



# Well-being at work

A review of the literature



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## Foreword from Nuffield Health

There are few enlightened companies who continually focus on developing a culture of well-being throughout the organisation, where the employee is considered as important as its customers. In these organisations, there is a simple belief that, if employees are 'happy' and buy in to the brand strategy of the organisation, then they will in turn put in maximum effort.

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Nuffield Health regards itself as a thought leader in this area and so we warmly welcome the latest research in this report from the Centre for Well-being at the New Economics Foundation (NEF). The evidence documented by NEF reinforces what our own work and experience has made clear: that we need a rounded approach to fostering well-being at work. Such an approach involves recognising members of staff as individuals whose working lives are inextricably intertwined with their personal lives. Their experience of work is significantly influenced by those leaders within their organisation who acknowledge individuals as essential components and help these individuals to thrive.

We are always looking to review current thinking and improve on current practice and the evidence from this report will contribute to how we support organisations to foster employee well-being. I hope that the report will help ensure that corporate well-being becomes a critical component of every organisation's strategy.



**Kevin Thomson**  
Head of Employee Wellbeing,  
Nuffield Health

## Summary

Well-being plays a central role in creating flourishing societies. Focusing on well-being at work presents a valuable opportunity to benefit societies by helping working individuals to feel happy, competent, and satisfied in their roles. The evidence also shows that people who achieve good standards of well-being at work are likely to be more creative, more loyal, more productive, and provide better customer satisfaction than individuals with poor standards of well-being at work.

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For decades, organisations have tried to foster these qualities through employee engagement strategies; however, the evidence in this report demonstrates that engaging employees is just one part of the story. Improving well-being at work implies a more rounded approach, which focuses on helping employees to

- strengthen their personal resources
- flourish and take pride in their roles within the organisational system
- function to the best of their abilities, both as individuals and in collaboration with their colleagues
- have a positive overall experience of work

Through a rapid review of the academic literature in this field, NEF's Centre for Well-being has summarised the strongest evidence regarding the factors that influence well-being at work, along with possible implications for employers, and examples of how some of the organisations leading the way in terms of fostering well-being at work are addressing these implications.

During the research carried out for this report, the evidence has shown that different features of individuals' working lives have varying degrees of influence over different aspects of well-being – from increasing individuals' feelings of having a sense of purpose, to promoting greater experiences of positive emotions, morale, motivation, overall job satisfaction, and even life satisfaction.

Taking the evidence into account, we have drawn the following conclusions about how best to foster well-being at work:

- There is strong evidence of the positive association between good health (including healthy behaviours) and well-being. Employers should help their staff to achieve good health by encouraging physical activity, supporting healthy eating, and trying to ensure that work does not get in the way of good sleep and vitality.
- Getting the right work-life balance appears to be an effective way of avoiding one of the greatest predictors of stress at work.
- It may be possible to maximise overall organisational well-being using a fixed salary budget by paying staff fairly.
- It appears likely that organisations can adopt certain approaches towards job security in order to help their staff to achieve higher levels of job satisfaction.
- Working with employees to ensure that they have a sense that their job is achievable has also been shown to imply greater job satisfaction, as well as higher levels of morale.
- The importance of management behaviour in terms of well-being appears to be high, and some management styles seem to be more successful at strengthening well-being at work than others.
- By creating a safe working environment, as well as a sense of the social value of the organisation's work, it may be possible to increase employees' feelings of job satisfaction.
- By ensuring good levels of job-fit and skill-use, and by creating opportunities for staff to develop new skills, employers will be well positioned to create high levels of employee satisfaction with their jobs and their development at work.
- By investing time in helping employees to take greater control over their work, staff have been shown to perform better and feel greater job satisfaction.
- By taking steps to improve relationships at work – with a particular focus on relationships between staff and managers – and by encouraging positive feelings, it appears to be possible to improve not only job satisfaction, but also life satisfaction.

We detail the evidence behind each of these conclusions throughout the report, and suggest possible implications for organisations seeking to maximise the well-being of their staff.

# 1. Introduction: About this report

This report presents the evidence-base of the drivers of well-being at work as well as its positive impacts. It also explains how this evidence has been used to create the Happiness at Work survey, a new interactive employee survey tool that assesses the strengths and weaknesses of teams and organisations in regard to their well-being at work.

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The survey was developed by a team of experts from the Centre for Well-being at NEF, an internationally recognised leader in the field of well-being. To fully realise the potential of the survey tool, a spin-off from NEF – Happiness Works – was created and is now run as a separate business.

## Box A: The Happiness at Work Survey

Click here to try the [Happiness at Work Survey](https://www.nef-consulting.co.uk/happiness-at-work) or go to [www.nef-consulting.co.uk/happiness-at-work](https://www.nef-consulting.co.uk/happiness-at-work)

The following sections of this report set out the background and evidence-base that the Happiness at Work survey is founded on, structured as follows:

**Section 2** provides an introduction to well-being, describing why well-being is receiving so much attention, and explaining how we understand well-being and well-being at work.

**Section 3** explains our approach to the research for this report, and gives definitions for the statistical terminology we have used.

**Section 4** describes what the evidence tells us about the benefits of fostering greater well-being at work, and how this differs from 'employee engagement' strategies.

**Section 5** details our findings from a rapid review of the published academic literature concerning well-being at work, suggests possible implications for employers, and provides examples of how some organisations are addressing these implications.

**Section 6** summarises the key findings of this report and offers recommendations based on those findings.



## 2. An introduction to well-being

In many respects, well-being represents an ultimate and universal goal of human existence. As far back as Aristotle's time, achieving well-being has been a concern of philosophers. Today, most people would agree that a society in which human lives are going well and where well-being is promoted is a desirable goal to strive for.

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### 2.1 Why is well-being receiving so much attention?

If a society with high levels of well-being is what we're aiming to achieve, then we need a way of measuring how well we're doing to help us better understand what action we should take to achieve our goal. The dominant indicator used to assess progress today is gross domestic product (GDP), which counts the value of all final goods and services produced within a country. Growth in GDP is usually taken as a sign that the country is doing better than it previously had been in terms of progress, and a decline in GDP is usually perceived as a sign that the country is doing less well than before. However, there are several problems with relying on GDP alone as an indicator of progress.<sup>1,2</sup> Although there is some relationship between GDP and the well-being of societies, new evidence is confirming that GDP should be seen as a means to an end, rather than an end itself, and that GDP alone is not a good proxy for well-being.<sup>3</sup> Indeed, Blanchflower and Oswald<sup>4</sup> argue that over recent decades, GDP growth in the USA has not been associated with any rise in subjective well-being.

In addition, the robustness of subjective well-being measures has become well established in recent years through a wealth of evidence.<sup>5</sup> Studies in which subjective well-being measures have been shown to agree with other scientifically accepted measures, such as biological indicators of brain function or behaviours such as reaction time, smiling, and sociability, have demonstrated the reliability of correctly used subjective well-being measures.<sup>6</sup> As a result, there has been growing academic interest from economists, who have begun to view subjective well-being as a reliable indicator of how well a society is doing.<sup>7,8</sup> In parallel, the Positive Psychology movement represented a turn among academic psychologists towards exploring the drivers of positive mental well-being (in contrast to the standard focus of the profession on mental ill health), which has generated another strong body of evidence on well-being.<sup>9</sup>

We are now beginning to see policymakers around the world exploring the uses of subjective well-being indicators to help inform their decisions about policy.<sup>10</sup> A prominent example of this is the UK government's prominent Measuring National Wellbeing Programme, which includes a core focus on subjective well-being measurement with data being collected for around 150,000 people across the UK each year.

## 2.2 How do we understand well-being?

A focus on well-being considers how people feel and function, and how they evaluate their lives. This can be separated into three key aspects, which we use to discuss well-being throughout this report. These aspects are **hedonic**, **eudaimonic**, and **evaluative**.

The **hedonic** aspect of well-being refers to people's *feelings or emotions*, such as happiness or anxiety. The **eudaimonic** aspect of well-being refers to leading 'a life well lived', interacting with the world around you to meet basic psychological needs such as experiencing a *sense of competence* or *sense of meaning and purpose*. The **evaluative** aspect of well-being refers to the way that people evaluate their lives with regard to their own appraisals of *how life is going*, or particular aspects of their lives, such as job satisfaction; this aspect of well-being is often captured using satisfaction measures.

**NEF's dynamic model of well-being** (Figure 1) is based on empirical evidence about the drivers of well-being. The model depicts the different features of well-being, and the relationships between them. External conditions and personal resources both influence good functioning, which represents positive interactions with the world that an individual experiences. This, in turn, influences the feelings that an individual experiences and their evaluations of life overall. The feedback loops between these elements work together to create a dynamic system.<sup>11</sup> The good functioning and good feelings elements together comprise 'flourishing'.

We use a tailored version of the dynamic model to understand well-being with specific reference to work, in the **dynamic model of well-being at work** (Figure 2). In this adapted version of the model, developed as part of the Happiness at Work survey, each element is depicted with the following adaptations to the categories: *personal resources* remains unchanged, whilst *external conditions* refers to the conditions associated with one's organisation or place of work, and is re-labelled as *organisational system*; *good functioning* refers specifically to aspects of functioning at work, and becomes *functioning at work*; and the category of *good feelings day-to-day and overall* focuses on the feelings experienced by an individual while they are at work, labelled *experience of work*. Each of these categories is depicted encircling the score for the survey-taker's organisation (ranging from the worst possible score of zero, to the best possible score of ten) with regard to the organisation's performance in that area. Figure 2 shows some example scores for each domain.

Reading from the top of the dynamic model downwards: people's *experience of work* (how they feel) is influenced by how they are *functioning at work* (what they do). This in turn is dependent on both the *organisational system* they work in and their *personal resources* (who they are). Other important

feedback loops in the model are illustrated by the curved arrows, with *experience of work* feeding back into *personal resources*, creating a feedback loop, just as *functioning at work* feeds back into *organisational system*.

