

Occupational quality, workplace practices, and employee well-being

RESEARCH BRIEF 5

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- This study explored how workplace practices moderate the relationship between two aspects of occupational quality relating to job demands and several indicators of employee well-being.
- Employees in more demanding occupations report being more satisfied with their work but having lower contentment, while employees in occupations that involve continuous learning are more enthusiastic about their work.
- Empowerment focused high involvement practices in general have a positive impact on employee well-being, while participation has a positive effect on job satisfaction and contentment. Teamwork has a positive effect on contentment and enthusiasm, while development programmes have no significant effects on employee well-being.
- Participation has stronger effects on job satisfaction in occupations that do not involve much continuous learning, while teamworking boosts contentment more effectively in more demanding occupational occupations.
- In summary, various high involvement management practices can moderate the relationship between occupational quality and employee well-being.

Introduction

In this last study of the project, we explored the relationship between occupational quality, workplace practices, and employee well-being. Specifically, we focus on how empowerment practices advocated by the High Involvement Management (HIM) influence employee well-being through two aspects of occupational quality related to job demands: work intensity and continuous learning. In this study, we adopt a multi-level framework in which an employee's well-being is determined by organisational-level as well as occupational-level factors and the interaction across levels.

Well-being at work

Psychological well-being refers to one's psychological state associated with work activities such as job satisfaction, enthusiasm-depression and comfort-anxiety. Employee well-being is important to both individual employees and organisations. First, employee well-being is a significant aspect of work. It is fundamental to individual ability to engage in work activities and enjoy working life. Individuals with high well-being often feel good about themselves and motivated in their job roles. Second, for organisations, employee well-being leads to positive organisational outcomes. Many studies have shown that positive employee well-being helps reduce operational costs through low absenteeism, turnover rates and, in turn, reduced training, and development costs. The corporate image as a good employer is a positive asset to the organisation which results in great employer branding which attracts talents from the labour market. Finally, employee well-being also influences organisational performance. Longitudinal studies, for example, have found emotional exhaustion or burnout leads to decreased performance.

Organisational-level factors

Given the importance of employee well-being, it is perhaps a bit surprising that, compared to performance, we know relatively little about the links between workplace practices and employee well-being. Research in Human Resource Management has been largely focused on how management practices can boost productivity. The more traditional labour intensive management strategy, from the old-fashioned Taylorism to the modern human capital approach, focuses on how to drive costs down and control labour. The movement of HIM in the past three decades has some well-being elements in it but its ultimate goal is still by and large to achieve high organisational performance. Employee well-being is considered as a means rather than as an end in this framework. Relatedly, the concept of High Performance Work Systems (HPWS) has received increased attention but once again, as its name suggests, the focal point is still organisational performance with well-being considered as one of the mechanisms through which productivity can be maximised.

Until more recently, the mutual gains perspective has emerged which puts emphasis on both employee well-being and organisational performance, arguing mutual gains can be achieved in a cooperative employment relationship supported by carefully designed HRM practices. Our study contributes to this school of thoughts by looking into the second question: how can empowerment HRM practices facilitate employee well-being? Specifically we want to explore this issue from an occupational perspective using the demand and control model.

Occupational-level factors

The demand and control model is one of the most widely used frameworks and it approaches employee well-being from three different levels including individuals, occupations and organisations. There are three hypotheses in this model. First, a significant amount of job demands

comes from the nature of an occupation. High demand occupations often require one to work hard and keep learning on the job which can negatively affect individual well-being. Second, job control also depends on the workplace. Empowerment practices such as participation, development programmes and teamwork facilitate the use of skills and autonomy in work which can lead to improved individual well-being. Finally, job demands and control have an interactive effect on employee well-being. This means the effects of job control against job demand is non-linear on employee well-being; rather it is an exponential curve. In other words, the buffering effect of job control on well-being is more apparent where job demands are higher.

Although this is a popular model, the empirical evidence is not conclusive. Job demand and job control have been generally found to be associated with employee well-being in the way they are expected to be. The interaction hypothesis, however, has been a mixed picture. Moreover, previous research has largely used measures of job demand, control and employee well-being from a single source and often from the individual level only which leads to the concerns of common method bias and mismatched levels between the three key constructs in the model. As such, the effects of job demand and control on employee well-being could have been over-stated. In order to address those concerns, our study uses data from three independent sources at individual, occupational and occupational levels to test the demand-control model including its interaction effects.

