

## How is employee well-being affected by human resource management practices?

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### ABSTRACT

Employee well-being has been neglected for a long time, and practices and policies are seen to be adopted by the organizations, which would increase the employee's performance. This paper focuses on the effects of specific HR practices which help in increasing employee well-being which in turn was seen to affect the performance of employees for the betterment of the organization. Eighteen research papers on employee well-being and the effects of HR practices on the same were selected, and then the overlapping and the essential HR practices mentioned to be followed were focused on to handle well-being trade-offs which are found to be the most common problem in organizations. A strong and positive effect was found to be there between certain Human Resource Management Practices (HRMP's) and employee well-being.

**Keywords:** HRM, Employee well-being (EWB), HRMP's, HR practices and policies, Well-being trade-offs

Human resources' practice has been an essential topic in organizational topics for a long time now. The light had previously been shed on how it can lead to better performance by the employees to get better results for the company, but even with the advancements that took place in 30 years in the same field, we could not minimize the gap between these practices and employee well-being. The dominant models within HRM theory and research continue to focus mainly on ways to improve performance, with employees concern as a secondary consideration (Guest, 2017). However, now with changing times and changing HR practices, well-being is given a little importance at least in a high-end organization. With a little more research and understanding on the same and how it affects the company and its performance, everyone can get to the point where employee well-being will be at the centre on the HR practices which will eventually get to the fulfilment of all the aspects such as performance to grow as well.

This paper majorly tries to find the relationship and the impact of Human resource management practices (HRMP's) on employees well-being based on previous researches. Here we will understand the effect of HRMP's on all the dimensions of well-being (WB). The main dimensions of the same are; Physical WB, Psychological WB, and Social WB, Job

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satisfaction is also found to be a part of WB in some papers. There are specific HRMP's that are subjected for research as there is a better chance of understanding them and measuring them and they are as follows: Work redesigning; Incentive compensation; Team building, safety practices; Selection practices and internal promotion; Employee Voice; employee involvement; Extensive training, learning and development and involvement in decision making (Baptise, 2008). There are some innovative HR practices, also known as high commitment work practices, and they are— telework (the option of working from home); communication; and participation (Canibano, 2008).

We will also focus on the practices which hinder one while trying to achieve well-being and we will then also suggest some precautions and practices which will not only help in the achievement of EWB but will also result in performance enhancement in the organization.

We are now acquainted by the HR practice and the dimensions of well-being which are being researched upon. We will further discuss the trade-off (increase in one dimension of well-being while other decreases due to the practice which are being performed as they focus on one dimension at a time) which is common, and there will be some suggestions presented to get rid of the same and achieve EWB.

This paper will also present some points as to how to promote well-being at the workplace, where we will focus on how to improve health which will, in return, increase employee well-being and their performance.

### LITERATURE REVIEW

Vanhala et al. (2006) tried to find out the relationship between performance and well-being and the effect of HR practices on performance and well-being. The results of the same were that the relationship between performance and well-being is weak and hard to understand, but the same was noticed for HR practices and well-being, but it was seen as a good predictor of performance.

However, Guest (2002) sheds light on the some of the HR practices like job design, direct participation and information provision which have been associated with high performance and Job-satisfaction (seen as a dimension of well-being here) which is associated with equal opportunities. Family, friendly and anti-harassment practices. He also pointed out how worker-friendly HR practices should be carried out for a balanced gain framework for performance and well-being.

Then, Grant et al. (2007) called attention towards the trade-off within the dimensions of well-being due to some HR practices and shed light on the multidimensional nature of well-being and highlighted the effects and the same and offered guidelines for managing well-being. And so did,

Canbino (2008) researched on the effect of innovative HR practices on three dimensions of well-being (Physical WB, Psychological WB, and Social WB) by using qualitative data which was collected through semi-structured interviews and an in-depth case study of HR personnel and employees, and found out that the practices can lead to positive and negative outcomes at the same time in the case of well-being. The trade-off was also created due to the same practices.