Figure 1. The dynamic model of well-being (adapted from Thompson and Marks,<sup>12</sup> and the Centre for Well-being<sup>13</sup>)

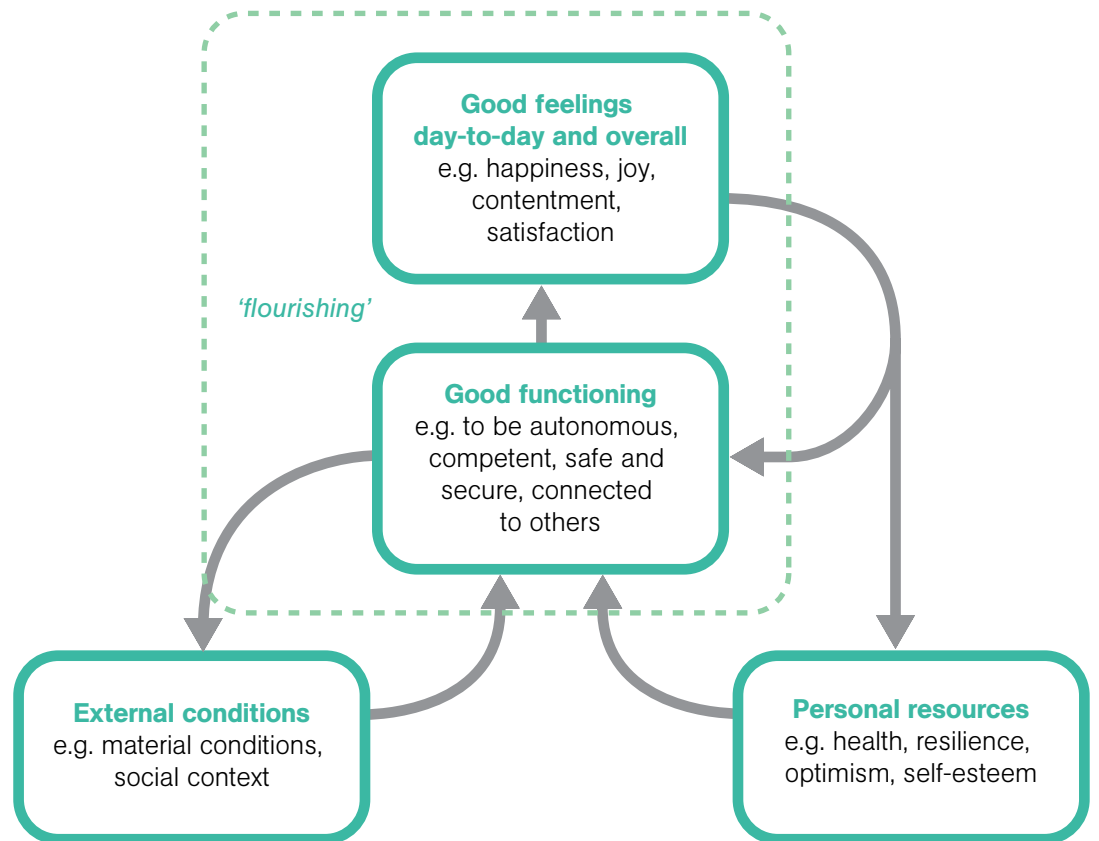
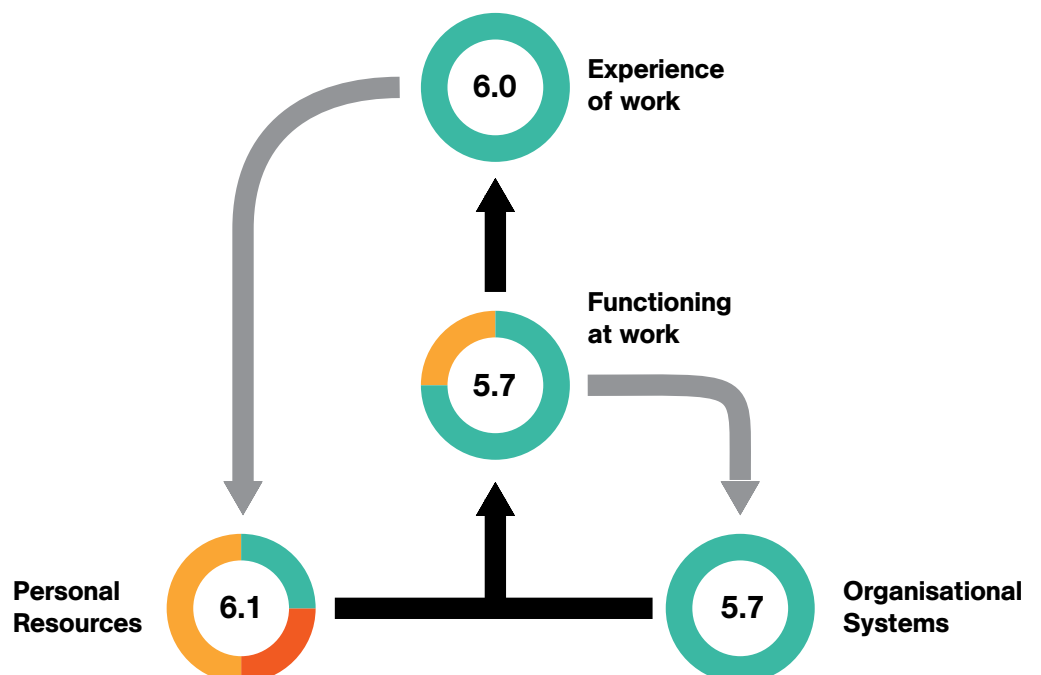


Figure 2. The dynamic model of well-being at work



### 3. Our approach to this review

The body of research concerning work-related drivers of well-being is vast, and an exhaustive exploration of all that has been written is beyond the scope of this report. Instead, based on a rapid review of the literature, this report brings together some of the strongest evidence we've seen with regard to fostering well-being at work.

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Throughout the report, we have made reference to a comprehensive review completed by Peter Warr.<sup>14</sup> Warr's review builds on a sound body of previous research in the field, and covers most (though not all) of the features dealt with in this report. As such, we have drawn heavily on Warr's work, supplementing it with research from sources that diverge or hold interesting corollaries with those he discusses.

The majority of the quantitative studies that we have accessed, and those cited by others in reviews or meta-analyses (Box B), report on cross-sectional data and as such only deal with point-in-time associations between workplace features and employee well-being, and not causation. That is, they do not provide a sufficient basis from which to infer the direction of the relationship. Where studies are longitudinal and can therefore be used with more certainty to infer causality, we note this.

#### Box B: A guide to the statistical language used in this report

Throughout this report, we describe the relationships between variables (such as the different aspects of work and impacts with regard to well-being) as **correlations, meta-analytic correlations, or associations**. The following definitions clarify what we mean by each of these terms, and the strength of relationships that they imply.

**Correlations:** When two variables (e.g. x and y) are compared, if there is a pattern whereby as x increases, y also increases (though not necessarily at the same rate) so that individuals who experience higher levels of x also tend to experience higher levels of y, then the variables are said to be **correlated, or positively correlated**. For example, if we find that as one aspect of work (such as hours or pay) increases, an aspect of well-being (such as life satisfaction or happiness) also increases, the two variables are described as being correlated or positively correlated. If as x increases, y decreases, then the variables are said to be **negatively correlated**.

**Box B: Continued**

When these correlations are plotted on a graph, the more closely the data points fit to a straight line, the stronger the correlations are said to be. The strength of a correlation is measured on a scale between -1 and 1, with -1 being the strongest possible negative correlation, 1 being the strongest possible positive correlation, and 0 representing the weakest possible relationship between x and y.

Correlations are useful, as they offer insight into how one variable changes in line with another. However, it is necessary to keep in mind that correlations do not tell us whether or not a relationship between two variables holds when the influence of other factors is taken into account.

Throughout the text, we do not provide values for the correlations discussed, but describe them according to the following matrix:

Strength of correlation (positive or negative)	Description
<0.35	Weak
0.35–0.65	Moderate
>0.65	Strong

**Meta-analytic correlations:** In meta-analyses, research from numerous statistical studies is combined. To produce the statistic known as a ‘meta-analytic correlation’, correlations from independent studies are weighted according to the features of each study, combined with the weighted correlations from other studies, and an average of the weighted correlations is then calculated. This technique offers the benefit that anomalies contained within single studies are averaged out across a wide range of studies. For this reason, meta-analytic correlations are judged to be stronger at lower correlation levels than standard correlations.

There is, however, some risk of over-generalisation in meta-analyses, because the combined studies do not all use the same methodologies (although the sources of information used are always explicitly defined, and can therefore be referred to in the event of any uncertainty). Our descriptions of the strength of meta-analytic correlations throughout this text are as follows:

Strength of meta-analytic correlation (positive or negative)	Description
<0.3	Weak
0.3–0.5	Moderate
>0.5	Strong

**Associations:** We use the term associations to refer to other sorts of relationships between variables. Often, these derive from statistical modelling techniques such as regression analyses, where other factors have been controlled for, therefore giving a truer view of the relationship between two variables, and holding constant the influence of any other factors. This text will state if an association comes from a model which controls for other factors.

## 4. The benefits of focusing on employee well-being

The evidence described throughout this report makes a compelling case for taking action to nurture individuals' well-being at work. Doing so not only benefits individuals and makes organisations better places to work in, the evidence also shows that people who achieve good standards of well-being at work are more likely to display a range of skills that will also benefit their employers. In workplaces that are set up to foster well-being, people tend to be more creative, more loyal, more productive, and perform better in terms of customer satisfaction. In this section, we briefly review the evidence on the benefits of employee well-being to employers.

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### 4.1 What the evidence tells us

In an extensive piece of research by Donald *et al.*,<sup>15</sup> 16,000 employees across 15 different organisations in the UK were studied, covering workplaces in the public and private sectors, including manufacturing plants, a local education authority, a county council, three police forces, three universities, a prison service, and other service providers, spanning a range of occupations, from professional to administrative and manual roles. They found that 'higher employee productivity was associated with... better... psychological wellbeing', and they argue that the 'large sample size and mix of occupations included in the research means the results can be viewed as generalizable to other employee groups' (p. 422). Similarly, Robertson and Cooper<sup>16</sup> refer to research that establishes the relationship between psychological well-being on the one hand, and job performance and productivity on the other, and note that they have 'obtained similar results [to those of Donald *et al.*] from organisations in many different settings'.

In a meta-analysis of well-being at work and its relationship to business outcomes, Harter *et al.*<sup>17</sup> examined Gallup data from 21 different public and private industries (covering just under 8,000 business units and 200,000 respondents). The analysis also shows a moderate meta-analytic correlation between employee engagement and performance, while a study by Ford *et al.*,<sup>18</sup> which examines 111 independent samples (87,634 respondents) from a

range of countries, finds a moderate meta-analytic correlation between overall psychological well-being and general employee performance. Analysis by Pruyne<sup>19</sup> on the benefits that well-being strategies can offer employers led her to conclude that investing in employee well-being may be a particularly beneficial venture, as it can initiate a self-reinforcing loop as 'health and wellbeing outcomes lead to higher levels of employee engagement and productivity, which in turn lead to better health and a greater sense of wellbeing' (p.30).

Experts have begun to send a clear message to public and private organisations about the benefits of focusing on well-being: Lee Newman, Professor of Behavioural Science at Instituto de Empresa Business School (Madrid) was recently quoted in the Wall Street Journal as saying 'Employee well-being needs to become part of what CEOs are [incentivised] to do.'<sup>20</sup> As Flint-Taylor and Cooper<sup>21</sup> point out, the issue of well-being at work is particularly worthy of attention today, as the financial crisis has produced a less secure and more stressful environment for many individuals at work.

#### **4.2 How is well-being at work different from employee engagement?**

The concept of increasing employee productivity isn't a new one. Organisations have been trying to benefit from higher levels of 'employee engagement' for decades. However, the evidence in this report demonstrates that engaging employees is just one part of the story. Improving well-being at work implies a more rounded approach which focuses on enabling employees to maximise their personal resources (in particular, with reference to creating a good work-life balance); creating an organisational structure that enables employees to flourish and take pride in what they do; supporting people to function to the best of their abilities, both as individuals and in collaboration with their colleagues; and producing a positive overall experience of work. Some organisations have already begun to seriously consider the well-being of their employees. One such organisation is the US-based online shoe retailer, Zappos. Zappos was formed by entrepreneur, Tony Hsieh, who later sold the company to Amazon for over a billion dollars. Following his success with Zappos, Tony wrote the best-selling book, *Delivering Happiness*, about his experiences as an entrepreneur and the happiness-centred approaches he has adopted.<sup>22</sup> Some examples of the methods that Zappos has used to foster well-being are cited throughout this report.

