises office design and layout (Shea, Pettit et al. (2011). And all these properties or items of physical work environment have tremendous influence on employees' satisfaction.

a) Research Gap

Employees' job satisfaction of Saudi Arabian Oil and Gas Industry is essential towards employees' performance and thus impact the profit made by the industry. A huge industry such as Saudi Arabian Oil and Gas Industry cannot afford to have high employee turnover since every single turnover shows the lack of companies capability to retain and sustain employees as well as this has overall negative impact on companies' reputation, productivity and bottom line.

So, the research is needed to be done in the context of Saudi Arabian Oil and Gas Industry to determine whether the factor of the workplace environment (supervisor support, physical workplace environment and job security) could affect the employees' satisfaction.

Prior researchers (Naharuddin and Sadegi (2013), and(Bhuian and Islam (1996) have found supervisor support and relationship (IV); physical workplace environment (IV); job security (IV) play an important role in regulating employees job satisfaction (DV) in an office environment. Thus this study aims to acquire whether these findings applies too in the context of Saudi Arabian Oil and Gas Industry.

b) Research Objectives

The purpose of the research is to examine selected key factors of work environment, which may have an influence on employees' job satisfaction- to be specific job satisfaction of office employees in Saudi Arabian Oil and Gas Industry. Based on the abovementioned general objective, the specific objectives are as follows:

1. To examine the relationship between "physical workplace environment" (IV) and "job satisfaction" (DV) of Saudi Arabian Oil and Gas Industry employees.
2. To examine the relationship between "supervisory support" (IV) and employee "job satisfaction" (DV) of Saudi Arabian Oil and Gas Industry employees.
3. To examine the relationship between "job security" (IV) and "job satisfaction" (DV) of Saudi Arabian Oil and Gas Industry employees.

c) Research Questions

For this research Saudi Arabian Oil and Gas Industry employees have been targeted. As most of the corporate people or employees need to spend a great deal of time in their corresponding offices, studies show that the internal environment of the office itself puts a significant impact on the job satisfaction of these employees.

The main research questions relevant to job satisfaction impacted by work environment factors are:

1. How does "Physical workplace environment" (IV) affect Saudi Arabian Oil and Gas Industry employees' "job satisfaction" (DV) significantly?
2. How does the "Supervisor Support" (IV) impact on employee "job satisfaction" (DV) in Saudi Arabian Oil and Gas Industry?
3. How does "Job security" (IV) effect on employees' "job satisfaction" (DV) in Saudi Arabian Oil and Gas Industry?

d) Research Methodology

The study is conducted in terms of operational definitions, research design, sampling design, data collection methods, measurement scales and methods of data analysis. The data obtained will be analyzed using the SPSS software.

e) Research Hypotheses

Following the review of prior literature, this study will test the following hypotheses:

H1: The factor "Physical Work Environment" has positive and significant relationship with job satisfaction of employees.

H2: The factor "Supervisor Support" has positive and significant relationship with job satisfaction of employees.

H3: The factor "Job Security" has positive and significant relationship with job satisfaction of employees.

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f) Pilot Test

For the pilot test, a total of 44 sets questionnaire were distributed to respondents to make sure the questionnaire designed is reliable. These questionnaires were distributed to the selected employees from different companies which belong to the Saudi Arabian Oil and Gas Industry. The collected data were tested using SPSS software. The result of reliability test on the pilot test is more than 0.70 which show good reliability for all variables except the job security and later the researchers added more questions. According to Nunnally, Bernstein et al. (1967), Cronbach's Alpha should be bigger than 0.7. The result is shown below:

Table 1: Reliability Analysis Results (Pilot Test)

Variables	Dimensions	Cronbach's Alpha
Independent Variable	Supervisory Support	0.905
Independent Variable	Job Security	*0.681 (only this is lower than 0.7)*
Independent Variable	Physical Work Environment	0.836
Dependent Variable	Job Satisfaction	0.943

III. Data Analysis

This study examines the relationship between selected factors of workplace environment and job satisfaction of the office employees of Saudi Arabian Oil and Gas Industry.

a) Analysis & Results

This chapter exhibits the outcomes of the research by analyzing the three key work environmental factors that supposed to have a significant and positive impact on the job satisfaction of the Saudi Arabian Oil and Gas Industry employees. The data were collected at one point of time. To conduct this quantitative analysis data were obtained by using a questionnaire with closed-end questions and a Likert scale for the independent and dependent variables related questions. These quantitative data were collected from the employees in management ranks or grade code that includes both Junior employees (03 to 10 Year work experience) and senior employees (11 years plus experience) who worked in office environment at different job locations all around Saudi Arabia.

