

Ecole des Hautes Etudes Commerciales d'Alger

EHEC

**A thesis Submitted in Partial Fulfillment of the
Requirements for the degree of Master Degree in
Commercial Sciences**

Area: Human Resources Management

TOPIC:

**The influence of work
environment on organizational
performance.**

**Case: INSTITUT OF TRAINING IN ELECTRICITY
AND GAZ OF SONALGAZ**

Submitted by:

Hassina DAGHMOUM

Supervised by:

Kamel MERARDA

7th graduation

SEPTEMBER 2020

Ecole des Hautes Etudes Commerciales d'Alger
EHEC

**A Thesis Submitted in Partial Fulfillment of the
Requirements for the degree of Master Degree in
Commercial Sciences**

Area: Human Resources Management

Topic:

**The influence of work environment
on organizational performance.**

**Case: INSTITUT OF TRAINING IN ELECTRICITY
AND GAS OF SONALGAZ**

Submitted by:

Hassina DAGHMOUM

Supervised by:

Meriem CHERFOUH

7th graduation

SEPTEMBER 2020

Abstract:

Working environment and continuous learning have a huge impact on organizational performance, organizations must create a work environment where employees enjoy what they do, feel like they have a purpose, have pride in what they do, and can reach their full potentials and skills.

The study aims to assess the impact of working environment on employees' performance at THE INSTITUTION OF TRAINING IN ELECTRICITY AND GAZ OF SONALGAZ in order to optimize organizational performances.

Résumé:

L'environnement de travail et l'apprentissage continu ont un impact énorme sur la performance organisationnelle, les organisations doivent créer un environnement de travail où les employés apprécient ce qu'ils font, se sentent comme ils ont un but, sont fiers de ce qu'ils font, et peuvent atteindre leur plein potentiel et compétences.

L'étude visait à évaluer l'impact de l'environnement de travail sur le rendement des employés à L'INSTITUT DE FORMATION EN ELECTRICITE ET GAZ DE SONALGAZ afin d'optimiser les performances organisationnelles.

ملخص:

تؤثر البيئة العاملة والتعلم المستمر تأثيرًا كبيرًا على الأداء التنظيمي، ويجب على المؤسسات إنشاء بيئة عمل حيث يستمتع الموظفون بما يقومون به ويشعرون وكأنهم لديهم هدف وكانت الدراسة تهدف إلى تقييم تأثير بيئة العمل على أداء الموظفين في الهيئة العامة للاستثمار في الشركات الوطنية للاستثمار من أجل تحسين الأداء التنظيمي. هذه الدراسة تهدف إلى تقييم آثار بيئة العمل على أداء العامل من أجل تحسين مردودية العمل في معهد التدريب في الكهرباء و الغاز لشركة سونالغاز.

Acknowledgements:

I would like to express my deepest gratitude to the Almighty God for blessing me with good health, wisdom and passion to persist in fulfillment of the Master's program in Human Resources Management. I am grateful to my supervisor Mira CHERFOUH, and I would like to extend my heartfelt acknowledgements for the knowledge I received from our teachers during my five years of studies at l'Ecole des Hautes Etudes Commerciales. Finally, special thanks to my friends who have been there for me all this period of hard work.

Dedications:

To all those who can find the light in the middle of the darkness, to the ones who give us a sip of hope when we have no hope left, to the ones who still give when they have nothing left to give, to the ones who taught us how to love and to life.

I dedicate my humble work firstly to my mother Akila MAKHLOUF who has stressed during this period more than I did, to my sister Malak DAGHMOUM, to my friends Chahinez, Mimi, Fairouz, Ikram, Sofiane, Amine, and Yacine.

I dedicate this work to Mrs. Meriem CHERFOUH and Mrs. Basma BRAHITI who taught me how to love HRM' field, to Mr. Kamel MERARDA who was the joy of our classroom, to Mr. Madagh who was our wisdom, to the human management department staff, Mrs. LEBSAIRIA and Mrs. Nassima.

And to the ones I lost on the way, Feryha, Rania, Meriem and to Aya.

List of tables:

TABLE 1- FREQUENCY AND PERCENTAGE OF THE QUALITY OF WORKING CONDITIONS SOURCE, BASED ON THE SURVEY.....	60
TABLE 2- FREQUENCY AND PERCENTAGE OF SAFETY INSIDE THE ORGANIZATION.....	61
TABLE 3- HEALTH ISSUES RELATED TO WORK SOURCE: SURVEY.....	62
TABLE 4- ENTERTAINMENT DURING WORK. SOURCE, SURVEY.....	63
TABLE 5- PERSONAL PROBLEMS.	63
TABLE 6- PROFESSIONAL PROBLEMS RELATED TO WORK SOURCE, SURVEY.....	64
TABLE 7- OVERLOAD HOURS OF WORK	64
TABLE 8- RECONCILIATION BETWEEN WORK AND PRIVATE LIFE SOURCE: SURVEY.....	65
TABLE 9- STRESS DURING WORK-TIME SOURCE: SURVEY.	66
TABLE 10- REACTION OF EMPLOYEES TO STRESS AT WORK SOURCE, SURVEY	66
TABLE 11- ACCOMPLISHED TRAINING IN THE LAST 12 MONTHS SOURCE, SURVEY.....	67
TABLE 12- PRIORITY OF EMPLOYEES TRAINING IN SONELGAZ SOURCE, SURVEY.	68
TABLE 13- CROSSED ANALYSIS OF WORK CONDITIONS AND ENTERTAINMENT AT WORK SOURCE, BASED ON THE SURVEY ELABORATED BY SPSS.....	68
TABLE 14- CROSSED ANALYSIS OF THE IMPORTANCE OF TRAINING SOURCE: SURVEY, ELABORATED BY SPSS.....	69

List of figures:

FIGURE 1- THE SIX DIMENSIONS OF WELLNESS,HETTLER	16
FIGURE 2- MASLOW’S THEORY HIERARCHY NEEDS.....	19
FIGURE 3- CONSEQUENCES OF STRESS (OTALA–AHONEN 2005, 93.)	29
FIGURE 4- CONSEQUENCES OF POOR WORKING ENVIRONMENT (OTALA–AHONEN 2005, 95.) .	30
FIGURE 5- CONSEQUENCES OF OUTDATED PROFESSIONAL SKILLS (OTALA–AHONEN 2005, 94.)	44
FIGURE 6- SUITABILITY OF WORKING CONDITIONS. SOURCE, BASED ON THE SURVEY	60
FIGURE 7- SAFETY INSIDE THE ORGANIZATION..	61
FIGURE 8 HEALTH ISSUES RELATED TO WORK SOURCE: SURVEY.	62
FIGURE 9 ENTERTAINMENT DURING WORK SOURCE: SURVEY	62
FIGURE 10- PERSONAL PROBLEMS SOURCE: SURVEY.	63
FIGURE 11 PROFESSIONAL PROBLEMS RELATED TO WORK SOURCE, SURVEY	64
FIGURE 12 OVERLOAD HOURS OF WORK SOURCE, SURVEY.	64
FIGURE 13, RECONCILIATION BETWEEN WORK AND PRIVATE LIFE SOURCE: SURVEY	65
FIGURE 14: STRESS DURING WORK-TIME SOURCE: SURVEY.	65
FIGURE 15: REACTION OF EMPLOYEES TO STRESS AT WORK. SOURCE: SURVEY.	66
FIGURE 16: COMMUNICATION BETWEEN EMPLOYEES. SOURCE: SURVEY, GOOGLE FORMS RESULTS.	67
FIGURE 17 ACCOMPLISHED TRAINING IN THE LAST 12 MONTHS SOURCE, SURVEY	67
FIGURE 18: PRIORITY OF EMPLOYEES TRAINING IN SONELGAZ. SOURCE: SURVEY.	68

Contents:

Abstract:	C
Résumé:	D
:ملخص:	E
Acknowledgements:	F
Dedications:	G
List of tables:	H
List of figures:	I
Contents:	J
General Introduction:	L
Chapter one: work conditions and wellbeing	2
Introduction:	2
Section 01: The conceptual framework of work conditions.....	3
Section02: Well being at work	15
Section 3: impact of well being on organizational performance	26
Conclusion:	37
Chapter two: continuous professional development.	39
Introduction:	39
Section1: Training and personnel development	40
Section 2: training evaluation.....	45
Section 3: CONTINUOUS PROFESIONAL DEVELOPPEMENT	50
Chapter three: organizational performance Case study: the institution of training in electricity and gas SONELGAZ	57
Introduction:	57
Section 1: introduction of SONALGAZ	58
Section 2: Sonalgaz's activities and ambitions	58
Section 3: Analysis of the survey and results	60
Conclusion:	70
General Conclusion:	72
References:	76
APRENDIXES	76

General Introduction

General Introduction:

Working environment plays an important role towards the employees' performance. Working environment is argued to impact immensely on employees' performance either towards negative or the positive outcomes¹ in the world, there are international organizations who debate the rights of employee. Most people spend fifty percent of their lives within indoor environments, which greatly influence their mental status, actions, abilities and performance². Better outcomes and increased productivity is assumed to be the result of better workplace environment. Better physical environment of office will boost the employees and ultimately improve their productivity. Various literature pertains to the study of multiple offices and office buildings indicated that the factors such as dissatisfaction, cluttered workplaces and the physical environment are playing a major role in the loss of employees' productivity³. In the 1990's, the factors of work environment had changed due to the changes in several factors such as the social environment, information technology and the flexible ways of organizing work processes⁴. When employees' are physically and emotionally fit will have the desire to work and their performance outcomes shall be increased. Moreover, a proper workplace environment helps in reducing the number of absenteeism and thus can increase the employees' performance which leads to increased productivity at the workplace⁵ (Boles ET al.2004). As the Economic and Social Council reported in 2007, global economic growth is increasingly failing to create the kinds of new and better jobs that can lead to a reduction in poverty. Despite high and sustained economic growth in many developing countries, unemployment is rising, a large proportion of the labor force is working below poverty level wages, and the majority of non-agricultural employment is situated in the informal economy. It is of little surprise that in recent years there has been a shift of focus from a singular interest in economic growth to an enlarged concern with improving the quality of work.

In this regard, the main reason for choosing this topic is to show the importance of working environment and how does it impact the employee's performance, particularly in Algerian organizations.

¹Chandrasekar K. (2011). Workplace Environment and its Impact on Organizational Performance in Public Sector Organizations, International Journal of Enterprise Computing and Business Systems, Vol:1,Issue:1.

²Dorgan, C.E. (1994). The Productivity Link to indoor environment. Proceedings of Health Buildings

³Carnevale, D.G., (1992). Physical Settings of Work. Public productivity and management Review.