Improving well-being at work isn't just a venture for private sector organisations. The UK government has made a start on the agenda through its Health, Work, and Well-being initiative, to 'protect and improve the health and well-being of working age people', with a particular focus on the physical and mental health of employees. Although the emphasis of the initiative appears to be on reducing absenteeism rather than improving well-being more generally, it represents a start in terms of improving work people's working lives. In our view, however, it requires further development in order to represent the rounded approach to well-being at work recommended in this report. Meanwhile, Higher Education Funding Councils in England and Wales, and the Scottish Funding Council are all collecting and analysing data in order to improve staff performance through well-being and engagement strategies. Numerous private and voluntary sector organisations across many industries are also beginning to engage with well-being at work, of which a small selection is highlighted throughout this report.



## 5. The drivers of well-being at work

This section of the report is organised according to the four domains detailed in the dynamic model of well-being at work: *personal resources*, *organisational system*, *functioning at work*, and *experience of work*. Within each of these domains, we describe the main features that impact upon well-being, detail the supporting evidence from the literature, then outline possible implications for employers based on the evidence.

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Where possible, we have included real-world examples of good practice by organisations attempting to foster well-being at work. Most of these examples were identified by exploring the work of organisations in the *Sunday Times* 'Best companies to work for'<sup>23</sup> – which includes a lists of the best small companies, big companies, not for profit companies, as well as an overall 'Top 100' – and *Fortune's* 'Best Companies to Work For'<sup>24</sup> lists. Although the lists have been a useful pointer towards organisations that are performing well in this area, it should be noted that the criteria used by *Fortune* and the *Sunday Times* to select organisations are based on a range of factors that do not necessarily align with the attributes of well-being at work identified in this report.

In addition to the features discussed in this report, we acknowledge that there are likely to be other aspects of individuals' working-lives that affect well-being at work, which have not been captured by research in this field due to methodological difficulties. For example, survey data collected during the creation of the Happiness at Work survey has suggested that individuals within smaller organisations tend to experience higher levels of well-being at work than those working for larger organisations. The implication of this is that 'thinking small' within big organisations may help to foster higher levels of well-being for staff. However, as the majority of research in this field has focused on surveying medium to large sized organisations, this finding is difficult to statistically verify.

### 5.1 Personal resources

Personal resources are the components that determine how employees' overall lives are going. The health and vitality, resilience, general happiness, and self-confidence that individuals bring to work, and the work-life balance that they experience are the first components that we will examine.



Many of the personal resources that employees bring to work, whilst having a major contribution to their well-being at work, are shaped and experienced within the personal domain rather than through the organisation. There are two elements in particular, however, where the work place can play an important role in supporting individuals. First, health and vitality can be supported by workplace culture, for example by providing opportunities for individuals to carry out physical activity. Secondly, organisations play a key role in helping staff achieve a healthy work-life balance, which in turn ensures that individuals are better placed to strengthen the personal resources that they hold outside of work, in order to flourish both at home and in their working environment. We therefore discuss these two elements of personal resources in some detail.

### **5.1.1 Health and vitality**

#### *Health outcomes*

The presence of specific illnesses has a lower impact on well-being than one might expect, partly due to people's ability to adapt to them.<sup>25,26</sup> Nevertheless there is a significant negative impact on experienced well-being associated with a range of illnesses, including many which are associated strongly with lifestyle factors that can be influenced by the work place. For example:

- Experience of heart attacks and strokes has been shown to reduce well-being.<sup>27</sup>
- Osteoarthritis leads to lower scores on the Cantrill's 'ladder-of-life' which asks people to rate their life on a scale of 1 to 10<sup>28</sup> (as well as greater levels of depression and diminished quality of life).<sup>29</sup>
- Diabetes has a negative impact on quality of life, though not as bad as many other chronic diseases.<sup>30</sup>

Aside from all this evidence related to the presence of particular illnesses or conditions, there is a very strong relationship between subjective well-being and self-assessed health.<sup>31</sup> For example, in analysis of the European Quality of Life Survey, self-assessed health was the strongest predictor of hedonic well-being and the WHO-5 well-being index, and the second strongest predictor of life satisfaction and overall well-being.<sup>32</sup> Meanwhile, the Office for National Statistics found self-assessed health to be the strongest predictor of personal well-being in the UK Annual Population Survey.<sup>33</sup>

#### *Healthy behaviour*

Healthy behaviour such as physical activity and healthy eating obviously has an impact on physical health outcomes such as those mentioned above. However, there are also clear associations with mental health indicators associated with subjective well-being, as has been recognised by the Department of Health,<sup>34</sup> and highlighted in the Mental Health Foundation's 2005 report *Up and Running*.<sup>35</sup>

In 2005, a review by Biddle and Ekkekakis summarised the evidence to date on the relationship between physical activity and well-being.<sup>36</sup> The evidence on the positive impact of bouts of physical activity on mood is described as 'remarkably robust'. Several theories have been put forward for explaining this impact, including the ideas that exercise increases a sense of self-efficacy, that

it provides a distraction from daily life, and that it often provides opportunities for social interaction. Physiologically, physical activity has been found to lead to the release of neurotransmitters such as serotonin and endorphins that are associated with positive mood.

The review also brought together evidence that regular physical activity reduces anxiety,<sup>37,38,39,40</sup> and depression,<sup>41,42,43,44</sup> as well as improving mood (Arent *et al.*, 2000; Biddle, 2000).<sup>45,46</sup>

More recently, evidence related to evaluative measures of subjective well-being has also begun to grow. For example, the moderate physical activity associated with gardening has been found to be associated with higher life satisfaction, particularly amongst those over 60.<sup>47,48</sup> Cross-sectional data from the European Quality of Life Survey showed that respondents who carried out physical activity every day or almost every day had, on average, a level of life satisfaction of 0.4 points more than those who never carried out physical activity, on a scale of 1 to 10, even after other variables were controlled for.<sup>49</sup>

The evaluation of the Big Lottery Fund Well-Being Programme,<sup>50</sup> which included many projects focused on physical activity, found significant and lasting positive impacts on life satisfaction, eudaimonic well-being or good functioning (as measured using the Warwick Edinburgh Mental Well-Being Scale<sup>51</sup>) and positive affect. The evaluation found strong correlations between changes in physical activity and changes in subjective well-being, such that project beneficiaries who increased their physical activity also enjoyed increases in subjective well-being. Furthermore, the increases were sustained at least three to six months after a beneficiary ended their engagement with a project.

Similar results were found amongst projects in the programme that increased healthy eating, with an associated improvement in subjective well-being. Whilst this relationship is less well studied, a cross-sectional study in the UK found an association between fruit and vegetable consumption and a range of subjective well-being measures, including life satisfaction and the Warwick Edinburgh Mental Well-Being Scale, even once other variables are controlled for.<sup>52</sup>

### *Vitality and sleep*

It is lastly worth mentioning the importance of sleep to subjective well-being, and the role that vitality plays in the understanding of well-being. According to the dynamic model of well-being presented in Section 2.2, vitality straddles good functioning and good feelings day-to-day. Having energy and feeling rested are important outcomes, whilst getting a good sleep is an important element of functioning well that impacts these outcomes.

Vitality and sleep are a particular issue in the UK. According to data from the European Quality of Life Survey, UK residents have the lowest levels of vitality in Europe, being the least likely to report feeling active and vigorous, or waking up rested in the morning.<sup>53</sup> These findings were echoed in the European Social Survey, where UK residents were amongst the most likely to report feeling tired, that everything they did was an effort, and that their sleep was restless.<sup>54</sup>

Sleep problems have been found to be associated with lower life satisfaction,<sup>55</sup> lower levels of positive emotion and higher levels of negative emotion,<sup>56</sup> and even sense of purpose.<sup>57</sup>

#### *Health and vitality: Possible implications for management practices*

The evidence reviewed highlights the fact that employee health is something that employers should care about. This of course includes the basics of health and safety in terms of protecting employees from risks from accidents or poor working conditions. But it goes far beyond that. We suggest that employers should not just help employees avoid ill-health, but should support their achievement of good-health, by increasing physical activity, supporting healthy eating, and ensuring that work does not impinge on good sleep and vitality.

There are several interventions that employers can take to encourage an ethos of taking regular physical activity at work. This might include sponsoring teams of staff to take part in organised walks, runs or cycles; facilitating in-house group exercise sessions, such as lunchtime yoga; participation in schemes that grant employees tax relief on buying a bike, or the opportunity to have an employer pay the upfront cost of a bike, which the member of staff pays back through regular salary deductions; or simply encouraging staff to take breaks during the day, during which they can engage in physical activity. The evidence connecting greater physical activity to improved well-being is robust enough that it seems to merit investment from organisations in infrastructure, such as making secure bike parking available, or paying for employees to take road safety courses so that they acquire the confidence to commute to work by bike.

The evidence showing the benefits of healthy eating in terms of well-being makes a case for employers to encourage healthy eating amongst their staff. The most obvious opportunity to influence employee's eating habits is by providing adopting a policy of ensuring that healthy options are available in staff canteens or at catered meetings. Making fruit and vegetables readily available to staff at cost price would also seem to be a good strategy in order to encourage healthy snacking.

In order to take advantage of the well-being benefits associated with having a well-rested workforce, employers should avoid a culture of long hours and overwork from emerging, and allow staff flexibility around working from home or working hours to accommodate for difficult or lengthy commutes. These aspects are discussed in greater detail in the following section on work-life balance.

#### **Case study: Health and vitality**

Nuffield Health encourages healthy behaviour amongst its employees to help staff maximise their physical and mental health. Initiatives include free gym memberships and access to web-based software that enables employees to track and analyse their nutrition, physical activity, sleep patterns and stress on a daily basis. They also offer staff the chance to attend health awareness events in fitness centres or hospitals throughout the country.

### 5.1.2 Work-life balance

Work-life balance is the point at which personal and work lives meet, and sometimes clash. It is a common cause of conflict, as people sometimes find it hard to negotiate the tensions between work and home demands. Essentially, work-life balance entails getting an appropriate mix of hours worked (defined as 'any period of time spent on activities which contribute to the production of goods and services',<sup>58</sup> and hours spent engaging in other activities.

Getting the right work-life balance is certainly worthy of some attention. Eurofound's statistical analysis of their European Quality of Life Survey,<sup>59</sup> for which 35,500 citizens from across Europe were interviewed between 2012 and 2013, shows that, of the many aspects of quality of life assessed, poor ratings of one's work-life balance are deemed to be the strongest predictor of stress.

Research concerning the relationship between hours worked and levels of well-being generally suggests that well-being increases as the number of hours worked rises, but beyond a certain threshold, additional hours worked have a negative impact upon well-being.<sup>60</sup> In an analysis of the UK's Annual Population Survey data, Abdallah and Shah<sup>61</sup> also report this trend, citing the threshold at which life satisfaction peaks as 55 hours of work per week (p.24), while research by Harter and Arora<sup>62</sup> finds that amongst respondents reporting high perceived job-fit, people's positive evaluations of their lives peak between 35 and 44 hours of work per week. However, in their analysis of the first wave of the Gallup World Poll data (which covers many countries from seven regions of the world), Harter and Arora<sup>63</sup> find a positive meta-analytic correlation between hours worked and lower well-being in general, but data from Africa shows that working more hours is associated with higher life evaluation, with no change of direction in the relationship. Meanwhile, data from South Asia shows no correlation between hours worked and life evaluation. Despite this, the trend of well-being increasing with hours worked up to a point seems to hold in Europe and other regions of the developed world.

