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The Influence of the Working Environment on Job Satisfaction In Private Banks of Malaysia

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ABSTRACT:

This research examines the influence of the work environment on employee job satisfaction, emphasizing its importance for the performance of the firm. The working environment, which includes both work-related and contextual elements, has a significant impact on employee performance and happiness. The impact of job satisfaction is assessed by analyzing factors such as workplace safety, stability, interpersonal relationships, and management strategies. The study used a survey administered to private bank workers in Kuala Lumpur, using statistical techniques to examine the collected data. The findings indicate a significant and positive relationship between a good working environment and job satisfaction. This emphasizes the need for firms to prioritize the creation of conducive work circumstances in order to improve employee engagement and productivity. Suggestions for future study include conducting longitudinal studies and integrating technology advancements to enhance work satisfaction practices. This research provides significant insights for firms seeking to enhance employee happiness and overall performance.

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1. Introduction

Numerous organizations lack comprehension of the significance of the working environment in relation to employee job satisfaction, resulting in numerous challenges throughout their operations. These firms lack internal strength, which hinders their ability to bring new items to the market and surpass their rivals (Adriano & Callaghan, 2020; Panda et al., 2022). An employee is a crucial element in the process of accomplishing the objective and vision of a company. In order to maintain the quality of their job, employees must achieve the performance requirements established by the firm. In order to adhere to organizational norms, workers want a conducive work environment that enables them to work unhindered, therefore maximizing their productivity to its fullest extent. The aim of this study article is to assess the influence of the working environment on employee job satisfaction.

1.1. Working Environment

The working environment has two overarching dimensions: work and context. Work encompasses several aspects of a job, such as how it is performed and finished. This includes tasks, activities, training, self-control over job-related activities, a feeling of accomplishment, task variation, and the inherent worth of a task. A significant body of study has been dedicated to examining the inherent component of work happiness. The findings indicate a favourable correlation between the work environment and the intrinsic component of job satisfaction. The second factor of job satisfaction, referred to as context, encompasses the physical and social working circumstances (Akter et al., 2019; Dahal et al., 2021; Salem et al., 2023; Sutaguna et al., 2023). Spector (1997) noted that most organizations neglect their company's internal working conditions, which negatively impacts their workers' performance (Truong, 2023). As to his statement, the working environment encompasses employee safety, employment stability, positive relationships with colleagues, acknowledgement of excellent performance, incentives for high performance, and involvement in the firm's decision-making process. He said that when workers see that the company values them, they will exhibit a strong dedication and a feeling of responsibility towards their enterprise. Various elements in the workplace, such as salary, work schedule, employee empowerment, organizational framework, and communication between workers and management, might impact job satisfaction (Andarsari & Setiadi, 2023; Manap, 2023) asserts that inside businesses, workers often have difficulties with supervisors who fail to provide them with the appropriate level of respect. The harsh behaviors of bosses towards workers create an uncomfortable environment that discourages them from sharing positive and creative ideas with their bosses. In addition, he explains that upper management restricts people to their assigned duties instead of fostering a feeling of accountability by encouraging them to collaborate in teams to achieve exceptional results. Petterson (1998) asserts that the interpersonal dynamics among workers play a pivotal role in achieving a company's objectives. Additionally, he emphasizes the need to effectively and promptly communicate information to ensure the seamless functioning of commercial processes. When there is a conflict among colleagues, it becomes challenging to accomplish the company's goals. As discussed before, this research aims to establish the correlation between the working environment and employee job satisfaction.

1.2. Job Satisfaction

Vroom (1964) defines job satisfaction as the emotional orientation that workers have towards the function they perform in the workplace. Job satisfaction is crucial in motivating employees and encouraging them to perform better. Several individuals have described job happiness over the years. Hoppok & Spielgler (1938) describe work satisfaction as the comprehensive combination of psychological, physiological, and environmental factors that motivate

employees to acknowledge their contentment or happiness with their employment. Moreover, the significance of workers in the workplace is highlighted due to the impact of several factors on an employee inside the firm (Davidescu et al., 2020). According to Clark (1997), employees dissatisfied with their assigned tasks may have concerns about their rights, unsafe working conditions, uncooperative co-workers, disrespectful supervisors, and lack of involvement in decision-making. These factors can lead to a sense of detachment from the organization. Moreover, he emphasized that in the present day, companies cannot tolerate discontented workers as they would fail to meet the required benchmarks or their supervisor's expectations, leading to their termination (Hartika et al., 2023; Küçük, 2022; Peng et al., 2022). Consequently, companies will incur extra expenses when hiring new personnel. Therefore, it is advantageous for companies to provide a flexible work environment to their workers, where their perspectives are appreciated, and they feel a sense of belonging to the business. High employee morale is crucial since it directly impacts their performance. When morale is poor, employees are less likely to exert effort towards improvement.

