Impact of Office Design and Reward System on Employee’s Performance and Motivation

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Abstract– Purpose: The purpose of this paper is to quantify the impact of office design and reward system on the performance and motivation of the employees in banks both public and private sector of Gujrat. Office design such as lightening, furniture, noise, temperature etc and both extrinsic and intrinsic rewards are affecting the motivational and performance of employees. Design / Methodology / Approach: For data collection questionnaire method will be used. Questionnaire will be distributed among the respondents from the selected banks and SPSS will be used for data processing finding correlation and multiple regression analysis. Finding – Research Limitations: This study was conducted in district Gujrat only so there are chances that result may vary while moving to other geographical locations. Gujrat district is basically a smaller location where background of mostly workers is not well developed so priorities related to work environment vary for them so in generalizing the results to the whole country results may vary from one location to other. The purposed model can be used for further studies in different geological locations. Practical implications: The result allows banks decision makers to develop strategies that can increase the motivation and performance of their employees which ultimately results in higher performance of the banks. Banks should follow on the internal design of their offices so that their employee’s productivity and motivation can be increased. Also pay attention to the reward system to increase performance and motivation. Originality/Value: The findings allow the factors that can influence the performance and motivation of employees while they are at work. Purposed model include all the possible variables that influence it. This can be adopted in other cities to check the same phenomenon.

Keywords– Performance, Office Design, Motivation, Rewards, Banks and Pakistan

I. INTRODUCTION

The current study is purposed to find the impact of office design and reward system on motivation and performance of the employees from the public and private banks of the Gujarat, Pakistan. Man is the crucial resource of any organization so it is very important for them to design the strategy for their businesses which will support their human resource. It is the man who by his virtue can govern the all the creatures of the universe. Many great scholars are the examples in front of us. So it becomes important for firms to consider their importance in every aspect of their business because if they ignore this reality they will definitely suffer a lot.

The current study is supposed to check this phenomenon in the banking sector because now a day’s banks are most versatile and competitive business of Pakistan. Banks provide financial services to the customers and communities and play an important role in the economy of the country. All banks are constantly competing each other and as the products are relatively similar, it might be hard to be unique. People are coming with more knowledge and better skills which enhance the competition in this sector.

To compete in this competitive modern era banks are advised to focus on the things which will provide them the competitive edge over the other businesses. Through this study new insights about how to be competitive will be explored and if the strategies are made accordingly then it will be easier for any of the banking firm to get advantage from this study.

Researcher is going to explore that how the office designs and reward system effect the motivational level and performance of the employee’s. An office design is the arrangement of all the internal conditions of offices which directly influence their performance. Reward system comprises of two types of rewards i.e., intrinsic reward and extrinsic reward which both affect the motivation performance too. If these are handled properly then it would be beneficial for us to get benefit from the. Employee’s motivation is shown by the level of their willingness to perform certain tasks efficiently and effectively. Motivation may be internal through some internal feelings and external through the extrinsic rewards. Employee’s can only be motivated through rewards that will increase their level of motivation. Performance of employee’s can be their capability to perform the job in a certain arrangements if these arrangements are supportive then employee’s performance can be increased. These arrangements are related with the design of the office and rewards because if appropriate rewards are not given to them the required out can never be achieved.

In the current scenario it has been observed through
literature that this area is being neglected by the researchers in Pakistan specifically in district Gujrat. So researcher design this study to check the impact of the office design and reward on employee’s motivation and performance.

A. Problem Statement

Pakistan is a developing country all the financial institutions and banks contribute a lot in the overall growth of the economy. Public and private banks are working in it from the time of independence and this industry is moving towards development. These banks required skillful employees which should retain in the organization work with full commitment. This research intends to identify the impact of office design and rewards on performance and motivation.