A separate study by Booth and van Ours<sup>64</sup> reports a difference in the optimal level of working hours between genders. In their study which looks at the relationships between part-time work, satisfaction with hours worked, job satisfaction and life satisfaction (which entailed an examination of waves 6–13 of the British Household Panel Survey) Booth and van Ours find that men gain the highest level of satisfaction with their working hours whilst working full-time with no overtime, and that women are most satisfied with their working hours – and achieve the highest level of overall job satisfaction – when working part time, even when controlling for parental status, income, education, age and health status amongst both groups. Schoon *et al.*'s<sup>65</sup> research also finds that 'men in full-time employment have higher life satisfaction than men in part time employment'.

However, Stoll *et al.* also note research by Blanchflower and Oswald<sup>66, 67</sup> and Bardasi and Francesconi,<sup>68</sup> which finds that there is no difference in well-being between those working full-time and those working part time hours. This finding could be explained by McKee-Ryan and Harvey's<sup>69</sup> study into under-employment, which suggests that working fewer hours than one is *willing and able* to is negatively associated with job satisfaction. This is also supported by

Abdallah and Shah's<sup>70</sup> finding that 'Those working part-time because they don't want a full-time job have higher levels of well-being... But those working part-time because they are unable to find a full-time job have considerably lower levels of happiness and life satisfaction than those who work full-time' (p.23). Similarly, working fewer hours than desired (including being unemployed) is also cited as a significant source of lower well-being: 'Not having a job when you want one reduces well-being more than any other single factor, including important negative ones such as divorce and separation.'<sup>71</sup>

These findings suggest that the fit between hours worked and an individual's preferences with regard to hours worked, rather than the objective number of hours worked, is responsible for much of the relationship between work-life balance and well-being.

#### *Work-life balance: Possible implications for management practices*

The evidence described above demonstrates that having an appropriate work-life balance is extremely important when attempting to foster well-being at work. Employees who feel that they have achieved a good balance between work and home life are shown to feel less stressed, and are likely to feel more satisfied at work, which implies that getting work-life balance right is likely to reduce stress-induced absenteeism and increase positive attributes, such as loyalty, creativity and productivity.

We can see from this research that there is no 'standard' number of working hours per week that will enable employees to achieve a good work-life balance, though a good starting point appears to be around what we view as conventional full-time hours without overtime, alongside flexible part-time arrangements.

Based on this, we suggest that helping employees to achieve a good work-life balance will depend upon individuals having regular opportunities to discuss their preferences with regard to working hours with their managers. As home lives adapt – when children are born, or commute times shrink or grow – the desired number of working hours will change for the individual. Therefore, flexibility and regular evaluation of how working hours fit with individuals' home lives would seem to present a sensible measure by which to help employees to achieve and maintain a sense of having a good work-life balance.

#### **Case study: Work-life balance**

An example of an organisation that has focused specifically on the work-life balance of their employees as a vehicle to promote well-being is North Tyneside Council. Working with Nuffield Health, the Council developed a well-being strategy that allows staff to choose a pattern of working hours that best suits their lifestyle and responsibilities outside of work. This includes having 3.5 core hours per day between 0900 and 1700, with flexibility over when to work their remaining contracted hours.<sup>72</sup> Staff can also opt to work more intensively for a period in order to have free time to suit their needs, such as working nine-day fortnights in order to take school holidays off.<sup>73</sup>

## 5.2 Organisational system

The domain of organisational system concerns how employees experience their workplace, including the way jobs are designed, how the organisation is managed, the quality of the work environment, and how employees assess the social value of their work.

### 5.2.1 Job design

Designing jobs so that roles are fairly paid and secure, and so that the tasks and requirements of the role are achievable, plays an important role in promoting well-being at work.

#### *Fair pay*

**Creating jobs that are fairly paid** is an important part of job design. The relationship between well-being and income is affected by the level of absolute income that an individual receives, as well as the individual's relative level of income within society, and the age and gender of the employee.

Much of the analysis of the relationship between income and well-being is carried out in terms of the logarithm of income (log income) rather than raw income. Putting income onto a logarithmic scale means that between each point on the scale, income is multiplied by a certain amount. By comparison, on a standard scale, the same amount of income would be added between each point. Using log-income means that as income increases beyond a certain level, the size of the related increase in well-being becomes smaller.

Much of the available evidence on the effects of **absolute income levels** on well-being, gathered over a number of decades, suggests that at any given time there is a positive relationship between the two; however, research also suggests that well-being does not increase with income at a steady rate. Once a certain level of income has been reached, further increases in income translate into much more modest benefits in terms of well-being.<sup>74</sup> Stoll *et al.* cite several studies which point to a positive association between the log of individual or household income and reported well-being, but note that, as the use of log-income suggests, this relationship is not linear, as 'additional income affects the happiness of the poor more than the happiness of the rich.'<sup>75</sup>

There is also some debate on the extent to which the relationship between log-income and well-being can be accurately plotted as a straight line. This debate is unresolved as yet; however, the fundamental nature of the diminishing returns relationship between increasing income and well-being is not disputed.<sup>76</sup>

Eurofound<sup>77</sup> cites several authors who posit that this relationship can be explained by the diminishing marginal utility of money theory, according to which, as one's desire for income becomes more (though not completely) satiated, greater and greater increases in income are necessary in order to achieve a consistent increase in terms of well-being.

Individuals' **relative levels of income** (i.e. whether they are a high, moderate or low earner with respect to any other individuals within a group, such as



peers or society as a whole) also has a substantial impact upon well-being. Numerous authors have found that having low relative earning power compared to others (irrespective of absolute income levels beyond a certain threshold) is associated with lower well-being than high relative earning power.<sup>78,79</sup>

The relationship between income levels and well-being has also been shown to vary according to the **age and gender** of an individual. Stoll *et al.*<sup>80</sup> cite several studies which show that the relationship between income and well-being is stronger for middle-aged employees than for those at earlier and later stages of their lives. Clark's<sup>81</sup> international study of various work characteristics associated with job satisfaction finds that the percentage of men rating high income as 'very important' across three separate years of International Social Survey Programme data is consistently higher than the percentage of women doing so.

Explanations for the importance of adequate income for employee well-being refer to the instrumental value of money in allowing people to purchase certain goods and lifestyles and in serving as an indicator of public recognition.<sup>82</sup> These explanations may be underpinned by evolutionary (basic survival) theory and by psychological theories around social status, although an agreed standpoint is not apparent in the literature.

#### *Fair pay: Possible implications for management practices*

In terms of absolute income levels, the evidence shows that increases in income raise well-being more steeply at lower income levels, and become more gradual as income levels become higher. We therefore suggest that employers set a fair minimum income for staff, which is regularly reviewed with respect to the cost of living, and enables staff to satisfy at least their fundamental needs. Because pay increases appear to have a greater impact on the well-being of the lowest earners within the company, for higher earners, pay increases which are magnitudes greater than those of lower earners may be required in order to achieve the same well-being increase. With this in mind, weighting pay increases in favour of lower earners is likely to produce the greatest benefits in terms of overall organisational well-being using a fixed salary budget. It may also be worth exploring the viability of offering alternative forms of reward for the highest earners, for whom some non-monetary measure – such as a recognition-based reward – may represent a more cost-effective means of increasing their well-being at work.

With regard to relative income levels, internally, it makes sense to implement a fair, visible pay-scale, with acceptable salary ratios<sup>83</sup> between the top and bottom income brackets. Externally, it is advisable to have pay-scales that are at least in-line with those advertised by other organisations within the same industry, with any deviations from this clearly justified (e.g. if top earners' salaries tend to be lower than the industry average in order for the organisation to achieve acceptable salary ratios). This could help to avoid staff experiencing lower well-being if they feel that they are not being paid as well as their colleagues or counterparts in similar organisations – irrespective of the individual's level of absolute earned income and its ability to satisfy their needs.

### Case study: Fair pay

According to Simms and Boyle<sup>84</sup> the American supermarket chain Whole Foods, with annual sales of \$8 billion, has an income ratio limit in place of 1:19. This means that the top earner in the company can never earn more than 19 times that of the lowest paid member of staff. When Whole Foods' CEO John Mackey was asked 'Is this cash compensation too low to retain top executives?', He replied 'Apparently not, because Whole Foods has never lost to a competitor a top executive that we wanted to keep since the company began more than thirty years ago.'

#### *Job security*

Evidence shows that **job security** is also an important variable in employee well-being in terms of job design. In a 2010 study, Clark shows that between 53 per cent and 62 per cent of employees rank job security as 'very important' over three separate years of International Social Survey Programme data.<sup>85</sup> Employee well-being specialists, Robertson and Cooper<sup>86</sup> also attest to the importance of job security by including it as one of the six 'key workplace factors' in their ASSET model, which they developed to help employers to measure well-being and employee engagement levels.

Studies completed throughout the 1980s, 1990s, and 2000s have shown that job insecurity – specifically the prospect of job loss – is associated with reduced overall and job-related well-being, even after controlling for job-related and personal factors. A study by Sverke *et al.*<sup>87</sup> entailing analysis across 50 research samples states that job insecurity in terms of the prospect of job loss is negatively associated with job satisfaction and general well-being, and Warr<sup>88</sup> cites numerous further studies which find a similar association, even when controlling for other relevant factors. Podsakoff *et al.*<sup>89</sup> report a strong meta-analytic correlation between job insecurity and job satisfaction and Blanchflower and Oswald's (2011) examination of various international social surveys finds that employees who do not think that they are likely to lose their jobs report higher levels of satisfaction than employees who think that the opposite is true.<sup>90</sup>

Eurofound shows that general job insecurity has a stronger negative impact on average well-being than holding a temporary contract (as opposed to a permanent contract) – particularly for women.<sup>91</sup> However, 'for both genders the fear of losing a job is associated with a remarkable drop in average well-being.'<sup>92</sup> Although holding a temporary contract rather than a permanent one appears to have a smaller impact on well-being than the prospect of job loss in general, Abdallah and Shah<sup>93</sup> have identified that 'individuals who have permanent employment contracts experience higher well-being than those who don't, even after individual circumstances are controlled for' (p.17).

The literature explains the negative impact of job insecurity on well-being with respect to anticipation of harm in the form of unemployment,<sup>94</sup> which in itself 'is strongly negatively correlated with various measures of subjective well-being... over a range of national and international datasets'.<sup>95</sup> This hints at the importance for employees of having a sense of awareness of their position, so that they are able to plan for the future.



### *Job security: Possible implications for management practices*

The evidence on the importance of job security in terms of employee well-being is unambiguous: the evidence from this section suggests that first, minimising job insecurity wherever possible, and secondly, offering permanent rather than temporary contracts would seem to improve the satisfaction and well-being of employees. As a result of these findings, we suggest that the importance of properly managing potential redundancies – in particular, via transparent communication with staff – cannot be emphasised strongly enough. Doing so will enable employees whose jobs are at risk to plan for the future. Offering temporary contracts to new staff in times of uncertainty, rather than over-staffing in ‘times of plenty’ and being forced to make redundancies later may also be preferable in terms of overall well-being, given the finding that job loss has a greater negative impact on well-being than working on a temporary contract. In addition, in light of the evidence regarding job security, the 2013 media revelations concerning the extent of ‘zero-hours contracts’ has obvious negative implications in terms of security and employee well-being, and we would advise against employing such a strategy wherever possible.

