MANAGING WELL-BEING VALUES OF EMPLOYEES - KEYS TO SUCCESSFUL HUMAN RESOURCE MANAGEMENT

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MANAGING WELL-BEING VALUES OF EMPLOYEES -
KEYS TO SUCCESSFUL HUMAN RESOURCE MANAGEMENT
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Abstract: The latest literature on human resource management indicated the employees well-being is positively correlated with their productivity and creativity at work. Understanding what shapes the well-being and ability to manage it is now prerequisite to successful employee and talent management. The question arises, what determines well-being and what values drive employees well-being? The discussion below revises through the latest findings in the field and provides a useful insight for the professionals in the related disciplines. Some of the key factors determining subjective well-being have been identified below. It is intended that the findings can also benefit the employee management methods in Uzbekistan and provide the useful insight for professionals in the field.

Keywords: Management, Well-being, Values, Employees

Introduction
Pursuit of well-being is a one of the driving objectives of modern society. While being of well-being and happiness seems to have always been a natural desire of the generations in the past as well, the twenty first century seems to have put the question under scientific lens. “Science is now into the business of happiness” according to Professor Dan Gilbert (Harvard University, TED Talk, 2016) and this is good news for millions of people trying to find the answer to the question of centuries.

The study of well-being has in fact become interdisciplinary. Stemming from philosophy and moving to social science, it is now a significant research avenue in medical, biological and epidemiological fields (Blanchflower and Oswald, 2010)

So why should the science of well-being be of interest to the business world and employee management? A line of business research has demonstrated that happy people are more successful at their work place. Happiness has been empirically proven to have a significant impact on a number of areas in business life: Happy people make more productive workers (Oswald & Proto, 2014) Happy people make better managers (Hosie & Willemiens, 2012), happy people are better for economic growth of their countries (Stevenson & Wolfers, 2008.) and to no surprise happy people even make better spouses (Slutzer & Frey, 2006) Business world has been quick at recognizing the ‘tangible’ benefits of happy work force as well.
As a result, there is an increasing and justified interest from the business perspective to obtain knowledge on happiness determinants and methods of increasing employee well-beings.

So the fact is happiness is now a hot topic in business administration. A number of popular books and materials have been published to help promote employee satisfaction, motivation and health (Bakke, 2005; Dalai Lama & Cutler, 2003). Fortune magazine now publishes an annual list of "100 Best Companies to Work For," this has been a great reward for both the organizations and the employees, and has created new manifestations in terms of human resource strategy. According to Grant et al (2008), organizations such as the American Psychological Association (2006) and Great Place to Work Institute (2006) are now offering awards to employers who have managed to earn a reputation for creating psychologically healthy workplaces.

Earlier attempts to measure happiness were focused on the so-called objective reality; economists considered indicators such as GDP per capita or unemployment rate as some of the fair measurements of a happiness or well-being in the nation. One of the biggest evidences to distort this belief has become the Easterlin Paradox (1974) which demonstrated that in fact countries with growing GDP are not demonstrating growth in well-being, and at some point for a given increase in GDP, SWB remains static. Following this and many other evidences brought the notion of subjective well-being, in other words a person is only considered to be as "happy" as they consider themselves to be.

As stated in Veenhoven (2012), to date as much as 4500 survey findings on happiness in countries are available in the World Database of Happiness, and they have been used in close to 500 publications on happiness and society. Nevertheless, there is found limited evidence on a number of comparative cross-country studies. Most of the given cross-cultural studies employ Geert Hofstede’s (1980) methodology, which has earned its reputation quite firmly as a framework in the given field, yet subject to a line of criticism due to its static nature of assigned indices mostly assigned in the research period between 1967 and 1973. Although the work had been refined since, most indexes remained static across time. Additionally, most works related to using Hofstede’s framework only find significant correlations with the dimension of individualism versus collectivism (Salahodjaev and Nikolaev, 2017). Most studies include comparison of two countries or contrasting group of individuals within the same country to enable experimentation.

**Literature Analysis - Key Determinants of Subjective Well-Being**

It is a common notion that despite our cultural differences humans all around the world, have a lot in common. As Veenhoven (2012a) indicates there is a vast
debate surrounding the topic of comparability of subjective well-being indicators across cultures. One wing of literature suggests that well-being can be culturally relative. Due to this some sources argue that there is a chance of cultural measurement bias. To address this Veenhoven demonstrates that subjective well-being does in fact correlate with objective well-being, across cultures (Veenhoven, 2012b). In his work Veenhoven shows that happiness can indeed be compared across nations and is valid as an indicator demonstrating how much people thrive in a society.

So now that we have identified the dependent variable to be not culture specific, we turn the discussion to independent variables. There is literature findings agreeing on a number of not culture specific independent variables, revealing a common pattern (Helliwell, 2002a). Among such it is observed that happiness is steadily higher in countries that provide a decent material standard of living. Other important determinants of happiness have been widely recognized to be

a) The Personality of the individual character differences (Sheldon K., Lyubomirsky, S 2004)

b) The social environment and circumstances (Sheldon K., Lyubomirsky, S 2004)
c) Cultural environment (Helliwell, 2002b)

While there seems to be no data available to accounting for individual personalites of the respondents in existing cross-country datasets, the given aspect has not been deeply researched in existing literature in the context of cross country subjective well-being differences.

