FACTORS INFLUENCING EMPLOYEES' PRODUCTIVITY- LITERATURE REVIEW

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ABSTRACT

Employees' productivity is critical to raise employees' performance which contributes to the success of organizations, and it is influenced by many factors. This research aims at examining the influence of work environment, leadership styles, and organizational culture on employees' productivity. There are several previous research and studies done in exploring what affect the productivity, and this research will focus on three aspects. The results show that the democratic leadership style is known to be the best to increase productivity. However, it might be different from one country to another and from one context to another. As for organizational culture, it was found that conflict, solidarity, creativity, and goal clarity are the most powerful factors that influence productivity. Moreover, work environment like air, temperature, light, space, sound, and color have impact on productivity but many other factors play a role in that.

Keywords: Work Environment, Leadership Styles, Organizational Culture, Employees' Productivity.

INTRODUCTION

This research paper aims at investigating the influence of three factors on the employees' productivity which are work environment, leadership, and culture. Productivity is very significant concept in business world as it contributes to the successfulness of the organizations. Productivity is defined as the joint and shared effort done by both employees and managers for the aim of enhancing the performance of each individual. Also, it involves the comparison between the input against the output in all sectors. To explain, the input could be material, utilize, machines, cost of labor, and many other things while the output could be the quality of goods or services produced by organizations with regard to the standards. This means that the performance of the employees is their productivity (Rehman et al., 2018). As for the physical work environment, it is defined as all the internal and external factors surrounding the employees in the organization (Al-Omari et al., 2017).

Massoudi (2017) believes that the work environment includes the geographical location including the workplace surroundings like the quality of the air, the noise level, and the additional features like good parking and unlimited coffee. As for organizational culture, it is defined as the collection of shared believes, values, and norms among all of the people who work in the organization. The culture has a massive impact on the success of the organization since it contributes to shaping the behavior patterns of the employees. Added to that, the organizational culture has to deal with the way of manufacturing and producing the products or performing the services (Kebriaei, 2016). As for leadership, it is defined as the style of authority. To illustrate, leadership style is shaped and created through the characteristics and personalities of individuals, and there are several leadership styles. Each leadership style does different influence on the

organization. Also, there is no definite study that highlights the best of the correct style for leaders or the most effective one. However, it depends on the context and many other factors (Rehman et al., 2018).

LITERATURE REVIEW

The Impact of Leadership On Employees' Productivity

A leader is defined as a person who has an impact on one or more followers and can direct them to achieve certain goals through his/her responsibility. The leader has many rules to do and one of them is being able to identify the weaknesses and strengths of their employees to boost the strengths and work on improving the weaknesses. Also, a responsible leader can change his/her leadership style depending on context.

Gandolfi (2018) stated that there is no specific definition of leadership style. However, there is a common agreement of the great impact of leadership style. Leadership style has become a global topic and many researches gave many studies about the topic. There are many leadership styles, but researchers have agreed on five main styles which are Autocratic Leadership Style, Democratic Leadership Style, Laissez-faire Leadership Style, Transactional Leadership Style, and Transformational Leadership Style. Each of the styles has a different impact on the productivity level and views several points from different perspectives.

The Autocratic Leadership Style gives less emphasize on employees' welfare. This style focusses on exercising power for the purpose and believe that power would increase productivity of employees. Added to that, this style in manager-focused since all of the decision and goals are created by the top managers. Also, managers are responsible for creating all of the work paths along with ways of accomplishing the goals. So, the autocratic style is a formal type of leadership, and it is following a centralized system. All in all, this kind of leadership leads to employees' dissatisfaction, low level of commitment, and disloyalty since they cannot participate in anything (Rehman et al., 2018).

The Democratic Leadership Style gives more emphasize on including and increasing the participation of the employees by having them participate in setting goals, solving-problems, and creating teams. This style believes in the significance of the participation as it views the employees as a direct participant in the functions and operations of the organization and can give effective feedback to make improvements. As for decision-making, it is very flexible which contributes in increasing the productivity of the employees due to their feeling of motivation, responsibility, commitment, and satisfaction. Also, punishment is avoided in this type (Rehman et al., 2018).