2. Literature Review

Extensive research has been conducted to comprehend the correlation between work environment and job satisfaction across many global settings. The research has been more significant over time due to its inherent character and profound societal influence. A research conducted in Denmark indicates that a company may enhance its productivity by enhancing the physical aspects of the work environment, often known as the internal climate. This change is likely to benefit the company's overall productivity (Kearney et al., 2023). Herzberg et al. (1959) developed a motivational model for work satisfaction and discovered via study that job-related elements may be classified into two categories: hygiene factors and incentive factors (Hlaing, 2024). Hygiene elements can not directly lead to contentment but might mitigate unhappiness or provide temporary inspiration. In contrast, motivational variables have a permanent impact by fostering favourable emotions towards one's profession and transforming dissatisfaction into pleasure. Without hygienic variables, such as working environment, supervision quality and level, business policy and administration, interpersonal interactions, job security, and remuneration, the likelihood of employee dissatisfaction rises. Baah and Amoako (2011) stated that motivational factors, such as the nature of work, the sense of achievement derived from their work, recognition, responsibility, and opportunities for personal growth and advancement, contribute to employees' perception of their value within the organization. Moreover, this may enhance the workers' motivation, eventually improving their internal pleasure, which results in contentment. The hygiene element can only contribute to outward pleasure, but it lacks the potential to transform discontent into contentment. However, its existence remains very significant (Hartika et al., 2023; Küçük, 2022; Peng et al., 2022).. According to the Herzberg's Two Factor Theory, there is a connection between Hygiene and Motivation factors. Hygiene factors help employees transition from being dissatisfied with their job to not being dissatisfied, while motivation factors help employees transition from not being dissatisfied to being satisfied with their job (Herzberg et al., 1959).

Sell and Cleal (2011) constructed a model to examine workers' responses in hazardous work environments with high monetary advantages versus non-hazardous work environments with low monetary benefits. The model incorporates economic and work environment variables to analyze job satisfaction. The research demonstrated that several psychological and work environment factors, such as the workplace and social support, directly influence job happiness. Additionally, it found that increasing incentives did not alleviate employee discontent. The fundamental qualities of supervision include the supervisors' accessibility when needed,

their capacity to connect with colleagues, encourage innovative thinking, and recognize the value of open-mindedness among workers and their ability to interact effectively with employees. The findings indicated that workers' satisfaction level was high when they received competent and efficient supervision. Conversely, employees had a significant degree of discontent when there was a lack of effective communication (Labanauskaitė et al., 2020). Research conducted by Catillo & Cano (2004) found that improving interpersonal interactions, recognition, and supervision may significantly increase work satisfaction among university faculty members. In their study, Bakotic and Babic (2013) discovered that workers who face challenging circumstances see the working environment as a crucial determinant of job satisfaction. Consequently, these individuals express dissatisfaction due to the impact of their working conditions. In order to enhance the happiness of workers who are working in challenging situations, management needs to improve the working conditions. This will result in equal satisfaction among those who work under regular working conditions, hence leading to an overall rise in performance (Bakotic & Babic, 2013).

Research conducted by Tariq et al (2013) in the telecom industry found that several factors, such as Workload, compensation, workplace stress, and conflicts with family due to employment, contribute to employee discontent, which ultimately leads to turnover. At the final stage, these independent elements have a negative effect on organizational performance, which is also adversely impacted by these factors (Tariq & Mat, 2018). Chandrasekar (2011) asserts that organizations must prioritize establishing a work environment that fosters employee productivity to maximize profitability. In addition, he said that interpersonal contacts and relationships have a greater influence on work satisfaction compared to monetary factors. However, managerial skills, time, and energy are all necessary for enhancing overall organizational performance in the present period.