B. Objectives

Core objective: To check the impact of office design and reward system on employee’s performance and motivation

Sub-objectives: To check the Impact of office design on motivation:
1. To check the Impact of office design on performance
2. To check the Impact of reward system on motivation
3. To check the Impact of reward system on performance

II. LITERATURE SURVEY

According to BNet Business Dictionary in 2008 office design was defined as the, “arrangements of office design so that the work can be performed in most efficient way.

Office design is very important determinant of employee’s job satisfaction. It affects the way in which employees work and many organizations have implemented open-plan to encourage team work.

Employee’s performance:

Rolloos (1997) defined the productivity as “the Ability of people to produce with least effort. Sutermeister (1976) also define productivity as, “output per employee hour, quality considered”. Dorgan (1994) defines productivity as, “the increased functional and organizational performance, including quality”. Productivity is a ratio to measure how well an organization (or individual, industry, country) converts its input resources (labor, materials, machines etc.) into goods and services. In this study we are considering productivity as the output of employees which we gain by providing them suitable working conditions. We have seen that if employees are satisfied from their job environment that will definitely results in their high performance which increase their productivity. In this study, subjective productivity measurement method is used. The measures of this method are not based on quantitative operational information. Instead, they are based on personnel’s subjective assessments. Subjective productivity data is usually collected using survey questionnaires. Subjective data can also be descriptive or qualitative collected by interviews. (Clements-Croome and Kaluarachchi 2000) Subjective productivity data is gathered from employees, supervisors, clients, customers and suppliers.

Office design and employee’s performance:

(CHANDRASEKAR, 2011) Conducted a study on workplace environment and its impact on organizational performance in public sector organization and found that it is the quality of employee’s workplace environment either good or bad that impact on their level of motivation and performance. He found that it is essential for an organization to develop such an environment which will result in increase in productivity of their organization. He found that there is positive relationship between workplace environment and work itself.

(Ali, Ali, & Adan, 2013) in Somalia performed a study to check weather working conditions especially working hours and work load has an impact on productivity and found that there is positive relationship between working conditions and performance.

(Imran, Fatima, Zaheer, Yousaf, & Batool, 2012) Conducted a study in Pakistan for investigating the influence of transformational leadership and work environment on employee’s performance in manufacturing sector and found that there is positive relationship in both corresponding factors on the performance of employees.

(OLLUKKARAN & GUNASEELAN, 2012) in India found that work environment has a significant impact on the performance. They said that organization have to step out from their traditional style to create an environment where employees enjoy their work to get good results in productivity.

Reward system:

Reward can be defined as injection effort of employees to perform in their work. Most effective reward was the organizational rewards where if they are introduced, it become identification strong to the organization.

Reward system and employee’s performance:

(Agwu, 2013) conducted a study on Nigerian Oil Company to check the impact of reward system on employee’s performance by the use of cross sectional survey research design in generating the required primary data. The results indicated that implementation of fair reward system in Nigerian oil company to a large extent influenced improved employees’ job performance.

(Zakaria, Hussin, Noordin, Zakaria, & Mohamed Sawal, 2011) from TOYOTA 3S Centre SP Selatan Otomobil Sdn Bhd, Kedah through questionnaire method to check the relationship between the reward system on the employee’s performance the result found shows that all factors were not significant to contribute employees’ performances.

(Ong & Teh, 2012) examine the relationship between the reward system and organization’s financial performance through survey questionnaire from the manufacturing companies of Malaysia and results from the study shows that adoption of reward system is not influenced by age and size.
of the company, intrinsic rewards are positively related to financial performance of organizations.

(Aktar, Sachu, & Ali, 2012) in Commercial Banks of Bangladesh studied to check the relationship between the reward and employee’s performance as well as to identify the relationship between intrinsic and extrinsic rewards through questionnaire and data was tested descriptively. The result indicate that there is a statistical significant relationship between all of the independent variables with dependent variables employee work performance and all the independent variables have a positive influence on employee work performance.

Motivation:

Motivation stems from the Latin word move, which means to move or to carry. Motivation is the force that constantly induces to move and perform things.

Motivation is a psychological processes that origin the stimulation, direction, and persistence of behaviour (Luthans2005).

