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Wellbeing at Work

A Review of the Financial and Social Impact

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<p>This thesis aims to review existing literature and research on wellbeing at work and its effect on a financial and social level to the employer and the employee. The problem of defining the concept was overcome by introducing several different definitions. Productivity losses can be due to not showing up to work or showing up while ill and the costs for both are significant. Measuring wellbeing can be problematic and to receive reliable data understanding the factors that affect the responses is a must. Increasing wellbeing at work must be done on a case-by-case basis. Methods can vary from training sessions to organizational policies. Some changes in an organization can increase productivity in the short-term with the expense of wellbeing however this can eventually lead to decrease in productivity.</p>	
Keywords	Wellbeing, subjectivity, Absenteeism, Presenteeism, Health

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1 Introduction

In today's modern and hectic capitalistic society where the ultimate goal is to increase productivity in the most cost-efficient way possible often overshadows the wellbeing of the employees. In order to increase the wellbeing at work of the employees the employer must understand which factors contribute to the employee's overall wellbeing. The identification of these factors plays a critical role and can vary between different employers. These factors include but are not limited to sickness absence, working hours, salaries, work engagement, social cohesion, work-related stress, traits of the managers and job satisfaction. Knowing which factors affect wellbeing is crucial and some of them can be measured through different key performance indicators (KPI) however measuring self-reports on subjective matters can be problematic and requires expertise to acquire worthy results. Also the connection between productivity and wellbeing must be examined; is there a case to be made that increasing productivity while ignoring employee wellbeing will in fact harm productivity in the long run.

The aim for this report is to answer the research question: what the financial and social impacts of wellbeing at work are and does wellbeing have a positive correlation with productivity. This report aims to be used as a concise summary of the extensive concept of wellbeing and provide the readers a starting point for their own research on the existing literature. A concise framework on implementing a wellness programme that showcases the steps involved is also introduced.

2 Defining wellbeing

Research on the topic wellbeing has been increasing over the past few decades however there is no clear consensus on the definition. Dodge et al., (2012) argues in the article '*The challenge of defining wellbeing*' that spite being a growing area of research the question how to define wellbeing still remains unanswered and that the majority of the significant work made in the field focuses on the dimensions of wellbeing instead of on a definition.

The National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP) also admits the lack of a clear consensus of the definition however it brings forth a general agreement that at minimum:

Well-being includes the presence of positive emotions and moods (e.g., contentment, happiness), the absence of negative emotions (e.g., depression, anxiety), satisfaction with life, fulfilment, and positive function (NCCDPHP, 2018).

For public health purposes NCCDPHP also lists physical wellbeing being critical to overall wellbeing and health and this can be linked to the World Health Organizations (WHO) definition of health:

A State of complete physical, mental and social well-being and not merely the absence of disease or infirmity (WHO, 1946)

Dodge et al. proposed a new definition which summarises the definition in all its simplicity to:

Wellbeing is when individuals have the psychological, social, and physical resources they need to meet a particular psychological, social and/or physical challenge (Dodge et al., 2012).

The definition can be illustrated with a see saw model (Figure 1) which represents the drive of an individual to return to a state of equilibrium. When an individual meets a challenge, they must adapt their resources to meet the challenge (Dodge et al., 2012).

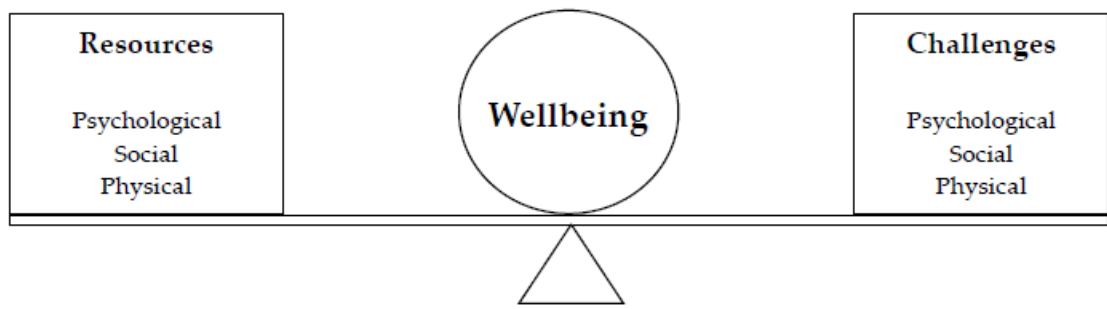


Figure 1. Definition of Wellbeing (Dodge et al., 2012).

3 Defining wellbeing at work

Defining wellbeing at work also runs to the same issues as defining only wellbeing.

The International Labour Organizations' (ILO) summary of work wellbeing supports the factors and their importance mentioned in chapter 1.

