EMPLOYEE SATISFACTION

IN OPEN OFFICE ENVIRONMENT

Mária Roberta Nagy

Abstract

The research was made for exploring employee satisfaction in new open office environment at

a multinational company, after the decision of the management about the refurbishment of the

European offices. As a result, the Czech office should have been transformed into an open office

area. The goal of the research was to measure employee satisfaction in the new work

environment and to make a proposal for management team for further office investments. For

exploring the situation, a primary research was conducted among Czech employees of the

company, if they are satisfied with the realized new work environment. The survey was done

by in-depth interviews using an interview questionnaire. As a result of the research it may be

stated that employees are generally satisfied with their working environment. They reported

their needs regarding wider space and extended own work environment and about more meeting

rooms and rest zones. Respondents noticed excessive noise and direct and rapid communication

between each other during operation.

Key words: employee, human resource, organizational behaviour, personnel management

JEL Code: M12, D23, 015

Introduction

Human resource is essential asset in achieving goals of any companies, therefore the well-being

and satisfaction of employees play a key role in the successful performance. Research was made

on measurement of employee satisfaction in new open office environment based on a

management decision about the refurbishment of European offices. Thus, the Czech office must

also had been transformed into an open office area. The goal of the research is to measure

employee satisfaction in the new work environment and make a proposal for management team

for further office investments.

585

1 Literature review

From the end of the 19th century, during the Industrial Revolution, society and the economy underwent a huge reformation thanks to the technological explosion, which separated the office in its present sense from the production line. This period saw the beginning of the construction of office buildings and with it the concept of the "open office", which meant huge halls without any internal boundaries, serving as a space for the employees, crowded with desks. Managers had their own offices, located on a higher floor of the building. Cost efficiency was a key design consideration, and the large open space made it easy to control the large number of subordinates (Klein, 2018).

After the World War in Germany, the "Bürolandschaft" style of office space appeared and was soon introduced in the USA. The new image is a combination of private offices and "open office", called "office landscape", decorated with dividing walls and plants. The office space was divided according to schedules and tasks, with a more optimal distribution of space. The widespread of open office environment firstly realized in Hungary due to international companies (Illés et al., 2021).

Today, thanks to the tools of digitalization, the flow of information has become instantaneous, either in centralized offices or working remotely (Marciniak et al., 2020). The "home office", i.e. working from home, was also introduced and became widespread during the COVID-19 pandemic. Furthermore, it is still an approved way of work and will stay in the future as possible working option (Samani-Alavi, 2020, Hervie et al., 2022).

There are both advantages and disadvantages to open office. Basically, communication is faster and more efficient. An open office is more transparent, more welcoming and allows for an interactive exchange of information between colleagues. Interaction has been shown to be more frequent between colleagues who do not have a direct task relationship (De Croon et al., 2005).

The constant sense of community that results from open spaces strengthens the team, fostering a sense of belonging to a team. Regardless of position, a sense of approachability contributes to a more cohesive yet relaxed working environment, and the more direct contact among colleagues within and outside the organisation can also provide an effective platform for creative ideas that can make project-based working more effective (Bernstein, Turban 2018).

Aesthetic and fashionable office space can be designed and furnished in a number of ways to best meet both employee and company expectations. In single-space offices, it is

possible to decorate, create a relax zone or change the layout of desks. In order to maintain a peaceful and productive operation, it is important to take into account the needs of people in different positions with different responsibilities (Sailer–Thomas, 2021).

Privacy is essential even when work is essentially carried out in a single airspace. The impact on employees is positively enhanced if the working environment can be personalised and rearranged to suit the needs of the individual, leading to a commensurate increase in their attachment to the workplace and their commitment to the employer (Bernstein-Waber, 2019).

Another benefit of an open office is that team or functional managers working in the same room can more easily monitor the performance of colleagues in their immediate team. Many people are nervous about sitting too close together or seeing their screens. However, administrative staff doing monotonous work can perform better when they are in the same room as their colleagues. However, it is a proven fact that when complex tasks requiring concentration need to be performed, a closed, quiet space is necessary to achieve the right level of performance in the optimum time, so noise can make the work stressful (Sander et al., 2021).