Reward system and motivation:

(Abid & Tara, 2013) Conducted a study in Pakistan Hotel Industry through questionnaire method to check the impact of reward system on motivation with mediating role of office design and found that when attractive reward with better office design is given it leads to the increase the motivation of employee’s.

(Velnampy) performed a research in Srilanka to find the role of incentives in motivating the employee’s by questionnaire method and found that perceived level of reward and motivation have significant relationship among the private sector employees. And monetary rewards have significant effect on employee’s motivation.

(Mikander, 2010) through thesis in Moto Net-Espoo using questionnaire technique finding out the relationship between reward system and motivation. He said through evidence that a well developed and functional reward system can increase employee’s motivation and satisfaction.

(Jehanzeb & Rasheed, 2012) in the banking sector (public and private banks) of Saudi Arabia examine the impact of reward system on motivation and on job satisfaction through questionnaire and found that reward system have positive impact on motivation and motivation on job satisfaction and job satisfaction to reward system.

(Khan, Farooq, & Khan, 2010) determine the motivational levels of employee’s working in banking sectors on Kohat, Pakistan by questionnaire approach and found that reward and employee’s motivation have positive and direct relationship.

Office design and motivation:

(Joshua, Abdul-Azeez, Adegoke, & Durowoju, 2011) studied in different sectors of Nigeria about the factors of motivation by using seven factors in this regard and related to the current study are interesting work, good working conditions and good wages by using quantitative research approach and found that good working conditions, interesting work and good pay are the key factors to higher motivation.

(Aisha, Hardjomidjojo, & Yassierli, 2013) study the effect of several factors such as working ability, conditions of work place, motivation and incentive on performance by using questionnaire method and generated result by using SPSS and concluded that working conditions along with incentives have impact on motivation.

(Oladotun & Öztüren, 2013) they studied in the hospitals of Cyprus about the factors which increase the motivational level. They also said that for a service oriented firm it is important to focus on motivation. For this they used questionnaire method for testing of Herzberg’s two factor theory. The result of the study shows that motivators (intrinsic) and hygiene (extrinsic) are not enough for job satisfaction there are other factors too which influence the motivation.

(Hossain & Hossain, 2012) study the factors which influence the employees motivation in fast food Ind. The study was based on both primary collected by using questionnaire and secondary data. Result of the study shows that non-financial factors such as work itself and environment, supervisor’s relation and many other factors have a higher impact on the motivation.

III. THE STUDY

A. Hypothesis

1. There is a significant Impact of office design on motivation
2. There is a significant Impact of office design on performance
3. There is a significant Impact of reward system on motivation
4. There is a significant Impact of reward system on performance

Fig. 1: The Study

B. Design

(Myers, 2009) said that research design is a logic plan, a strategy of inquiry, that explain the way research is
conducted from the underlying assumptions to research design, and data collection.

(Tuli, 2010) said that roots of positivism is in the believe that knowledge is based on observable facts positivist paradigm asserts that reality is stable and events can be observed empirically, quantifiable, and can be explained with logical analysis and described objectively.

As positivism paradigm is most appropriate for quantitative sort of research so this research will consider positivism approach.

Research concepts concerning ontology argues that knowledge exist it should be studied using objective methods and discovered using quantitative methods. (Bassey, 1995).

Considering the ontology approach this study is to examine relationship between the office design, reward system with motivation and performance.

Epistemological research design concerns with the framework to get knowledge closer to reality and is reliable by empirically observing and manipulating the reality often using experimental methods. (Denzin & Lincoln, 2000).

Considering the epistemology approach this study will be based on empirical findings.

The nature of this research will be descriptive as a model is developed by reviewing the literature.

