

SETTING THE STAGE FOR A NEW CONSTRUCT FOR DETERMINING EMPLOYEE WELL-BEING*

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ABSTRACT

There is a growing interest for positive psychology at organizational context. More companies thrive to retain and engage their employees, value 'talents' well-being. Today various happiness-fostering interventions are in practice, in addition to standard HR functions. However, a multi-dimensional and holistic approach to measuring employee well-being, and assessing impact of the practices are missing. This study sets the stage for a doctoral study that proposes a new, multi-dimensional construct for measuring employee well-being, covering the positive psychology and work-related elements influencing employee work performance. It aims to prove the 'happy-productive-worker hypothesis', analyzing its mediating effect on the human resources (HR) practices and organizational performance relations, with the moderation of positive organizational climate. It has determined the elements influencing performance, and is at the stage of developing assessment scale to be used in proposed research model.

Keywords: Employee well-being, human resources practices, organizational performance, positive organizational climate, construct development

1. INTRODUCTION

There is a need for a systematic approach in measuring well-being at corporate context. Both practitioners and academics have been using limited measures to assess employee wellness. Companies use job satisfaction or work engagement in significance to employee well-being. Research studies use job satisfaction, life satisfaction, subjective well-being [1], physical, emotional and social well-being [2, 3], emotional exhaustion, burnout, as measure of well-being. These dimensions are analysed within human resources practices and performance relations.

Main aim of this study is to prove the 'happy-productive-worker hypothesis', analyzing the mediating effect of employee well-being on the human resources (HR) practices and organizational performance relations, with the moderation of positive organizational climate.

2. RESEARCH MODEL AND FRAMEWORK

The research study seeks to determine the mediating effect of well-being, within the following research model as can be seen in Figure 1, via testing the following hypotheses.

- H1. Human resources practices positively affect organizational performance.
- H2. Employee well-being positively effects organizational performance.
- H3. Employee well-being mediates human resources practices and organizational performance relationship.

* This paper presents some parts of literature review and preliminary research ideas from PhD thesis study of Shirli Ender Büyükbay.

H4. The impact of employee well-being and human resources practices on organizational performance is higher at organizations with high positive organizational climate, than at organizations with low positive organizational climate.

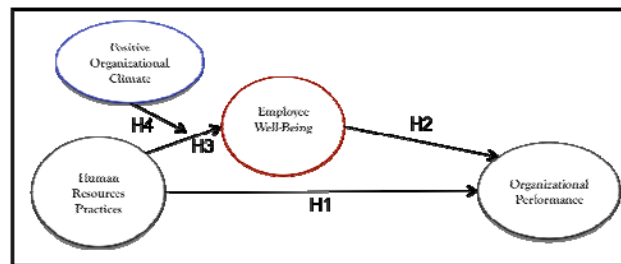


Figure 1: Proposed Research Model

Human Resources Practices

During the last two decades, HRM research has mostly focused on the relationship between HRM and firms' operational and financial performance [4]. A set of integrated HR activities was configured to support the organizational outcomes. These involved selection, recruitment, performance appraisal, reward and compensation, and career management. With a strategic point of view, organizations have been urged to configure their HR practices according to their strategic needs. Nonetheless, organizations need to consider the effectiveness of HR practices on employees, and understand how this positive relationship works [5, 6].

Organizational Performance

Organizational performance is the ultimate outcome of organizational activities at all levels. Most organizations measure performance based on operational outcomes (e.g. productivity and quality); and financial outcomes (e.g. return on investment, shareholder return) [2]. Recently, being enlisted at 'best workplace' or 'Fortune 500' has grown to be indicator for organizational performance. Objectively determining performance is challenging, as most organizations are unwilling to share their data. This study proposes an individual level research model, where all variables are measured through subjective perception [6, 7, 8, 9].

Positive Psychology and Science of Happiness

Positive psychology roots its development to the Humanistic Psychology movement [10, p:4], emphasizing on growth and finding own potential, ability to authentically express oneself, with creativity, free will and the positive human virtues. It proposes to view individuals as a whole person and as being greater than the sum of its parts [11]. It is "the scientific study of the strengths that enable individuals and communities to thrive" [12]. Scientifically happiness is studied by several researchers, using different constructs: Psychological Well-Being [13], Subjective Well-Being [1], The New Well-Being Theory-PERMA [14], and Flourishing [15].

Employee Well-Being

Employee Well-Being is a newly proposed multi-dimensional construct that has a holistic perception over employees' well-being assessment. It involves various constructs of positive psychology – psychological capital, emotional intelligence, flow, mindfulness, subjective well-being, self-determination theory [16], flourishing [15], PERMA [14]; and work-related concepts -job satisfaction, work-engagement, work discipline, etc.

Positive Organizational Climate

Organizations aiming to create positive climate do not necessarily have to involve specially designed practices or interventions. Presence of some basic and simple attitude, behavior and policies would be enough; whereas lacking creates unhappiness, stress and misery. If employees are offered flexible

work, supervisor and workplace/organization support [17] and trust [18], their well-being level increases.

Control Variables

Personal demographic -age, gender, marital status and financial status, and business related demographics -education, work position and years of work experience, are pivotal in determining reasons behind subjective perception. Organizational demographics - work field, firm size and type, and country or region, are to reveal the basis of certain tendencies of individuals. Existence of a chief happiness officer and HR department position are other considerable criteria.

3. METHODOLOGY

The study proposes a new, holistic and multi-dimensional construct on employee well-being, and analyzes its impact within the proposed research model. As the first step, for construct development, it has run a series of qualitative research activities: (1) extensive literature review on well-being [1, 13, 14, 15, 19, 20, 21] and HR practices-well-being-performance [2, 3], (2) a series of informal interviews, gathering feedback from experts in positive organizational psychology, and (3) focus group sessions with corporate professionals. Results delivered a total of 24 positive-psychology and work-related elements -out of 39. As second step, a holistic and multi-dimensional scale measuring employee well-being is to be developed. As third step, the relationship among the variables will be tested with Structural Equation Modelling (SEM), which enables to test hypothesis from a confirmatory approach, through series of structural (regression) equations [22].

4. CONCLUSION

HRM practices are primarily in action to promote performance. They also contribute to motivation, well-being and positivity, creating positive perception and satisfaction. Lately, to engage, retain and motivate talent for high performance, companies based on high-performance, innovation and creativity have been implementing particular HR practices. Among these are teamwork, participation, competence-based job design, and job enrichment [9]; selection and recruitment of 'happy talents' [23], mindfulness and emotional intelligence training programs [20, 21], or additional happy workplace creating practices.

Despite such practices, measurement of employee happiness is limited, where a multi-dimensional and holistic perspective is missing. Main contribution of this study will be a multi-dimensional construct in measuring employee happiness, for companies thriving to attract, retain and engage their best 'happy talent'. Secondly, it offers means to determine the effectiveness of HR practices over happiness and performance, especially for organizations implementing contemporary HR practices and positive interventions.

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