

# 8

# factors that affect employee wellbeing in the workplace



## 1. Work settings



## 2. Workload



## 3. Job control and autonomy



## 4. Security and change



## 5. Relationships at work



## 6. Organisational justice



## 7. Work-life balance



## 8. Meaning at work

The Banking Standards Board (BSB) explored research relating to factors that may affect personal wellbeing (mental and physical health as well as subjective wellbeing) in the workplace.

Research that aims to explain variation in levels of employee wellbeing tends to look at individual factors, such as personality, or situational factors of the workplace, such as physical work settings or organisational culture. Our focus here is on these latter situational factors.

This investigation of the available research suggests eight situational factors that employers – both within the banking sector and outside it – may find useful when considering how most effectively to promote employee wellbeing and resilience. This list of factors is clearly neither exhaustive nor prescriptive but may provide a helpful starting point for practical steps.



## 1. Work settings

Research into the effects of work settings on employee wellbeing considers the physical environment surrounding employees, e.g. the division of space, the size of the work area, and ambient conditions.

This research shows, for example, that:

- i. exposure to bright light in winter can improve vitality and mood of employees working indoors; and
- ii. open space and green spaces are positively associated with self-reported wellbeing.

Work settings that are conducive to employee wellbeing adjust to the needs of employees. Research in this field looks at work spaces that can facilitate both interaction and autonomous work, such as a combination of individual workstations for solo working, cellular offices for focused working, meeting spaces for group working and flexible spaces or lounges for knowledge sharing.

## 2. Workload

Heavy workloads often result in work overload and long hours, which can lead to negative outcomes including severe adverse mental and physical health consequences (including significant excess risk of coronary heart disease), a decrease in alertness, concentration, and performance, and an increase in absenteeism. Feeling under-utilised can also have a negative impact on employee wellbeing, including lower self-esteem, lack of sense of purpose, and the adoption of unhealthy habits.

Employees in high pressure roles and in fast-paced work environments may be less inclined to take their full holiday entitlements, which can further exacerbate negative outcomes linked to long hours and heavy workloads.

While being able to work more flexibly is an advantage to many, rotating shifts, compressed weeks, and irregularly changing hours have also been linked to health complaints, problems related to psychological performance, and sleeping problems.



### 3. Job control and autonomy

Autonomy refers to the extent to which employees are free to decide how to complete tasks related to their jobs, while job control refers to the ability of an employee to influence what happens in their work environment.

Research suggests that employees with higher levels of job control are more intrinsically motivated and this is associated with decreased anxiety and depression, increased engagement, better performance and motivation as well as lower levels of emotional distress and absenteeism. Research now also increasingly looks at 'presenteeism', which occurs when employees come to work ill and perform below par because of that illness.

Leaders can encourage certain anticipatory, change-oriented and self-initiated behaviours (often referred to as 'proactive behaviours') that are associated with job autonomy and control. If supported (e.g. by receiving appropriate training) and encouraged to take responsibility, individuals can recognise potential problems or opportunities in their work environment and self-initiate changes that benefit fellow employees, organisations and customers.

### 4. Security and change

Research suggests that job insecurity – seen as an overall concern about the continued existence of the job in the future – may be one of the most distressing aspects of work and can have significant impacts on employee wellbeing.

Researchers have found that the negative effects of job insecurity are moderated by, amongst other things, job control and employability. The latter concept implies that the important question for employees is no longer the security of their current job, but their employment security in the labour market.

Other elements of security may affect employees' wellbeing too. Financial security (even if the job is secure), for example, is another key focus within the field of research on 'security'.



## 5. Relationships at work

A work environment that fosters trust and where employee relationships offer support can be conducive to higher employee wellbeing. Likewise, mistrust in the workplace and poor relationships with colleagues, subordinates and superiors can lead to role ambiguity, poor communication, low job satisfaction and poor psychological wellbeing.

By virtue of their superior positions in the organisation, managers' behaviours can have particularly strong effects on employee wellbeing. For example, 'Type A' behaviour patterns exhibited by managers (characterised by competitiveness, hostility and an exaggerated sense of time urgency) have been linked to increased stress levels and symptoms of depression amongst line reports.

Research on employee wellbeing acknowledges the vital role leaders play in promoting employee wellbeing. Research has identified aspects of a range of leadership styles that can promote employee wellbeing. Feedback, reinforcement, and clearly communicated goals can help clarify performance expectations and therefore reduce stressful uncertainty. Likewise, leaders can help reduce stress and increase job satisfaction by helping employees find meaning at work, encouraging independent decision making and promoting intellectual stimulation.

## 6. Organisational justice

Organisational justice is found to be a key factor in employee wellbeing. Justice in the workplace encompasses three perspectives:

- i. distributive justice – the employee's perception of the fairness of outcomes;
- ii. procedural justice – the extent of perceived fairness of the procedures by which organisational decisions are made; and
- iii. interactional justice – the perceived fairness of the interpersonal treatment that an employee receives.

Perceived organisational injustice is associated with stress-related outcomes including psychological strain, depression, emotional exhaustion and counterproductive and harmful behaviours at work.

Relationships at work can become more complicated due to the perception of organisational injustice. Studies have shown that employees in high pressure industries report changes in blood pressure and an increase in physiological strain when working under an unfair leader.



## 7. Work-life balance

The relationship between life inside work and outside work can have significant effects on employee wellbeing, job related attitudes and job performance. Work-life initiatives that allow flexibility for employees have flourished, but there is mixed evidence as to whether these can successfully satisfy the needs of both employees and organisations.

Technological changes have facilitated the use of flexible working and home working arrangements. When they work well, such arrangements can allow more time for family, friends and hobbies, lower levels of stress, increase morale and autonomy, reduce absenteeism and improve productivity (for example by reducing commuting time).

Such flexible arrangements can, however, blur the boundaries between personal life and work domains. Frequently work obligations may win this conflict, with the resulting neglect of personal life creating stress and frustration.

## 8. Meaning at work

Research in the field of work and organisational psychology increasingly recognises that most individuals have an inherent need for work that they see as meaningful. Recent employee wellbeing research has focussed on the analysis of positive organisational behaviour relating to positive emotions at work, self-efficacy and meaning at work. Purpose of work and social responsibility has also received more attention in the financial services industry in recent years.

Perceiving work as meaningful can increase employees' affinity for their jobs, making this an important predictor of both employee engagement and psychological wellbeing. On the other hand, too much attachment to work can, in some cases, lead to negative outcomes such as personal sacrifice and burnout.