According to the literature provided, this study presents the conceptual model that was tested, as seen in Figure 1. The study focuses on the working environment as the independent variable and job satisfaction as the dependent variable among workers within a business. The working environment encompasses factors such as safety, training and development, and environment.

The factors to consider include safety, job stability, interpersonal dynamics among workers, employee's sense of self-worth, and the impact of top management on employee performance.

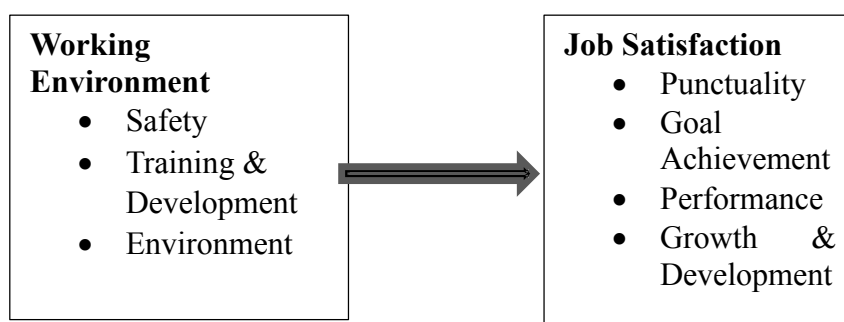


Figure 1 presents a conceptual model illustrating the relationship between the working environment and job satisfaction.

This research project examines the correlation between working conditions and job satisfaction. The following hypothesis is formulated to examine the correlation between the variables.

H1: A significant relationship exists between a favourable working environment and job satisfaction.

3. Methodology

3.1. Population and Sample Size

The research aims to examine the correlation between the working environment and job satisfaction. Using a survey questionnaire, the data is collected randomly from staff working in private banks in Kuala Lumpur, Malaysia. This research selected 300 replies from a pool of 355 correspondences. The respondents were workers from various organizations and were given self-administered questionnaires to complete. Research indicates that self-administered questionnaires, provided both manually and electronically, are the most appropriate method for many studies (Bai et al., 2023). The primary objective of recruiting workers from other banks is to get input from a heterogeneous set of individuals, enabling the findings to be extrapolated to a larger population.

3.2. Data Instrument and Data Analysis Technique

The questionnaire, consisting of 33 items, was adapted from the State Statistical Office (SSO, 2009). It included questions about esteem needs, job safety and security, training and development, working hours, trust, relationship with co-workers and supervisor, and the nature of work. The purpose of the questionnaire was to assess the impact of the overall working environment on employee job satisfaction. A 5-point Likert scale is used to assess responses ranging from "not at all satisfied" to "completely satisfied". Researchers widely regard statistical packages as the optimal and consistent tools for thoroughly evaluating large datasets (Buglear, 2005). Statistical analysis is conducted using software such as "Statistical Package for Social Sciences" (SPSS) and smartPls. Factor analysis is conducted while working with datasets that have a sample size of $n \geq 5$ (Hair et al., 2010). The study hypothesized that the work environment influences job satisfaction, making regression analysis an appropriate method for this research (Bridgmon & Martin, 2012).

4. Results and Findings

The significant associations were identified using SmartPLS 3.2.8, and a comprehensive understanding of the model was achieved by using the PLS-SEM technique with bootstrapping. Upon the completion of the construction process, a graphic representation of the finalized model was generated, as seen in Table 1.

Table 1 Bootstrapping Parameters

Subsamples	300
Number of Results	Complete Bootstrapping
Test Type	Two-Tailed
Significance Level	5%