⁴Hasun, F. M.&Makhbul Z.M. (2005).An overview of workplace environment and selected demographic factors towards individual's health and performance enhancement. Synergizing OSH for Business Competitive, 45-53.

⁵Boles, M., Pelletier, B. & Lynch, W. (2004).The relationship between health risks and work productivity. Journal of Occupational and Environment Medicine, 46(7), 737-745. rosen155

We will discuss the close relationship that exists between working conditions and employee's well being. These last few years, Algerian companies have been legally required not only to create a safe workplace but also to give more attention to the physical and mental health of the employees.

To this end, our subject will be presented as: « the influence of work environment on organizational performance.

In this context, the central problematic of this study is the following:

« What is the impact of work environment on organizational performance? »

In order to respond to this problematic, and to facilitate the understanding of this topic, we have found it useful to ask the following sub-questions:

- Do working conditions influence the wellbeing of the employee?
- What is the role of continuous professional development in improving human capital performance?
- Do work environment and continuous professional development have an impact on organizational performance?

In order to answer all of the above questions, we propose the following hypotheses:

Hypothesis N1: workplace environment influence the physical and psychological state of the employees.

Hypothesis N2: continuous professional development is a necessity for optimal human capital performance.

Hypothesis N3: work environment and continuous professional development impact the organizational performance.

To complete this study and answer the problematic mentioned above, we used the following approaches: We will adopt a methodological approach as follows: The first is theoretical, developed on the basis of a bibliographic review using books, articles, documents, dissertations, theses and websites and, to find out everything that has been written about the wellbeing at work place and continuous professional development.

And in the second approach, we did a survey study through a questionnaire within the internal department of SONALGAZ that allowed us to gain useful information to answer the problematic and approximate the theoretical approach with practical.

Our work is divided into three chapters: The first chapter, entitled "Work conditions and wellbeing ", is focused on the presentation of the concept of wellbeing at work, its theories, its objective and its importance.

The second chapter entitled "Continuous professional development ", it's focused on training, its importance and its methods, as well as human resources management.

The third chapter entitled "Organizational performance in SONALGAZ "; it will deal with our practical case, in which we will present the organism of the company as well as the analysis of the result of the survey that will handle the efficiency of organizational environment.

Chapter one: work conditions and wellbeing

Chapter one: work conditions and wellbeing

Introduction:

Work is an intrinsic part of society and our everyday lives. Most people spend the majority of their waking hours working, and paid work therefore represents more than just the income it provides. It ‘contributes to quality of life both positively and negatively’ in part due to its fundamental role in influencing identity and social interactions. For enterprises, workers are an important part of value creation, which in turn contributes to the development of new products and services. For societies, there are gains associated with high-quality jobs, and costs associated with poor-quality jobs. For these reasons, job quality and its improvement is a recognized policy concern. Job quality is a multidimensional concept, as acknowledged in both the policy approaches and research frameworks. Although the frameworks used to analyze and monitor job quality can vary, they share many common dimensions, and in particular emphasize the importance of capturing the experience of work, as opposed to describing the work performed.

In this chapter, we will talk about the main theories of labor, the importance of working environment and how it affects the physical and the mental health of the employees and the relation between work conditions and organizational performance.

Section 01: The conceptual framework of work conditions

1. Theoretical review:

1.1. History of working conditions:

a. The Industrial revolution⁶ :

The Industrial Revolution was one of the most important events in human history and dramatically transformed life for people throughout the world. While it first began in Britain, its effects later spread to other parts of Europe, the Americas and parts of Asia. In general, the Industrial Revolution unfolded in a series of stages which historians refer to as the First Industrial Revolution and the Second Industrial Revolution.

The first industrial revolution was the transition from hand production methods to machines in the period from 1760 to 1840, it began in Great Britain, starting with mechanized spinning in the 1780s, with high rates of growth in steam power and iron production occurring after 1800, then it started to spread to continental Europe and the United States in the early 19th century, it focused mainly on textile manufacturing and steam power.

The Second Industrial Revolution dated between 1870 and 1914. It was centered on steel production, the automobile and advances in electricity. The introduction of the assembly line by Henry FORD in 1914 sped up the production and reduced costs as each worker was only required to install one or two parts at their position on the assembly line.

b. The working environment in the industrial revolution:

Industrial Revolution working conditions were extremely dangerous for many reasons, namely the underdeveloped technology that was prone to breaking and even fires, and the lack of safety protocol. But it was dangerous particularly for reasons of economics: owners were under no regulations and did not have a financial reason to protect their workers.

With the invention of steam-powered machinery the Industrial Revolution started, a period where there was a boom in mass production of products. It started around 1760 in England and was characterized by a shift in population from rural areas to urban centers. Skilled tradesmen were no longer needed – factory owners wanted [cheap labor](#) and operating the machines didn't require much skill. For this reason, they would often hire women and [children](#), who worked at half the wages of men. There were no regulations to make the workplace a more pleasant place and people were easily replaceable, which is why the factory owners didn't care.

⁶<https://www.historycrunch.com/working-conditions-in-the-industrial-revolution.html>

Since the Industrial Revolution was so new at the end of the 18th century, there were initially no laws to regulate new industries the working class who made up 80% of society had little or no bargaining power with their new employers. Since population was increasing in Great Britain at the same time that landowners were enclosing common village lands, people from the countryside flocked to the towns and the new factories to get work. This resulted in a very high unemployment rate for workers in the first phases of the Industrial Revolution. Henry Mayhew, name his title or role, studied the London poor in 1823, and he observed that “there is barely sufficient work for the regular employment of half of our laborers, so that only 1,500,000 are fully and constantly employed, while 1,500,000 more are employed only half their time, and the remaining 1,500,000 wholly unemployed”. As a result, the new factory owners could set the terms of work because there were far more unskilled laborers, who had few skills and would take any job, than there were jobs for them. And since the textile industries were so new at the end of the 18th century, there were initially no laws to regulate them. Desperate for work, the migrants to the new industrial towns had no bargaining power to demand higher wages, fairer work hours, or better working conditions. Worse still, since only wealthy people in Great Britain were eligible to vote, workers could not use the democratic political system to fight for rights and reforms. In 1799 and 1800, the British Parliament passed the Combination Acts, which made it illegal for workers to unionize, or combine, as a group to ask for better working conditions. For the first generation of workers—from the 1790s to the 1840s—working conditions were very tough, and sometimes tragic. Most laborers worked 10 to 14 hours a day, six days a week, with no paid vacation or holidays. Each industry had safety hazards too; the process of purifying iron, for example, demanded that workers toiled amidst temperatures as high as 130 degrees in the coolest part of the ironworks (Rosen 155). Under such dangerous conditions, accidents on the job occurred regularly. A report commissioned by the British House of Commons in 1832 commented that “there are factories, no means few in number, nor confined to the smaller mills, in which serious accidents are continually occurring, and in which, notwithstanding, dangerous parts of the machinery are allowed to remain unfenced” (Sadler). The report added that workers were often “abandoned from the moment that an accident occurs; their wages are stopped, no medical attendance is provided, and whatever the extent of the injury, no compensation is afforded” (Sadler). As the Sadler report shows, injured workers would typically lose their jobs and also receive no financial compensation for their injury to pay for much needed health care.

Life in the factory was most challenging for the first generation of industrial workers who still remembered the slower and more flexible pace of country life. Factory employers demanded a complete change of pace and discipline from the village life. Workers could not wander over to chat with their neighbors or family as they would have done while working in the country. They could not return to the village during harvest time to help their families, unless they wanted to lose their jobs.

Instead, they were no longer their own bosses; foremen and overseers supervised a new working culture to insure that workers' actions were focused and efficient. A few workers were able to improve their lot by going into business for themselves or winning a job as a supervisor, but the majority saw very little social mobility.

The work was labor intensive and required the workers to complete repetitive and tiring actions. As such, many of the workers were physically 'burned out' after a day of work. What made the situation worse was the lack of breaks during the long shifts. Often workers were denied their breaks or were deducted pay for taking a break. As well, they were also sometimes required to clean the machines during their meals.

The workers were forced to endure low wages of pay. In general, industrial workers were paid very amounts and struggled to survive. For example, adult men were paid around 10 shillings per week, while women were paid 5 shillings for the same work, and children were paid just 1 shilling. In comparison, families were usually charged 5 shillings per month for rent. This did not usually leave much left over for food, clothes and luxury items. As a result, they often struggled to cover their cost of living and had to also endure difficult living conditions. As well, workers often had their pay deducted for being late or for taking a break during their shift. The level of pay was so poor that many working-class families needed their children to work as well, in order to help cover the costs of the family. For their part, factory and mine owners were eager to hire children since they cost less to employ, and they could often be used for certain work due to their size. As a result, child labor was common during the Industrial Revolution.

Workers were expected to endure during their shifts dirty and dangerous conditions. For example factories of the Industrial Revolution were notorious for being dangerous, especially textile mills. Spinning machines in textile mills were often left unguarded and posed a serious risk. For instance, a report from the British House of Commons in 1832 commented that *"There are factories, no means few in number, nor confined to the smaller*

mills, in which serious accidents are continually occurring, and in which, notwithstanding, dangerous parts of the machinery are allowed to remain unfenced.” This situation caused industrial workers to become injured, as they were working dangerously close to spinning belts and shafts that powered the machines. Any loose fitting clothing could easily become clogged and pull the worker violently into the workings of the machine. Furthermore, the factories of the Industrial Revolution were known for the excruciating heat. Factories in the Industrial Revolution were cramped and contained spaces. Often times, they were built without windows or proper ventilation and as a result the machines would quickly cause the inside temperature of the factory to increase dramatically. All of this combined to create a horrendous situation for the workers.

2. Conceptual Definitions:

a. Working environment

Kohun (1992)⁷, defines working environment as an entirety which comprises the totality of forces, actions and other influential factors that are currently and, or potentially contending with the employee’s activities and performance. Working environment is the sum of the interrelationship that exists within the employees and the environment in which the employees work.

Brenner (2004) was of the opinion that “the ability to share knowledge throughout organizations depends on how the work environment is designed to enable organizations to utilize work environment as if it were an asset. This helps organizations to improve effectiveness and allow employees to benefit from collective knowledge”. In addition, he argued that working environment designed to suit employee’s satisfaction and free flow of exchange of ideas is a better medium of motivating employees towards higher productivity⁸.