Purposed research is to find the impact of office design and reward system on the performance and motivation of the employees in banking sector of Pakistan for this researcher selected the district Gujrat which contains three Tehsils. Researcher will focus on the tehsil Gujrat and collect data from the listed Public sector (BOP and NBP) banks in tehsil Gujrat whose list are taken from the websites of the relevant banks. So data will be collected by using questionnaire from the selected sample and results will be generalized to the whole population of district Gujrat. This theory is deductive as previous researches already exist in relevant field and conclusions were drawn from them. Deductive research is used because of limited time and lower risk involved.

Survey strategy would be used because the research question implies “WHAT” is the impact of office design and reward on motivation and performance.

**Sampling Design and technique:**

The population of this study includes all the Public sector (national bank and bank of Punjab) banks operating in city Gujrat. All the employees at managerial and mid line mangers will be the part of population from which sample would be drawn by using simple random sampling technique depending upon the total population of these banks. This technique will be used because the population is fairly large and have higher heterogeneity. Then data will be collected from them and would be generalize upon the whole population from January 2014 to April 2014.

**Sample Size:**

A sample of 100 bank employees has been considered for the study. Yamane (1960) formula has been used to determine the sample size:

\[
\frac{N}{n} = 1 + (N \times e^2)
\]

where:

- \( N \) = Total Population,
- \( e \) = Margin of Error,
- \( 1 \) = Constant Number.

Using the formula:

\[
\frac{204}{n} = 1 + (204 \times 0.05^2)
\]

n = 99.51 or n = 100

**Data collection method:**

In this research for the process of data collection quantitative method will be used in which a questionnaire will be used for measurement. (Leary, 2004) said that questionnaire is more appropriate method for data collection because in this method a large number of people can be administrated simultaneously and it is less costly and less time consuming and most efficient. Questionnaire purposed by (De Beer, 1987) will be used for data collection.

**Questionnaire:**

The proposed questionnaire for this study will be consisted of different parts that are as follows:

I. In first researcher will include the personal data of the respondents

II. In 2nd portion questionnaire related to the work satisfaction and motivational questionnaire purposed by De Beer (1987) will be used.

**Biographic section:**

Biographic section included the basic information about the respondents related to their gender, age, education, designation and job tenure etc.

**Work satisfaction and motivational questionnaire:**

The questionnaire purposed by De Beer (1987) incorporates 16 factors of Herzberg’s two-factor motivational theory.

**IV. Procedure**

SPSS will be used for data analysis. Data analysis will be consisted of two major parts, descriptive statistics and inferential statistics.

**Descriptive statistics:** This part of the data analysis will be consisted of Standard Deviations, Averages and bar Charts etc

**Inferential statistics:** SPSS will be used to measure relation by using correlation, multiple regression analysis.

Data was collected by the researcher from the respondents
by direct visit to the sample respondents. All respondents in the selected banks were cooperative by their help researcher is able to collect relevant information.

After collection SPSS 16.00 was used to analyze the data. Result shows the following information.

V. RESULTS

**Demographic:** The demographic information of the respondents shows that majority of the respondents were male having the Masters level education and in the start of their career. Mostly the respondents are male comprising almost 80 percent. Their career is at the starting point. They are not much experienced and for surely have less information about their work.

**Regression:** Our error terms are normal and basics assumption of the data is full filled so we will apply multiple regression analysis.

**Interpretation:** Our “r square” is 0.06 it means this model defined 6 percent of actual values.

**Interpretation:** Our significant value is less than 0.05 so we can conclude that our model is fit.

**Regression Equation:** Y = 2.458 + 0.87X

This equation tells us per unit increase in x will cause 0.87 increase in y while other factors remain constant.