To elaborate more the multiple regression analysis and correlation analysis are used for this study in order to test the hypotheses. The very nature of this study is to find out the relationship between the independent variables of the work environment and employees' job satisfaction. Which means this is a study where we want to find correlation or relationships among variables. Hence, the correlation analysis helps us to find the in-between relationships among the independent and dependent variables. Also the multiple linear regression is a proven tool of statistics to look into the standardized coefficient or beta or direction of relationships, to find the level of significance of the relationships, and to analyze the variance between factors. All of these features of the correlation and regression analysis helps a study to establish and figure out its findings by testing the hypotheses. This is the reasons why the correlation and multiple regression is used to test the hypotheses.

This chapter presents the descriptive statistics of the variables, demographic profile of the respondents, the exploratory factor analysis of the independent and dependent variables, the normality test and result of the data, testing of the three hypothesis using multiple regression and correlation, the results of the three hypothesis and findings of the study.

b) Correlation Analysis

In addition to the regression the study also need to figure out the direction and strength between the four independent factors and the job satisfaction of the respondents. Here, the correlation coefficient test is used to determine the inter correlation among the independent and dependent variables to figure out the direction and strength of the relationship between the job satisfaction and each of the independent variables. And to be at significant level all the significant values must be lower than 0.05. The results are shown in below table.

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Table 2: Correlation Coefficient Table Showing the Relationship between the Independent Variables and Job Satisfaction

		SUPERVISOR. SUPPORT	JOB. SECURITY	PH.WORK.ENV
SUPERVISOR. SUPPORT	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	267		
JOB.SECURITY	Pearson Correlation	.395**	1	
	Sig. (2-tailed)	.000		
	N	267	267	
PH.WORK.ENV	Pearson Correlation	.365**	.542**	1
	Sig. (2-tailed)	.000	.000	
	N	267	267	267
Job Satisfaction	Pearson Correlation	.530**	.355**	.456**
	Sig. (2-tailed)	.000	.000	.000
	N	267	267	267

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

Here in the above table all the inter correlation relationship are significant at level of 0.01 or at 99% confidence interval which is really good. As per the table the dependent variable job satisfaction's correlation values with supervisor support, job security and physical work environment are 0.53, 0.64, 0.355 and 0.456 correspondingly which shows a very good strength within the independent and dependent variables. All these above three independent variables to dependent variable correlations are significant at level 0.000 level. The inter relationship between the independent variables are also good showing no collinearity among the independent variables.

c) *Results of Hypotheses*

i. *H1*

The factor "Physical Work Environment" has positive and significant relationship with job satisfaction of employees.

The first hypothesis says that from the previous literature this study predicts that the independent factor 'physical work environment' has a positive and significant relationship with employee's job satisfaction.

First, the regression analysis shows that the level of significance is at 0.000 which means the relationship between the 'physical work environment' and 'job satisfaction' is significant at 99% confidence interval. *Second,* the standardized correlation coefficient or the beta value of the relationship is β = 0.286. This means the direction of the relationship is positive and there is a medium level of strength in the relationship that is very good. Also the R Square value for the model is 0.35 which means the relationship variance is explained or the relationship can be explained 35% which is also considered very good.

Therefore, the abovementioned R Square value, level of significance, beta value all indicates that the *hypothesis is accepted*. The prior study of (Naharuddin and Sadegi (2013) and (Shea, Pettit et al. (2011) illustrates the items that comprise the physical work environment. A positive and strong relationship is found in a recent study between employee satisfaction and physical work environment which states the well-designed structural, interior design etc. features in the workplace make up the physical environment (Sadatsafavi, Walewski et al. (2015). Also as per the study of (Milisen, Abraham et al. (2006) the physical work environment items are shown as potential factor which impacts employees' productivity thus satisfaction. And the result of this hypothesis that the physical work environment is positively and significantly related to job satisfaction is aligned with the previous studies.

ii. *H2*

The factor "Supervisor Support" has positive and significant relationship with job satisfaction of employees.