Effective communication, more frequent cooperation, rapid interactions and a working environment that provides a cohesive atmosphere in the fashionable "open office" can be highly motivating. A unique look that allows for an expressive interior design compared to the usual sterile and functional office spaces, through which the company can communicate its branding elements on demand, or create a higher quality working environment that shows more appreciation towards its employees (Rekettye, 2018).

Overall, people who like open offices tend to praise the positive atmosphere, environmental benefits and creative output of their staff. In open-plan offices, employees are free to roam, socialise, collaborate, communicate more intensively, and better meet the demands of the community and respond more quickly to changes in their environment. All of this, of course, has a positive impact on employee morale, not forgetting cost efficiency, which is also seen as a positive by the company.

Nevertheless, numerous disadvantages of open offices are mentioned in the international literature. Laurence et al. (2013) concluded that employees tend to be more dissatisfied with large open-plan offices compared to enclosed office spaces. A fair amount of research has been undertaken to explore how to make them more functional spaces and create a more positive impression on employees.

Yildirim et al. (2007) found that among employees working in open-plan offices, colleagues sitting next to a window are significantly more satisfied. They were also found to have a more positive correlation with their perceived privacy and the quality of their working

environment in general, due to the high separation elements. Workers showed a demonstrable preference for workstations with windows. Without windows, there is less natural light, even if this can be replaced by adequate lighting wattage, but there is still an inherent need to be in contact with nature (Yildirim et al., 2007).

Basically, the main problem is the lack of privacy. According to a research, privacy is absolutely necessary. It can be noisier and more disturbing to work together some feel insecure and unprotected. At the same time, they are exposed to too many stimuli in their daily lives. Lack of personal space can have a negative impact on productivity in both the short and long term. Also, sound and noise spread more easily in large spaces. Constant alertness can disturb concentration, leading to frustration and consequently increased tension. Crowdedness leads to higher turnover and lower performance. (Sander et al., 2021). According to the overload theory, when a huge amount of information is showered on a worker and the relative distance between them is small, concentration difficulties can occur.

To summarise the advantages and disadvantages of single-space offices. Privacy is declining, while the role of social communication and a collaborative approach is increasing. Information flows are increasing, while flexible work cultures are coming to the fore. Open office space is also cost-effective, as more staff can be accommodated in a smaller area. Or more staff can be accommodated in the same space (Gerlitz–Hülsbeck, 2023). Workstations integrated into a single space result in significant cost savings, which also have a positive impact on greener, more environmentally friendly solutions. It is important to consider all the features of an open-plan office together, with its advantages and disadvantages, before it is implemented in an organisation. A high level of organisational, psychological, architectural and interior design knowledge is required to create the right design for the company (Gjerland et al., 2019).

2 Methodology

The goal of the research is to measure employee satisfaction after office refurbishment, as old work environment became open area.

Therefore, secondary research made on existing results in connection with employee satisfaction and relation with work environment.

After that, the primary research investigates the "open office" working environment in the Czech organisation with a focus on employee satisfaction. The research questions were focus on the following: (1) Whether they are really satisfied with the new working environment implemented and thus with their employer, and (2) Which factors influence their satisfaction and to what extent.

In order to answer these questions, in-depth interviews were conducted to investigate employee satisfaction. A total of 9 employees answered a total of 18 questions. All 9 respondents are full-time employees, working 8 hours a day, with duties performed in the office at their own workplace in Czech Republic. All members of the surveyed group are "back office" employees, with different tasks in their assigned positions. In-depth interview handled via Webex online conference call.

The total number of registered employees of the examined company is 37, of which 9 were interviewed in total, as they are part of the operational team. Their role is to support logistics across Europe in central office as full time employee. The reason why exactly 9 employees are included in the survey is to be comparable with Hungarian office research. These selected colleagues have similar role in both countries.

The samples are not representative due to the fact only one company analysed. Representativeness was not the goal of the research. At the end of the research, I would like to place my recommendations for management team for further investments. Although, research has not been extent to ergonomics. Furthermore, does not include the possibility of work environment effect on working performance.