Workplace Wellbeing relates to all aspects of working life, from the quality and safety of the physical environment, to how workers feel about their work, their working environment, the climate at work and work organization. The aim of measures for workplace well-being is to complement OSH measures to make sure workers are safe, healthy, satisfied and engaged at work.

Workers well-being is a key factor in determining an organisation's long-term effectiveness. Many studies show a direct link between productivity levels and the general health and well-being of the workforce (ILO, 2020).

The Finnish Ministry of Social Affairs and Health acknowledges that the definition of wellbeing at work can vary.

There is more than one correct definition for wellbeing at work. Wellbeing at work is an individual experience related to, for example, well-functioning personal relations at the workplace and employees' own vocational skills. Wellbeing at work helps a person to be enthusiastic and motivated and to take initiative. Therefore, wellbeing at work is directly connected with work productivity and with the competitiveness and reputation of the employer organisation (Ministry of Social Affairs and Health, 2020).

The European Agency for Safety and Health at work also admits that there are different definitions of the concept of wellbeing at work and they define it as follows:

One useful definition acknowledges that well-being is 'a summative concept that characterises the quality of working lives, including occupational safety and health (OSH) aspects, and it may be a major determinant of productivity at the individual, enterprise and societal levels.

European Working Conditions Observatory (EWCO) defines the concept of wellbeing at work to include non-work elements and thus should not necessarily be confined only to the workplace.

Well-being at work means safe, healthy and productive work in a well-led organisation by competent workers and work communities who see their job as

meaningful and rewarding and see work as a factor that supports their life management (EWCO, 2011).

Isham, Mair and Jackson (2019) state in their research '*Wellbeing and productivity: a review of the literature*', productivity growth may have detrimental effects on employee's wellbeing. This directly supports the definition of the EWCO that the wellbeing at work should not be limited only to the workplace.

4 The price of wellbeing at work

According to the Finnish Ministry of Social Affairs and Health:

Wellbeing at work increases productivity and commitment to the job, and it reduces incidents of sick leave. Wellbeing at work helps a person to be enthusiastic and motivated and to take initiative. Therefore, wellbeing at work is directly connected with work productivity and with the competitiveness and reputation of the employer organisation (Ministry of Social Affairs and Health, 2014).

To start comprehending the magnitude of the costs of lost labour input the Finnish Ministry of Social Affairs and Health estimated in 2012 the cost of lost labour input as follows:

Absence due to illness	3.4 billion €
Working while ill	3.4 billion €
Disability pensions	8.0 billion €

Other costs related to the loss of labour input:

Occupational accidents	2 – 2.5 billion €
Occupational diseases	0.1 billion €
Health care of working-age population	7.8 billion €

Table 1. The cost of lost labour input per year (Ministry of Social Affairs and Health, 2014)

Even though these calculations have been made from the point of view of the national economy, the Finnish Ministry of Social Affairs and Health reminds that only workplaces can make work more productive and improve the wellbeing of their personnel (Ministry of Social Affairs and Health, 2014).

The Health and Safety Executive (HSE) in Britain estimated that in 2019 there were 828 000 workers suffering from work-related stress, depression or anxiety and the total amount of working days lost to this was 17.9 million. According to the HSE the predominant cause of work-related stress, depression and anxiety was the workload, working under tight deadlines, and responsibility. Other factors identified included a lack of managerial support, organisational changes at work, violence, and role uncertainty (HSE, 2020).

Adopting new ICT may blur the boundaries between home and work life balance and thus affecting job insecurity and stress (Isham, Mair and Jackson, 2019). Chartered Institute of Personnel and Development (CIPD), a non-profit organization, which examines the trends in absence and health and wellbeing in UK workplaces, supports this in their '*Health and well-being at work*', (2018) report. The report concluded that advances in technology are generally seemed to have a positive rather than a negative impact on the employees. The positive benefits of new technology include the ability for remote work and flexible working hours however this brings forth employees' inability to switch off out of official work hours and the failure of technology results in additional stress (CIPD, 2018).

4.1 Absenteeism

Absenteeism is defined as the act of not showing up to scheduled work and it has a long research history due to the costs it inflicts to organizations and its status as an indicator of work adjustment (Johns, 2009). According to the CDC the productivity losses linked to absenteeism costs employers \$225.8 billion per year in the United States (CDC, 2015). The major causes for absenteeism can be divided as follows (Kocakülâh, Bryan and Lynch, 2018):

4.1.1 Illness and injury

In the US in 2019 private industry employers reported in total 2.8 million nonfatal workplace injuries and illnesses and 888 220 of which caused a private industry worker to miss at least one day of work (BLS, 2019).

