

Modeling and Analyzing of the Employment Work Environment and Employee Performance: Case Study of Saudi Basic Industries Corporation

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Abstract

Background: This study aimed to determine "the mediating role of job satisfaction on the relationship between work environment and employee performance in petrochemical companies."

Methods: The researchers distributed questionnaires to 325 employees of the Saudi Petrochemical Company (SABIC), and the responses were collected and systematized on a computer for analysis. The researchers utilized the analysis of moment structures (AMOS) technique to analyze the data and determine the relationships between work environment, job satisfaction, and employee performance. Statistical analyses were conducted on the collected data to obtain the study's results.

Results: All samples' answers will be systematized on the computer and analyzed by the analysis of moment structures (AMOS). The study concluded the main results, which are: there is a statistically significant relationship between employee performance in petrochemical companies in Saudi Arabia and the work environment (physical condition, communication practices, organizational culture, training, motivation, and career development), there is a statistically significant association between job satisfaction in petrochemical businesses in Saudi Arabia and the work environment (physical condition, communication practices, organizational culture, training, motivation, and career advancement), job satisfaction and worker performance in Saudi Arabia's petrochemical industries are statistically related and the results of this study suggest that the link between the working environment and employee performance is mediated by job satisfaction.

Keywords: *Job Satisfaction, Work Environment, Employee Performance, etrochemical Companies, KSA..*

1. Introduction

Numerous issues in HR operations, such as low wages and the total lack of performance evaluation benchmarks, are widespread in developing countries, according to research by Harbi S A, 2018, as are matters with weak Human Resource Development examined by the Gulf Collaboration Meeting of States, particularly Saudi Arabia. Furthermore, past research focused on the private sector and discovered a slew of performance factors (P. Holland, 2017). Previous research concentrated on employee performance in wealthy nations, but additional research in emerging countries, like Saudi Arabia, is needed (Z. Allam & A. Shaik, 2020). Nonetheless, earlier studies in this area have focused on the examination of employee performance in private organizations, whereas studies in the public sector are still being conducted.

2. Problem Statement

Employees are the most significant asset of any firm. Engaging them in enhancing their performance may lead to a successful and incredibly productive business. Not all workers are equivalent in their jobs, and they function in varying manners, where some possess the greatest potential regardless of the motivation while others experience periodic bursts of progress (McKinnon, 2003). If they are handled correctly, they may lead to enhanced productivity and staff morale. Employees are viewed as the foundation of a company since they contribute to the establishment of the corporation's reputation and image (Edmondson & Harvey, 2018). Moreover, there exists a limited number of studies that identify job satisfaction as a mediator in the public sector of Saudi Arabia, specifically in petrochemical enterprises. Consequently, this research aims to investigate the function of job satisfaction as a mediator

between the work environment and employee performance, utilizing SABIC Company as a case study.

3. Research Question

What is the relationship between work environment dimensions and job satisfaction mediated by employees performance?

RQ1: In petrochemical companies in Saudi Arabia, the work environment and the employees' performance are positively related.

RQ2: In petrochemical companies in Saudi Arabia, the work environment and job satisfaction are positively related.

RQ3: In petrochemical companies in Saudi Arabia, the job satisfaction and the employees' performance are positively related.

RQ4: In petrochemical companies in Saudi Arabia, the relationship between the work environment and the employees' performance is mediated by job satisfaction..

4. Petrochemical Industry in Saudi Arabia

Saudi Arabia possesses the Arab world's second biggest land area, second only to Algeria, and controls the majority of the Arabian Peninsula. Iraq and Jordan border it on the north, with Yemen on the south; Kuwait borders it on the northeast, with the Emirates, Qatar, and Bahrain on the east; and Oman borders it on the south. Furthermore, the Arabian Gulf is to the east, while the Red Sea lies to the west (World Population Review, 2014).

The Saudi Arabian Kingdom is divided into areas, each of which is controlled by its own governor, or Ami. As shown in Figure (1), Saudi Arabia is divided into 13 areas: Al-Riyadh, Mecca Al-Mukarramah, Al-Madinah Al-Munawarah, the Eastern Area, Al-Qassim, Aseer, Hail, the Northern Boundaries, Al-Baha, Najran, Tabouk, Jazan, and Al-Jouf. (Idris & Manganaro, 2017).



Figure 1: Map of Saudi Arabia

Source: Saudi Royal Embassy, Tokyo/Discover Saudi Arabia (2008)

5. Methodology

The target population for study was the employees of the Saudi Chemical Industries Company (SABIC), which has 3200 employees as the profile of the company. The total Size of Sample will be 355 respondents distributed unevenly in

different strata. The survey data will be coded for easy analysis and presented in an understandable way. Quantitative data will be analyzed using descriptive statistical methods like mean and standard deviation and displayed as tables, frequencies, graphs, and charts. The application of moment structure analysis will make this feasible (AMOS).

6. Sem PLS-SEM Structural Model

The PLS analysis, which was the next step, was carried out after the analysis on the measurement model to enable the evaluation of the structural model (the inner model was analyzed). The researchers adhered to the specifications put forth for this purpose by Chin (2010), Hair et al. (2013), Hair et al. (2011), & Valerie (2012).

