Good Work, Wellbeing and Changes in Performance Outcomes: Illustrating the Effects of Good People-Management Practices

Analysis of the UK National Health Service

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Outline

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► What is wellbeing
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Work, Learning and Wellbeing evidence programme

Who we are?

- Part of the Economic and Social Research Council funded What Works Centre for Wellbeing

- Purpose – to bring together the best evidence on what works to improve the wellbeing of people, workplaces, and communities across Britain.
Work, Learning and Wellbeing evidence programme

What we do?

- Identify the most important priorities for wellbeing, and inform the right people on what will make a difference (e.g., through similar events, and consultations)
- Identify who can make a difference (e.g., Government, charities, organisations, individuals)
- The ‘science’ bit: Review the evidence, analyse the data
- We have three research strands – Work, transitions, learning
Work, Learning and Wellbeing evidence programme

The kinds of questions we might ask …

► Work
  • Which kinds of jobs are best for wellbeing and productivity? How do we make them?
  • Can we train managers to promote wellbeing in the workplace

► Transitions
  • ‘Staging post’ jobs and retirement for those working past 65
  • Helping the long-term sick/unemployed get back through improving confidence

► Learning
  • How can we best learn the skills for changing workplaces?
  • Which leisure activities promote learning life and work skills for young adults?
What is wellbeing

How can we define wellbeing?

- Wellbeing is increasingly seen as an alternative indicator of how well a nation is performing to purely economic indicators (e.g. gross national product).

- The World Health Organization defines well-being as ‘a state of complete physical, mental and social well-being, not merely absence of disease or infirmity’
What is wellbeing

► In relation to work – ‘the overall quality of an employee’s experience and functioning at work’

► Characterized by positive feelings about the job (e.g. motivation) and relative absence of unpleasant feelings.

► Wellbeing also implies a sense of purpose, feeling in control of one’s life, personal growth, positive relations with others and self-esteem.

► A distinction is often made between *hedonic* and *eudemonic* wellbeing.
  
  • *Hedonic* is represented by job satisfaction
  
  • *Eudemonic* is concerned with fulfilment of potential and finding meaning and purpose in work.
What is wellbeing

Examples:

- Happiness, free from anxiety, life is worthwhile
- **Work**: job satisfaction, feeling able to be productive, having a sense of work-life balance.
- **Looking for work or moving between jobs**: availability of good quality jobs, opportunities to get into education or training and opportunities to adjust to new circumstances.
- **For those not working or leaving work (e.g. to look after a family or retire)**: Opportunities to engage in other worthwhile activities.
- **Learning**: satisfaction with learning, feeling that relevant skills are being gained – formal and informal.
In consultations with a range of stakeholders – business leaders, trades union officials, employment relations, occupational health practitioners, and members of the public – we found that there was a consistent message across all stakeholders that high quality work is important for wellbeing.
Good people-management practices?

- Formal systems of employment practices for managing people within organizations
  - Examples: staff training, selective hiring, workplace support, performance appraisal, team working, job autonomy, and involvement in decisions.
  - Improve workers’ *ability*, increase their *motivation* to perform well, and provide *opportunities* for them to exercise discretionary effort.
Ability-Motivation-Opportunity (AMO) theory

**Ability-enhancing practices**
- Improve workers’ skills and expertise
- E.g., staff training, on-the-job coaching, and selective hiring

**Motivation-enhancing practices**
- Induce workers to perform well
- E.g., incentives, support, performance appraisal

**Opportunity-enhancing practices**
- Create conditions for worker involvement
- E.g., decision-making, teamwork, task autonomy
Integrationist vs. Isolationist perspectives

**Integrationist perspective**

- Employment practices fit nicely like a ‘jigsaw puzzle’
- High-performance work systems – bundles of interdependent employment practices
- Employment practices mutually support one another

**Isolationist perspective**

- Disintegrate the ‘jigsaw puzzle’
- Individual practices have unique properties and effects
- Employees may negotiate individualized HRM practices

*Citation:* 
Mutual gains perspective

- Employment practices create a ‘win-win’ scenario for the organization.

- There are benefits for both the organization (e.g., productivity) and employees (e.g., job satisfaction and well-being).

  ✓ *Social exchange theory* – employees repay the employer’s favourable actions through positive behaviours at work.

  ✓ *Psychological contract theory*: employees and the employer have unwritten mutual expectations to support each other’s interests.

*Citation:*
Critical perspective

- Employment practices create a ‘win-lose’ scenario for the organization
- Organizational benefits of employment practices are outweighed by high stress levels and ill-being
  - **Labour process theory:** Employment practices are designed to maximize performance at the expense of employee wellbeing.
  - **Management-by-stress theory:** Workers are compelled to work smarter, harder, and under constant pressure.

**Citations:**

Pluralist perspective

- Good people-management practices are influenced by economic, political, and social challenges and opportunities facing organizations.

- We need to understand both the internal and external boundary conditions under which employment practices influence organizational performance and wellbeing.

Citations:


We undertook research to examine whether organisations that provide good people-management practices are also characterised by high levels of wellbeing and better performance outcomes.
We aimed to find out whether we could predict improvements in employee wellbeing and organizational performance from the use of good people-management practices in NHS Trusts.

- **Wellbeing** – job satisfaction and worker engagement
- **Organizational performance** – patient satisfaction, sickness absence and patient mortality
- **Good people-management practices** – staff training, performance appraisal, team working, role clarity, job discretion, supportive management, and participative management.

We used data collected on NHS Trusts in 2012, 2013 and 2014. In total, we analysed data from between 135 and 243 NHS Trusts in the analyses.
The study

Our analysis:

- We determined whether employment practices were complementary and can thus be combined together
  - This enabled us to differentiate between Trusts with higher and lower quality work and employment practices

- We assessed wellbeing by the average level of job satisfaction and engagement for workers in each Trust.

- We assessed performance outcomes by staff absence rates for each Trust, patient satisfaction levels and patient mortality for each Trust.
Results

Employment practices, wellbeing and performance

- Job satisfaction: Lowest rates of absence
- Worker engagement: Third highest on Human Resource Management Practices (25-50%)
- Lowest rates of absence: Second highest on Human Resource Management Practices (50%-75%)
- Patient satisfaction: Highest on Human Resource Management Practices (75% to 100%)

Legend:
- Green: Lowest on Human Resource Management Practices (lowest 25%)
- Yellow: Third highest on Human Resource Management Practices (25-50%)
- Orange: Second highest on Human Resource Management Practices (50%-75%)
- Red: Highest on Human Resource Management Practices (75% to 100%)
Results

*Trusts that made the most extensive use of human resource management practices were:*

- Two times more likely to have staff satisfied with the jobs.
- Three times more likely to have high levels of staff engagement.
- Four times more likely to have satisfied patients.
- Three times more likely to have the lowest levels of sickness absence.
- We did not find any evidence that use of human resource management practices had a relationship with patient mortality.
Implications

Implications for managers and management consultants:

▶ Actions to improve workers’ wellbeing and performance are mutually compatible, and wellbeing need not be sacrificed in the pursuit of performance

▶ Managers to develop high quality jobs that have clear roles for staff, allow staff to have input into decisions about their job and their wider working environment and allow staff to work in teams
Implications

Implications for policy:

- Good people-management practices entail good quality work, developing supportive managers as well as other practices such as training and performance management.
- Initiatives should be put in place to educate managers at all levels on the benefits of high quality employment practices for improving wellbeing, worker engagement and performance.
- Encourage regional development and public-sector investments that would develop high quality jobs and highlight best practices.
Thank you...