4.1.2 Burnout

Employees who say they very often or always experience burnout are 63 percent more likely to take a sick day, 23 percent more likely to visit the emergency room and 2.6 times as likely to leave their current employer than employees who do not feel burnt out (Wigert and Agrawal, 2018).

4.1.3 Depression

80 percent of persons with depression reported some level of functional impairment and 27 percent reported serious difficulties in work and home life. Depression is estimated to cause 200 million lost workdays every year and costing the employers 17 billion to 44 billion dollars in the United States (CDC, 2016).

4.1.4 Bullying and harassment

According to a survey done in 2021 by the Workplace Bullying Institute (WBI) nearly 30 percent of U.S workers have been affected by workplace bullying. Employees targeted by bullying and harassment have a 67 percent chance of losing their jobs due to being fired, transferred, or quitting the job themselves (WBI, 2021).

4.1.5 Maternity leave and childcare

In the absence of a national paid maternity leave like in the United States, most women try to cope with a combination of sick days, vacation time and unpaid leave to spend time with the new-born baby (Kocakülâh, Bryan and Lynch, 2018).

4.1.6 Eldercare

One third of caregivers are in the workforce and as the number of older adults and the high costs of eldercare increases, it is inevitable that this places stress on employee's workplace productivity who care for their elders. Nearly 68 percent of these caregivers must make adjustments into their work life such as cutting back on hours, changing jobs or stopping work completely (Kocakülâh, Bryan and Lynch, 2018).

4.1.7 Employee turnover and job hunting

The Centre for American Progress reports that 75 percent of the American workers earn less than 50 000 dollars and a typical cost to replace them is 20 percent of their annual salary. Losing an employee can also cause unrest among other employees and them having to deal with additional duties until a replacement has been found. It is difficult to measure the loss on productivity because of job hunting due to employees keeping it a secret until they have secured another job however it is clear that employees who use work time to make personal calls and are attending interviews can affect their productivity negatively (Kocakülâh, Bryan and Lynch, 2018).

4.2 Presenteeism

As mentioned in the previous chapter that absenteeism has a long research history but in recent years presenteeism, the act of showing up to work while ill has become a subject of interest. Claims have been made that working while ill causes more productivity loss than absenteeism and that by focusing on the prevention of presenteeism could in fact be a source of competitive advantage (Johns, 2009). Table 2 of this thesis does not directly support the claim of presenteeism being more costly than absenteeism however it shows that the costs of absence while ill and working while ill are equal. Researchers have tried to estimate the costs of presenteeism and in a yearlong telephone survey done by the American Productivity Audit, the costs were calculated to total over \$150 billion per year in the United States (Hemp, 2004).

Reasons for presenteeism vary from organization to organization however they can be roughly divided into categories: organizational factors, job characteristics and personal reasons (Webster et al., 2019).

4.2.1 Organizational factors

Employers not offering paid sick leave or enough paid sick leave is an organizational factor affecting working while ill. In addition to not having paid sick leave, presenteeism can be a social norm for an organization. Feeling pressure from their employer and

colleagues to work while ill also has a significant effect on presenteeism. The fear of losing one's job or receiving disciplinary actions because of taking sick leave can drive people showing up to work while ill (Webster et al., 2019).

4.2.2 Job characteristics

Employees working a specific job or a task might attend work while ill since the lack of cover such as a temporary worker who could manage the job is non-existent. Also, the feeling of professional obligation to customers and the fear of jeopardizing reputation in case of absence along with fear of falling behind with the workload causes presenteeism (Webster et al., 2019).

4.2.3 Personal reasons

Some employees show up at work while ill in order not to be a burden to their colleagues and because of the fear of their perceptions such as opinions and impressions if taking sick leave. The threshold of when an employee feels sick enough to admit needing to take a sick leave varies greatly and the lack of clear guidelines set by the employer induces presenteeism (Webster et al., 2019).

4.3 Stress

CIPD's research shows that the most significant risk to employee wellbeing has to do with mental health and stress. These are the two main causes for long term absences in the UK. Organisations reported an increase of 37 percent in stress-related absences in 2019 (CIPD, 2019).