Opperman (2002) defines working environment is a composite of three major sub-environments: the technical environment, the human environment and the organizational environment. Technical environment refers to tools, equipment, technological infrastructure and other physical or technical elements. The technical environment creates elements that enable employees perform their respective responsibilities and activities. The human environment refers to peers, others with whom employees relates, team and work groups, interactional issues, the leadership and management. This environment is designed in such a way that encourages informal interaction in the work place so that the opportunity to share

⁷Kohun, S. (1992).Business environment. Ibadan: University Press

⁸Brenner, P. (2004). Workers physical surrounding. Impact bottom line accounting: Smarts Pros.com

knowledge and exchange ideas could be enhanced. This is a basis to attain maximum productivity. Organizational environment include systems, procedures, practices, values and philosophies. Management has control over organizational environment. Measurement system where people are rewarded on quantity, hence workers will have little interest in helping those workers who are trying to improve quality. Thus, issues of organizational environment influence employee's productivity.⁹

b. Employee Performance

Employees' performance has been established to be directly related to employees' motivation. This assertion was corroborated by different management theories since the works of Frederick Taylor on 'The Principle of Scientific Management' in 1911 and Henry Gantt on 'Works, Wages and Profits' in 1913. Modern employees' motivational management methods have evolved over time which discredited Taylor's "differential piece rate -work" and Gantt's "task and bonus wage" systems. The modern employees' motivation management methods are employees' oriented and are more effective¹⁰

Maslow (1943) said that people work to survive and live through financial compensation, to make new friends, to have job security, for a sense of achievement and to feel important in the society, to have a sense of identity, and most especially to have job satisfaction. All employees that have job satisfaction are high performers in their respective workplaces.

Taylor (1911) opined that the most important motivator of workers is salary and wages when he said that "non-incentive wage system encourages low productivity". He said that if employees receive the same wage irrespective of their individual contribution to the goal, they will work less and that employees think working at a higher rate means fewer employees may be needed which discourages employees to work more¹¹.

Basing on those explanations, this study indicates that the success of any organization largely depends on the motivation of its employees.

Sinha (2001) stated that employees' performance is depending on the willingness and also the openness of the employees itself on doing their job. He also stated that by having this

⁹Opperman C. S. (2002). Tropical business issues. Partner Price Water House Coopers. International Business Review.

¹⁰Gardner and Lambert (1972). *Attitudes and Motivation in Second Language Learning*. Newbury House Publisher,

¹¹Gardner and Lambert (1972). *Attitudes and Motivation in Second Language Learning*. Newbury House Publisher,

willingness and openness of the employees in doing their job, it could increase the employees' productivity which also leads to the performance.¹²

Stup (2003) also explained that to have a standard performance, employers have to get the employees task to be done on track as to achieve the organization goal or target. By having the work or job done on track, employers could be able to monitor their employees and help them to improve their performance.¹³

Furthermore, a reward system should be implemented based on the performance of the employees. This is to motivate the employees in order to perform more on their task. There are several factors that being described by Stup (2003) towards the success of the employees' performance. The factors are such as physical work environment, equipment, meaningful work, performance expectation, feedback on performance, reward for good or bad system, standard operating procedures, knowledge, skills and attitudes.

Franco et al (2002) defined performance that relies on internal motivation but presence of internal factors such as necessary skills, intellectual capacity and resources to do the job clearly have an impact. As a consequence employers are supposed to provide appropriate working conditions in order to make sure the performance of employees meet the required standards.¹⁴

3. WORK THEORIOES

a. Goal-setting Theory

The goal-setting theory had been proposed by Edwin Locke in the year 1968. This theory suggests that the individual goals established by an employee play an important role in motivating him for superior performance. Skills required include the ability to engage employees in mutual goal setting clarify role expectations and provide regular performance feedback. Time and energy will also need to be given to providing relevant performance incentives, managing processes, providing adequate resources and workplace training. It also advice that in order to drive the organization to peak performance managers and supervisors must put out front the human face of their organization.

¹²Sinha, E. S. (2001). The skills and career path of an effective project manager. *International Journal of Project Management*, 19, 1-7.

¹³Stup, R. (2003). Control the factors that influence employee success. *Managing the Hispanic workforce Conference*. Cornell University and Pennsylvania State University.

¹⁴Franco LM, Bennett S, Kanfer R,& Stubblebine P, (2000). *Health Worker Motivation in Jordan and Georgia: A Synthesis of the Results*, Major Applied Research 5, Technical Paper 3 Bethesda, Maryland: Partnership for Health Reform Project.

Principle here is the human-to-human interaction through providing individualized support and encouragement to each and every employee¹⁵

Employee performance is a major multidimensional construct aimed to achieve results and has a strong link with planned goals of an organization¹⁶ Performance is the key multi character factor intended to attain outcomes which has a major connection with planned objectives of the organization¹⁷

Employees 'goals achievement in this theory is by creating of work environment attractive, comfortable, satisfactory and motivating to employees so as to give them a sense of pride and purpose in what they do. How working environment is designed and occupied affects not only how people feel, but also their work performance, commitment to their employer, and the creation of new knowledge in the organization¹⁸.

b.Expectancy Theory

The most widely accepted explanations of motivation have been propounded by Victor Vroom. His theory is commonly known as expectancy theory. The theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual to make this simple. Expectancy theory says that an employee can be motivated to perform better when there is a belief that the better performance will lead to good performance appraisal and shall result into realization of personal goal in form of some reward future events. The theory focuses on three things

Efforts and performance relationship, performance and reward relationship, rewards and personal goal relationship¹⁹

This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. In order for employees to perform in this theory is by making sure each employee's workplace goals and

¹⁵Salaman, Graeme; Storey, John; Billsberry (2005).*Strategic Human Resource Management: Theory and Practice*.2nd Edition. Sage Publications Ltd.

¹⁶Abbas, Q. and Yaqoob, S. (2009) *Effect of leadership development on employee performance in Pakistan*, Pakistan Economic and Social Review, Vol. 47, pp. 269-292.

¹⁷Sabir, M. S., Iqbal, J. J., Rehman, K., Shah, K. A. and Yameen, M. (2012).Impact of corporate ethical values on ethical leadership and employee performance. *International Journal of Business and Social Science*, Vol. 3, pp. 163-171.

¹⁸Taiwo, A. S. (2009). The influence of work environment on workers' productivity: a case of selected oil and gas industry in Lagos, Nigeria. *African Journal of Business Management*, Vol. 4, pp. 299-307.

¹⁹Salaman, Graeme; Storey, John; Billsberry (2005).*Strategic Human Resource Management: Theory and Practice*.2nd Edition. Sage Publications Ltd.

values are aligned with the organization's mission and vision is important for creating and maintaining a high level of motivation. That can lead to higher productivity, improve employee performance, reduce the chances of low employee morale, encourage teamwork and instill a positive attitude during challenging times²⁰

c. Maslow's Hierarchy of Needs Theory

Abraham Maslow defined need as a physiological or psychological deficiency that a person feels the compulsion to satisfy. This need can create tensions that can influence a person's work attitudes and behaviors. Maslow formed a theory based on his definition of need that proposes that humans are motivated by multiple needs and that these needs exist in a hierarchical order. His premise is that only unsatisfied need can influence behavior; a satisfied need is not a motivator²¹

A person starts at the bottom of the hierarchy (pyramid) and will initially seek to satisfy basic needs (e.g. food, shelter). Once these physiological needs have been satisfied, they are no longer a motivator. The individual moves up to the next level. Safety needs at work could include physical safety (e.g. protective clothing) as well as protection against unemployment, loss of income through sickness etc). Social needs recognize that most people want to belong to a group. These would include the need for love and belonging (e.g. working with colleague who supports you at work, teamwork, communication). Esteem needs are about being given recognition for a job well done. They reflect the fact that many people seek the esteem and respect of others. A promotion at work might achieve this.

Self-actualization is about how people think about themselves - this is often measured by the extent of success and/or challenge at work²². One should also take care that employees don't just work for financial incentives. One should create an environment where employees like to come to work because they enjoy their jobs hence increase performance. Incentives also motivate the employees when you want them to go that extra mile to achieve your targets. Maslow's model has great potential appeal in the business world. The message is clear - if management can find out which level each employee has reached, then they can decide on

²⁰Salaman, Graeme; Storey, John; Billsberry (2005). *Strategic Human Resource Management: Theory and Practice*. 2nd Edition. Sage Publications Ltd.

²¹Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *The Journal of American Academy of Business, Cambridge*.

²²idem

suitable rewards²³

d.Frederick Herzberg's Theory

Herzberg's theory concludes that certain factors in the workplace result in job satisfaction, but if absent, they don't lead to dissatisfaction but no satisfaction. The factors that motivate people can change over their lifetime, but "respect for me as a person" is one of the top motivating factors at any stage of life. He distinguished between motivators; (e.g. challenging work, recognition, responsibility) which give positive satisfaction, and hygiene factors; (e.g. status, job security, salary and fringe benefits) that do not motivate if present, but, if absent, result in demonization. The theory is sometimes called the "Motivator-Hygiene Theory" and/or "The Dual Structure Theory." Herzberg described four basic states that could occur:

1. High Motivation/High Hygiene: Perfect state of happy, motivated employees
2. High Motivation/Low Hygiene: Motivated employees who love the work but have lots of Complaints
3. Low Motivation/High Hygiene: Bored employees punching a clock for a Pay check
4. Low Motivation/Low Hygiene: Total mess of bored, unhappy employees.

Herzberg's research proved that people will strive to achieve 'hygiene' needs because they are unhappy without them, but once satisfied the effect soon wears off - satisfaction is temporary. Then as now, poorly managed organizations fail to understand that people are not 'motivated' by addressing 'hygiene' needs. People are only truly motivated by enabling them to reach for and satisfy the factors that Herzberg identified as real motivators, such as achievement, advancement, development, etc., which represent a far deeper level of meaning and fulfillment.

E. McGregor Theory X and Theory Y

McGregor has developed a theory of motivation on the basis of hypotheses relating to human behavior. According to him, the function of motivating people involves certain assumption about human nature. Theory X and Y are two sets of assumptions about the nature of people. THEORY X considers individuals who dislike work and avoid it where possible, individuals who lack ambition dislike responsibility and prefer to be led, and individuals who

²³idem

desire security. The management implications for Theory X workers were that, to achieve organizational objectives, a business would need to impose a management system of coercion, control and punishment. THEORY Y considers effort at work as just like rest or play, ordinary people who do not dislike work. Depending on the working conditions, work could be considered a source of satisfaction or punishment, individuals who seek responsibility (if they are motivated). The management implications for Theory X workers are that, to achieve organizational objectives, rewards of varying kinds are likely to be the most popular motivator. The challenge for management with Theory Y workers is to create a working environment (or culture) where workers can show and develop their creativity.