Celma et al. (2017) analyzed the impact of "responsible" HRM practices on the three dimensions of employees' well-being at work: job stress, job satisfaction, and trust in

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management by using the quality of life 2007 survey and found that higher job quality increases employee well-being at work, job security and right environmental working conditions positively affect all domains of employee well-being.

Guest (2017) tried to understand that how HR practices need to change with the changing times as it is a threat to employee well-being as it will also include the betterment of individual and organizational performance as well.

Howard (2013) here, well-being was subjective to the employees' experience and was indicated by job satisfaction, affective commitment and psychological well-being. Regression analysis was used to find out that there is a significant relationship between employee well-being and HRM practices.

Kalliath et al. (2012) talk about the changing environment and how the six specific work environments (workplace bullying; inter-organizational networks; professional contractor well-being; intergenerational differences; commitment and intention to leave; and work engagement) issues influence well-being and found that WB will increase if all those six environments are worked upon.

Kooij et al. (2013) found that development HR practices that help individual workers reach a higher level of functioning (e.g., training) and maintenance HR practices that help individual workers maintain their current level of functioning in the face of a challenge (e.g. a performance appraisal) and their relation with well-being (i.e., job satisfaction; organizational commitment and organizational fairness) weakens with age but the performance of the same increase. This was based on lifespan development and self-regulation theories.

Clarke et al. (2012) looked into how some specific HRM strategies ensures enhanced well-being in the aged care sector. Moreover, the author argued that HR practices such as learning and development, employee voice; involvement; and workplace health and safety play a significant role in the enhancement of well-being.

Kowalski et al. (2017) observed how changing environments affect well-being and has provided us with more research ideas on the same such as “current challenge relating to the changing nature of work and the implications this has for HR professionals globally, and for employees themselves.”

Luu (2019) tried to find the effect of discretionary HRM practices on employee well-being (psychological, physical and social) and found empirical support towards the relationship between those two. Furthermore, job crafting was their mediator. Whereas, abusive supervision was to hinder the WB and the mediator as well.

Nielsen et al. (2017) found out that there is not a significant difference in employee well-being and organizational performance within the four levels of workplace resources. This conclusion was drawn based on 84 quantitative papers in print or online.

Baptiste (2008) this paper seeks to examine the effects of HRM practices on EWB and performance by surveying the employees, and they found out that HRM practices have more positive than negative impact on employee well-being. Also, that management relationship

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behaviour in the form, of support and development of trust promoted well-being at work amongst workers.

Goncalves et al. (2012) had a sample of 856 police officers who were surveyed about the 5 HRMP's (training; communication; performance appraisal; health promotion and opportunity participation) and well-being and found a positive correlation between the two variables in aspects of comfort, enthusiasm, training and affective well-being at work but also found a negative correlation in the aspect of depression and anxiety.

Turner et al. (2008) investigated the issues of employee well-being as a part of a broader study into HRM. The author found that large in project-oriented organizations and the management support role dominates, and they are found to be not so good at caring for employees as the need for profit and responding to client demands are often given more importance than employee's well-being.

Voorde et al. (2011) they found 36 quantitative studies and found that well-being (happiness, health, and relationship) is congruent with organizational performance (mutual gains perspective), however, health-related well-being appears to function as a conflicting outcome.

Zhang et al. (2020) a sample of 529 employees were surveyed, which lead to the finding that HRMP's have a significant positive effect on employee WB. The findings are that HRMP's-ability practice; motivation practice and opportunity practice positively affect, employee well-being - life well-being; job well-being and psychological well-being, respectively.

## **DISCUSSION**

Based on the studies and various books, I have found a strong relationship between certain human resource practices or management practice and well-being. Furthermore, if these certain practices which will be mentioned below, are practised effectively it will lead to employees well-being and will even increase their trust in the management which will eventually lead to better organizational and individual performance.