### *Environmental clarity*

Fully understanding one’s position and responsibilities within the workplace is another key element of job design in terms of promoting well-being. This aspect of job design, sometimes described as **environmental clarity**, refers to the degree to which people can anticipate what might happen within the structure of their organisation, and clearly understand their role within the workplace.<sup>96</sup>

Warr cites studies by numerous authors which show positive associations between aspects of environmental clarity and well-being. Two key components of creating environmental clarity are sharing information and communication, which have both been shown to correlate positively with eudaimonic and evaluative well-being at work.<sup>97,98</sup>

The importance of environmental clarity can be explained, at least in part, by experimental research which documents the discomfort that people feel (in particular decision-makers) in situations of uncertainty.<sup>99</sup>

### *Environmental clarity: Possible implications for management practices*

The implications of the desirability of environmental clarity (or the undesirability of uncertainty) are that job roles and expectations should be clearly defined, discussed, and formalised as roles are assigned and adapted over time; for example, by incorporating an evaluation and an update of employees’ job roles into regular appraisals. In addition, having clearly defined progression pathways that all staff members are able to see, with clear benchmarks, measurable requirements, and timelines for career progression plainly outlined could help to foster greater satisfaction, dedication and motivation from employees.

### Case study: Environmental clarity

Frozen food retailer, Iceland (ranked first and second in The Sunday Times '25 Best Big Companies to Work For' in 2012 and 2013, respectively), presents an example of particularly good practice in this respect.<sup>100</sup> It has created an 'Iceland Family Tree', clearly outlining the pathways and development programmes available to staff, from induction level through to board director, with various paths that staff can choose to take. Having this clearly outlined from the outset provides a high degree of environmental clarity that enables employees to plan their careers, understand their position within the company and what they need to do in order to progress.

#### *Achievable jobs*

In addition to having a clearly defined job role, feeling that one has an **achievable job** with well formulated goals has been shown to increase job satisfaction and reduce stress.

Robertson and Cooper<sup>101</sup> identify the importance of goal setting for employee well-being, noting how it can be used to assess the eudaimonic aspect of workplace well-being. In particular, they refer to the five principles of goal setting – clarity, challenge, commitment, feedback, and task complexity – and explain that these are related to individual satisfaction and morale. In a study of American workers, Roberson<sup>102</sup> finds that being committed to goals set by managers or colleagues, and perceiving the goals to be positive, achievable, and clearly defined with set deadlines, is associated with increased job satisfaction. Interestingly, Roberson also finds that the addition of self-determined goals brings a 'substantial incremental gain' in terms of job satisfaction.<sup>103</sup> Podsakoff *et al.*<sup>104</sup> support the notion of the need for clarity of goals, showing that unclear goals cause 'hindrance pressure', or pressure which has an adverse impact on performance, which in turn is strongly negatively correlates with job satisfaction.

Hackman and Oldham<sup>105</sup> show that goals that offer individuals a sense of having completed a "whole" and identifiable piece of work, that is, doing a job from beginning to end with a visible outcome' are associated with general job satisfaction, and satisfaction with the degree of personal growth or progression within an organisation, as well as with experienced meaningfulness of work. Warr<sup>106</sup> also cites several studies reporting weak meta-analytic correlations and weak to moderate correlations between this type of goal setting and satisfaction at work.

Conversely, having goals that are either not demanding enough or too demanding has been shown to negatively affect well-being. Studies throughout the past century reveal a relationship between low demands on employees and dissatisfaction, although few details concerning the strength of correlations are available.<sup>107</sup> In addition, Warr also argues that 'there is no doubt that greater job demands... are associated with greater unhappiness of several kinds',<sup>108</sup> and cites several studies which show negative associations between high job demands and job satisfaction, despite controlling for other variables. There seems, therefore, to be an optimal level of job demand between these extremes.

Explanations for the importance of having goals for employee well-being can be understood with reference to Self Determination Theory (Box C), which holds that a sense of competence is a key, universal psychological need. As the developers of the theory, Ryan and Deci<sup>109</sup> note: 'The relations of goals and goal progress to well-being ... fits with many theories in psychology that feelings of competence or efficacy with regard to life goals should be associated with greater positive affect and well-being'. Ryan and Deci also refer to the 'large body of research (which) points clearly to the fact that feeling competent and confident with respect to valued goals is associated with enhanced well-being'.<sup>110</sup>

### Box C: Self Determination Theory\*

Self Determination Theory offers a promising psychological theory of human well-being.<sup>111</sup> The theory emerged from empirical research into people's motivations and aspirations some 30 years ago.<sup>112</sup> People have many personal goals, but their achievement does not always lead to higher well-being. The research revealed that pursuing aspirations that lead to the satisfaction of three basic psychological needs would subsequently lead to high reported well-being, over the short-term and the long-term.<sup>113</sup> The needs are as follows:

**Autonomy** – a feeling of choice and authenticity about our thoughts and behaviours.

**Competence** – a sense of efficacy and self-esteem, and a sense that we can have a meaningful impact on the world around us.

**Relatedness** – feeling that people care about us, and feeling close to others.

More recent work has also floated a fourth psychological need – that for security.<sup>114</sup> Whilst we endorse further exploration of this need, it has yet to be integrated into the theory in a coherent fashion.

According to Self Determination Theory, well-being is achieved by 'behaving in ways that satisfy psychological needs'.<sup>115</sup>

\*Excerpt from Centre for Well-being<sup>116</sup>

### *Achievable jobs: Possible implications for management practices*

The evidence shows that creating jobs that are achievable and goal-oriented is also important in terms of well-being at work. Having clear and achievable goals can help employees to feel greater satisfaction, whilst goals that offer a sense of completing a whole task seem to be particularly satisfying in terms of achievement and progression. Because of the importance of clarity and viability in goal-setting, and the benefits of self-determined, as well as manager-generated goals, we recommend that goal-setting is an exercise that employees and managers complete together. We suggest that this should involve discussing and agreeing clear, achievable goals, and fostering a feeling of commitment to them. Because formulating goals that are either too challenging, or not challenging enough has also been shown to be detrimental to employee well-being, we recommend regularly monitoring and evaluating progress towards goals, and re-evaluating them where necessary.

### Case study: Achievable jobs

Zappos has taken a formal approach to this, establishing its own 'Goal Development Department', which is designed to help employees to set professional or personal 30-day goals. Personal goals are included within the remit because Zappos believes that having and achieving goals is beneficial to employees, irrespective of whether or not the content of the goal is directly beneficial to the organisation. A goals coach helps employees to formulate appropriate goals and monitor progress towards them, and, importantly, a recognition lunch is held to celebrate the success of the individuals who achieve their goals.

#### 5.2.2 Management system

Getting the management system right is critical to the success of any organisation. In order to thrive, people need to receive regular and constructive feedback so that they learn and develop in their roles. The evidence shows that employees, who feel trusted within a well-managed organisation where managers also receive feedback, are likely to experience higher levels of well-being.

##### Feedback

Receiving direct and clear **information relating to one's performance** is positively related to well-being at work. In a small-scale study of the predictors of job satisfaction amongst nurses in Australia, Chaboyer *et al.* find that, of all workplace features examined, receiving this type of feedback is the strongest predictor of job satisfaction.<sup>117</sup> Hackman and Oldham analysed data from 658 individuals in 62 different job roles across 7 organisations and found that good quality feedback has a moderate meta-analytic correlation with well-being, motivation, job satisfaction, and satisfaction with progress at work.<sup>118</sup> Warr cites several reviews and meta-analyses which show moderate to strong meta-analytic correlations between feedback and well-being at work.<sup>119</sup> Spreitzer and Porath, in a 2012 article for the Harvard Business Review, also point to the importance of feedback for employee well-being (in their case referring specifically to 'thriving', a way of describing eudaimonic well-being).<sup>120</sup>

It is necessary to monitor the amount of feedback that is given. Warr warns that there are negative correlations between levels of feedback and job-related emotional exhaustion; for example, if an inadequate amount of feedback is given, an employee may enter a state of uncertainty about their performance, which can result in excessive stress, and emotional strain.<sup>121</sup> This finding is particularly relevant for more senior employees who are in control of arranging to receive their own feedback. Warr also notes work by Ilgen *et al.* which points to the possible harmful effects of very high levels of feedback, in light of the associations between this and loss of personal control.<sup>122</sup> Spreitzer and Porath also suggest that there may be a negative effect on well-being where too much feedback is received.<sup>123</sup>

Explanations for the importance of feedback for employee well-being point to the way in which feedback is necessary in order to maintain personal control in a situation, and to inform people of the progress that they are making in-line with expectations upon them.<sup>124</sup> In turn, the importance of control (or autonomy) can be understood with reference to Self Determination Theory – which posits that there is a universal psychological need for autonomy.

### *Feedback: Possible implications for management practices*

The evidence suggests that making regular feedback available to all members of staff is conducive to job satisfaction, perhaps because it enables people to evaluate their own performance, and take control of their progress at work. Because of the evidence showing that too little or too much feedback can be detrimental in terms of well-being, we recommend monitoring the frequency with which feedback is given. It is likely to be useful to intersperse formal appraisals with more casual 'check-ins' with staff members, in order to give employees a sense of personal control, but with an opportunity to catch any issues as they arise. One way to gauge whether an appropriate amount of feedback is being given would be to encourage a two-way process of feedback, where employees have an opportunity to review their managers' style. This would appear to be a sensible measure, since employees with different personalities and different levels of experience are likely to benefit from different approaches to giving feedback. Depending on the dynamic of the organisation, it might be necessary to formalise this in a process where staff comments are officially recorded and seriously considered for action by managers in order to encourage employees to be open and candid, but also fair.

Anonymous '360 evaluations' submitted by a selected number of staff who interact professionally with the employee could offer another opportunity for employees to gain more rounded feedback about their impact on the organisation as a whole. This type of multi-directional feedback also presents a good opportunity for employees to provide feedback on their managers more candidly.

### *Managers' behaviour*

**Managers' behaviour** represents another element of management systems which has a clear impact on individuals' well-being at work. Numerous studies cited by Warr demonstrate moderate to strong correlations and meta-analytic correlations between positive manager behaviour and various measures of employee well-being.<sup>125</sup> Positive manager behaviour is defined by Warr as including willingness to listen to staff, showing support, respect and concern for staff welfare, and a tendency to express appreciation for employees work well done. In these studies, the strongest correlations are between measures of positive manager behaviour and aspects of well-being which are closely conceptually linked (such as satisfaction with supervision), and the weaker correlations are between measures of positive manager behaviour and aspects of well-being that are relatively conceptually distant (such as satisfaction with pay), while moderate correlations tend to be between measures of positive manager behaviour and overall job satisfaction.<sup>126</sup> Warr also cites several studies which show a negative association between poor manager behaviour and overall job satisfaction. He defines poor manager behaviour as including favouritism, belittling subordinates, forcing conflicts to a resolution, discouraging initiative and unfair punishment.<sup>127</sup>

In the 1980s, many researchers turned their attention away from 'considerate' manager behaviour (i.e. taking employees' feelings into account), and focused instead on 'transformational' manager behaviour (i.e. behaviour that is deemed inspirational, motivating, stimulating, or charismatic) and 'transactional' manager behaviour (i.e. making rewards contingent on performance and taking corrective action in anticipation of likely performance). These studies



show transformational management styles hold stronger correlations with employee satisfaction with leadership and overall job satisfaction than transactional management styles do.<sup>128</sup>

#### *Managers' behaviour: Possible implications for management practices*

The evidence described above also demonstrates that the impact of managers' behaviour with regard to staff well-being can be significant. Because individuals sometimes reach management positions based not on their experience or skill as managers, but rather, based on their knowledge or expertise in a certain role, managers may benefit from training in how best to manage people, which may in turn improve the well-being of the staff they manage. The evidence suggests that managers who aim to inspire and motivate their staff, rather than reward staff based on their performance are more likely to encourage employee satisfaction; therefore, we recommend investing in training towards transformational-based, rather than transactional-based styles for managers.