4. Working Environment Factors that Affect Employees Performance

An attractive and supportive working environment provide conditions that enable employees to perform effectively, making best use of their knowledge, skills and competences and the available resources in order to provide high-quality of organization service. Basing on this study the factors are explained below.

a. Supervisor Support

A supervisor is also known as a person with an experience leader, a person who can solve problem and also the role model at the first level of organizational management²⁴ Therefore, as an experience leader, the supervisors had always being involved in conducting a training program. The training program that is being conducted are such as establishing the objectives, selecting the trainer, developing a lesson plans, selecting the program method and techniques that is being used, preparing the materials, scheduling the program and also conduct a training needs analysis²⁵ Rabey, (2007) stated that, a supervisor could be a trainer to the employees, as the trainer will assist the employees in getting their job done by guiding employees on the operational process especially when it comes to a new operational procedure. A supervisor support could lead to the employees' performance but there is a case that the supervisor had failed in supporting their employees. For example, the miscommunication between employees and the supervisor in term of delivering the information or process on the job to the employees²⁶

²⁴Adair, J. (1988). *The effective supervisor*. London: The Industrial Society.

²⁵idem

²⁶Harris, R., Simon, M., & Bone, J.(2000). *Re thinking the role of workplace trainer*, NCVER, Adelaide. Retrieved from [http:// www.ncver.edu.au/publications/ 471.html](http://www.ncver.edu.au/publications/471.html). 13th June, 2014.

In order to gain the employees performance, both party in between the employees and supervisor needs to play their part which is to commit with the relationship. If full commitment is given, it will leads to positive result to the performance from the employees²⁷

b. Job Aid

Rossett and Gauier (1991) stated that, the purpose of job aid is to direct and guide as to enlighten the employees performance. Job aid also helps in order to support the employees' performance. An example of a military performance had been reviewed by²⁸ (Duncan 1985) regarding the military reliance on job aids between 1958 and 1972 which is significant and positive contribution toward the military performance. He also stated that based on the results of military analysis, job aid saved money without jeopardizing employees work performance. There are three ways to increase performance based on the job aid²⁹ the first way is through the external support which means that the employees need to take leave from work and look for the source as for their reference to their job. The second way is through the extrinsic support. An extrinsic support means that the job aid is being given

Within the system itself. As for the third way, it is called the intrinsic support. An intrinsic support is an insider or software that is being used as for the efficiency of workflow.

c. Physical Work Environment

Physical working environment can result a person to fit or misfit to the environment of the workplace. A physical work environment can also be known as an ergonomic workplace. Researches on the workplace environment need to be done in order to get an ergonomic workplace for every each of the employees. By having this ergonomic physical workplace at their workplace, it will help employees from not getting the nerve injury³⁰

Furthermore, McCoy and Evans (2005) stated that the elements of working environment need to be proper so that the employees would not be stressed while getting their job done. In their article, they also stated that the physical element plays an important role in developing the network and relationship at workplace. Result of the employees' performance can be increased from five to ten percent depending on the improvement of the physical workplace design at their workplace³¹

²⁷Blau, P. (1964). *Exchange and power in social life*. New York: John Wiley.

²⁸Duncan, C. S. (1985). Job aid really can work. *Performance and Instruction*, 24(4), 1-4.

²⁹Cavanaugh, T. B. (2004). The new spectrum of support: Reclassifying human performance technology. *Performance Improvement*, 43(4), 28-32.

³⁰Cooper, C., & Dewe, P. (2004). *Stress, a brief history*. Oxford: Blackwell Publishing.

³¹Brill, M. (1992). How design affects productivity in settings where office-like work is done. *Journal of Health Care Design*, 4, 11-16.

Further, Amir (2010) mentions elements that related to the working environment. There are two main elements which are the office layout plan and also the office comfort. Amir (2010) also stated that a physical workplace is an area in an organization that is being arranged so that the goal of the organization could be achieved.³²

d. Performance Feedback

Performance feedback is an information exchange and conflict resolution process between the employee and supervisor. This consists of both positive feedback on what the employee is doing right as well as feedback on what requires improvement. Managers and supervisors will need to be comfortable with working with the whole range of workplace factors that influence employee performance. While the supervisor gives his/her feedback and requirements, the employee enables to give his her feedback regarding his/her requirements. Although this process is formal, it could be managed informally by gaining closer relations for two sides³³

E.Workplace Incentives

The organization determines what motivates its employees and sets up formal and informal structures for rewarding employees behaving in the way required. Rewards may consist of a mix of internal rewards, such as challenging assignments, and external rewards, such as higher compensation

And peer recognition (Chandrasekar, 2011). Performance of professional employees is poor not only due to working environment factors but also due to lack of human resource management aspect such as recognition of employees who performs well, poor working condition, absence of performance appraisal system and poor feedback on performance outcome .Therefore significant changes in promotions, compensation and benefits helps in keeping employees satisfied and in turn increases production.

³²Amir, F. (2010).Measuring the impact of office environment on performance level of employees. Global Environment. Bhurban, Pakistan appraisal. Glenview: Scott, Foresman and Company.

³³Chandrasekar K. (2011). Workplace Environment and its Impact on Organizational Performance in Public Sector Organizations, *International Journal Of Enterprise Computing and Business Systems*, Vol:1,Issue:1.

Section02: Well being at work

There is no common definition of well being at work, wellness is a deep complex concept, it can be defined from various angles, however, in the previous decades the interest and the importance of it have been growing widely. Organizations started to focus more on providing a healthy life style at work to improve their employee's performances.

1. Well being at work

1.1. Well being and wellness

The traditional meaning of well being at work stands for the minimum standards for working conditions that allow the employee to be healthy and safe. However, now rapidly developing working atmosphere this concept has become too small. Even over the time, the old term "work capacity" has been replaced by the term "wellbeing at work".

Workplace wellbeing programs are essential in every organization to promote mental and physical health, its aim is to improve the employee's health and their families while reducing employer's costs and optimizing the organizational productivity

According to National Wellness Institute the definition of wellness is the "Wellness is an active process through which people become aware of, and make choices toward, a more successful existence"³⁴

The term wellness has been applied in many ways. Although there might be different views on what wellness encompasses, the National Wellness Institute—along with the help of leaders in health and wellness—shared many interpretations and models of wellness.

Through this discussion, there appears to be general agreement that:³⁵

- Wellness is a conscious, self-directed and evolving process of achieving full potential
- Wellness is multidimensional and holistic, encompassing lifestyle, mental and spiritual well-being, and the environment
- Wellness is positive and affirming

1.2. The six dimensions of wellness

The six dimensions of wellness model were developed by Dr. Bill Hettler. He is the

³⁴National Wellness Institute.

³⁵National Wellness Institute.

president and cofounder of the National Wellness Institute (NWI). Wellness institute is an organization Established to provide and support health promotion wellness. All six wellness dimensions - social, physical occupational, emotional, spiritual and intellectual are demonstrated in the model and must be for an individual to have overall wellness³⁶the six dimensions by Hettler has been described in the following paragraphs.



Figure 1- The six dimensions of wellness,hettler

The occupational wellness is the ability to accomplish a balance between leisure time and work time by addressing office stress and making relationship with workmate. When individuals contribute their meaningful and rewarding talents and skills to work, it increases satisfaction. It is important to look for a job in such a field that a person feels passionate and feel their work is more like fun and less like work. The choice of career ambitions, profession, performance and job satisfaction are the significant components of the terrain of an individual's paths. An Individual can achieve occupational wellness by choosing a career path well-matched to their personal interest, personality and talents. Likewise, by involving in structured opportunities to develop functional as well as transferable skills rather than uninvolved and remain inactive³⁷

Likewise, the physical wellness promotes the overall health and wellness. Additionally physical wellness recognizes the necessity for daily physical activity. Physical wellness encourages an individual to care for their physical body through proper diet and nutrition, physical activities and a good mental condition. To achieve physical wellness it is better to

³⁶National Wellness Institute 2007

³⁷Hettler 1976

consume proper foods and beverages which enhance good health rather than those that harm our health. Additionally, it is always better to be physically well. Optimal physical wellness can be acquired through different physical exercises along with the healthy eating habits. The elements of physical wellness includes such as muscular strength, cardiovascular strength³⁸

Similarly, individual's travels through the social wellness feeling can become more aware about and importance being in the society. When a person discovers the power to make choices that enhance the personal relationship and makes an effort to build a better society. Later they will actively look the ways for the preservation of the nature and its beauty which helps to maintain the ecosystem and in return can get various benefits. The social wellness tries to educate people that it is better to live in a society with peace and harmony without affecting or destroying the environment and nature. National Wellness Institute says the emphasis behind the social wellness dimensions is becoming a contributing member of society³⁹

Furthermore, intellectual wellness emphasizes mental and creative activities and brings new ideas (National Wellness Institute 2007). Intellectual wellness can be achieved by engaging in formal education but also from life experience. When individuals develop their intellectual curiosity, they strive actively to expand and challenge with creative activities to their mind. To achieve intellectual wellness it is better to challenge and stretch our mind with creative and intellectual pursuits than to turn out to be unproductive and self-satisfied. This wellness motivates individuals to be more active on mentally stimulating activities which also expands knowledge allowing them to share it with other individuals. This wellness is considered more important since it helps to explore new ideas and Understanding from which any individuals can become more mindful⁴⁰

Additionally, the dimension of spiritual wellness emphasizes the meaning in life and purpose in human existence. The spiritual wellness includes various aspects for instance: to love, to show compassion and the ability to forgive. Likewise, in the spiritual dimension individuals may experience numerous feelings of despair, fear, doubt, discomfort and disappointment but also the feeling of joy, discovery, happiness and pleasure. The spiritual dimension provides values, ethics and moral which help to guide in decision-making. To develop spiritual wellness takes time but with help of simple steps that can help to develop spiritual wellness. To reach spiritual wellness, it is better to consider the meaning and purpose

³⁸UFC 2018

³⁹NWI 2007

⁴⁰UFC 2018

of life and to be tolerant to other's beliefs than to become intolerant. Correspondingly, it is better to live each day of life with one's own values and beliefs than beliefs and feel untrue to oneself⁴¹.

Lastly, the dimension of emotional wellness implies the ability to be awareness and acceptance of feelings (National Wellness Institute 2007). The emotional aspects contain some aspects: self-confidence, trust, self-acceptance and self-control. It also involves the ability to deal with worry, attitude and flexibility. In the wellness, it is essential to have awareness of and acceptance of feelings with everyone. On the emotional wellness path, individuals can express their feelings freely and effectively. To attain the emotional dimension it is better to be aware of and accept one's own feelings rather than deny them. Moreover, in life it is better to be optimistic rather than to be pessimistic.