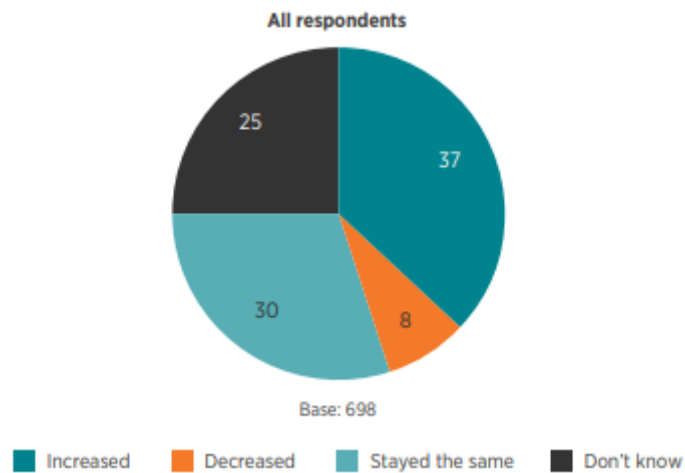


Figure 2. Has stress-related absence increased or decreased in your organisation over the past year? (CIPD,2019)

CIPD's earlier study conducted in 2016 shows clear linkage between mental health and absenteeism and presenteeism. Half of the respondents who described their mental health as poor admitted taking time off work and interestingly 49 percent of the respondents with poor mental health had never taken time off work (CIPD, 2016).

The main cause for workplace stress reported (Figure 3.) was workloads and the volume of work (62 percent) followed by the management style (43 percent).

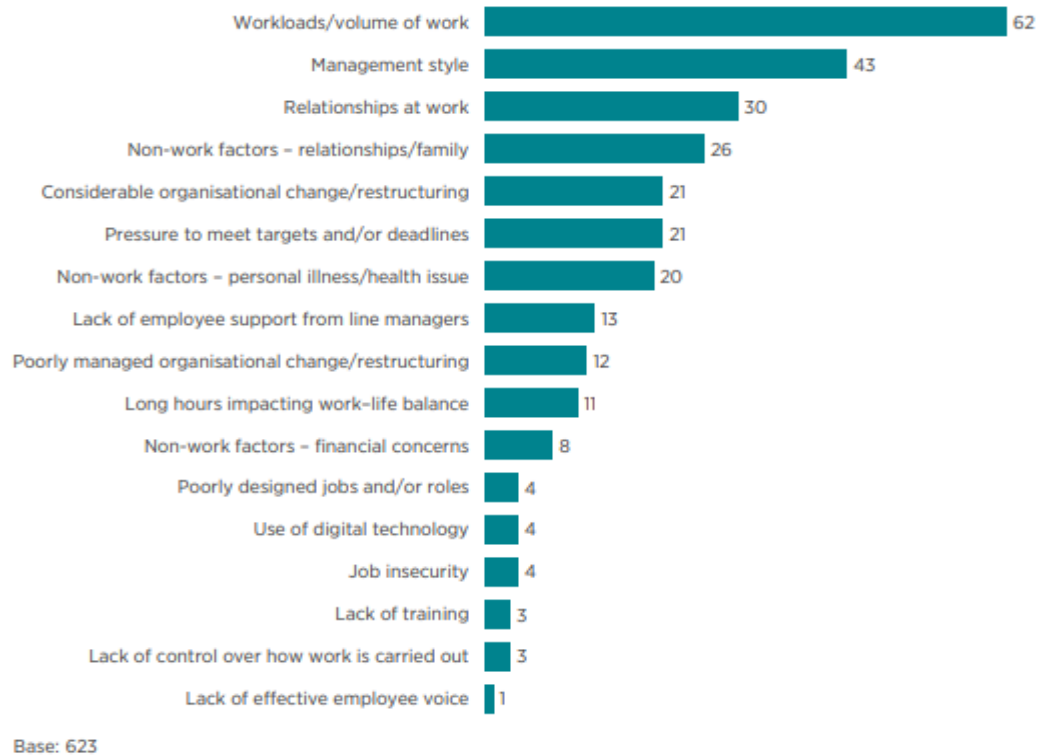


Figure 3. The main causes of stress at work (CIPD, 2019).

4.4 Poor management

As mentioned in chapter three and the previous chapter, the HSE identified the lack of managerial support as a contributing factor to the loss of working days. Kathryn Shaw, a professor of economics at the Stanford Graduate School of Business, argues in her article *Bosses matter: The effects of managers on workers' performance* that a good boss can have a substantial positive effect on the productivity of a typical worker. A good boss can also boost the performance of their employees and they are more likely to stay at the job because of the valuable teaching and coaching that might be available to them. A study of workers in a large US firm that performs technology-based service jobs over the course of four years showed a possible productivity growth of 50 percent from workers who moved from an average boss to a high-quality boss. In addition, the research concluded that having a good boss makes the workers happier (Shaw, 2019).

5 Measuring wellbeing at work

There are numerous different ways that have been proposed to measure wellbeing at work. The most commonly used tools and instruments tend to be in a questionnaire format.

5.1 Controlling subjectivity

Wellbeing is a subjective concept which is typically measured with self-reports. Respondents' answers are influenced by several factors, so the self-report measures have raised some concerns amongst psychologists. A non-exhaustive list of the factors that may distort the results:

- Situational factors
- Type of scales used
- The order in which the items are presented
- Mood of the respondent

The results also differ depending on what is being measured; clinical outcome, population health, cost-effectiveness et cetera (NCCDPHP, 2018).

