Employee wellbeing at work: improving performance

The influence of employee wellbeing at work has attracted increasing interest in recent years. In the modern world where there are rising dependencies on global market forces places an ever-greater burden on those of working age in the delivery of products and services. This in turn has had a negative effect on the health and wellbeing of workers.

With this in mind, the issue of employee wellbeing at work has increasingly attracted Government attention, as employment will continue to change. Concentration on problems such as absenteeism and accidental injury is giving way to a broader vision of what a healthier and happier and more productive workforce can achieve in terms of higher performance and productivity. Therefore the fundamental principle outlined by policy makers are that all working age people have the opportunity to make the optimum contribution to their organizations while enjoying a safer, more satisfying and healthier working life.

This vision of “Health, work and wellbeing – caring for the future” has been embraced by cutting edge companies that have invested deeply in the wellbeing of their workforce and are now reaping the benefits as it appears that wellbeing at work is increasingly being recognized as an important factor in determining organizational success.

HRM practices and performance

Human Resource Management is a unitary system of management that attempts to elicit employees’ commitment to, and involvement in, the purposes and goals of the organization. Its principles and techniques influence how the whole organization is managed.

Traditionally, HRM is believed to improve business performance in response to external threat of increasing competition. Moreover, there has been growing interest in the notion of “best practice” human resource management. With this in mind, managers are now endeavouring to develop a committed and qualified workforce in a climate of trust and comradeship.

Past research suggests that when HR practices are used in conjunction with each other, the impact on performance will be greater than when used in isolation. In other words, organizations attempting to introduce individual HR practices will observe minimal if any change in performance, whereas those organizations successfully introducing a range of practices (generally referred to as “bundles”) will experience a more dramatic change in performance.

There are generally mixed views regarding the number and nature of HRM practices but it is generally accepted that six practices help form the core. These are thought to represent those used by UK/European private sector managers who have successfully achieved competitive advantage through the workforce. These practices are:

1. Selection practices and internal promotion – when an organization adopts a strategy of achieving superior performance through the workforce, it will need the right people. Internal promotion is generally seen as a critical way to retain key members of the workforce. Having recruited, developed and trained the “right sort of people”, it is unlikely that managers want to see these workers leave the organization.

2. Employee voice – employee voice has been viewed as an aspect of “high commitment” HRM, and it is considered essential that workers should have the opportunity to express their grievances openly and independently, in addition to being able to contribute to management decision making on task-related issues.

3. Employee involvement, information sharing – employee involvement is an essential component of the high commitment paradigm. Open communication about business matters ensures workers are informed about organizational issues and conveys a symbolic and substantive message that they are to be trusted in an open and positive manner.

4. High compensation contingent on performance – there are a growing number of managers within the private sector who now reason that if employee performance results in enhanced organizational performance, then employees
should share in the benefits received. In other words, they feel that workers should be appropriately and equitably rewarded for their effort.

5. Extensive training, learning and development – having recruited outstanding talent, employers need to ensure that these people remain at the forefront of their field in terms of professional expertise and product knowledge gained through training which facilitates learning so that people can become more effective in carrying out aspects of their work.

6. Greater involvement in decision making and work teams – open communication about financial performance, strategy and operational matters not only ensures workers are informed about organizational issues, it also conveys a symbolic and substantive message that they are to be trusted in an open and positive manner, which in turn promotes performance. For team working to be successful workers require information in order to provide a basis from which to offer their suggestions and contribute to improvements in organizational performance.

Social exchanges

In organizations HRM practices are implemented by line managers who manage the workforce for organizational performance. Promotion of social relationships by line managers is associated with employee beliefs and attitudes towards their employer, as seen in organizational commitment and job satisfaction.

The process of social exchange is initiated by organizations when a general perception concerning the extent to which the organization values employees’ general contributions and cares for their wellbeing is achieved. With this in mind, once employees’ perceive that organizations value and deal equitably with them, they will reciprocate these “good deeds” with positive work attitudes and behaviours.

Employee wellbeing

Personal wellbeing does not exist on its own or in the workplace but within a social context. Thus, individual lives are affected by social relations with organizational agents, lifestyle and employment changes. However, despite these shifts people still have the same basic physical and mental needs for social support, physical safety, health and a feeling that they are able to cope with life. With this in mind, employees are looking to employers to help them to achieve this since a large proportion of their lives are spent at work.

Employee commitment

Organizational commitment is the heart of human resource management and the central feature that distinguishes HRM from traditional personnel management. The concept of organizational commitment refers to a person’s affective reactions to characteristics of their employing organization. It is concerned with feelings of attachment to the goals and values of the organization, one’s role in relation to this, and attachment to the organization for its own sake rather than for its strictly instrumental value. Commitment is an internalized employee belief, often associated with “soft HRM” and a high-trust organizational culture and is frequently associated with an exchange relationship between the employer and employee.

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Job satisfaction

Job satisfaction is related to the degree to which an individual is satisfied with the terms and conditions of employment and the factors that make up the physical work environment. For example, individuals may be satisfied with their salaries and how well they get on with their peers and work, or are satisfied with company policy.

Therefore, job satisfaction and job involvement are attitudes which are determined by individual’s perceptions of their total job situations, including the physical work environment, the terms and conditions of their employment and the degree to which they are given autonomy, responsibility, authority and empowerment in their jobs.

Work-life balance

The changing demographic composition of the labour market, especially increasing female participation, has undoubtedly served to raise the tricky issue of balancing working lives outside household tasks.

The need for paid work to be compatible with caring responsibilities has become an important policy issue. Those with caring responsibilities for people with disabilities and of the elderly also face challenges in combining their work and non-work roles. Childcare arrangements pose particular difficulties for single parents and dual-earning parent households. But work-life balance difficulties are not confined to particular groups of employees – all workers are working longer and working harder than they have done for over a generation.

Managerial implications

Management who are responsible for the implementation of HR practices will be interested to know that by promoting commitment, trust and support through positive relationship with employees they can influence the extent to which
employee wellbeing at work is positively or negatively promoted.

The implications for management are that positive relationships can be embedded into the organizational climate through the promotion of support, development of trust and involvement amongst workers. This is likely to be promoted through effective implementation of HRM practices by managers’ relationships with employees that are likely to promote positive attitudes and behaviour, which shape the culture and work environment.

Developing an atmosphere of equality and fairness is conducive to the promotion of employee voice and opportunity to be involved in decision making and team working can have a cross fertilization effect on workers wellbeing, which is the pre-requisite for cooperation, flexibility, balance between work and personal life, enhanced performance and reduced absenteeism.

To this end, line managers need to be enlightened that being a good employer involves attracting, motivating and retaining staff. Therefore, organizational objectives are not just economic (targets and bottom line) but should involve a crucial and often overlooked element of the discourse employee wellbeing at work, which can be used as the holistic framework for worker happiness and organizational success. Failure to evaluate employee wellbeing at work in terms of improved productivity, reduced sickness absence or other organizational benefits can hinder organizational sustainability, employee and societal wellbeing.

June 2008.

This is a shortened version of “Tightening the link between employee wellbeing at work and performance: A new dimension for HRM”, which originally appeared in Management Decision, Volume 46 Number 2, 2008.

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