1.3. Individual Well-Being through Maslow's Hierarchy of Needs

Maslow's hierarchy of needs tends to be treated as classical within the field of organizational behavior. It has remained a starting point when studying human motivation. Maslow first introduced his concept in his paper a theory of Human Motivation and later in his book Motivation and Personality. The hierarchy is usually presented in a shape of a pyramid with the largest and most fundamental need at the bottom and the need of self-actualization on the top. In Maslow's theory there are thought to be five sets of needs which people possess and try to satisfy. The core idea of the five level-models is that the person does not feel the second need until the demands of the previous need is satisfied. The needs are congenital and therefore universal and unchanging. The lowest needs are physiological and include human basic needs such as food and drink. The physiological needs are followed by safety needs, love and belonging needs, esteem needs and finally the need for self-fulfillment. (Wilson 2004, 146.)

Individual well-being can be demonstrated through Maslow's five leveled hierarchy because motivation is the driving force of humans. It also includes the objectives that lead to satisfaction and happiness. The strength of the theory lies in the fact that it supports management practices that encourage employee autonomy and personal growth as these will enable employees to satisfy esteem and self-actualization needs. Proper management and encouragement to fulfill these needs at work enables constant improvement in working life due to the growing motivation. The needs are explained more detailed as follows. (Wilson 2004, 146.)

⁴¹National Wellness Institute 2007

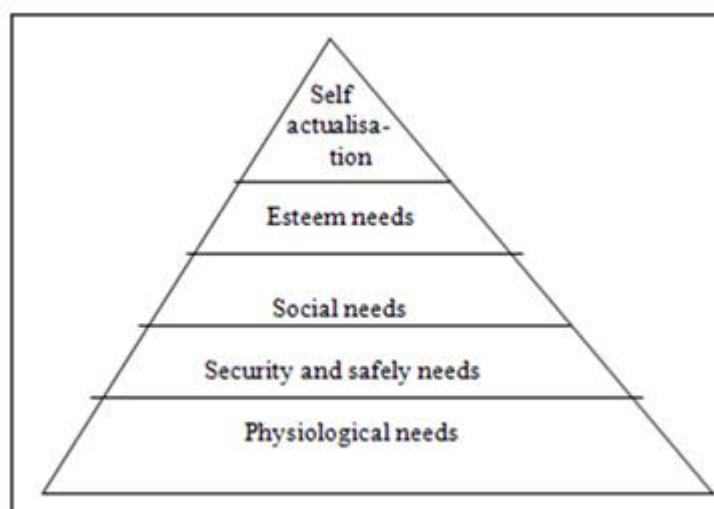


Figure 2- Maslow's theory hierarchy needs

a. Physiological Needs

Physiological needs are the most essential needs to satisfy and they consist of the human basic needs such as oxygen, water, nutrition, shelter and sleep. These basic needs can be compared to a person's health, which consists of both physical and mental state. Health is the foundation of employee well-being, because it has a direct impact on how well a person can utilize his or her professional skills at the workplace. An individual's health has an effect on a person's energy level, productivity and ability to handle stress. For example a person that has not had enough sleep is not able to embrace new knowledge or work efficiently. To achieve and to stay healthy it is important to remember that health is more than just avoidance of becoming physically sick. It is a holistic feeling of well-being and includes psychological and social components in addition to physical ones. Poor health does not only affect the individual itself but can also lead to significant organizational, economical and societal consequences due to sickness absence. Health can be enhanced when a vital person experiences his or her life as meaningful, understandable and manageable⁴².

In addition to health, proper wage can also be included in the level of physiological needs because money enables to buy human necessities such as shelter and food. It is also important to note that salary has greater value to employees whose work is mentally poor or physically strenuous than to those who experience inner satisfaction with their work. Wage is also more important to those who are struggling on the level of basic needs than to those who have climbed up in the hierarchy and are able to feel internal pleasure within their work. In other words, if a person is missing the essentials the feeling of need towards those

⁴²Suutainen, M – Vesterinen, P. 2010. Työhyvinvoinnin Johtaminen. Helsinki

deficiencies only continue growing and prevents the appearance of new desires.⁴³

b. Safety Needs

Safety needs are related to obtaining a secure environment where the individual is free from threats. The sense of security comes from physical factors such as safe working facilities and a healthy working environment. There are many health hazards that employees face with, such as dust, noise, extreme temperature, unsafe equipment, physical overload et cetera. It is important to remember that most people spend 40 hours per week at the work place and therefore employee safety should be a high priority for any company. A secure working environment provides the employees with well-designed workstations, functioning ventilation, necessary safety equipment and sufficient safety measurements in case of emergencies. Work ergonomics are also a significant factor to take into consideration when speaking of physical safety because an investment in ergonomics reduces the potential for accidents, injury and other health problems. The sense of security has also been proved to improve work performance, productivity and to keep the employees healthy⁴⁴.

In addition to physical safety factors, there are also psychological safety needs that must be satisfied. Perhaps one of the most important ones is the security of continuity, which in this context refers to the employees' need to feel secure that his or her job will continue to exist in the future. Even though no company can guarantee what the future holds, the feeling of safety increases when the employees at least feel concern from the management in difficult times and know that assistance is provided if for example layoffs occur. Workplace provided insurance and a well-designed retirement plan also improve the sense of security for employees⁴⁵.

Workplace violence is also an important employee safety factor. Workplace violence is any act or threat of violence, intimidation, harassment or other threatening invasive behavior. It can occur at or outside the workplace and can range from verbal abuse, physical assault or as a worst scenario even homicide.

The most common form of workplace violence is psychological harassment which is for example frequently giving unreasonable amounts of work or timelines, social isolation, verbal insults or attacks, humiliation, denigration, wrongful accusations or other constantly

⁴³Ruohotie, P. 1998. Motivaatio, tahto ja oppiminen. Helsinki: Oy Edita Ab. Viitala, R. 2004. Henkilöstöjohtaminen. 4. painos. Helsinki: Edita Prima Oy.

⁴⁴Kaupalan esimiesliitto KEY ry. Työsuhteinfo. Työturvallisuus.

⁴⁵Otala, L.– Ahonen, G. 2005. Työhyvinvointi tuloksentekijänä. 2. uudistettu painos. Juva: WS Bookwell Oy.

continuing negative behavior directed on a certain individual. All harassment has a bad impact on an individual's ability to focus on work, his or her esteem and social behavior⁴⁶.

The feeling of security is one of the most important requirements for employees to experience their job as fluent and meaningful. If the employees feel concern or fright when going to work whether it is because of workplace uncertainty, unhealthy facilities or violence, they cannot fully focus on their job tasks or receive wanted results.

c. Love and Belonging

A basic need for human beings is to experience belonging to the groups they are a part of. Every workplace is a community with social interactions and relations. Good social relations at work provide meaning, context and value in our lives. A fair degree of belonging also encourages loyalty, commitment, initiative and enthusiasm towards work. It also promotes a sense of ownership in people, which enables them to take responsibility for their actions and see their roles as important or at least as contributing to the organizational success. A work community where the employees feel a strong sense of belonging helps to perceive a common goal and increase team spirit⁴⁷.

Team spirit is a feeling of working together as one and it is an important factor to take a business to pride, expansion and success. A workplace with good team spirit enables people to work together efficiently to achieve common targets. It also helps to find the best qualities of each member of the corporation. Pooling of individual talent and sharing of skills strengthens the whole team which usually leads to greater and better results. To achieve a good and strong cohesion among the members of an organization leaders and managers should understand the value of the individual members. The employees who feel valued are more likely to contribute in building up the right spirit and they will be more easily persuaded of its importance. While the team is able to function and show results even without good team spirit, it will nearly always operate better when the team members feel a sense of respect and belonging to each other⁴⁸.

The need of love and belonging is only fulfilled through functional interaction in the community that consists of both the co-workers and the management. Employees' need to feel that the contribution they give serves a purpose and that their investment is needed and prized, especially by their superiors.

⁴⁶Occupational Safety & Health Administration. U.S Department of Labor.

⁴⁷Rauramo, P. 2004. Työhyvinvoinnin portaat. Helsinki: Edita Prima Oy.

⁴⁸idem

A smart leader understands that synergy is the factor that helps teams to do what individual members will not do and that the whole team's performance is more than the sum of the performances

of the team members.

The leader should be encouraging, easily approachable and let the team know that he or she is also a part of the team and that he or she is there to take the final responsibility of possible mistakes⁴⁹.

d. Esteem

Esteem needs represent the human desire to be accepted and valued. The sense of appreciation is often divided into two layers. The lower level esteem needs come from others that are outside the individual, and their social approval, judgment and thoughts. Appreciation from others can be noticed through reputation, popularity, status, recognition, respect or a person's power status. The feeling of respect and appreciation from others plays a significant role in building up a person's self-esteem which is the higher level of esteem needs. Self-esteem comes from within a person and represents personal worth set by the individual's own defined standards. It includes the individual's qualifications, achievements, independence and freedom. Self-confidence is an important part of a person's self-image and closely linked with taking charge of one's own life. A healthy self-image improves an individual's ability to cope with different challenges and raises self-appreciation and -respect⁵⁰.

Employees respond to appreciation through respect and recognition of their good work. It confirms that their input has been noticed and is valued. Respect is usually earned by a person's professional abilities and therefore it is important that the individual's professional skills are applicable to the tasks handed at the workplace. Every employee must know his or her responsibilities and tasks. Knowing what is expected will support any self-esteem and bring a peaceful workplace atmosphere. Respect also has a positive effect on the feeling of security in the working life and it supports social well-being⁵¹.

e. Self-Actualization

The highest level of Maslow's hierarchy consists of self-actualization, which includes factors such as creativity, development of one's own skills, personality and achieving personal goals in life. The key concept of this level is the human desire of personal fulfillment

⁴⁹Rauramo, P. 2004. Työhyvinvoinnin portaat. Helsinki: Edita Prima Oy.

⁵⁰Dunderfelt–Laakso–Niemi–Peltola–Vidjeskog 1998, 106

⁵¹Rauramo, P. 2004. Työhyvinvoinnin portaat. Helsinki: Edita Prima Oy.

and the quest of reaching one's full potential. Unlike the lower level needs, this need is never fully satisfied because as one grows psychologically, there are always new opportunities to continue growth. The level of self-actualization can be thought as an inspirational need for humans because a person on this level pursues becoming more of what he or she already is, to become everything that the person is capable of.

However, reaching this level demands satisfaction with all the lower level needs which only a small percentage of the world's population is truly able to do. Maslow himself suggested that only about two percent of human kind is able to reach the level of self-actualization. He identified some common characteristics of self-actualized people and explained how they differ from the mass of others⁵².