5.2 OECD guidelines on measuring subjective wellbeing

The Organization for Economic Co-operation and Development's (OECD) published guidelines in 2013 which aims to bring out the methodological issues with measuring subjective wellbeing through surveys and recommendations how to deal with them. The issues OECD introduced are:

5.2.1 Question wording and response format

Wording obviously matters when it comes to question designs. Questions should be comprehended for all respondents in a similar way to acquire comparable responses. Using multiple-item scales is one way to reduce how respondents understand the questions. These scales approach the topic of the survey from several different angles with the aim of converging the responses (OECD, 2013).

5.2.2 Question order and context effects

Wellbeing questions should only include one primary evaluative measure and should be consistent in the ordering of positive and negative effect measures to mitigate the risk that asking negative questions first might influence positive questions later on during the survey (OECD, 2013).

5.2.3 Survey mode and timing

It is not possible pinpoint the best mode of survey however face-to-face interviews has shown to have several advantages. When it comes to methodological issues with timing, to receive comparable data variety of days must be sampled. The sample must contain a consistent number of weekdays, weekends, holiday periods and seasons of the year (OECD, 2013).

5.2.4 Response styles and international comparability

Data interpretation is affected by response styles when they vary between countries or populations sub-groups with countries. The questions selected for the survey must be easily translatable and understood by the respondents. Cultural differences on the interpretations of the scales used might limit the comparability of the data between countries (OECD, 2013).

There is no single consensus on what the questionnaires should include and as Cynthia Fisher states in her research '*Conceptualizing and Measuring Wellbeing at Work, 2013*' that comprehensive scales assessing all the factors relating to wellbeing do not appear to exist this point in time. Fisher provides a possible solution to researchers who require

an overall wellbeing at work measure (Table 2.). Fishers proposed solution is to modify the scale by Diener et al. (2010) which assesses the wellbeing of an individual to measure wellbeing of an individual at work. According to her the flourishing scale is broad and includes items relevant to the basic human needs for competence, relatedness, self-acceptance, purpose, and optimism and could be adapted for the workplace with slight rewording as seen below.

Diener et al. items	Suggested rewording for flourishing at work
I lead a purposeful and meaningful life	My work life is purposeful and meaningful
My social relationships are supportive and rewarding	My social relationships at and through work are supportive and rewarding
I am engaged and interested in my daily activities	I am engaged and interested in my daily work activities
I actively contribute to the happiness and wellbeing of others	I actively contribute to the happiness and wellbeing of others through my work
I am competent and capable in the activities that are important to me	I am competent and capable in the work activities that are important to me
I am a good person and live a good life	I am a good person and have a good work life
I am optimistic about my future	I am optimistic about my future at work
People respect me	People at work respect me

Table 2. Flourishing Scale Applied to Work (Fisher, 2013)

5.3 Subjective wellbeing

Recently the term of subjective wellbeing (SWB) has been a target of attention and interest when it comes to measuring employees' workplace performance. Even though there is relatively little evidence on the relationship between employees' SWB and workplace performance governments realize the potential impact it might have on economic growth. OECD published guidelines on measuring SWB defines the concept not only to be limited to measuring happiness but:

Good mental states, including all of the various evaluations, positive and negative, that people make of their lives and the affective reactions of people to their experiences (OECD, 2013)

The OECD definition encompasses three elements:

- Life evaluation – a reflective assessment on a person’s life or some specific aspect of it.
- Affect – a person’s feelings or emotional states, typically measured with reference to a particular point in time.
- Eudaimonia – a sense of meaning and purpose in life, or good psychological functioning.

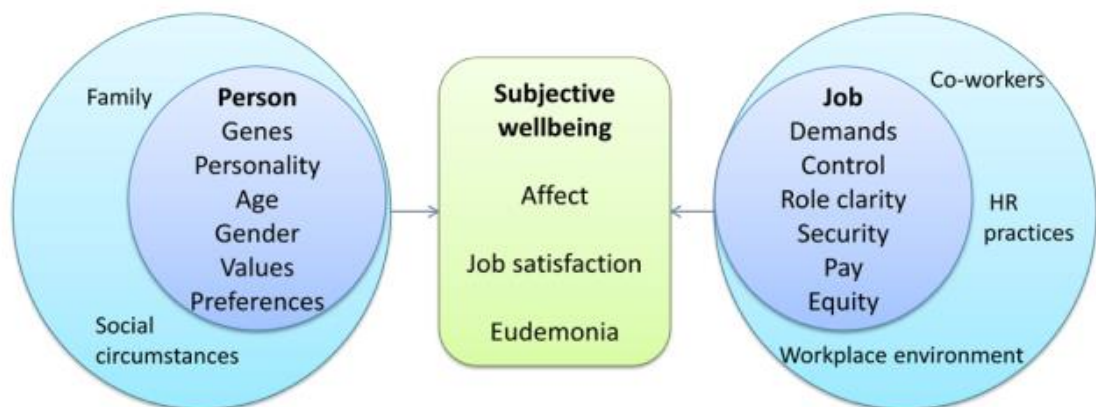


Figure 4. What employee and job characteristics influence SWB in the workplace (Bryson, 2014)