#### **Case study: Managers' behaviour**

Google (voted first in Fortune's 'Best Companies to Work For, 2012'), has applied a data-driven approach to understanding how best to train its managers. Google gathered data from managers' performance reviews, feedback surveys, and award nominations, and then performed analysis of keywords and phrases from the data in order to assess what makes a good manager. Google then used the data to produce a document entitled 'Eight Habits of Highly Effective Google Managers', which is now used in its management training programme. Although keyword analysis is one of Google's areas of expertise and may not be feasible for all organisations, any rigorous approach to understanding how those being managed view the performance of their managers is likely to be a useful tool to improve managers' behaviour, and help employees to feel greater satisfaction at work.

#### *Organisational management*

Several authors have also commented on the importance of the **quality of organisational management** with respect to enabling well-being-enhancing features to be implemented in the workplace.<sup>129,130</sup> Organisational management is the management of the organisation as a whole, rather than the impact of individual managers, entailing the organisation of human, physical, and financial resources in order to achieve organisational goals. Studies by Bloom and van Reenen<sup>131</sup> and Bloom *et al.*<sup>132</sup> support this, showing that the association between work-life balance and productivity disappears after controlling for organisational management quality, which points to the importance played by organisational management quality in this relationship.

Warr cites several studies which demonstrate some contradiction in the evidence regarding the impact of specific management approaches in terms of employee well-being.<sup>133</sup> For example, Yue *et al.* argue that Total Quality Management practices, which involve all employees being empowered to contribute to the management of the organisation in order to encourage dedication to organisational outcomes, is associated with job satisfaction – though the evidence cited lacks detail.<sup>134</sup> A study by Mohr and Zoghi finds that High Involvement Work Practices – which encourage active participation of employees via self-managed teams, problem-solving groups and organised

employee-manager information sharing – are positively associated with job satisfaction; however, their sample is subject to self-selection bias.<sup>135</sup> A study by Kivimaki *et al.* finds that job satisfaction is actually lower in the Total Quality Management workplaces than in the non-Total Quality Management workplaces.<sup>136</sup> Warr notes that some of this conflict may arise as a result of different interpretations of elements of organisational management, such as ‘flexible working hours’, which may refer to overtime (and the associated ‘negative effects on the stress, sleep, and the social and mental well-being of the workers<sup>137</sup>) rather than genuine flexibility for employees.

An explanation for the importance of positive management at a personal and organisational level may derive from Self Determination Theory and its central tenet that there is a universal psychological need for (positive) relatedness and in particular, the need for good relationships with other people.

#### *Organisational management: Possible implications for management practices*

The evidence shows that organisational management plays an important role in well-being at work; however, a lack of rigorous research in this area and possible contradiction over the terminology used to refer to different approaches to organisational management means that we are unable to draw any concrete conclusions regarding best practice in this area.

### **5.2.3 Work environment**

Another aspect of the organisational system – the atmosphere and design of workplaces – not only steers employees to behave in certain ways, it also affects how employees feel. The location and physical surroundings, as well as the organisational culture and values, can all support, or undermine well-being at work.

Here, we use **physical conditions** of work as an umbrella term to encompass the materials and resources available to employees while doing their jobs, as well as the physical security afforded to them. In turn, the concept of physical security in a job setting refers to the absence of workplace danger, ergonomically adequate equipment, safe levels of e.g. temperature and noise, and adequate lighting and air quality.<sup>138</sup>

The evidence that physical conditions at work are significantly, positively associated with employee well-being is clear. International research by Huang and van de Vliert finds an association between working conditions (including ventilation, temperature, etc.) and overall job satisfaction, controlling for many other variables.<sup>139</sup> A longitudinal (5-year) study by Kirjonen and Hanninen<sup>140</sup> finds that improvements to working conditions are associated with increases in well-being at work and beyond, also controlling for a range of other variables. Other research by several authors cited by Warr demonstrates negative correlations between poor physical conditions at work and well-being (using hedonic, eudaimonic and evaluative definitions). A study by Sundstrom *et al.*,<sup>141</sup> and a review by McCoy and Evans<sup>142</sup> also shows a weak to moderate negative meta-analytic correlation between physical deficiencies at work and employee satisfaction.<sup>143</sup> Robertson and Cooper’s work also supports this, including ‘resources’ (the physical objects required to do ones job) within the six ‘key workplace factors’ in their ASSET model associated with well-being.<sup>144</sup>

*Work environment: Possible implications for management practices*

The evidence concerning the importance of physical conditions at work for employee well-being suggests that organisational management systems and practices should be geared towards ensuring that, as a minimum, the workplace is physically safe and furnished with the physical resources and materials necessary for employees to do their jobs effectively.

**Case study: Work environment**

Nuffield Health paid a great deal of attention to work environment during the relocation of its support centre. It employed a workplace consultancy in order to help reflect its culture of well-being in the work environment. The new support centre includes an onsite fitness and well-being centre, dedicated clinical and relaxation rooms, a bespoke learning and development academy, and a modern well-being café with a series of breakout points encouraging employees to share initiatives and ideas on a regular basis. A sense of heritage within the organisation has also been encouraged through a 'living wall' of images that portray the history and some of the characters of the organisation.

**5.2.4 Social value**

Increasingly, employees want to work for an organisation that creates social, as well as financial, value. An organisation's corporate and social responsibility can become an internal asset, as well as an external one, in terms of staff retention and motivation.

The social value of work refers to the value attached to particular job roles within societies. Social values are – perhaps more than other characteristics – open to subjective interpretation, i.e. whilst one person may believe a particular job has high social value, another may consider the same job to be of relatively low social value. It is also acknowledged that for employees doing jobs that are widely interpreted as being of low social value, it may be important to find worth in what they are doing and psychologically 'transform the meaning of stigmatised work' from negative to positive.<sup>145</sup>

Longitudinal, cross-sectional and review studies carried out from the 1960s until the current decade have found positive correlations between the perceived social value of a job and level of job satisfaction. Several authors have found weak meta-analytic correlations between the extent to which jobs have a substantial impact on the lives or work of other people, and overall job satisfaction.<sup>146</sup>

*Social value: Possible implications for management practices*

The evidence shows that people experience higher job satisfaction when they feel that they work for an organisation that has a positive social impact. As such, we recommend that organisations emphasise the social benefits that they provide, whether through company newsletters, at team-building events, or at annual meetings. Where organisations produce only weak social benefits, or where the activities of the organisation are perceived to be socially detrimental, arranging programmes that create social benefits may help to improve employees' levels of job satisfaction. Because employees' subjective views of the social value created by their organisation are partly shaped by their perception of how outsiders view the organisation, doing charitable work



that is highly visible, such as community work, appears to be an important part of creating a sense of social value.

### Case study: Social value

The restaurant chain, TGI Friday's (voted third in The Sunday Times 'Best 100 Companies to Work For 2013') seems to understand the importance of its employees' perception of the social values of the organisation.<sup>147</sup> In response to this need, it has developed a social responsibility charter, which includes holding VIP family days and fund-raising events with its staff in order to raise money for charities, as well as donating 15 per cent of the profits from sales of its Children's Menu to a children's charity. It also donates redundant cutlery and glasses to Oxfam, and gives unsold food to community food networks.

## 5.3 Functioning at work

Functioning at work is about whether the things that employees do in their day-to-day work create positive interactions with their surroundings and helps them to meet their basic psychological needs. It includes whether they feel they can express themselves, use their strengths, and have a sense of control over their work.

### 5.3.1 Use of strengths and feeling a sense of progress

When employees feel that their position at work is suited to their capabilities and desires and that they can make use of their strengths, the evidence shows that they are happier and less likely to suffer from stress; while opportunities to learn new skills not only help employees to feel a sense of achievement, but also stimulate innovation.

A study by Harter and Arora that analyses Gallup World Poll data from seven regions of the globe shows that when employees perceive that their job matches their skills and desires, a 'remarkably consistent' relationship with well-being exists.<sup>148</sup> Harter and Arora conclude that this perceived match 'is associated with higher life evaluation, more positive daily experiences, and less negative daily experiences, in every region [of the world]', even when controlling for the number of hours worked.<sup>149</sup> Xie and Johns<sup>150</sup> find that individuals who perceive their jobs to match their skills tend to report lower levels of stress. Similarly, the effect of skill-use with regard to well-being is found to be more substantial than any other job characteristic,<sup>151</sup> and self-reported skill-underutilisation is found to be associated with low overall job satisfaction, even after controlling for a wide range of job and demographic characteristics.<sup>152</sup> McKee-Ryan and Harvey also note the negative impacts of skill-underutilisation on overall job satisfaction.<sup>153</sup>

With respect to opportunities to develop new skills, there is some evidence of a strong, positive relationship between this job feature and various wellbeing measures. For example, research reported by Wilson *et al.* finds a strong positive correlation between perceptions of opportunities to update skills and job satisfaction.<sup>154</sup> In Patterson *et al.*'s study of 42 companies, a strong correlation between perceptions of the extent to which a company focuses on staff development and job satisfaction is shown.<sup>155</sup> It should be noted that this feature is closely related to goals and career outlook and progression, and may

be partly dependent on these factors when explaining well-being effects.<sup>156</sup>

The benefit of having the opportunity to do what you do best every day may be understood with reference to the strengths theory from within positive psychology, which holds that people will increase their positive subjective experiences through identifying and building on their strengths rather than identifying and trying to correct their weaknesses.<sup>157,158</sup> The importance of skill-use is explained in the literature by the intrinsic, personal value of using one's skills, as well as laboratory research into problem solving, which concludes that given the chance, 'people like to undertake moderately difficult tasks, where they can apply their skills in the search for goal attainment'.<sup>159</sup> Self Determination Theory can also be brought to bear here; as well as stressing the need for autonomy, it points to the universal psychological need for competence, which could be understood as a precursor to skill-use.

#### *Use of strengths and feeling a sense of progress: Possible implications for management practices*

The evidence cited above shows a strong positive association between perceiving oneself as possessing skills that are relevant to one's job, and having an opportunity to use those skills on the one hand, and experiencing greater job satisfaction and lower levels of stress on the other. This suggests implications in terms of organisations' hiring and training processes. It would appear to be advantageous, in terms of well-being, to hire candidates who will have the opportunity to make the best use of the skills that they already possess, as well as meeting the requirements of the role, rather than employing over-skilled staff who may experience dissatisfaction, or under-skilled staff who may experience high levels of stress. Since finding an applicant who perfectly fits the requirements of a job description can be difficult, organisations may be more successful at hiring, and retaining, happy, healthy staff by tailoring job roles based on the attributes of the applicants. This process is also likely to entail providing support and appropriate training where an applicant lacks a certain skill.

On an ongoing basis, the feedback process – discussed earlier in this report – presents an opportunity to enhance and maintain feelings of job satisfaction and resilience to stress. Feedback that recognises and praises the strengths of employees, and provides opportunities for training staff or adapting their roles so that perceived skill match and skill use are maintained, may present another opportunity to maintain well-being at work. This process might also include discussing any latent skills that individuals possess.