Self-actualized people have an advisable sense of realism, which enables them to view things logically and rationally rather than fear the unknown. They set realistic expectations on themselves, others and on the world around them and are able to accept things as they are. Being realistic also gives them the ability to identify what is dishonest and fake from what is real and genuine. People who are self-actualizing are also described to be problem-centered, which means that they treat problems as difficulties demanding solutions. They do not surrender due personal issues, but focus on solving challenges, including helping others. Self-actualizing people also are more spontaneous than others in the sense that even though they can conform to rules and social expectations, they also tend to be open and unconventional. Spontaneity allows them to share ideas and be creative. They are also more comfortable being alone, rely on their own decisions and taking responsibility of their own behavior. Demanding independence and privacy also allows them time to focus on developing individual potential. Being independent also means that the person is less dependent on cultural issues and habits meaning that he or she is not likely to fall for social pressure due to reliance of own experience and values. Furthermore, they have a wider sense of humility and respect of others, continual appreciation of life, different perception of ends and means and strong ethics. Self-actualization includes morality, creativity, spontaneity, problem solving, lack of prejudice, and acceptance of facts⁵³.

The self-actualization need should also be an objective need for corporations meaning that companies should encourage its employees to reach their full potential for example by offering reasonable challenges and meaningful work assignments which enhance creativity,

⁵²Abraham Maslow 2009

⁵³Abraham Maslow 2009

innovation and progress according to long-term goals. Being able to implement personal strengths helps to commit, focus and reach positive results driven from within.⁵⁴

2. Employee Well-Being as Managerial Responsibility

When developing the employees' well-being, it is important to consider how the employees overall satisfaction affects the company's objectives and what consequences there may be if the employees are dissatisfied. This helps the company to focus on the right factors. In other words, to identify how and where employee well-being has a positive effect on the company's operations and how and where employee dissatisfaction may cause business risks⁵⁴.

The management needs to have specific goals considering the company's sustainable development including results, competence and well-being. To be able to get an economic gain from employee well-being, the company should execute employee well-being measurements regularly and compare the results to other business measurement results (for example quality, financial and performance measurements). The results play a significant role in understanding how employee well-being influences the business operations and how fast it influences other areas of the business. This information is more than helpful when the company faces new business challenges because it reminds the importance of employee well-being investments and identifies the areas that need most strategic input⁵⁵.

Employee well-being is an important managerial responsibility and it should be constantly improved and developed just like cost-effectiveness, quality or other factors that supports a company's success. Just like other competitive factors, it also is dependent on specific goals, a development plan, a charge person or team, measurements and monitoring⁵⁶.
Occupational Healthcare

Occupational health is the promotion and maintenance of the highest degree of employees' physical, mental and social well-being in all occupations by preventing departures from health, controlling risks and by adaptation the work for individuals and the individuals to their work⁵⁷.

Occupational healthcare improves and maintains the employees' occupational health, security and work ability. It also co-operates with the employers to prevent possible hazards

⁵⁴Otala, L.– Ahonen, G. 2005. Työhyvinvointi tuloksetekijänä. 2. uudistettu painos. Juva: WS Bookwell Oy.

⁵⁵Otala, L.– Ahonen, G. 2005. Työhyvinvointi tuloksetekijänä. 2. uudistettu painos. Juva: WS Bookwell Oy.

⁵⁶idem

⁵⁷ILO 2010

and disabilities conducted from work. Occupational healthcare is not like any other health care, since it takes into account how the nature of work, the working conditions and the workplace atmosphere affects the employees' health and work ability. The occupational healthcare's aim and responsibilities are defined by the occupational health law. Among others, the law states that the employer is responsible for organizing occupational health care services on his or her expense for the employees. However, it is up to the employer to decide whether he or she only acquires the minimum requirements of the occupational health services or if the company includes additional occupational healthcare services for the employees for example by offering medical treatment services⁵⁸.

Investing in occupational healthcare services is also economical. There have been several calculations that estimate, that every euro invested in occupational healthcare and employee well-being increases savings worth of 6 Euros per employee. The benefits are achieved through the prevention of premature retirements and from the decreased of sick leaves. The savings are important to keep in mind since sometimes health care expenses can be high depending on if the occupational healthcare includes nursing.

The average healthcare costs are approximately 300 Euros a year per employee and for the entrepreneurs around 150 Euros a year. From these expenses Kela (Social insurance institution of Finland) compensates 50-60 percent based on claim. The rest is tax-deductible⁵⁹.

The employees' and the entrepreneurs' well-being is important not only for themselves but for the entire company since happy and healthy individuals' are more productive. The occupational healthcare professionals have a wide expertise on health and well-being which is worth applying for especially when the company notices weaknesses in its employees' workability. Also other issues affecting the work community can be resolved by contacting the occupational healthcare center. Several problems occurring at workplaces are easier to overcome, when policies to solve them have been agreed in advance in collaboration with the healthcare center. These matters may include factors such as use of drugs and alcohol, conflicts in the work community and repetitive sick leaves and other absences. The occupational healthcare is able to assist the employer in planning methods and making agreements on these issues. They also give guidance on how employee absences and sick leaves are followed and how to retaining the individuals' workability⁶⁰.

⁵⁸Ely-keskus 2012

⁵⁹Kansaneläkelaitos 2011

⁶⁰Ely-keskus 2012.

Section 3: impact of well being on organizational performance

1. Importance of Employee Well-Being for Corporations

1.1. Legislation Sets Requirements for Employee Well-Being

Finnish working life is highly regulated. Legislation and collective systems are set to provide fairness, reasonableness and protection to employees. They also set certain standards for employee well-being and legal protection. The labor legislations main purpose is to guarantee employees an equal, fair and humane treatment in their working environment.⁶¹

In recent years there have been several legislative acts that in addition to the focus of the employee's and employer's relationship also concentrate on setting common frameworks for organizations that have a great influence on their business models and practices. Improvements have been made in the legislation that focuses on the working environment and the overall working conditions. For example the Occupational Health and safety legislation has been updated to better take into account especially knowledge workers mental strains. The legislation is also continuously being modified to overall take better acknowledge of psychological factors in occupational disuses⁶².

The Ministry of Employment and the Economy is responsible for drafting and evolving the labor legislation in Finland connected with the EU Employment and Legislation and the ILO. Some relevant legislation regarding employee well-being includes the Act on Codetermination, Occupational Safety and Health Act, Occupational Healthcare Act, The Non-Discrimination Act and Equality between Women and Men Act.⁶³

The Act on Codetermination enables the personnel to take part in corporate decisions and get their voices heard. The act's purpose is to encourage the employers and the employees to co-operate in developing and monitoring as well as to communicate factors that affect the whole organization. The Occupational Health and Safety Act obligates the work communities to have a drawn up plan, implementation follow up and clearly divided responsibility areas concerning occupational safety and health in the company. The Occupational Healthcare Act obligates the employers to arrange healthcare service on their expense to their employees to prevent work-related health hazards. The equality between men and women is supported through the Non-Discrimination act. According to the act workplaces with over 30 employees must have an annual plan for promoting equality between gender roles. Resources are also used to promote balance between work and family life, fair working hours, good leadership,

⁶¹Viitala 2007, 32.

⁶²Otala, L.– Ahonen, G. 2005. Työhyvinvointi tuloksentekijänä. 2. uudistettu painos. Juva: WS Bookwell Oy.

⁶³Otala–Ahonen 2005, 36

development of skills, mental health, work capacity, well-being etc. with the intention to ensure and encourage employees to stay at their jobs for longer time periods.⁶⁴

Employee well-being is partly a legal obligation for corporations and must be followed in all workplaces. However, it is important to remember that the legislation only sets a minimum requirement for businesses and that they alone do not guarantee satisfied employees. The distinguishing feature is what the businesses are willing to do in addition to those minimum requirements. There are good workplaces that for example provide their employees challenges, give respect, encourage learning, support social relationships and honestly care for their staff upon law and regulations. Then there are workplaces that have a poor workplace atmosphere, discourage creativity, have strict rules, unapproachable management et cetera. And only do what is required according to law. It is not difficult to draw conclusions about which of the above is more likely to have more motivated and productive employees, and more likely to succeed⁶⁵.

1.2. Employee Well-Being and Sick Leaves

The lack of employee well-being can become expensive for corporations since it has a direct effect on employees' work capacity. For example, if the employees are under constant pressure to perform under unrealistic expectations, it may increase the risk of becoming sick or lower the threshold to take sick days. There are many different factors that cause sickness absences and all of them are not manageable.

Sick leaves are a necessary benefit for all employees and if companies did not offer sick leaves, they would accelerate health problems and the spread of diseases. This would lower the productivity level of the employees. However, according to the research, there are many organizational factors that contribute to the risk of sick leaves. Some of these factors are poor organizational climate, insecurity of work continuity and stress. The most common sick-leaves are short 1–3 day absences that are usually an outcome from these organizational factors. Short absences cause direct expenses for corporations since the employer is obligated to pay wage for the employees for the first ten absence days.⁶⁶

Besides substantial expenses, sick leaves also have a significant effect on the operational fluency. It is often difficult and time consuming to find professional stand-ins for the absentees especially on a short notice. The absence of one person often leads to increased

⁶⁴Otala–Ahonen 2005, 36–37.

⁶⁵Otala–Ahonen 2005, 38–39.

⁶⁶Otala–Ahonen 2005, 51; Viitala 2007, 212–214.

workload for other staff members which may lead to exhaustion and additional absences. This is a vicious cycle that is often reflected in customer service situations. Investments in employee well-being will not only prevent and reduce sick leaves but also benefit the organization and the society by increasing the possibility to do productive work and to give good customer service. However, it is important to keep in mind that the reduction of sick leaves should always be done with health promoting actions. If sick leaves are reduced other ways for example by increasing control or by attendance rewards, there is a risk that the personnel's long-term health weakens and affects the lifetime productivity level.⁶⁷

2. Working environment's impact on employees

2.1. Consequences of Stress

Stress usually creates a negative conception, but in decent amounts it can have a positive influence on a person's performance and lead to better results. Positive stress is short-term stress that is a healthy feeling and increases an individual's immediate strength. It keeps a person motivated and alert for example when giving a presentation. It also helps to get inspiration to complete tasks for example under a deadline. But beyond a certain point, stress stops being helpful and starts causing damage. Long-term stress (distress) has a negative impact on a person's work, health, productivity, mood, relationships, and overall quality of life. Distresses can occur at any workplace and it can have a negative effect not only on the employee, but on the whole business. Stress is often a result from an individual's unhealthy relationship to his or her work. It usually starts when the individual no longer feels as in control of the job he or she is doing. Too demanding tasks, heavy workloads, change or constant new knowledge burdens an individual's job performance⁶⁸.