Figure 4. shows the characteristics that influence an individual’s SWB at work and these are separated into the characteristics of the individual and characteristics of their workplace. The characteristics on the right side of the figure are typically the ones that are the centre for attention since they are easier to influence with policies. However, it is important to understand the relationship between employees’ characteristics because these shape employee’s experiences at work (Bryson, 2014).

5.3.1 Hedonic and eudemonic approach

Hedonic wellbeing		Eudemonic wellbeing
Affective feelings engendered by the job	Satisfaction with the job	Psychological functioning associated with the job
<i>Sub-components include...</i>	<i>Sub-components include...</i>	<i>Sub-components include...</i>
Anxiety	Satisfaction with work tasks	Sense of meaning or purpose
Boredom	Satisfaction with pay	Sense of vitality
Enthusiasm	Satisfaction with job security	Sense of achieving your potential
Contentment	Satisfaction with training	Sense of personal development

Table 3. Differing approaches to the concept of SWB, as applied to work (Bryson, 2014)

One form of hedonic approach to SWB focuses on the type of affective feelings an individual experiences at their job. The feelings can be positive such as enthusiasm or contentment or negative such as anger or worry (Bryson, 2014).

The second form of hedonic approach to SWB focuses on the individuals' affective feelings towards their job. This can be answered by the extent of which the individual feels satisfied with the work they do or the pay they receive (Bryson, 2014).

The hedonic approaches indicate that individuals' levels of SWB are high if they experience positive feelings or satisfaction towards their work. However, the eudemonic approach argues that in order to reach a positive mental state it is not necessary to gain enjoyment and pleasure from one's job. The main difference between these approaches is that according to the eudemonic approach an individual might find their work stressful and be dissatisfied with the level of pay but they still feel a sense of purpose from their work (Bryson, 2014).

5.4 European Working Conditions Survey

The European Working Conditions Survey (EWCS) has conducted wide scale research to produce a picture of Europe at work that is often being used as a basis for additional research. In 2015 the European Working Conditions Survey (EWCS) interviewed in the

form of a questionnaire almost 44 000 workers in 35 European countries. The workers were asked questions regarding their employment status, work organisation, learning and training, working hours, physical and psychosocial risk factors, health and safety, work-life balance, worker participation, earnings, and financial security (Eurofound, 2017).

The research for the survey constructed seven job quality indices to represent the different dimensions of job quality: physical environment, work intensity, working time quality, social environment, skills and discretion and prospects and earnings. These dimensions were chosen because they all had proven impact on the health and well-being of employees (Eurofound, p. 8, 2017) just as mentioned in the ILO's summary of work wellbeing in chapter three and the HSE's factors affecting lost working days in chapter four.

The key findings in the chosen job quality indices were as follows:

5.4.1 Physical environment

Assesses physical risks in the workplace. Both men and women are exposed to physical risks but on different levels which points out sectoral and occupational separation in the workplace (Eurofound, p. 42, 2017).

5.4.2 Work intensity

Measures the level of work demands in the job. For example, working at high speed, under tight deadlines and emotional demands like dealing with angry customers. According to the research one third of workers in the EU work under tight deadlines and at high speed (Eurofound, p. 47, 2017).

5.4.3 Working time quality

Measures the workers ability to take a break from working, their long working hours, abnormal working time and flexibility. The study found out that 22 percent of workers must work during their free time to meet their work demands several times a month

however 45 percent of workers reported to have a very regular working schedule (Eurofound, p. 52, 2017).

5.4.4 Social environment

Measures the extent which workers experience supportive social relationships as well as adverse social behaviour like bullying and harassment. Most of the workers (89 percent) reported that they enjoyed good cooperation with their colleagues and only 16 percent of workers reported harassment and bullying at the workplace (Eurofound, p. 64, 2017).

5.4.5 Skills and discretion

Measures learning and training opportunities in the job. The study showed that women have been catching up with the gender gap and the younger age groups are closing the gap with older groups (Eurofound, p. 79, 2017).