The Laissez-faire Leadership Style takes the freedom of employees as the main way to deal with them. This style gives the total freedom to employees to take decisions and establish objectives. Also, this style has to deal with receiving feedback from the employees. However, employees have varied levels of intelligence, abilities, education, and competence therefore not all of decisions would be appropriate to the condition. As a result, this would negatively impact the productivity of the employees due to wrong decision. Moreover, this type of leadership style could harm the organization and puts its survival in danger (Rehman et al., 2018).

The Transactional Leadership Style is built around the concept of transaction, which means rendering services for remuneration. This style motivates the employees for the purpose of increasing their productivity by announcing several incentives and by satisfying their needs. So, the employees can get the incentive if they are working on the right path and as required. On the

other hand, if employees failed to work as required, the leader will take a disciplinary action. Furthermore, this style ensures providing the employees with continues guidance, and it believes in the importance of announcing incentives or punishments as a way to motivate the employees (Rehman et al., 2018).

The Transformational Leadership Style encourages that subordinates enriching their morals and motivation for the purpose of achieving the organizational goals. It announces the objectives and goals estimating future trends, challenges, issues, and internal and external opportunities in the organization. In addition, this leadership style gives emphasize on teaching the employees about future challenges and threats which helps in enhancing employees problem-solving skills and vision. Besides that, this style increased the employees' productivity because it supports and inspire them. Also, it offers comfortable work environment along with building strong emotional ties (Rehman et al., 2018).

Productivity is highly impacted by the leadership style. However, there is no best style to be used in order to increase employees' productivity since different styles work for different type of organization depending on several factors like the culture of the organization. A study done in Pakistan shows that autocratic leadership style helps in increasing the productivity for the short term while the democratic leadership style works for the long term. Another study done in Pakistan shows that the laissez-faire, transactional, and transformational leadership styles have equal positive impact on increasing the productivity of the employees (Rehman et al., 2018).

H_1:   *Leadership style has positive significant impact on employees' productivity*

The Impact of Oganizational Culture On Employees' Productivity

Organizational culture is defined as the shared believes, values, and norms among people who work in a specific organization and is considered as one of the essential internal components. In fact, the organizational culture has a huge impact on its successfulness. So, each organization has its own special culture that strongly influences all parts in the organization including the employees. The organizational culture impacts the productivity which then impact the overall performance. Kebriaei (2016) found that there is a great correlation between organizational culture and productivity. Also, he believes that the studies between organizational culture and productivity in different countries cannot fill the questions of other countries since each country has its special case, which is influenced by its special cultural features. Also, Kebriaei (2016) conducted a study in Iran to measure the exact dimensions of organizational culture that impacts productivity. The studied dimensions were creativity, risk-taking, goal clarity, solidarity, management support, control, identity, reward system, coping with conflict, communication pattern, organizational culture, and productivity. The study revealed that only four dimensions got a massive impact on productivity which are conflict, solidarity, creativity, and goal clarity. So, in order to enhance productivity managers should strongly focus on the four dimensions that have more influence on productivity. Moreover, in order for managers to shape a positive organizational culture, they have to think about the factors that are significant to the intended goal.

Organization culture is considered as a strategic component, and it involves four characteristics which are involvement, consistency, adaptability, and mission. As for involvement, it includes having a subjectivity between work and involvement which can be measure through three indicators which are empowerment, team-building, and developmental capabilities. Another characteristic is adjustments which is consistency. Adjustments is the

most powerful factor that helps in promoting productivity, and it has to deal with employees' behavior. It can be measured through fundamental values, consensus, coordination, and coherence. As for adaptability, it deals with being able to make changes and being mindful and aware about mistakes. This feature could be evaluated through customers' orientation, organizational learning, and change. As for the last characteristic, it is mission, and it involves identifying the mission and goals to create a clear path for the organization. Then, it will help in creating an effective support to the organization, and it could be evaluated through strategic direction, objectives, and mission (Rajaei & Arghavani, 2016).