Giving employees opportunities to develop their skills and encouraging them to progress their careers within an organisation also appears to be important in terms of fostering happiness and satisfaction at work. By making a range of progression pathways available, organisations will be better positioned to offer their staff progression opportunities that fit well with different individuals' strengths.

### Case study: Use of strengths and feeling a sense of progress

Online white goods retailer, DRL (fifth and fourth in The Sunday Times 'Best Companies to Work For' in 2012 and 2013, respectively), recognises the value in nurturing the skills held by its staff and helping them to develop.<sup>160</sup> It has adopted the statement, 'To be the best at what we do, we need people who are the best at what they do', which it applies to its careers programme, through which DRL pledges to coach and train people in their areas of specialisation – cultivating the talent that already lies within the business, and thereby offering employees an opportunity to progress and develop.

#### 5.3.2 Sense of control

When employees are able to organise their own work, apply their own ideas and influence decisions around them, they are better able to show how capable they are. Having control at work is closely related to the concept of autonomy at work, defined by Hackman and Oldham as 'the degree to which the job provides substantial freedom, independence and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out.'<sup>161</sup> Control can be measured in various ways, but one of the most common is subjective measurement of, for example, employees' potential to control the tasks they do and their conduct during the working day.<sup>162</sup>

The evidence base supports the view that a degree of control or autonomy in one's job is positively associated with well-being with respect to job satisfaction. For example, Loher *et al.*, in their meta-analysis of 28 studies covering over 15,000 respondents, found a moderate meta-analytic correlation between job autonomy and overall job satisfaction.<sup>163</sup> De Jonge *et al.*'s study of job satisfaction and employee-reported control finds a significant association between these factors,<sup>164</sup> and Spector *et al.*, in their research into job satisfaction and control report a moderate correlation between them.<sup>165</sup> These associations remain strong after controlling for other relevant factors, such as employees' educational qualifications.<sup>166</sup> In a summary of research into the drivers of well-being at work, Spreitzer and Porath<sup>167</sup> describe the positive effect that decision-making discretion has on thriving at work, though few specific details concerning the studies that form their evidence base are cited in their study.

Robertson and Cooper describe how important control is with respect to well-being at work.<sup>168</sup> Indeed, control is one of their six 'essentials' for workplace well-being. They also cite a study by Podsakoff *et al.*, which includes a meta-analysis of 150 independent research samples and an understanding of lack of control as a hindrance pressure at work – i.e. a form of pressure that has a detrimental impact on an individual's ability to do their job.<sup>169</sup> In their analysis of the link between hindrance pressures and job satisfaction, Podsakoff *et al.* find a strong negative meta-analytic correlation between hindrance pressures – of which lack of control is a part – and job satisfaction.

Hackman and Oldham's Job Characteristics Model of 1976 demonstrates how autonomy (one of the five characteristics in their model, which also includes skill variety, task identity, task significance, and feedback) has an impact on psychological states, motivation, satisfaction, and performance.<sup>170</sup> In their study of 658 employees doing 62 different jobs in 7 organisations (including a mix

of blue collar workers, white collar workers and professionals, and urban and rural dwellers), Hackman and Oldham find moderate to strong meta-analytic correlations between autonomy and general satisfaction.<sup>171</sup>

It is difficult to judge the impact of having too much control on well-being at work, possibly because testing this would require a relatively large number of people exercising high levels of control, and such numbers are unlikely to be found in typical research samples.<sup>172</sup> However, there is some evidence of an asymmetric curvilinear relationship, which suggests that low job control is associated with the greatest unhappiness, that there is a levelling off of well-being benefits at moderately high levels of control and a downturn in well-being levels at the highest levels. For example, van Dijkhuizen finds that whilst low participation in job decisions is related to job dissatisfaction, and an increase in participation in job decisions up to a certain point is related to increased satisfaction, the highest level of participation in job decisions is related to an increase in job dissatisfaction.<sup>173</sup> Robertson and Cooper also point to the detrimental effects on well-being of having either not enough or too much control.<sup>174</sup> Warr argues that whether job control is related to well-being in a linear or non-linear manner depends on which aspect of well-being is measured, and whether the measures are of job satisfaction or overall life satisfaction.<sup>175</sup> In short, research results are mixed in terms of whether there is an 'additional decrement' effect associated with high levels of control, partly because different measures are used and partly because sample sizes are small.

Explanations for the importance of control with respect to well-being at work refer to psychological research and evolutionary theory. In psychology, research within a number of different areas has re-iterated the significance of having some degree of personal control over aspects of one's environment – in particular in negative situations. It has also been noted that in evolutionary terms, not having the ability to 'control aversive situations reduces the probability of survival for oneself and one's offspring, as well as being experienced as unwanted and unpleasant'.<sup>176</sup> The importance of control in terms of well-being at work can be understood with reference to Self Determination Theory (Box C), which holds that autonomy is a key, universal psychological need.

#### *Sense of control: Possible implications for management practices*

The evidence of the link between control at work and job satisfaction suggests that it is important to afford and encourage individuals to exercise control in carrying out their roles. Implementing this is likely to require additional effort and trust from managers and supervisors – who may need to take the time to explain employees' responsibilities to their staff, as well as the reasons for the importance of the decisions that the employees are required to make, and to be available to offer support and guidance in their staff members' decision-making. But the potential benefits in terms of job satisfaction appear to be significant, and if implemented well, this could ultimately free up some time for managers. It may be beneficial to work at building trust between managers and staff in order to successfully distribute control amongst individuals. This might take the form of setting up daily, weekly, or monthly meetings between supervisors and staff to discuss tasks and arrange times to catch up on progress. As well as being given responsibility for their own roles, giving

employees a say in wider matters involving how the organisation is run, by requesting and seriously considering feedback, might also help to foster feelings of autonomy and control amongst staff, and thereby increase well-being at work.

### Case study: Sense of control

Internet consultancy, Cloudreach (voted first place in The Sunday Times '100 Best Small Companies' 2013), has helped its staff to achieve a sense of control and autonomy in part by asking the staff to produce their own set of company values.<sup>177</sup> The values produced by the staff differed considerably from the set originally drafted by the management team, but the company values formulated by the staff were viewed to more accurately reflect the needs of the organisation and have been adopted as the set of company values that Cloudreach 'wholeheartedly endorses and... lives and dies by'.

### 5.3.3 Work relationships

Good working relationships support cooperation, collaboration, and higher performance, and help to create a good working environment. Measures of the quality of social relationships at work focus on perceptions of various aspects of social interaction including 'contact with others', 'trust', 'social support' and 'social interaction'.<sup>178</sup>

A study by Clark shows that work relationships are important to the majority of people.<sup>179</sup> Using data from 1989, 1997, and 2005 from the International Social Survey Programme, he finds that the percentage of people ranking good relations at work as 'very important' in terms of what they value in a job ranges from 65 per cent to 69 per cent. Work relationships are also one of the six 'key workplace factors' in Robertson and Cooper's ASSET model of workplace well-being and are associated with a sense of purpose and positive emotions, which in turn generate employee satisfaction, morale and motivation.<sup>180</sup>

The evidence on the association between positive social interaction at work and well-being shows a strong connection, consistent with evidence in the broader well-being literature, of the importance of good social relationships to well-being.<sup>181</sup> (Stoll *et al.*, 2012). Numerous studies, including reviews and meta-analyses cited in Warr, show associations between various measures of social relationships and hedonic, eudaimonic, and evaluative measures of well-being at work – even after controlling for other variables.<sup>182</sup> In a small-scale study of the predictors of job satisfaction amongst nurses in Australia, Chaboyer *et al.* find that cohesion amongst nurses and collaboration with medical staff is positively associated with job satisfaction.<sup>183</sup>

Research in this area also explores the negative effects on well-being of poor social relationships at work, for example, looking at low levels of social support, conflict, hostility and abuse. Various studies cited by Warr find that various aspects of poor social relationships are negatively associated with hedonic, eudaimonic and evaluative well-being.<sup>184</sup> Penney and Spector cite significant negative associations between low-quality relationships at work and job satisfaction.

A particularly compelling finding in this area comes from studies completed by Helliwell and Huang in 2009 and 2011, which (using data from the USA and Canada) find that the impact of having a manager that one perceives to be trustworthy, has a greater impact in terms of both job and overall life satisfaction than increasing income.<sup>185,186</sup>

There is limited research into the possibility that very high levels of social interaction at work can have negative effects on well-being; however, studies by Rice *et al.*<sup>187</sup> and de Jonge *et al.*<sup>188</sup> have explored this and find that well-being with respect to social relationships at work is lowest at very high and very low levels of social interaction.<sup>189</sup>

Explanations into the importance of social relationships at work with reference to employee well-being point again to Self Determination Theory and its observation that there is a universal psychological need for relatedness.

#### *Work relationships: Possible implications for management practices*

The evidence in this section shows that having good work relationships is very important in terms of job satisfaction. Trust in management can have a greater positive impact on job satisfaction, and indeed life satisfaction, than that of income. Therefore, we recommend that employers take this aspect of functioning at work seriously, and view it as a formidable opportunity to foster positive emotions, such as satisfaction, morale, and motivation.

Prioritising time and opportunities to enhance colleagues' relationships is likely to be strongly beneficial in terms of job satisfaction. This might involve encouraging staff to work together on projects, discuss ideas or share skills. In addition, taking part in social activities at company away days, parties, and other informal socialising can provide opportunities for staff to get to know one another in a more relaxed environment.

#### **Case study: Work relationships**

Online white goods retailer, DRL (fifth and fourth in The Sunday Times 'Best Companies to Work For' 2012 and 2013,<sup>190</sup> respectively) recognises the importance of having good work relationships, encouraging social relationships amongst its staff by offering to pay 50 per cent of the cost for activities ranging from scuba diving to cookery classes for its employees, as long as five members of staff take part in the activity together.

Employees' trust in their managers is a particularly powerful aspect of enhancing (or damaging) job and even life satisfaction. Finding opportunities to promote such trust therefore warrants close attention.

#### **Case study: Work relationships**

Car retailer, The Sytner Group (third and fifth in The Sunday Times '25 Best Big Companies' in 2012 and 2013,<sup>191</sup> respectively) adopts an ethos of developing good working relationships between managers and staff, which includes encouraging managers to operate an 'open door policy', whereby they listen to team members, welcoming individuals' contributions and suggestions. In feedback collected from Sytner employees by an independent agency, Sytner staff emphasised their appreciation of this policy.



## 5.4 Experience of work

Experience of work is about how employees feel in their day-to-day working lives. This concept explores the stresses and frustrations of work, how happy and engaged individuals feel in their jobs, as well as how worthwhile they find them.

### 5.4.1 Positive and negative feelings

Experiencing positive feelings at work contributes to one of the positive feedback loops identified in the dynamic model of well-being at work, where a positive experience of work feeds into the quality of one's personal resources, which then feeds into the rest of the model.

Positive feelings in general appear to present a range of advantages to employees. The 'broaden and build' theory posited by Fredrickson argues that positive emotions help individuals to broaden their thoughts, which can induce more creativity, flexibility, and paying more attention, resulting in greater psychological resources including resilience, coping, physical abilities, emotional intelligence, social skills, and self-mastery.<sup>192</sup> In their study of business teams, Fredrickson and Losada coded the language used in team meetings, noting occurrences of positive (i.e. showing support, encouragement, appreciation) and negative 'utterances' (i.e. showing disapproval, sarcasm or cynicism).<sup>193</sup> They found that the greater the ratio of positive to negative utterances, the better that team performed in terms of profitability, customer satisfaction, and evaluations by superiors, peers, and subordinates.