5.4.6 Prospects

Includes the prospects for a worker to advance on their career and job insecurity. 16 percent of the respondents feel that they could lose their job in the next six months. Also notable is that part-time workers scored less on this index than full-time workers (Eurofound, p. 91, 2017).

5.4.7 Earnings

Measures the monthly income and wages of workers. The replies showed that only a few of the respondents could be placed on the upper end of the income distribution and majority of the workers are placed at the lower end. These replies also showed that men are earning substantially more than the women which can partially be explained by the differences in hours worked (Eurofound, p. 98, 2017).

The Eurofound study also confirms the importance of good managers at the workplace:

Managers play an important role in relation to job quality and employee commitment. Their mission is to ensure that the collective performance of work produces the expected outcomes (Eurofound, 2017, p.66).

According to the study, 89 percent of the interviewees agree that their supervisors respect them as a person. Moreover, 73 percent of the respondents agreed that their immediate boss manages to get the employees to work together and 66 percent agree that their boss is helpful in getting the job done (Eurofound, p. 66, 2017).

6 Improving wellbeing at work

Wellbeing is a vastly complex subject, and it has become evident that the factors affecting it can differ entirely depending on the individuals and the organizations involved. Therefore, it is impossible to outline one single solution. The most successful wellness programs are those which are specifically designed to meet employee needs. Solutions can range anywhere from changes in organizational policies to training sessions. However, there is a need for a framework that offers a practical approach to implementation that focuses on the employee need and value:



Figure 6. Implementation framework for wellness programmes (PricewaterhouseCoopers, 2008)

The first step in planning a wellness program is to identify the need and the scope of the initiative and to choose appropriate KPI's. The assessment can be done for example through analyzing pre-existing survey data, through focus groups or informal interviews. Discussion with stakeholders about the key issues that are likely to impact the organization is also highly recommended at this stage (PricewaterhouseCoopers, 2008).

Executing the program requires engaging employees so even though the program is created for a specific need, additional engaging of employees might be needed. Useful engagement techniques include social marketing and incentives such as token gifts, time off for participation or other direct financial incentives (PricewaterhouseCoopers, 2008).

Establishing monitoring programs is crucial to ensure the program has maximal impact and continues to meet the changing employee needs. Financial evaluation through the chosen KPIs contribute to the evaluation of the program's success (PricewaterhouseCoopers, 2008).

6.1 Employee assistance programs

Employee assistance programs (EPA) are voluntary programs that offer free and confidential help to employees who have personal and/or work-related problems. These problems can vary from issues with mental and emotional wellbeing, substance abuse, stress, family problems and psychological disorders (OPM, n.d.).

The history of EPA's goes back to the 1950's when corporations started to help employees with health-related issues such as alcoholism and mental health. In current times EPAs are major employer-based benefits that help employees to stay productive and remain in the workforce by focusing also on broader issues such as legal problems, eldercare, and other family concerns (Call, Gerdes and Robinson, 2009).

7 Productivity growth and wellbeing at work

The general evidence-based consensus that wellbeing at work has a positive impact on productivity can be seen from the definitions mentioned by different reputable organizations in the beginning of this report. Employees who find their jobs meaningful and do not resort to absenteeism or presenteeism are without a doubt more productive than employees who feel the opposite.

A large-scale meta-analysis of 339 independent studies originating from 49 industries in 73 countries which included the wellbeing and productivity of almost 1,9 million employees and the performance of over 80 thousand business units showed a positive correlation with higher employee wellbeing, higher productivity, and firm performance (Krekel, Ward, De Neve, 2019). Figure 7 shows the selected key performance indicators and the strong correlation between productivity and employee satisfaction.