Trade-offs- This aspect is a common one and is seen in many places. Some of the trade-offs that are seen are - Psychological well-being increases due to the work redesign of HR practice. In contrast, Physical well-being decreases due to the same, as it involves everyone's task identity, task significance, and autonomy which increases the psychological well-being and decreases the physical well-being as it takes up a lot of resources and energy to complete the complex tasks. Incentive compensation can lead to a trade-off between psychological (increasing) and social well-being (decreasing) as it may lead to inequity where some people are getting more money and other getting paid less which will make them competitive in general and will also diminish the healthy and helpful environment that the office had (this will happen if the secrecy policies are not carried out efficiently). During team-building practices like collective problem solving and brainstorming the social well-being might increase, but the psychological well-being will decrease for those who prefer to work independently. The innovative HR practices are also seen, resulting in trade-offs such as an increase in psychological and physical well-being and a decrease in social well-being while practising teleworking. This happens because all employee is working from home and cannot socialize much with the colleagues. And communication practice was found to decrease the psychological and physical well-being, whereas the social well-being increased as the employee could reach out to the colleagues for doubts and help whenever needed.

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Participation practice has the same result as incentive compensation and does not have an impact on physical well-being. To find the synergies between managerial actions and employee well-being they need to practice some strategies which are multidimensional in the aspect of EWB. This is explained in the below example:

When safety practices are carried out in an organization, it might lead to the decrease in psychological well-being which in time will have detrimental effects on social and physical well-being. This can be easily seen in coal miners who are not used to these safety measures and might view them as a sign of weakness and arbitrary as it only increases their responsibility and it takes more time to implement these practices on the field. To counter this, we can include these miners in the decision-making process about the safety measure to be taken, which will increase their social and psychological well-being, and it will increase their physical well-being.

There are some specific practices which need to be adopted by the organization so that the employee well-being can increase such as selection practices need to be innovative where they select people who are precisely appropriate for the job; employee voice- their opinions should be heard and looked into which will not only increase the psychological well-being but also social well-being and this practice seen associated with high commitment. Other such practices are employee involvement, as explained in the coal miners example. High compensation contingent on performance where if the organization is getting much profit due to the employee, then the benefits received should be shared among the employees as well. Extensive training, learning and development ensure that the trainers are always ahead and understand everything they need to engage within the office. Greater involvement in decision-making and work teams will lead to an increase in social and psychological well-being. If all these practices are adopted by organizations, then it will lead to Job-satisfaction as well because it will be a harmonious satisfaction of one's desires and goals (Chekola, 1975).

There are some specific practices which lead to employee well-being and increases the performance as well, and they are as follows: Investing in employees (recruitment and selection; training and development; mentoring and career support), Positive, engaging work (jobs that give autonomy and presents a challenge; feedback and information provision; utilization of skills), Voice (two-way communication, surveys, collective representation), organizational support (supportive management; flexible family-friendly work arrangements; developmental performance management).

Then there creating a positive social and physical environment that can be achieved by prioritizing health and safety, equal opportunity, understanding and implementing worksite culture, safety provision and no tolerance for harassment and bullying, employment safety should be provided to the employees.

All these activities are practised in the organization then it will increase employee well-being all dimensions of it and will also create a positive employment relationship based on trust, fairness, security, fulfilled the psychological contract and high-quality work life, which will, in turn, increase individual and organizational performance if the employees' well-being is achieved (Guest, 2017).

## CONCLUSION

There is a strong relationship between HRMPs and EWB, and it is a positive one. If the HRMPs are altered accordingly to achieve employee well-being that to all three dimensions of it by the human resource managers of an organization, then it will bring with a very easy-going and an open work environment which will lead to job satisfaction as well as an increase in organizational and individual performances.

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### ***Conflict of Interest***

The author declared no conflict of interest.

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