MANAGER PERCEPTIONS OF WORK ENVIRONMENT PRIORITIZATION AND ITS RELATION TO SUCCESS

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The management and prioritization of the work environment is crucial to the achievement of any potential benefits resulting from a good work environment. Managers from successful, micro- or small-sized companies responded to a questionnaire in which they rated the prioritization of seven work environment areas, ranked six company interests, and rated to what extent they perceived that a relationship exists between a good work environment and corporate success. The results showed that Communication & Interaction was perceived as the highest prioritized area, that Profitability was the highest ranked company interest, and that the mangers perceived a relationship between a good work environment and corporate success.

Keywords: *work environment, prioritization, corporate success, communication.*

1. Introduction

Today's working life is global, highly competitive, and rapidly changing: reorganizations, increased workload, technological innovations and unsecure employments, are all factors that workers of today have to cope with. The comprehensive work sets high demand on the workers, as well as on the environment they work in. Some elements of the work environment can cause negative consequences and ill health, while other factors (or the same in a different context) can, on the other hand, contribute to better health and positive outcomes, among employees, the company itself and the surrounding society (Kelloway & Day, 2005). Employees are clearly affected by the work environment (Sherehiy, 2004; Ijmker, 2007), and employers need to better understand and take advantage of the potential of having better work environments (Black, 2008). A good work environment can not only contribute to the employees' health and safety, but can also support core business factors like competitiveness, productivity, and creativity (Shalley & Gilson, 2004; Dul & Neumann, 2009). The management and prioritization of the company's work environment is a critical factor in enabling the potential benefits that can result from a good work environment.

The Swedish Work Environment Act (Swedish Work Environment Authority, 1977) requires systematic activities from the employer to achieve and secure a safe and healthy work environment. The activities are not only concerned with reducing risk and occupational injuries, but also involved with employees' wellbeing, and with their satisfaction with work and development, as well as concerned with key business factors.

Despite the legislative requirements, only 55 % of Sweden's working population stated, in 2009, that there is an ongoing systematic work environment management at their workplace (Swedish Work Environment Authority, 2010). To understand managers' and workers' behaviour and actions in companies, it is important to investigate perceptions of work and work environments (Dhillon, 1990). The organisational position seems to affect perceptions about work, and managers' perceptions cannot be seen as representative of the employees' at the same workplace (Carlopio, 1995). However, the managerial perceptions are of interest for two major reasons: (i) managers are able to make wider assessments from an above-perspective based on more comprehensive knowledge than employees, and (ii) managers' perceptions may be more predictable of future actions and performance in the organisation (Patterson, 2004). Studying perceptions of work and work environments can elucidate knowledge and arguments for prioritizing and making investments in better work environments.

2. Objectives

The aims of this study were: (i) to describe how managers perceive that their companies prioritize different areas of the work environment; and (ii) to determine the extent to which the managers perceive that work environment is related to corporate success.

The research questions of the present study were the following:

- How do managers rate the current prioritization of different work environment areas at their company?
- Which company interests do managers rank as most important at their company?
- To what extent do managers perceive a relationship between work environment and corporate success?
- To what extent do managers perceive a relationship between the work environment management and the success at their company?

3. Methods

3.1 The sample

The sample of companies was derived from a database previously used to establish, on a yearly basis, the 50 most successful companies in a county in central Sweden. Every year a private accounting firm compiles a list of all successful companies based on the following inclusion criteria:

a) *turnover*: ≥ 4 million SEK per year,
b) *number of employees*: ≥ 4,
c) *history*: existed for more than five years,
d) *profit*: increased profit of at least 4.5 % over the previous year.

A sample of companies that meet the initial eligibility criteria are then visited to gather further information in order to rank the 50 most successful companies of each respective year. From the 2009 and 2010 lists, 136 companies were investigated through company visits and these companies were used as the sample of successful companies in the present study. The managers of these companies (*n*=136) received an invitation to

participate in the study. The companies were mostly micro- or small-sized companies, all located in the county in central Sweden and from a wide variety of industries. Data collection was performed during June and August 2011 by using a web-based questionnaire, resulting in 35 managers completing the questionnaire (response rate 26 %). Responding managers were mostly men (85 %) and were predominantly either 36 to 49 years of age (51 %), or > 50 (46 %) years old.