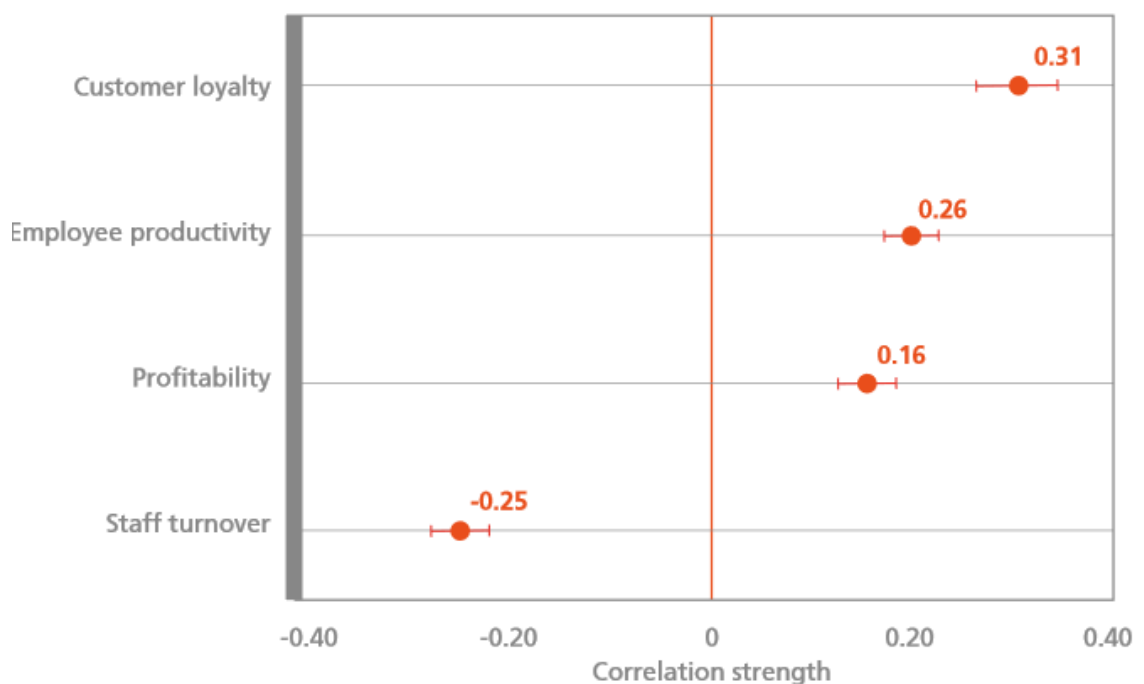


Figure 7. Employee satisfaction and firm performance (Krekel, Ward, De Neve, 2019).

7.1 Productivity and wellbeing at work conflict

Even though the research and evidence support the positive correlation between wellbeing at work and productivity, there is a possibility that certain factors related to productivity growth might have the potential to sabotage wellbeing. For instance, productivity growth in labour intensive sectors that rely heavily on human interaction such as the healthcare sector could lead to poorer quality care consequently affecting health and wellbeing (Isham, p. 23, 2019).

As mentioned already in chapter 4, the adoption of new ICT can have a positive effect on the wellbeing of employees by allowing more freedom and independence to schedule and complete their work. The flexibility to be able to work from home or from any other location at any time has been suggested to help employees to synchronize the demands of their work and family life, however this brings out the issue of being always available and this can cause stress which then negatively affects wellbeing. Isham et al. (2019) sums up the dilemma regarding productivity and wellbeing:

If short term productivity growth has the potential to undermine wellbeing in the long-run, and if wellbeing is a determinant of levels of labour productivity, then this means that productivity growth also has the potential to undermine itself over time (Isham et al., p. 88, 2019).

8 Discussion

It comes clear while researching the topic of wellbeing that even though the concept is subjective there are undeniable similarities in the definitions proposed and the emphasis is on the psychological emotions and feelings without forgetting the physical aspect. The scope of the definition makes it difficult to give a short, clear and precise definition. Many resources also use the word health interchangeably with wellbeing without mentioning it to the reader. Wellbeing at work on the other hand is already a more specific concept itself thus the definitions proposed seem to be more homogenous. However, the function of the organization proposing the definition can have a noticeable effect on it.

The resources used in this report fully agree that since there are countless factors affecting wellbeing that there is no single or best way to measure it. A clear consensus for the lack of a 'one size fits all' method can be identified early on the research. Alarmingly very few resources mention the problem with measuring a subjective concept and the methodological issues mentioned in chapter 5.1 in this report.

9 Conclusion

Loss of working days or absenteeism when an employee fails to show up to work is the typical parameter that is associated with productivity loss however interest towards presenteeism when employees show up to work while ill has been increasing. Even claims that presenteeism could cause more productivity loss than absenteeism has been made (Johns, 2009). Absenteeism is typically due to physical and psychological reasons, workplace bullying and taking time off for childcare and eldercare (Kocakülâh, Bryan and Lynch, 2018). Reasons to show up to work while ill are mostly due to workplace norms and fear of colleague's opinions (Webster et. al 2019).

Measuring a subjective concept requires the acknowledgement of the factors that may influence the respondents (NCCDPHP, 2018). The guidelines for this matter made by the OECD provides an excellent overview of the factors and why they may have a distorting effect on the responses thus making them inaccurate.

Employers should acknowledge the characteristics that affect the employee's subjective wellbeing such as values, gender and personality even though it is more complicated to influence through policies.

Wellbeing at work has significant financial and social impacts. The costs of loss of working days are enormous and wellbeing of the employees correlates with productivity. Happy workers with good bosses and work atmosphere are more enthusiastic, take more initiative and are less absent. This can be a source of competitive advantage for employer as well as increase the reputation of the organization.

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