3 Presentation of the results

Firstly, changes in employee satisfaction were discussed after introducing open office environment. Compared to the original working environment (pre-refurbished office), the renewed working environment has a different impact on the daily satisfaction of employees. The results are summarised it seems clearly, that indicating the level of satisfaction on a scale of 1 to 5, where 1- not satisfied, 2- minimally satisfied, 3- neutral or simply satisfied, 4-very satisfied, 5-maximum satisfied. A significant proportion of employees marked the satisfaction by neutral feelings or with strong satisfaction. It can also be stated that 88% of employees are satisfied with their current, new work environment. But they think, that it has no influence on their working performance.

In case of question, do current work environment motivates you in working, colleagues reported the following. Working tools with good quality motivate employees, but reduced working environment. More space needs shared. They feel good when they go to work because of the team spirit. It was the motivating factor they reported.

Regarding current work environment help/support function they answered the next. Respondents say their environment help and/ or support their work but different opinions shared about how deeply support. Not only the environment supports them when a problem or a task appear. Other facts are also mentioned to solve the problem or task. For example, management attitude, method and communication channel.

Question placed, how do your current work environment effect on your work performance. Czech colleagues think that actual work environment does not effect on their performance. Mentioned other factors in connection with their work performance, like flexibility and salary, benefits.

Asked them, how satisfied are you with the office furniture (desk, chair, cabinet, etc.). In terms of office furniture, employees are quite satisfied with their office furniture, mostly used "shared desk", which indicates less comfort feeling. Actual ergonomic layout indicates less satisfaction.

Asked about satisfaction of office temperature, humidity, air-condition and diffuser strength. Almost all Czech employees find the temperature, humidity and climate in the office satisfactory. Due to high number of employees, it is difficult to find the right temperature as priorities and needs are different of each employee.

The next question placed, do you find the office lighting appropriate in general, then asked about own work station lighting. Answered, that the lighting of the office and all workplace are consistent with enough natural and industrial light application due to LED lighting application. It is well-designed and up to all standards.

In case of question, do you find the colours used in the office appropriate, they answered the following. The colours used in the office is up to individual preferences. Generally agreed that company logo and brand are in line with colours used in the office.

Czech colleagues asked if they find smell appropriate in the office. Based on the interviews the smell of the place is neutral, generally feel cleanliness smell. They thought, never thought about it.

After that, asked them, if rest rooms are appropriate (clean, equipped, etc.) The toilets refurbished and colleagues are satisfied with it, but these areas designed for less people. The comfort and look like acceptable, but it would be great idea to increase those number of rest rooms capacity. Additionally, other rest zones where they can relax have not been added to the layout to have a private call or give a chance to stay alone for a couple minutes.

Question placed, if you find the kitchen appropriate (clean, equipped, etc.) The kitchen refurbished and colleagues are satisfied with it, but designed for less people. The comfort is good and design is acceptable, but it would be great idea to increase capacity.

They answered question, how do your actual work environment effect on the way you feel. Employees expressed satisfaction with the design of the office, which has positive effect on their well-being. More than two thirds of respondents say it is significantly or maximally consistent, both in design and composition.

Next question place, how do your actual work environment effect on your health. Half of the employees think that new working environment effects positively on their health and half of them think that working environment has not effect on their health.

Furthermore, asked their opinion, if the office environment is in harmony with the brand. At the end, the clear statement of the employees is that the office design is clearly in harmony with the brand, with image of the company. Stated that its design is industrial due to nowadays fashion style.

Then asked them, all in all, how satisfied with current office layout. The layout is acceptable but the area would be great to increase in general. During the day the office is extremely crowded, but they emphasized the attention they pay for each other.

Question placed, how positively effect on your daily satisfaction the new office (open office) compared with original environment (before the refurbishment). Colleagues shared their point of view of general satisfaction of new office. Mentioned several advantages and disadvantages of actual open area.