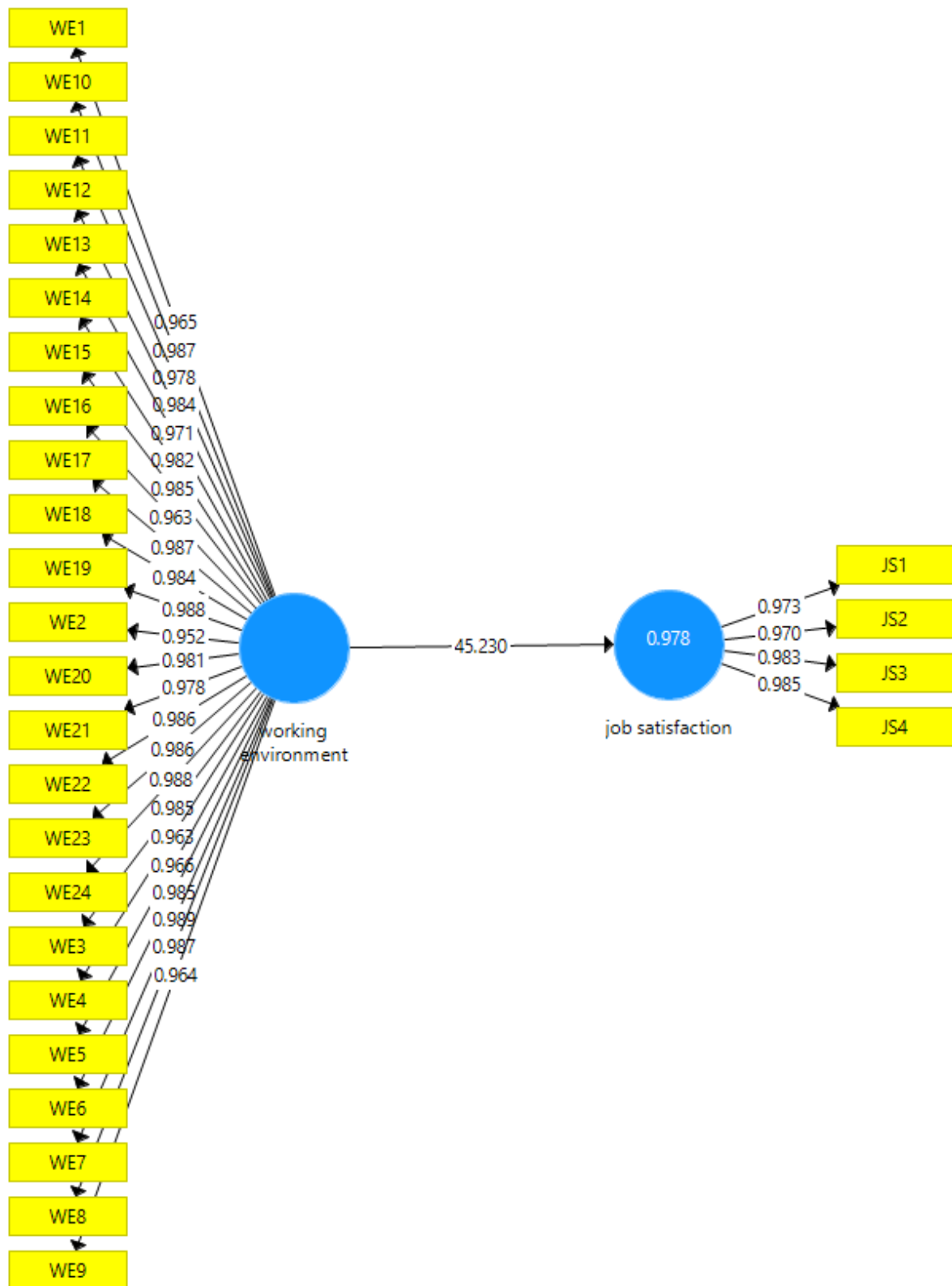


Figure 2 The Conceptual model with outer loading, path coefficients and constructs as Cronbach's Alpha

4.1. Convergent and Discriminant Validity

Convergent validity, a component of construct validity, assesses the degree to which a measurement corresponds with other measures that are considered to assess the same

underlying idea. Essentially, it evaluates the extent to which a measurement demonstrates coherence with other measurements of the same topic.

Table 2 Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Working Environment	0.985	0.985	0.989	0.956
Job Satisfaction	0.998	0.998	0.998	0.958

This table displays the reliability and accuracy of the work environment and job satisfaction. Measures the level of internal consistency by assessing how well the items on a scale evaluate the same underlying concept. Any Cronbach's Alpha values over 0.7 are deemed acceptable for all four combinations. Another measure of internal consistency is rho_A, as explained in the reference. This variant of Cronbach's Alpha considers the number of items on the scale. All structures have high rho_A values, all of which are over 0.8. Composite Reliability is a statistical technique that evaluates a measurement scale's internal consistency via structural equation modelling. All buildings have Composite Reliability values that exceed 0.8. The Average Variance Extracted (AVE) is a metric used to evaluate convergent validity. It quantifies the degree to which the components of a scale accurately measure the same underlying idea. All buildings possess appropriate AVE values, which must exceed 0.5. The table illustrates that the four structures are both dependable and precise. This suggests that they can precisely evaluate the measurements of their intended structures (Lamm & Lamm, 2019).