The second hypothesis says that from the previous literature this study predicts that the independent factor 'supervisor support' has a positive and significant relationship with employee's job satisfaction.

First, the regression analysis shows that the level of significance is at 0.000 which means the relationship between the 'physical work environment' and 'job satisfaction' is significant at 99% confidence interval. *Second,* the standardized correlation coefficient or the beta value of the relationship is β = 0.411. This means the direction of the relationship is positive and there is a moderate level of strength in the relationship that is very good. Also the R Square value is 0.35which means the relationship variance is explained or the relationship can be explained 35% which is also considered very good.

Therefore, the abovementioned R Square value, level of significance, beta value all indicates that the *hypothesis is accepted.* As per (Grover and Furnham (2016) 'supervisor support' includes employees' career planning. As per the prior study of (Dubinsky and Skinner(1984) the supervisor's features for instance;

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consideration and feedback can aid in enhancing support that leads to job satisfaction. And the result of this hypothesis that the supervisor support is positively and significantly related to job satisfaction is perfectly aligned with the previous studies.

iii. *H3*

The factor "Job Security" has positive and significant relationship with job satisfaction of employees.

This hypothesis predicts that the independent factor 'job security' has a positive and significant relationship with employee's job satisfaction (this is the dependent variable).

First, the regression analysis shows that the level of significance is at 0.538 which means the relationship between the 'job security' and 'job satisfaction' is not significant at 99% confidence interval. *Second,* the standardized correlation coefficient or the beta value of the relationship is $\beta = 0.037$. This means the direction of the relationship is positive but there is a very weak level of strength in the relationship that is not aligned with the literature.

d) Discussion & Summary of the Results

This study first examined the demographic profile of the survey respondents and then verified the reliability of all variables constructed using the Cronbach's Alpha test. Afterward, the hypotheses were tested using the regression and Spearman's rho correlation coefficient test. Various literatures are reviewed to explain the three key independent variables (physical work environment, job security and supervisor support) that makes the work environment of an organizations and impacts the job satisfaction of the employees accordingly.

And as hypothesized, there is a very good positive strength and very significant relationship between all the independent variables to the job satisfaction except the job security variable. The below figure shows the summary of the regression results for this study.

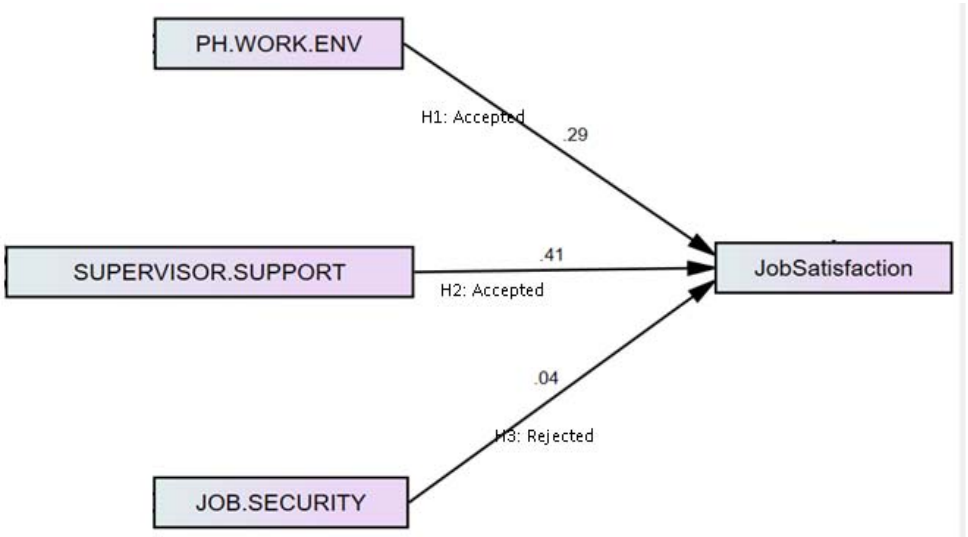


Figure 1: Summary diagram of findings.