Of course, every office has advantages and disadvantages, especially open office areas. Employees have different priorities, needs, preferences, attitude. Therefore, several notes added during each interview. Based on the in-depth interviews disadvantages summarized here below. Many people missed the large spaces and the more spacious private working environment of the old office. Crowded area is noisy which is more than normal, which interrupts their work. Especially when guests arrive or when additional managers enter the office from the area. The lack of rest zones reported and minimal number of meeting rooms. Indeed, there is only a small canteen available for a break from work or a private phone call. In addition, some of them need to handle conference calls in the car due to lack of space.

There are absolutely advantages of open office as well. In actual office the modern design is absolutely reported as positive fact. Furthermore, good team spirit generally stated by everyone. Communication is very quick in open area therefore interactions increasing, which

is also a positive fact. In addition, open office area is acceptable by Czech colleagues. Fluctuation is very low in this office.

Conclusion

Previously old-fashion design, dis-functional zones, old and huge furniture stayed in the office. Due to changes of the organization, increase or decrease the number of employees, and business transformation, the office design and layout have not followed the changes. That is the reason why, based on top management team decision European offices transformed into open office areas including Czech office. An internal professional project team managed the refurbishment including European procurement director, EHS director, lawyer, project team lead and technical director. The project realized on time, quality, quantity and cost due to the project plan. Fortunately, construction costs have not been increased significantly due to fixed contracts.

The result of office refurbishment is a new "open office" work environment. Two external suppliers supported the construction and finished in a couple weeks, while colleagues can work. Therefore, workflow has not been stopped. Some colleagues worked from home, or taken some extra days. Refurbishment includes brand new carpet in blue colour due to company logo, which is the combination of white and blue. The walls painted in two-layer white colour, as interior doors as well. LED lighting implemented in the whole office. Interior walls changed to glass walls for better visibility. The office was mechanically separated, including the ventilation system, the flow of cold and hot air. A separate electric cabinet has been isolated, as well as an individual water meter installed.

At the end decoration, marketing materials, plants implemented. In addition to the mentioned material realizations, a close professional relationship and excellent cooperation were also established as a result of the project. I feel glad to be able to part of this project. As this project is a perfect example of joint cooperation, long and persistent work both within organization and with suppliers.

All in all, project could not have been implemented without cooperation. Project team worked closely in direct context, authentic, and truth-based communication carried the project forward. The use of quality materials further strengthened the cooperation, thereby created trust between project members. Weekly project meetings and its reports clearly defined next milestones. Due to the complexity of the office refurbishment project, it was necessary to work together effectively both online and offline.

Overall, Czech workers are generally satisfied with their working environment and consider their working conditions to be good. However, they think it has no impact on their

work performance. They are quite satisfied with the furniture, keep it functional, but the small "shared desk" caused less comfort feeling. After the renovation, they are satisfied with the air temperature and ventilation. They are also satisfied with the lighting and the amount of natural light in the common areas and above their work area. Satisfaction with the colours used in the office varies from individual to individual. The environment is very noisy. Quick communication reported. The office is clean and tidy, neutral smell. The rest areas, including the kitchen and toilets are highly appreciated, as they have also been renovated during the investment project, making them more functional spaces. Well-being comfort is also very good in everyday life thanks to the refurbished working environment. Only half of the employees think it has a positive impact on their health. They agree with the design of the current ergonomics and consider the composition to be appropriate.

Hereby find my recommendation summary regarding whole office refurbishment project. The recommendation for the employer is listed here and addressed to European management team, based on the research I have made, which is not representative. Absolutely recommended to continue with construction of further open office areas in European Union. Which is based on general satisfaction of interviewed employees. They keep open office area acceptable for work.

Firstly, hereby recommend the set up of project team, which can support the project in case of technical issues, supplier selection process and weekly meeting, daily cooperation. It is also important to create closable offices for functional leaders to handle face to face meetings within the organization members and also to be able to receive external experts. Furthermore, also important to construct rest zones where employees are able to spend their free time to have a private call or just be able to stay alone for a couple minutes. Those rest zones have not been constructed yet in any European office, but employees reported high needs. Therefore, it would be great to consider the possibility. Need to review noise reducing possibilities, actually only the carpet reduces. Pay attention for furniture comfort and choose variable version, therefore layout can be anytime changed, which bring new feeling to the working environment with low investment. And also gives the possibility to follow organizational changes as business growing or moving. It declares real value on employee side. Research does not reflect on ergonomic environment, but it is necessary to provide optimal space for working environment of each employee. Additionally, this research does not include working performance reflection in advance.