H₂: *Organizational culture has significant positive impact on employees' productivity*

The Impact of Work Environment On Employees' Productivity

Awan (2015) defines environment as all the surroundings that impact human being. As for work environment, he defines it as the environment of the work place in which a group of people work in it to achieve common objectives. Work environment has an impact on increasing or decreasing the productivity of the employees. Al-Omari & Okashe (2017) believe that work environment has an influence on the productivity. To explain, the work environment is very essential to the employees and has an influence on several areas like performance, satisfaction, social relations, and health. Also, the authors have listed five factors that go under physical environment which are air, temperature, sound, light and color, and space. In addition, a study done by Awan (2015) finds that managers can solve and adjust the elements included in the work environment in order to increase productivity of employees.

As for the air, it involves pollution and freshness. To elaborate, the quality of indoor air has a direct impact on health, comfort, and job performance. Employees might spend around 90% of their time inside the organization which makes the air an important factor. There are some indoor pollutants like radon, asbestos, inorganic material, smoke, and organics. All other pollutants might cause a bad feeling and discomfort to the employees which will influence their productivity and job performance negatively (Al-Omari & Okasheh, 2017).

Temperature factor can play a role in increasing productivity and reducing stress, and temperature is referred to as how hot or cold the place makes us feel. For a specific example, high temperature cause employees to perform low in activities that require cognitive, physical, and perceptual duties. Furthermore, high temperature harms the health since it increases stress and exhaustion. Added to that, the temperature preferences may differ from one person to another such as a thin person might prefer higher temperature. The following figure by Al-Omari & Okasheh (2017) explains the effect of temperature on productivity.
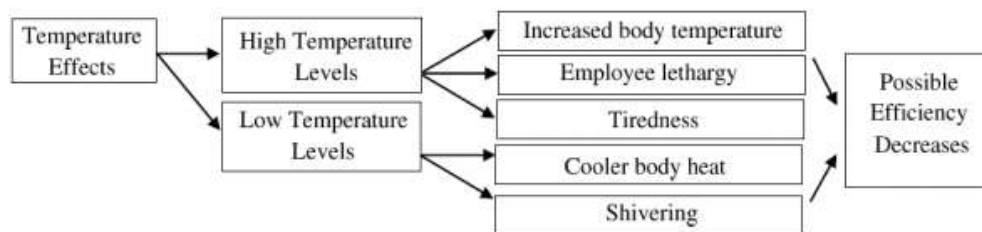

FIGURE 1
IMPACT OF TEMPERATURE ON PRODUCTIVITY

As for the third factor which is sound, and it includes noise. Noise is defined as the sound that is unwanted. To explain, noise level can highly affect the job performance quality. Nowadays, companies tend to design their companies in a way that supports teamwork and communication where the area is opened on each other to allow employees to communicate freely. However, this type of design might cause a high level of noise which will impact the productivity of the employees negatively due to their feeling of discomfort and distraction. In addition, some types of work need an extra quiet area to help employees focus and be productive like jobs that require a lot of reading. The sources of noise are different like from employees, machines, printers, keyboards, and many other sources (Al-Omari & Okasheh, 2017).

Light and color factors include sunlight, incandescent, windows, and views. The most essential element in the work place is the natural day light. To explain, there is a strong connection between the good quality of employees' life and productivity because of the exposure to natural day light. Companies must take inconsideration the type of work that should be done in it in order to design the work place accordingly. To elaborate, they should examine the type of tasks, wither the tasks should be done in door or out door, and the period of the day that the employees will work in it. So, this would help in increasing the productivity of employees. Also, the inappropriate lighting is considered as a source of tress and discomfort which will directly influence the productivity. In addition, there is a strong connection between the brightness of the work place and the alertness, productivity, concentration on tasks, and mood. Besides that, color has an impact on productivity too. To illustrate, there is a connection between productivity and colors used in the work place since colors can raise spirits and performance of employees if they are chosen appropriately. For instance, cool colors can awaken the unhappy and depressive employees. On the other hand, warm colors could give a warm sense and motivate the employees (Al-Omari & Okasheh, 2017).