The below table 05 summarizes the overall path of the study that is conducted. It exhibits the connection between 'main objective' to the detailed each objective; than the research objectives to the research questions; than research questions to the specific hypothesis; and finally the results and findings from the hypothesis of the study. All are connecting the dots starting from main research objective to the individual findings of the study. The findings column shows the result of the hypothesis showing the direction, strength and level of significance of the relationship between independent and dependent variable of the corresponding hypothesis.

IV. Recommendation

The theoretical framework of this study was based on numerous prior studies on job satisfaction and its factors. However, this present study, it is found that the respondents are more concerned with clear job satisfaction and working tools rendered by the organization. Focusing on the present, it is found that the respondents are more concerned with clear job satisfaction and support rendered by their corresponding supervisor. The item supervisor support measures the level of satisfaction of the employees based on when it comes to gender how impartial the supervisor is to the employees. And this item scored the lowest score of 3.48 within the supervisor support variable. This indicates that Saudi Arabian Oil and Gas Industry's human resource department needs to look into this gender discrimination matter with caution. It shows there is room for improvement for them to train the managers or supervisors to be fairer in treating the

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employees in terms of incentives and support. Another item has a lower score of 3.50 is the supervisor support. This one indicates the level of satisfaction of employees regarding the guideline and coaching they receive for the immediate supervisor.

Hence, in terms of employee supervision and coaching, Saudi Arabian Oil and Gas Industry should be more concerned to improve the managers' competency to lead and guide the subordinates. Nevertheless, the findings of the study generally support the prior studies that supervisor support is positive and significantly related to job satisfaction.

Another important independent factor is the job security shows that currently, the respondents are more concerned with clear job satisfaction and job security rendered by the organization. Overall this factor scored the highest among all the factors that affect the level of job satisfaction. However, within these high scoring items that made up the job security variable; the item Job.Security02 scores 4.23 which is the lowest. The study recommends that this is nothing alarming. since the item still, show a very strong satisfaction from respondents regarding the medical coverage in case of any medical emergency situation.

It shows there is not much room for improvement for Saudi Arabian Oil and Gas Industry to improve the job security because the overall job security is already quite strong. However, the findings of this study regarding the significance of job security as the work environment factor showed an insignificant result which is not supportive to the prior studies. Still lot of western studies on job security showed weak and less significant relation to job satisfaction.

Finally, the independent factor physical work environment shows that currently, the respondents are more concerned with clear job satisfaction and the physical work environment rendered by the organization. Overall this factor has a very good score in terms of job satisfaction measurement. However, within these high scoring items that made up the job security variable; the item physical work environment04 scores 3.94 which is the lowest. The study recommends that there may be a little room for improvement on the furniture or the arrangements of the office sitting positions to make the job satisfaction better. However, the item value is close to four which means respondents are still satisfied in terms of the furniture and working comfort. Nevertheless, the findings of the study generally support the prior studies that physical work environment is positive and significantly related to job satisfaction.

Therefore, we believe that if Saudi Arabian Oil and Gas Industry can improve on these above mentioned areas the company will have a more stable sustainable human resource. The employee turnover will also reduce even further.

V. Conclusion

The study is conducted to show that the selected work environment factors are significant predictor of employee job satisfaction in Saudi Arabian Oil and Gas Industry. And after the analysis, all the variables have proven to be true with a significant positive relation between 'Work Environment' & 'job Satisfaction', which is mostly aligned with the prior researches taken both from Saudi Arabia and other countries context.

After completing this research, the understanding for factor motivation towards employee job satisfaction in Saudi Arabian Oil and Gas Industry can be improved. Factor of job satisfaction that be in research are supervisor support, job security, and physical work environment. The outcome of the research is able to provide the Saudi Arabian Oil and Gas Industry the knowledge, importance and ways to improve the employee job satisfaction. Also further study needs to be done on the job security factor since the mean score for satisfaction is the highest but there is insignificant relation with job satisfaction. Saudi Arabian Oil and Gas Industry can take these factors in consideration for improvement of employee job satisfaction to attain goals and objectives of the companies.

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