References

- Bernstein E. S., Turban S. (2018). The impact of the 'open' workspace on human collaboration Philosophical *Transactions of the Royal Society B.* 373: 20170239. http://doi.org/10.1098/rstb.2017.0239
- Bernstein E., Waber, B. (2019). The Truth About Open Offices. *Harvard Business review, November–December 2019* https://hbr.org/2019/11/the-truth-about-open-offices
- De Croon, E., Sluiter, J., Kuijer, P. P. F. M., & Frings-Dresen, M. H. W. (2005). The effect of office concept on worker health and performance: A systematic review of the literature. *Ergonomics*, 48 (2), 119-134. https://doi.org/10.1080/00140130512331319409
- Gerlitz, A., & Hülsbeck, M. (2023). The productivity tax of new office concepts: a comparative review of open-plan offices, activity-based working, and single-office concepts. *Management Review Quarterly* https://doi.org/10.1007/s11301-022-00316-2
- Gjerland, A., Søiland, E., & Thuen, F. (2019). Office concepts: A scoping review, *Building and Environment*, 163, 106294, https://doi.org/10.1016/j.buildenv.2019.106294
- Hervie, D. M., Amoako-Atta, E., Hossain, M.B., Illés, C.B., & Dunay, A. (2022). Impact of COVID-19 Pandemic on Hotel Employees in the Greater Accra Region of Ghana. *Sustainability*, 14, 2509. https://doi.org/10.3390/su14052509
- Illés, B. Cs., Hurta, H., Dunay, A. (2021). Francia érdekeltségű vállalkozások működésének kihívásai Magyarországon. pp. 479-488 In: Blahó, A., Czakó, E., Poór, J. (szerk.) Nemzetközi menedzsment, Akadémiai Kiadó, Budapest 592 p.
- Klein, S. (2018). Munkapszichológia a 21. században. Budapest, EDGE 2000 Kft.
- Laurence, G. A., Fried, Y., Slowik, L. H. (2013). "My space": A moderated mediation model of the effect of architectural and experienced privacy and workspace personalization on emotional exhaustion at work. *Journal of Environmental Psychology*, 36, 144-152. https://doi.org/10.1016/j.jenvp.2013.07.011
- Marciniak, R., Móricz, P., & Baksa M. (2020). Digitális transzformáció a Magyar üzleti szolgáltató központokban. *Multidiszciplináris kihívások, sokszínű válaszok Gazdálkodás-és Szervezéstudományi folyóirat,* (2) 116-139. https://doi.org/10.33565/MKSV.2020.02.07
- Rekettye, G. (2018). Értékteremtés 4.0 Akadémiai Kiadó. Budapest https://doi.org/10.1556/9789634542230
- Samani S.A., & Alavi S. M. S. Z. (2020). Are Open-Plan Office Designs Still Popular After Coronavirus Pandemic? *Performance Improvement*. 59(8):24–32. https://doi.org/10.1002/pfi.21931
- Sander, E., Marques, C., Birt, J., Stead, M., & Baumann, O. (2021). Open-plan office noise is stressful: Multimodal stress detection in a simulated work environment. *Journal of Management & Organization*, 27(6), 1021-1037. https://doi.org/10.1017/jmo.2021.17

Sailer, K., Thomas, M. (2021). Socio-spatial perspectives on open-plan versus cellular offices, *Journal of Managerial Psychology*, 36 (4), pp. 382-399. https://doi.org/10.1108/JMP-10-2019-0556

Yildirim, K., Akalin-Baskaya, A., Celebi, M. (2007). The effects of window proximity, partition height, and gender on perceptions of open-plan offices. *Journal of Environmental Psychology*, 27, 154-165. https://doi.org/10.1016/j.jenvp.2007.01.004

Contact

Mária Roberta Nagy

John von Neumann University Doctoral School of Management and Business Administration Hungary, 6000 Kecskemét, Izsáki út 10.

nagymariaroberta9@gmail.com