Data and method

The data for the analysis comes from three sources. The employee well-being measures include job satisfaction, contentment and enthusiasm. The empowerment practices measures include density of participation, development programmes and teamwork at workplace. These measures are from the 2011 Workplace Employment Relations Study employer and employee data respectively. In this study, we define occupations by SOC2000 at the 3-digit level. Two items indicating the degree to which job requires working very hard and continuous learning are used as job demands measures. They are individual responses from four waves of Skills and Employment Surveys between 2001 and 2017 and aggregated to the SOC 3-digit level so that each occupation has a mean score on these two job demands measures. These three datasets are then linked together through their workplace IDs and SOC codes. We use cross-classified mixed models to account for the hierarchical structure of the data where individuals are nested within workplaces and occupations simultaneously.

Results

Moving on to the estimation results, we first tested the hypothesis that job demands has negative effects on employee well-being. This is supported but only for contentment (see Table 1). There are significant positive effects, however, of work intensity and continuous learning on job satisfaction and enthusiasm. This is perhaps not really surprising. Job design and motivation theories suggest that working intensely and learning can lead to performance which, in turn, affects one's job satisfaction.

Table 1 Job demand and employee well-being

	Job satisfaction	Contentment	Enthusiasm
Work intensity	0.185 (0.076)**	-0.290 (0.085)**	-0.154 (0.047)
Continuous learning	0.024 (0.038)	-0.053 (0.043)	0.108 (0.043)*

Notes: ** $p < 0.01$, * $p < 0.05$. Control variables: age, gender, marital status, education, ethnicity, hourly pay, employment status, union membership, tenure, organisational size, sector, industry.

Hypothesis 2 states that empowerment practices have positive effects on employee well-being. This is largely supported (see Table 2). Participation has positive impact on job satisfaction and contentment and teamworking has similar positive effects on contentment and enthusiasm. The only exception is development which has no significant effects on any well-being measures.

Table 2 Empowerment practices and employ well-being

	Job satisfaction	Contentment	Enthusiasm
Participation	0.134 (0.037)**	0.086 (0.043)*	0.089 (0.047)
Development	0.006 (0.040)	-0.002 (0.047)	-0.029 (0.051)
Teamwork	0.023 (0.031)	0.072 (0.036)*	0.082 (0.039)*

Notes: ** $p < 0.01$, * $p < 0.05$. Control variables: age, gender, marital status, education, ethnicity, hourly pay, employment status, union membership, tenure, organisational size, sector, industry.

Finally, we tested the interaction effects between the two aspects of occupational quality and empowerment practices. What we did was we added interaction terms between the measures that were significant in the previous two models (see Table 3). The results suggested that participation and continuous learning have a negative interaction effect on job satisfaction. This means the positive effect of participation on job satisfaction is larger when the occupation requires less learning. This is perhaps because occupations that require constant learning are already enriched whereas those with more limited job design and enrichment elements in them. As such, participation plays a more salient role in enhancing employee well-being for those in low skilled jobs. Another positive interaction effect is found between teamwork and work intensity which suggests that teamwork is even more powerful in terms of boosting contentment when more effort is needed to get the job done.

Table 3 Interaction between empowerment practices and job demand on employee well-being

	Job satisfaction	Contentment		Enthusiasm
Participation x Work intensity	0.059 (0.209)	-0.036 (0.196)		
Participation x Continuous learning	-0.221 (0.108)*		-0.099 (0.103)	
Teamwork x Work intensity		0.381 (0.168)*		0.414 (0.246)
Teamwork x Continuous learning			0.157 (0.090)	-0.141 (0.131)

Notes: ** $p < 0.01$, * $p < 0.05$. Job demand and empowerment practices are included in the models. Control variables: age, gender, marital status, education, ethnicity, hourly pay, employment status, union membership, tenure, organisational size, sector, industry.

Summary

In summary, job demands can have negative as well as positive effects on employee well-being. Participation and teamwork have positive effects on well-being. The interaction effects, however, suggest that participation works the best when the job requires low levels of learning and teamwork is most effective when the job requires constant attention and effort. These will be the main take-away messages for practitioners.