Stresses and frustrations are, however, an inevitable part of our working lives. Of course, at times employees are faced with deadlines or are required to do uninteresting tasks, but when negative feelings are more frequently and persistently experienced than positive feelings, they can prevent people from performing at their best.

The negative impact of stressful and frustrating, unachievable work in terms of well-being has been shown to have a negative impact on well-being in the job design section of this report's discussion on organisational systems.

A further aspect of negative feelings at work – boring work, as a result of lack of variety or over-simplified tasks – also plays a key role in shaping well-being.

Variety can be understood as 'variation in the conditions to which a person is exposed and in the activities he or she is required to perform'.<sup>194</sup> The evidence for the relationship between variety and well-being at work is extensive. Warr cites several studies which point to an association between low variety at work and unhappiness or low levels of job satisfaction, as well as a number of studies which cite positive correlations between variety and job satisfaction.<sup>195</sup> Chaboyer *et al.*, in their small-scale study of the predictors of job satisfaction within the nursing profession in Australia, also find a positive association between variety and job satisfaction after controlling for other factors.<sup>196</sup> Helliwell & Huang, in their two-country, three-survey study of well-being and trust in the workplace, find that jobs which entail variety are associated with significantly higher life satisfaction.<sup>197</sup>

In addition to having variety in the tasks that one completes, the complexity of the tasks themselves also plays a role in terms of experiences at work. Hackman and Oldham find a moderate meta-analytic correlation between the skill variety required for different tasks at work and general satisfaction.<sup>198</sup> Meanwhile, a qualitative and quantitative review by Judge *et al.*<sup>199</sup> states that research 'indicates that the satisfaction-performance correlation is substantially stronger in high-complexity jobs than in low complexity jobs (p388).

According to Warr, it is not possible to make evidence-based claims concerning the effects that too much variety and complexity within a job have on well-being, because there is such a small body of evidence regarding extensive variety at work.<sup>200</sup>

Explanations for the importance of variety refer to the way that low variety is experienced as both unpleasant in itself and associated with other negative environmental characteristics such as low levels of control and skill-use, discussed earlier in this report.<sup>201</sup>

#### *Positive and negative feelings: Possible implications for management practices*

Because the impact of experiencing positive feelings at work feeds into a reinforcing loop within the dynamic model of well-being at work, the benefit of encouraging positive feelings is potentially strong. We recommend attempting to foster positive feelings by placing emphasis on the positive aspects of an organisation. This might be achieved by recognising and celebrating achievements, praising effort as well as results, and adopting an optimistic and positive tone within the organisation that encourages positive interactions between staff.

In addition, the benefit of having roles which entail variety in the tasks performed has implications in terms of preventing staff from experiencing negative feelings of boredom, and increasing job satisfaction. This facet of well-being at work can be considered to be an element of job design, which should be considered when creating roles, and discussed with employees during feedback sessions regarding their experience of work.



## 6. Key findings

During the research carried out for this report, the evidence has shown that different features of individuals' working lives have varying degrees of influence over different aspects of well-being – from increasing individuals' feelings of having a sense of purpose, to promoting greater experiences of positive emotions, morale, motivation, overall job satisfaction, and even life satisfaction. This section of the report summarises the key findings from our research regarding the strongest evidence behind well-being at work.

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### 6.1 The key features which contribute to well-being at work

The main aspects of individuals' working lives and their implications in terms of best practise to foster well-being at work are summarised below, structured according to the dynamic model of well-being. The sub-section included in brackets after each sub-heading indicates where in the report the findings are discussed in more detail.

#### 6.1.1 *Personal resources*

##### *Health and vitality (5.1.1)*

There is evidence that self-assessed health, presence of illnesses, and mental health all affect subjective well-being, sometimes very strongly. Numerous studies demonstrate a strong positive association between physical activity, particularly regular physical activity, and well-being outcomes, including mood, mental well-being, life satisfaction and subjective well-being. What's more, some of those studies have shown that such benefits are sustained over time. The evidence also shows that healthy eating is associated with improved subjective well-being, while the role of sleep and vitality has a particularly important role in the dynamic model of well-being, with sleeping problems associated with a range of negative impacts, including lower life satisfaction, lower levels of positive emotion, and higher levels of negative emotion.

#### **Recommendations in terms of best practice**

- Encourage an ethos of taking regular physical activity at work, and provide infrastructure and opportunities that make it easy for staff to incorporate physical activity and healthy eating into their work lives.

- Avoid a culture of overwork emerging and offer staff the flexibility necessary to achieve a good work-life balance in order to promote vitality at work.

#### *Work-life balance (5.1.2)*

Having a poor work-life balance has been shown to be one of the greatest predictors of stress at work. The evidence largely supports the view that well-being increases with hours worked up to an upper-threshold of 35–55 hours per week throughout the developed world. Meanwhile, the lower threshold of desirable hours of work appears to be determined by individuals' view of the minimum number of hours that they would like to work, and how that is met in practice.

#### *Recommendations in terms of best practice*

- Use conventional full-time hours without overtime as a framework to start from when deciding working hours, as well as flexible part-time arrangements.
- Regularly discuss and re-evaluate working hours with employees to try to match their actual to their desired working hours.

### **6.1.2 Organisational system**

#### *Job design*

#### *Fair pay (5.2.1)*

Having jobs that are fairly paid is important, as income serves the dual purpose of enabling individuals to meet material needs, and acts as a form of recognition or status. Well-being appears to increase with absolute levels of income; however, as income increases beyond a certain point, the size of the related rise in well-being associated with increasing income becomes smaller. As such, the greatest gains in terms of well-being tend to result from increasing the incomes of the lowest-paid workers.

In terms of relative income levels, being a top earner in relation to others is associated with having higher well-being, and being a lower earner in relation to others is associated with having lower well-being; this effect persists regardless of absolute levels of income, as long as the income is high enough to satisfy fundamental needs.

#### *Recommendations in terms of best practice*

- Weight pay increases in favour of lower earners.
- Implement a fair, visible pay-scale, with acceptable salary ratios.
- Have pay-scales that are at least in-line with those advertised by other organisations within the same industry, with any deviations from this clearly justified.

#### *Job security (5.2.1)*

Job security is unambiguously shown to be important to employees and associated with job satisfaction. Job insecurity in general appears to have a greater negative impact on well-being than holding a temporary contract, but holding a temporary contract is also associated with lower well-being.

*Recommendations in terms of best practice*

- Prioritise minimising job insecurity first, and then offer permanent, rather than temporary, contracts wherever possible.
- Any potential redundancies should be dealt with sensitively and very carefully managed to enable employees to plan for the future.
- Zero-hours contracts should be avoided.

*Environmental clarity (5.2.1)*

In terms of environmental clarity, sharing information and communicating well, is shown to be positively associated with well-being. The evidence shows that having an achievable job with clear goals is also related to job satisfaction and morale, while having unclear goals is shown to be strongly negatively correlated with job satisfaction. Goals that are based around a complete piece of work seem to be particularly beneficial in terms of achieving a sense of satisfaction and a sense of progression at work. However, having goals that are too demanding or not demanding enough are shown to have a negative effect on well-being.

*Recommendations in terms of best practice*

- Integrate evaluating and updating employees' job roles into regular appraisals.
- Have clearly defined career progression pathways.
- Employees and managers should discuss and agree upon clear, achievable goals together, and regularly evaluate progress towards those goals.

*Management system (5.2.2)*

The evidence shows that receiving feedback is a strong predictor of job satisfaction, and good quality feedback is positively correlated with several aspects of well-being. Positive manager behaviour towards staff (including willingness to listen to staff, show support, respect and concern for staff welfare, a tendency to express appreciation for employees' work well done) is strongly correlated to various aspects of well-being – with transformational approaches to leadership holding stronger correlations than transactional ones. Having good quality organisational management is also important in terms of well-being at work, though ambiguity over defining many of the aspects involved in this has produced some inconclusive findings.

*Recommendations in terms of best practice*

- Regularly collect two-way feedback from staff, whereby employees are evaluated by their managers, and employees review their managers.
- Intersperse formal appraisals with more casual 'check-ins' to avoid feelings of loss of personal control.
- Provide training for managers, with inspirational and motivational management styles favoured over transactional styles.

### *Work environment (5.2.3)*

Having safe, danger-free, and comfortable physical conditions at work is positively associated with well-being, whilst having poor physical conditions is negatively correlated with job satisfaction.

#### *Recommendations in terms of best practice*

- Ensure that, as a minimum, the workplace is physically safe and furnished with the physical resources and materials necessary for employees to do their jobs effectively.

### *Social value (5.2.4)*

There are positive correlations between perceived social value of a job and level of job satisfaction.

#### *Recommendations in terms of best practice*

- Emphasise the social benefits that the organisation creates.
- Where social benefits are weak, arrange programmes to create them. Creating social benefits that are visible to outsiders, such as the local community, is likely to be particularly beneficial.

## **6.1.3 Functioning at work**

### *Use of strengths and feeling a sense of progress (5.3.1)*

The evidence shows positive relationships between employees perceiving their jobs as matching their skills and desires is associated with higher well-being, as well as with lower stress. Skill-use is shown to have a substantial impact on well-being, while skill-underutilisation is associated with low job satisfaction, and opportunities to develop new skills are strongly associated with job satisfaction.

#### *Recommendations in terms of best practice*

- Tailor job specifications to match the skills of new employees.
- Provide support and training for any skill deficit a successful candidate may have.
- Recognise and praise the strengths of employees.
- Provide opportunities for training, or to adapt roles so that perceived skill match and skill use is maintained.
- Offer opportunities to develop skills, and create career progression pathways based on those qualities.

### *Sense of control (5.3.2)*

The evidence shows that having a degree of control or autonomy at work is positively associated with job satisfaction. Lack of personal control at work can be detrimental to performance, which in turn negatively impacts job satisfaction. Some findings suggest that too little or too much control negatively affects well-being, though the evidence on this is mixed and in some cases, inconclusive.

*Recommendations in terms of best practice*

- Managers should work to foster trusting relationships between themselves and their employees, and support staff to exercise control over their own roles.
- Encourage employees to have a say in how the wider organisation is run by requesting and seriously considering their feedback.

*Work relationships (5.3.3)*

The majority of people rank good relations at work as being very important in terms of what they value in a job. Having good working relationships are shown to be beneficial in terms of well-being, while poor social relationships are shown to be negatively associated with well-being. Some compelling findings show that for employees, having a manager who they perceive to be trustworthy can have a greater impact on job and life satisfaction than income does.

*Recommendations in terms of best practice*

- Prioritise time and opportunities to enhance co-workers' relationships.
- Encourage staff to work together on projects, discuss ideas, or share skills, and to take part in social activities together.

**6.1.4 Experience of work***Positive and negative feelings (5.4.1)*

Experiencing positive (as opposed to negative) feelings at work has been shown to have a positive, self-reinforcing impact on well-being at work, which improves the performance of staff. Meanwhile, avoiding the negative feelings associated with boring work by ensuring that staff experience variety with regard to tasks performed – is positively associated with job satisfaction, performance, and even life satisfaction.

*Recommendations in terms of best practice*

- Place emphasis on the positive aspects of an organisation by recognising and celebrating achievements, and praising effort as well as results.
- Adopt an optimistic and positive tone within the organisation that encourages positive interactions between staff.
- Create roles which entail variety.

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