Existing research have identified the following social environment determinants and circumstances to be common in cross national studies: freedom and feeling of mastery, social rank, marital status, (Ariely D. 2008; Argyle 2001, Veenhoven 2012 c) employment (Clark and Oswald 1994; Oswald 1997), education has been found to be small and insignificant, (Putnam, 2000) individuals self-assessed health (Helliwell, 2002c, Putnam 2000, 2001), age (Meyers and Deiner 1995; Diener et al 1999, Blanchflower and Oswald; 2000) religious activity ( Blanchflower and Oswald, 2000) relative income (Clark and Oswald, 1994) cultural values ( Lu and Gilmour, 2004; Ahuvia, 2002; Yetim 2002). We provide more insight into the explanatory variables below.

1. Health – a number of studies have shown one of the main determinants of happiness to be Self evaluated state of health (Johanesson M.,Gerdtham G., 2001; Helliwell, 2002c; Putnam 2000, 2001)

2. Freedom - the term refers to the concept of an individual’s having freedom of choice and control over their lives. Referred to in some literature as ‘autonomy’ or ‘mastery’ over one’s life within countries individuals are happier when they have more control they have over their life. (Veenhoven 2012) This outcome was also reported in
World Database of Happiness (WDH hereafter, subject section ‘Personality, Inner Locus of Control’ as a correlational finding)

3. Satisfaction with Income/ Social Class/ Subjective Class Identification (Veenhoven, 2012; Boyce et al 2010, Blanchflower and Oswald 2000) World Database of Happiness (WDH) discusses positive correlation between subjective class identification, satisfaction with household income and happiness. Veenhoven (2012) draws the analogy that humans similarly to group of animals are intrinsically wired to seek social respect and higher positions in society. Boyce et al (2010) reported increasing individual utility from income increase is only evident upon "the perceived ranked position in the society. In our study we account for both, the satisfaction with income and subjective positioning on a social rank ladder.

4. Marriage (Lyubomirsky, 2005; Slutzer & Frey 2006). Most of research in the sphere suggests that married people report higher levels of happiness than people not in marriage. This finding also is discussed in WDH under the subject of 'Marital Status' and it confirms the view that we are social animals, striving to form pairs during our lifetime.

5. Age (Meyers and Deiner 1995; Diener et al 1999, Blanchflower and Oswald; 2000) The recent studies have mostly come to conclusion that age demonstrates a strong U-shaped pattern even in cross country evaluations. It seems that most individuals experience highest rate of happiness in the age interval of 18-24 and later in life after 55 years old. In between the age groups there is a dip and average happiness falls.

6. Religious Activity (Ariely et al 2008; Lelkes, 2006; Snoep 2008) – earlier research has found a significant and quite strong correlation between religious activity and subjective well-being.

7. Gender – there has been inconclusive evidence as to whether gender plays a significant role, yet some research shows that female happiness in certain countries is in fact declining relative to that of male's (Stephenson and Wolfers, 2009)

8. Trust – there is evidence of significant relationship between individual-level social trust and one’s happiness (Tokuda Y., Fujii S, 2010) In a society’s where individuals display high trust to each other on the regular basis present higher levels of happiness

9. Employment status (R Di Tella, RJ MacCulloch et al 2001) – previous findings indicate that employment status has a significant impact on subjective well-being with employed people showing higher rates of happiness then unemployed.

10. Personality and Genetics (Lucas et al., 2000; Lyubomirsky 2015 ) Cross-national research on the relationship between happiness and personality is showing
consensus that extraverted people tend to score higher on SWB than introverted people. This indicator is crucially important as in some literature it is reported to account for 50% of variation in SWB (Lyubomirsky 2015) However no good measurement units have been created to control for personality and genetics of an individual, hence this variable is out of control of our regression estimation due to lack of measurement unit existing.

**Conclusions**

This concludes our discourse on the key determinants of well-being identified in the contemporary literature. It is evident from the best practices internationally that responsible corporations and business management is targeting its employee's well-being through strategically designed financial and non-financial motivators taking into account the determinants of well-being. Multinational corporations often struggle to find ‘the right fit’ for HR practices in varying cultures, and fight between the puzzle of ‘when in Rome do as the Romans do’ and ‘not losing their own identity trying to adjust to other’s values’. The bottom line from HR standpoint is usually to increase the company’s well being by bringing up the most productive and dedicated workforce.

A line of human motivation research had demonstrated that one of the keys to raising a productive workforce is to ensure the high levels of subjective well being or in simple terms happiness among employees. Here it is essential to outline that happiness here is not defined in terms of satisfaction with the job per se, it is indeed satisfaction with life in overall stance. In this regard HR managers act as sociologists in need of obtaining insight as to not only work related matters but personal life and culture related issues of the employees.

Throughout our literature review we have identified the latter and some additional determinants widely accepted in the happiness studies. The debate in the field occurs in the light of phenomena that countries with very similar income levels and other abundances still present varying levels of subjective well being nationally. HR strategies which are implemented in one society tend to produce failing results and being rejected in others. Cross-cultural studies have been attempting to examine the possibility of culture specific determinants impact on SWB. This was accomplished by most scholars using Hofstede Framework, probably the most widely used framework in the field of intra-cultural management studies. The issue with Hofstede however is that it can be considered quite outdated having been collected and calculated for in 1961.

Hopefully the given research will give push to talent management and human resource management sectors of Uzbekistan to further improve their management instruments.
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