3.2   The questionnaire

The questionnaire was based on a previous survey (Nordlöf et al., 2011), and further developed to fit the aim of the present study. The managers responded to 42 questions rating the prioritization of seven work environment areas: physical working conditions; psychosocial working conditions; organizational improvements; work environment routines; communication & interaction; management; and health & prevention. Each area consisted of six questions that summed together represented an index of the area. A Java-based Visual Analogue Scale, VAS was employed for the questions with endpoint anchor terms «no priority whatsoever» and «highest possible priority» (see Figure 1). The managers also rated the extent to which they perceived that a relationship exists between a good work environment and corporate success, and if a relationship was present between the work environment management and the success at their company (two separate questions), using a VAS with endpoint anchor terms «very little extent» and «very high extent». The managers were furthermore asked to rank six common areas of interest: physical work environment; branding; psychosocial work environment; profitability; economic goals (other than profitability); and environmental work, by choosing the top three most important interests at their own company (one question).
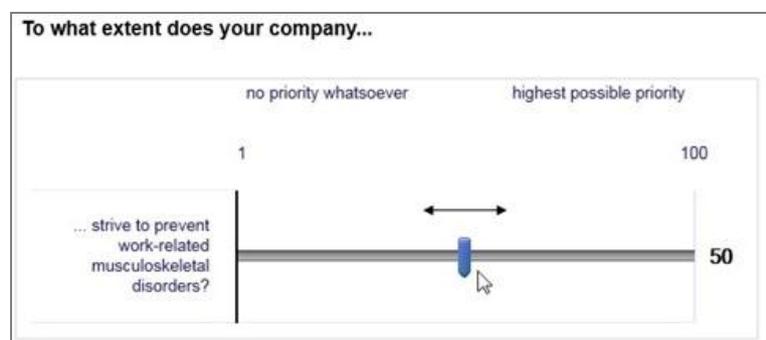
**Figure 1.** One of the Java-based Visual Analogue Scales (VAS) used in the present study.

3.3   Statistics and analysis

There are different opinions and practice concerning the choice of statistical methods to analyse data from VAS. In the analysis for the present study the derived VAS scores was viewed as ratio data, and the parametric tests of t-test and ANOVA were used to test if any significant differences in the managers' perceptions were found in the data. By showing the exact value of the scored priority on the right side of the scale, it was believed that a change in the VAS score between questions would represent a relative change in the perceived priority given to these questions, supporting the notion that the collected answers should be viewed as ratio data (Figure 1).

4. Results

4.1 Prioritizations of work environment areas

The highest prioritized work environment area (mean VAS score) as rated by the managers was *Communication & Interaction* (83.5), followed by *Psychosocial working conditions* (82.1) and *Work environment routines* (79.9) (Figure 2). The lowest prioritized area according to the managers was *Health & Prevention* (74.7) and *Organizational Improvements* (73.9) (Figure 2).
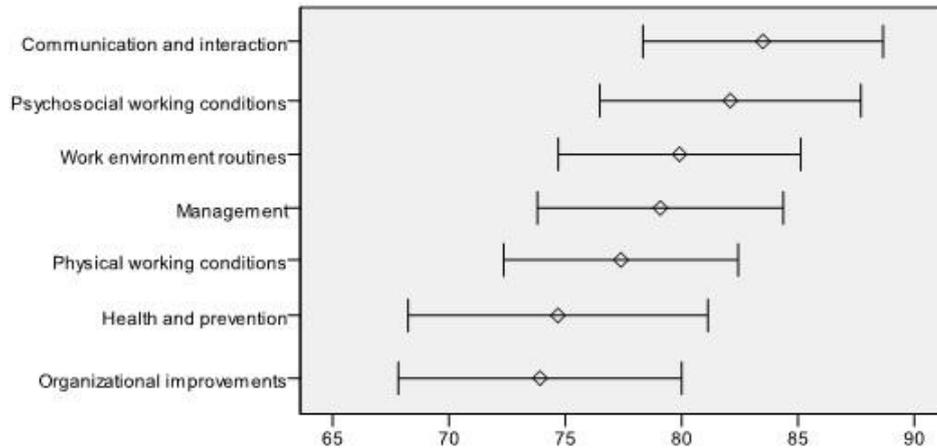
Figure 2. Error bars displaying mean score and 95% confidence interval for the seven work environment indexes ($n=35$).