A distressed employee will eventually get mental and physical symptoms. It decreases a person's creativity, efficiency and the ability to absorb new knowledge. This decreases a company's competitive advantage by reducing its human capital. A stressed employee is also usually tired and has difficulties concentrating. This can lead to accidents and work disability that impacts a company's cost-effectiveness due to expensive sick leave payments and other related costs. Work disabilities and sick leaves also increase other staff members' workload, which in turn causes additional stress to others and creates tension in the workplace atmosphere. Bad workplace atmosphere has a negative impact on quality, social relationships

⁶⁷Otala–Ahonen 2005, 52; Viitala 2007, 213.

⁶⁸My stress management, 2010.

at work and customer satisfaction. This decreases the customer base and consequently the business's wealth. The negative impacts of stress are demonstrated in Figure 3⁶⁹.

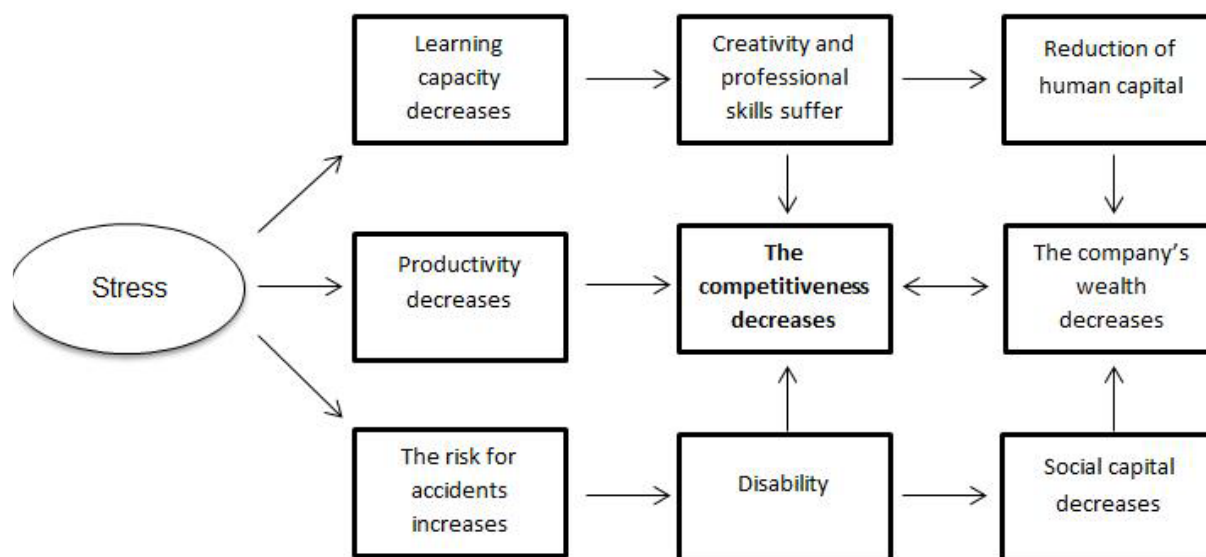


Figure 3- Consequences of Stress (Otala–Ahonen 2005, 93.)

2.2. Consequences of Poor Working Environment

A bad working environment or workplace atmosphere usually means that there are deficiencies in the management and that the internal operations are undeveloped. External threats against the business and uncertainty of the job continuity among the employees also have a negative impact on the working environment. A bad working environment prevents sharing knowledge and professional skills which is essential for creating new innovative ideas and staying competitive. A bad atmosphere at work also results to employees seeking for new jobs. In pursuance of businesses losing valuable human capital, their image suffers and new employees and even partners will be hard to find. Having a bad working environment impacts a business' chances to succeed and be profitable in the future declines⁷⁰.

A bad working environment also increases costs caused by factors that could be easily prevented by the company. One simple example is ensuring cleanliness and orderliness of the working facilities. Even this minor improvement can reduce costs significantly and at the same time raise productivity through improved work fluency and by removing unnecessary distractions. Therefore improvements in the working environment are a relevant part of developing the quality and the productivity. It is also important to know that every year approximately 80 people die in work related accidents and that the average works disability time is three weeks in occupational accidents. The negative effects of a poor working

⁶⁹Otala–Ahonen 2005, 93.

⁷⁰Otala–Ahonen 2005, 95.

environment are demonstrated in Figure 4⁷¹.

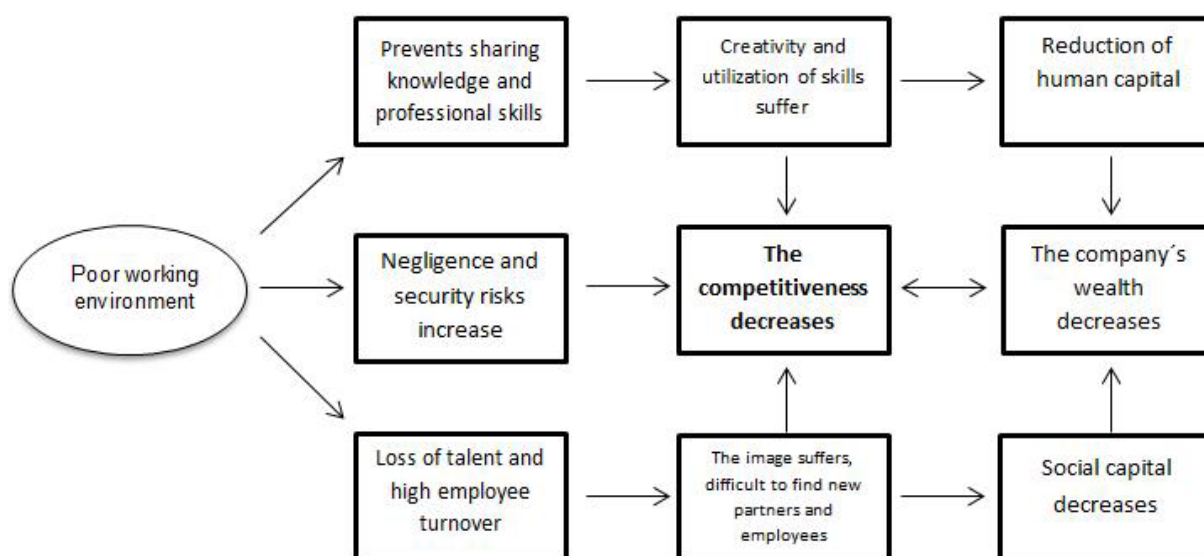


Figure 4- Consequences of Poor Working Environment (Ojala-Ahonen 2005, 95.)

3. How to Measure Employee Well-Being

Employee well-being as a concept has to be distinguished from job satisfaction. The latter describes how employees feel about the organization they work at that will say, how it is like to work in the specific organization, work environment and job. Employee well-being is considered as an objective goal of work condition improvement and occupational safety, but there is a risk that the results of the measurements are interpreted unilaterally. People generally think that a satisfied employee is always good for the business and dissatisfied comparably bad. However, work communities need a suitable level of dissatisfaction and competition because criticism, development and resources for change embark from them as well as motivation to follow own personal development and well-being. Employee well-being refers to the balance of an organization's overall well-being and productivity, which requires assessing every step of employee well-being separately.⁷²

Different workplaces have a wide range of indicators and tests for measuring employee well-being. In order to develop well-being, it is natural that the initial situation has to be assessed. Before the assessment the organization's mission, goal, values and ways to achieve goals have to be determined. This includes also definition of activities related to employee well-being and their target state. What is the goal that is being pursued? What are

⁷¹European Agency for Safety and Health at Work 2012b.

⁷²Rauramo 2004, 33.

the measurements that will support monitoring the best and are genuinely an advantage in the development?⁷³

Employee well-being measurements can be divided into individual, workplace and work environment indicators. In the individual's case the indicators depend on the work requirements. In knowledge work the emphasis can be put on mapping skills and comparably in a work requiring physical skills, fitness and functional capacity testing. Health monitoring is always important. The development of the organization's well-being can be divided into the activities that improve individual's health, fitness and strength, heal work community and organization's functionality and develop work environment and encourage professional skills.⁷⁴

4. How to Measure Employee Performance

Employee performance can be measured through intellectual reports. Intellectual reports study the employees' time management, turnover, education, health and well-being. When assessing the working community's combined health and their efforts as a part of the intellectual report, the company gets a simple but accurate illustration of the employees' well-being and the company's performance. It also forms a perspective where the employees' skills, commitment and ability can be connected to the company's development and productivity. Intellectual reporting is a process of identifying and measuring data about the employees with the attempt to depict the potential of the employees' in monetary terms. In short words, it is a balance sheet of the company's knowledge and it helps the company to ascertain how much it has invested on its employees and how much return it can expect from this investment. It is up to the company whether to publish the intellectual report (Intellectual Accounting) or to keep it as an internal tool.⁷⁵

The content of the intellectual report depends on the company. However, usually it includes factors such as the personnel's number and structure, work and time inputs, human resource expenses, the staffs' workability and well-being, employees existing skills and possible development needs and data about leadership. By collecting the factors of the personnel's condition and development into statistics, the company creates an opportunity to systematically develop its human resources.

⁷³Rauramo 2004, 33.

⁷⁴Rauramo 2004, 33.

⁷⁵Hottinen 2002, 2.

Intellectual reporting is important because it creates a view on the employees' impact on different operational areas. This helps the company to make decisions considering employee training, promotion and transfers as well as utilizing their skills efficiently. It also helps to identify the causes of high employee turnover, locating the real cause for low return on investment and improving Employee performance by understanding individuals' interests and motivations. An example of an intellectual report is provided in Figure 8.⁷⁶

5. Employee well being competitive advantage

5.1. What is Competitive Advantage?

Competitive advantage is the component that separates a business from its competitors. It is an advantage over competitors gained by offering consumers greater value. Traditionally competitive advantage is divided into two types, which are cost leadership and differentiation. Cost leadership means that a company has a possibility to produce a service or good at a lower price than its competitors. This allows them to sell their goods or services at a lower cost, or to attain a larger margin on sales. Differentiation means that a company's products or services differ from its competitors and customers see them as better than the competitor's products. Competing with cost or differentiation has become more challenging for businesses due to globalization and the increased competition. This has forced businesses to find new ways of gaining a competitive advantage⁷⁷.

In today's increased competitive environment employee well-being can be seen as a foundation element for organizational success and competitive advantage or for profitability and productivity. Human capital has become a more important focus point throughout the years as an organizational competitiveness and success factor and companies are starting to realize the value of human capital's knowledge, expertise and professional skills.