The tested model, which was created by the researcher based on earlier studies, is depicted in the following figure (2), (3). Its quality of conformity will be evaluated, and a SEM will be performed on it (table 4.21).

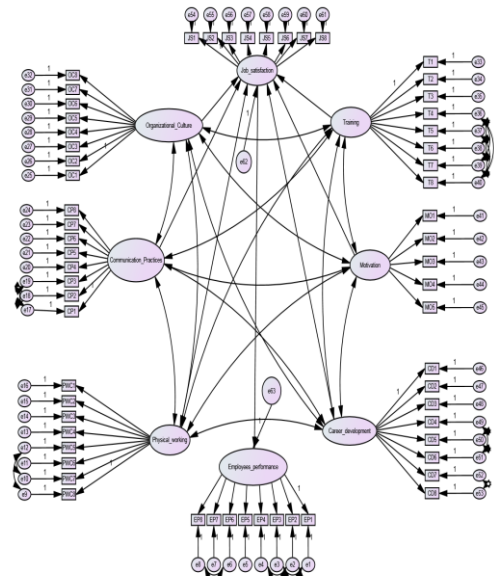


Figure 2: Tested Model

Source: Results of analysis by the author.

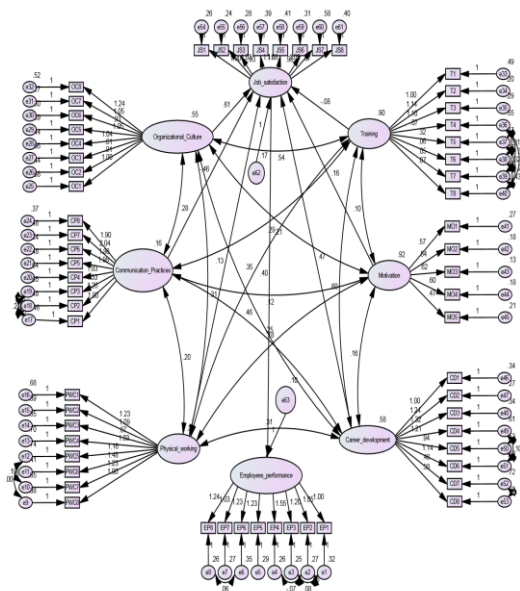


Figure 3: Items Loadings, Path Coefficient, and R² Values

Source: Results of analysis by the author.

7. Hypothesis Discussion

The replacement of Vision 2020 with Oman Vision 2040, the Oman government has established its priorities to reduce reliance on natural resources, such as oil and gas, diversification of the Omani economy, youth development, and an increase in entrepreneurship are some of the significant elements of the Oman Vision 2040. Oman Vision 2040 emphasises the nation's involvement as a developed nation in the top 20 of the top 40 by fostering social and economic well-being, enhancing economic competitiveness, accelerating growth, and building trust in all global economic, social, and developmental ties (Omanuna. Official E-Government Service Portal,2021). As of January 2022, there were 5.02 million internet users in Oman, which points to a bright future for the country's use of the Internet to access e-Services Kemp (2022). The Omani government has made a significant effort to promote ICT use to achieve its objectives and offer organised services to its stakeholders. Most of Oman's governments, corporations, and international organisations use effective computer systems for business and administrative reasons.

Numerous studies reveal elements that directly determine new technology adoption, such as optimism, ingenuity, discomfort, uncertainty, trust in the internet, privacy, information quality, effort expectations, performance expectations, and social impact. These factors have a big effect on people adopting new technology (Hamed AL-Shukri Udayanan, 2019; Parasuraman & Colby, 2015;

Alraja et al., 2015; Venkatesh et al., 2003). On the other side, obstacles to the deployment of e-Services include knowledge, models used, chosen infrastructure, the integration process, and the disparity in organisational, political, cultural, and technical roots (Alraja et al., 2016). The results of earlier studies show that TRI2.0 is a reliable model to apply to understand the four predictive components and their impact on consumers' readiness to adopt e-Services.

8. Recommendation

In the Kingdom of Saudi Arabia's petrochemical sectors, research has been done on the function of job satisfaction as a mediator in the link between work environment and employee performance. I have been formulating the following recommendations Improving, developing, and updating work environment conditions through developing work systems including tools, means, and programs that facilitate the work of employees and provide them with all capabilities in order to perform at high levels. Paying attention to human resources by improving their material and moral status. Preparing a system of various incentives that are distributed fairly among employees so that employees with high job performance are rewarded because these incentives increase workers' performance, stability, and job security.

9. Conclusion

As a result, the research on the mediating role of job satisfaction in the relationship between workplace environment and employee performance in petrochemical companies in KSA, particularly SABIC Company, has significantly increased our understanding of the variables that affect employee job satisfaction and performance in the petrochemical sector. According to the study's findings, job satisfaction serves as a mediator between work environment and employee performance, having a considerable influence on both job satisfaction and performance. The survey also discovered that elements including professional progression possibilities, work-life balance, workplace safety, and job security had a big influence on employee performance and job satisfaction in the petrochemical business. The study also discovered that job satisfaction partially mediates the link between work environment and employee performance, suggesting that a good work environment helps employees feel more satisfied with their jobs, which in turn promotes better performance

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