4.2 Rankings of company interests

A ranking score was calculated by editing all the 1st placed rankings to 3 points, all 2st placed rankings to 2 points, all 3st placed rankings to 1 point and the non-ranked (empty cells) to 0. The calculated ranking scores revealed that *Profitability* (60 ranking pts.) was the highest ranked company interest with half of all 1st place rankings, followed by *Economical goals, other than profitability* (29 pts.) and *Physical work environment* (29 pts.). The least prioritized company interest was *Environmental work* (7 pts.) that had no 1st place ranking and was only included in five of the mangers top-three list (Table 1).

Table 1. Rankings of company interests ($n=30$ [a])

|	Total Rank Score[1]	% of 1st	1st [2]	2st [2]	3st [2]	0st [2]
Profitability	60	50%	15	6	3	11
Economic goals, other than profitability	29	20%	6	2	7	20
Physical work environment	29	13%	4	6	5	20
Branding	25	7%	2	7	5	21
Psychosocial work environment	25	7%	2	6	7	20
Environmental work	7	0%	0	2	3	30
Other	5	3%	1	1	0	33

[a] Missing values for 5 managers.

[1] Rankings scores summarized, highest rank 3 pts., second rank 2 pts., and third rank 1 pts.

[2] Number of 1st, 2st, 3st, and non-ranked (0st) for each category.

4.3   Perceptions of a relation between work environment and corporate success
The managers perceived that a relationship between a good work environment and corporate success exists, but rated the relationship for any (general) company (79.7) significantly higher than how they perceived a relationship between the work environment management and the success at their own company (72.1) (Paired sample t-test, $p<0.05$).
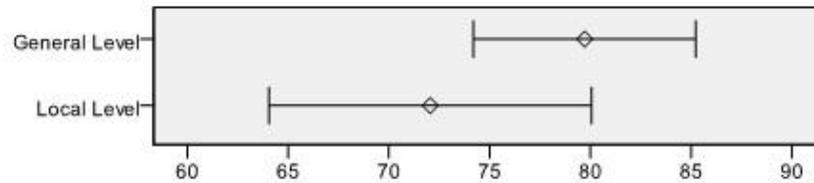
Figure 3. Error bars displaying mean score and 95% confidence interval for a perceived relationship between work environment and corporate success ($n=35$).

5.   Discussion

The managers in this study rated *Communication & Interaction* to be the highest prioritized work environment area, which indicates that the managers, in this sample, considered it important to involve and inform the employees in and about business activities. This is not surprising, since communication is fundamental to all internal and external activities in modern companies (Goodman, 2006). The included companies were mostly micro- and small sized and represented a sample of successful companies. Smaller companies often have greater opportunities for direct contacts between managers and employees (Forth, 2006), and effective companies are more likely to have the knowledge and resources to develop good communication practices and positive working conditions (Morley, 2002). Furthermore, managers for small- and medium sized companies seems to be more prone to involve their employees in decision-making, compared to their large-firm peers (Forth, 2006). These factors are all plausible reasons for managers to highly prioritize the process of communication and interaction in their company.

The managers in this study perceived a relationship between work environment and corporate success. This was still present when the managers rated a relation between the work environment management and the success at their own company, but with a slightly lowered VAS score. This could be indicative that the managers perceive a relationship, but have not yet invested enough time or resources to maximize the potential of the work environment in their own business, or that the relationship is perceived to be more true for "many other businesses" but not their own in particular. However, earlier research has indicated that elements of the work environment both can affect a range of business factors, like competitiveness, productivity and creativity directly, and indirectly through increased employee health, satisfaction, motivation and performance at work (Grawitch et al., 2006).

6.   Conclusion

The result of the present study shows that a sample of managers for successful micro- and small sized companies highly prioritize communication and interaction within their business, and that the managers perceive a good work environment to be a success factor.

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