**Correlation:** Non parametric correlation:

<table>
<thead>
<tr>
<th>Variables Entered/Removeda</th>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
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<td></td>
<td>1</td>
<td>workcond, Reward</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td>b. Dependent Variable: Motivate</td>
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**Model Summaryb**

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<th>Adjusted R Square</th>
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<td>.066</td>
<td>.050</td>
<td>1.72945</td>
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<td>a. Predictors: (Constant), workcond, Reward</td>
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<td>b. Dependent Variable: Motivate</td>
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**Coefficientsb**

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<th>Model</th>
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<th>Sig.</th>
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<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
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<tr>
<td>Constant</td>
<td>2.458</td>
<td>1.103</td>
<td>0</td>
<td>2.228</td>
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<tr>
<td>Reward</td>
<td>.087</td>
<td>.035</td>
<td>.267</td>
<td>2.517</td>
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<td>workcond</td>
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<td>-.270</td>
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<tr>
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**ANOVAa**

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<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
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<td>1 Regression</td>
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<td>2</td>
<td>12.423</td>
<td>4.154</td>
<td>.018*</td>
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<tr>
<td>Residual</td>
<td>349.945</td>
<td>117</td>
<td>2.991</td>
<td></td>
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<tr>
<td>Total</td>
<td>374.792</td>
<td>119</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

a. Predictors: (Constant), workcond, Reward
b. Dependent Variable: Motivate

d. Residual Statisticsb

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<th>Minimum</th>
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<tr>
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<td>4.291</td>
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<td>Residual</td>
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<td>0</td>
<td>1.71452</td>
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<td>Std. Predicted Value</td>
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<td>.000</td>
<td>1.000</td>
<td>120</td>
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<tr>
<td>Std. Residual</td>
<td>-1.270</td>
<td>5.344</td>
<td>.000</td>
<td>.992</td>
<td>120</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Motivate

d. Correlations

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<th>Motivate</th>
<th>Reward</th>
<th>Workcond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivate</td>
<td>Pearson Correlation</td>
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<td>.121</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.187</td>
<td>.172</td>
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<tr>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Reward</td>
<td>Pearson Correlation</td>
<td>.121</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.187</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
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<tr>
<td>workcond</td>
<td>Pearson Correlation</td>
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<td>.541**</td>
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<tr>
<td>Sig. (2-tailed)</td>
<td>.172</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>120</td>
<td>120</td>
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</table>

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

**Correlation**

<table>
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<th>Reward</th>
<th>Workcond</th>
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<tbody>
<tr>
<td>Spearman's rho</td>
<td>Motivate Correlation Coefficient</td>
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<td>.243**</td>
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<tr>
<td>Sig. (2-tailed)</td>
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<td>.007</td>
<td>.527</td>
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<td>N</td>
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<tr>
<td>Reward</td>
<td>Correlation Coefficient</td>
<td>.243**</td>
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<td>Sig. (2-tailed)</td>
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<td>120</td>
<td>120</td>
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</table>

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

It is concluded on the above results that data supports our model and accept the hypothesis. There is significant relationship between the variables such as independent and dependent. It can be said on the basis of above results that whenever the employees are provided with good reward and working conditions there motivation is increased and when they are motivated their performance is improved. The above results provide the evidence so that the hypothesis is accepted that shows there is relationship between these variables while the regression provides the extent of relationship. There is significant positive relationship between these variables that shows if one variable change it will change the other too but in same direction. Hence it can be concluded that working conditions and reward have impact on employee’s performance and motivation.

The maximum level of performance happens when employees feel that their endeavor is rewarded and compensated completely. Some other successful elements on performance include working conditions, the connection between employee and leader, process of training and improvement opportunities and complete policies of firm rewarding. In addition, motivation, as the result of rewarding, affects the behavior and performance of employees directly. Among all effective elements on employees performance, motivation, the consequence of rewarding is the most important and essential element.

Future study can be concentrated on testing the proposed framework of this study in different scopes and industries.

Significance of the study: This study will enhance the existing body of knowledge by giving insights to that how the office design and reward system is related to the motivation and performance. By exploring the relationship between them and on the basis of which organizations can develop their policies and then on the basis of these policies new strategies will be developed that will improve its performance and success.

Limitations: This study also carries some limitations which must be known before taking the results under consideration. It suffered from the limitation of the time, cost, response rate of the respondents and also only the consideration of only one sector that’s whye results cannot be generalized.

REFERENCES