The Fornell-Larcker criterion is a method used by researchers to evaluate the discriminant validity of measurement models. Based on this criterion, the square root of the average variance derived from a concept should exceed the correlation between that concept and any other concept. Once these conditions are fulfilled, discriminant validity is obtained.

Table 3 Fornell-Larcker criterion

	Working Environment	Job Satisfaction
Working Environment	0.978	
Job Satisfaction	0.989	0.979

The Fornell-Larcker criteria is a technique used in structural equation modeling (SEM) to evaluate the ability of latent components in a measurement model to differentiate from one another. Discriminant validity pertains to the degree to which the constructs within the model are separate. The Fornell-Larcker criteria evaluates the relationship between each construct's square root of the Average Variance Extracted (AVE) and the correlations between constructs.

The correlation coefficient between the Working environment and itself is 0.978, calculated by taking the square root of the Average Variance Extracted (AVE) for Workload. This yields a correlation coefficient of 1, which corresponds to the value on the diagonal of the correlation matrix. Employee contentment with their job The square root of the average value (AVE) for this subject is 0.989. The correlation between the working environment and job satisfaction is 0.989 and 0.979, respectively.

4.2. Hypotheses Testing

Table 4 Hypotheses Testing

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Decision
H1	Working Environment-> Job Satisfaction	0.989	0.989	0.001	662.388	0.000	Supported

The results obtained from the analysis of two hypotheses indicate that there is a strong and positive correlation between the working environment (H1) and job satisfaction.

5. Recommendation

Longitudinal studies: Future research should adopt longitudinal designs to assess how the working environment and job satisfaction change over time and how they impact employee outcomes.

Technological Innovations: Technological breakthroughs, such as flexible work arrangements and workload monitoring, can potentially enhance job satisfaction practices in the digital age.

6. Conclusion

Job satisfaction is a well-researched phenomenon in the field of occupations globally. The literature study demonstrates that these phenomena are present in many forms of corporate culture on a global scale, and they significantly influence workers' conduct, job effectiveness, and daily experiences. Furthermore, workers' opinions of corporate culture, particularly in terms of leadership and social support, might not only impact job satisfaction but also serve as a predictor of it. In particular, a strong positive relationship exists between creative organizational cultures and personal performance. This means that employees who see their workplaces as more dynamic and entrepreneurial tend to be more satisfied.

The working environment significantly influences workers' job happiness. Poor working circumstances hinder individuals from showcasing their talents and reaching their maximum potential, hence it is crucial for firms to recognize the significance of a favourable work environment. This study report makes a valuable contribution to society by raising awareness about the significance of a favorable working environment in promoting employee job satisfaction. The research examines how firms may enhance their future performance by prioritizing the working environment inside their organizations to boost employee engagement and commitment. By adopting this approach, their workforce may get superior outcomes.

Additionally, it guarantees that the organization's personnel will have the convenience of working in a calm and unrestricted atmosphere, devoid of any stress or strain that might negatively impact their productivity. The advancement made in the company will immediately contribute to the economic growth of a nation, as it will lead to an increase in developmental initiatives. Under such circumstances, the nation will have the capacity to address the little issues that exist, as it will be in a robust position to manage them. The advantages of offering a favourable working environment to workers are significant for both the business and its workforce.

Several constraints were present during the study, such as limited time available to gather the necessary data. Time constraints have limited our ability to provide more information on the significance of this issue. Another constraint was the limited access to data that needed to be

gathered from several organizations. Obtaining the information was challenging due to the reticence of several firms' personnel to disclose their genuine sentiments. We ensured the ethical component of the study by guaranteeing respondents that their replies would remain anonymous and secret, with no access granted to anybody. As this subject has not been previously addressed, organizations can use the knowledge from this research study to plan their future course of action, which may assist them in securing long-term success. Creating a work environment that involves workers in decision-making, offers flexible working hours, reduces workloads, promotes teamwork, and has supportive top management has a beneficial influence on employee performance. Consequently, this results in a heightened degree of employee job satisfaction, which fosters more commitment, motivation, and productivity among workers, ultimately helping their companies in the long term.

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