As for the space factor, it is very significant to maximizing the productivity between employees. Space is meant for the arrangement of the workplace, and nowadays companies are designing their work place in a way that makes the place opened on each other. This style has an influence on increasing and boosting the communication. Also, this design could positively impact the productivity of some employees in some organizations. However, this design could make the place crowded and restricted which will raise the stress and pressure of some employees due to the discomfort arrangement. Also, it may genre the feel of lacking of freedom among some individuals which will impact their productivity and concentration (Al-Omari & Okasheh, 2017).

H₃: *Work environment has positive significant impact on employee' Productivity.*

Conceptual Framework

The following figure shows the relationship between the four variables in which the employees' productivity is the DV, and leadership style, work environment, and organizational culture are the IVs that impact the DV.
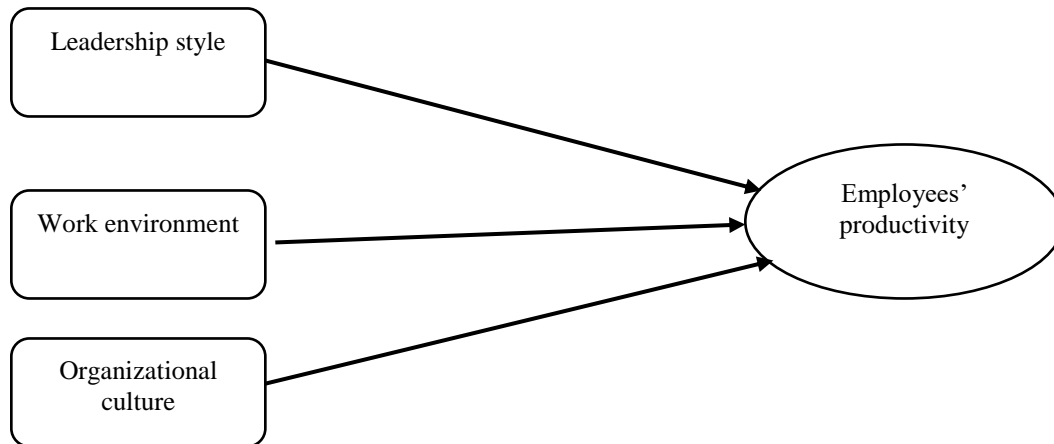
FIGURE 2
RESEARCH MODEL OF THIS STUDY (ALASWAD, 2021)

RECOMMENDATIONS AND LIMITATIONS

Every research has its strengths and weaknesses. The weaknesses can be analyzed for future adjustments and for finding gaps. In my research, the biggest gap is linking the information to Bahraini context since almost all of the reviewed literatures stated that factors influencing productivity can highly be varied among different countries and none of the researches was done in Bahrain.

For future research, it would be better to analyze the work environment from different perspectives. To explain, my research has only discussed the physical factors. However, the reviewed sources show that there are other factors related to work environment like relationship and supervision. So, analyzing all the parts of the work environment will enrich the research deeply.

CONCLUSION

Productivity is considered as a key element to the success of organization as it is the deriving wheel to push the improvements in the job performance. This research has explored the meaning of work environment, organization culture, and leadership style. Each factor has varied points under it, and each point has a different impact on the productivity of the employees. To explain, different leadership styles have different impact on productivity. For instance, the democratic leadership style could increase the productivity of the employees. Furthermore, it was found that there are specific dimensions related to culture that impact the productivity like creativity level. As for the work environment, all of the factors that goes under it has influence on employees' productivity.

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