Competitive advantage consists of cost-effectiveness, productivity, quality and customer satisfaction. It also requires continuous development of products or services, creativity, an ability to form new business relations and other effective networks. All of these components are a result from the company's human capital. In addition, competitive advantage can be considered as an art to recruit the right people and to keep the best talent. For a business to gain competitive advantage in the product and service market, it also needs to be competitive in the labor market. Only an employee that is enthusiastic about his or her job can truly provide service that the customers are satisfied with.

⁷⁶Kunnalinen työmarkkinalaitos 2012.

⁷⁷Porter 2004, 3.

These competitive factors can be mastered through employee well-being.⁷⁸

Firstly employee well-being reduces costs significantly caused by sickness absences, injuries and work disabilities. Therefore it has positive impact on the business's productivity and profitability. Secondly employee well-being increases motivation and improves the workplace atmosphere, which up-grades the service level and increases customer satisfaction. Thirdly employee well-being encourages to shared thoughts and knowledge which leads to creativity and enables the emergence of new services and products. Fourthly and finally employee well-being generates enthusiasm and commitment in employees which improves the image of the business and makes it attractive in the eyes of jobseekers and potential business partners.⁷⁹

5.2. Employee Well-Being's Economic Effects

Research shows an obvious connection between employee well-being and financial efficacy and that an investment in the employees produces profit in the same way as other investments. There have been calculations that estimate that companies can get back 10–20 times the money invested in the employees' well-being. Half of the benefits come from reduced sick leaves, occupational diseases, occupational accidents and disability pension costs. The other half comes through improved productivity. According to a research made by the Finnish Institute of Occupational Health, a company can save.

5.3. Employee Well-Being and Productivity

Employee productivity is the driving force behind a business's growth and profitability because it has a direct influence on operational costs. It is a measurement of inputs and outputs. Inputs are the amount of effort and time put in to work, and outputs are the results achieved. If the inputs and outputs are equivalent the work can be thought as productive. Employee productivity is a particularly important issue for managers and superiors as the primary purpose of their job is to get the most out of the people they are responsible for. When employees are productive they accomplish more in a given amount of time.⁸⁰

Employee well-being and employee productivity are closely connected because they are both dependent on an individual's motivation. Productivity is also an outcome from an individual's good physical and mental state alongside with a balance between professional

⁷⁸Otala–Ahonen 2005, 69.

⁷⁹Otala–Ahonen 2005, 69–70.

⁸⁰WebFinance, Inc 2012.

skills, work load and work capacity. The workplace atmosphere including its overall functionality, the supervisor's expertise and the ability to interact with others are also in great importance for employee motivation and productivity. Another factor affecting motivation and productivity which today's young highlight is the importance of taking account the individual's needs for example having a balance between working and private life, flexible working hours, job tasks that enable personal growth and good promotion possibilities. The content of work, challenges and an encouraging atmosphere, where the employees feel comfortable to ask, comment, and learn about their work and the work community also increase staff motivation.⁸¹

Strong motivation and productivity means that employees want to use their full potential and that they are prepared to take responsibility. They are more resistant to short-term stress and want to take part in developing and improving their own work and the overall working conditions. This leads to better results and continuous development. A good human resource policy also affects the company's image and attracts new talents. On the contrary to motivated individuals, employees who lack motivation often contribute lower results due to increased amount of errors, generated loss and overuse of sick leaves. It is also reflected negatively in customer service situations and in the ability embrace new knowledge. The lack of motivation and professional self-esteem also harms negotiation situations which can be noticed for example by the incapacity of producing new ideas.

An unmotivated employee also usually spends more time on completing duties which leads to piled up work and exhaustion. Exhaustion often results to neglect which can lead to breach of security due to run off at the mouth and using the business's information systems against agreement.⁸²

5.4. Employee Well-Being Affects Quality

The concept of quality is used when describing products or services and their features and desirability. Quality is defined by the user's needs and experience. It consists of the businesses' and their employees' professionalism, motivation and their willingness to continuously develop their products or services according to customer needs. It is important to keep in mind that a satisfied customer will return back after a pleasant experience and that a loyal customer base gives a company an opportunity to develop their operations and to

⁸¹Talouselämä 2007.

⁸²Talouselämä 2007.

anticipate future customer needs. Quality experts have calculated that new customer acquisition can cost up to six times more than keeping an old customer. Quality and customer satisfaction is directly reflected from a company's atmosphere. In other words happy employees produce happy customers.⁸³

Even though employee well-being is not always directly noticeable for the customer, the quality of a product or service is strongly influenced by the well-being of the employees. The lack of professional skills or poor employee well-being can usually be noticed through corporate malfunction. For example a company can have a technically brilliant and innovative product but the customer will not be satisfied if the product is incorrectly assembled or if the order is delayed. Also employee dissatisfaction reflects on the ability to serve customers. Not even a business with a good service concept can save its reputation if the staff behaves rude towards customers. Dissatisfied employees with lost motivation do not often have the strength to focus on the customer experience and they also often start to make errors in their work which can be noticed through the quality of products or services.⁸⁴

6. Lack of Employee Well-Being is Business Risk

With the opening of borders to trade and foreign investments, globalization brings a lot of opportunities but also a lot of pressure for businesses. Technological advances and the rise of the internet have enabled businesses to reach a wider audience and grow their customer bases internationally but at the same time it has led to increasing competition. Competing with cost or differentiation has become more challenging for companies since the same products or services are often available for reduced price and the consumers have more options to choose from. In response to these changes many businesses have already embraced the knowledge that human capital is an important tool for higher performance and those traditional competitive tools alone can only bring momentary success or competitive advantage.⁸⁵

Companies are used to evaluating different risks including financial risks, marketing risks, strategic risks, operational risks et cetera. But often, businesses tend to forget assessing risks considering its human capital, even though the lack of employee well-being can cause significant costs and risks. Employees need maintenance and care just as machinery and other equipment to stay functional and to ensure quality. Employee maintenance means developing

⁸³Otala-Ahonen 2005, 80.

⁸⁴European Agency for Safety and Health at Work 2012a.

⁸⁵Otala-Ahonen 2005, 92.

the working environment more safe, building up a good atmosphere, encouraging communication and organizing work so that it feels more meaningful for the individuals. Businesses should assess the development costs of employee well-being and compare them to costs caused by injuries, sick leaves, work disabilities and high staff turnover which are direct consequences from disregard of human capital maintenance.⁸⁶

Therefore it is crucial that companies succeed in determining how to define employee well-being and which factors are relevant and affect their operations. For example when focusing on increasing employee well-being to increase the satisfaction of customers, it is important to define them in such terms that they are in correlation to carry out a purpose for the company.

On the contrary, some measurements may also indicate that a company is doing financially well but that the employees are dissatisfied. This may for example occur in a situation where the employees do not feel good at work and need to stay on sick leaves resulting a decrease in the work force. The company now uses fewer work forces and saves money which then can be seen in the economic results. However, this increases the other staff members' workload and requires them to use their maximum capacity when completing work tasks. Using fewer work forces may be profitable in a short-time run for the company but eventually the employees will get exhausted and inefficient. The employees are not capable of staying productive in the long-term run.⁸⁷

⁸⁶Monni–Ruokonen–Heinonen–Mäkelä 2003.

⁸⁷Corporate Executive Board 2003, 2.

Conclusion:

At the end of this chapter we concluded that working conditions plays a crucial role in every organization, it impacts the well being of the employee's which impacts their performance and potentials, it's very important for the organization to invest time and money to study the best working conditions that could motivate the employees and bring the best of them, otherwise the organization will face big economical and financial losses.

Chapter two: continuous professional development.

Chapter two: continuous professional development.

Introduction:

The objective of this study is the impact of training and development of employees and its effects on the performance of an enterprise or organization.

This chapter gives introductory information on the background, problem, and objectives of the work. It also has information on the scope and significant of the study.

The main objective of this work is to know how training increases the performance of employees, and the productivity of an organization.

Other objectives are to find out whether organizations have training and development programs, and if the programs are conducted for all employees. This chapter answers the following questions.

Section1: Training and personnel development

1. Training

Training is effort initiated by an organization to foster learning among its workers, and development is effort that is oriented more towards broadening an individual's skills for the future responsibility. (George & Scott, 2012). Training and development are a continuous effort designed to improve employees' competence and organize performance as a goal to improve on the employees' capacity and performance. Human Resource Management has played a significant role in the economic development of most developed countries like Britain America and Japan. In a developing country like Cameroon, with its rich natural resources and financial support, one can also experience such economic success if the appropriate attention is given to the development and training of her human resources. Every aspects and activities in an organization involves people. For instance, a manager will not be successful if he has subordinates who are not well equipped with skills, knowledge, ability, and competence (SKAC).

To run an organization, be it big or small, requires staffing the organization with efficient personnel. Specific job skills, ability, knowledge and competence needed in the workplace are not efficiently taught in the formal education. As such, most employees need extensive training to ensure the necessary SKAC to bring out substantive contribution towards the company's growth. For employees to be flexible and effective in their job, they need to acquire and develop knowledge and skill, and for them to believe that they are valued by the organization they work for, then they need to see valuable signs of management commitments to their training needs. Each new employee must be properly trained not only to develop technical skills, but to make them an integral part of the organization. Training and development is an aspect that must be faced by every organization, and its major aim is to improve the employees' competencies such that the organization can maximize effectiveness and efficiency of their human resources. It can be an advantage for an organization if they win the "hearts and minds" of their workers, getting them to identify with the organization⁸⁸.

For workers to be equipped to perform well there must be an investment in the training processes. These processes are part of the entire human resource management

⁸⁸Armstrong, M. 2009 Armstrong's Handbook of Human Management Practice, 11th Edition.

approach which results in employees being motivated to perform. However, training vary from organization to organization in relation to the quality and quantity of training factors, which may include: the degree of external environment change, the degree of change in the internal environment, current suitable skills in the existing work force and the level to which the management see training as a motivating factor in the workplace,⁸⁹

Several companies address their needs for training in an impromptu and indiscriminate way, training in such companies are pretty much impromptu and unsystematic. Different companies however begin distinguishing their training needs, then outline and execute training exercises in a normal way, lastly evaluate after effects of the training.

1.1. Training Purpose, Process and outcomes

Cole (2002), mentioned in his book Personnel Human Resource Management, that training is more of a learning activity to acquire better skills and knowledge needed to perform a task. The idea of training is the need for a greater productivity and safety in the operation of specific equipment or the need for an effective sales force, to mention a few.

To come up with the desired knowledge, skills and abilities from employees to perform well at their job side, requires proper training programs that may likewise have an impact on employee motivation and commitment. Employees can either build or break their company's reputation as well as profitability. Moreover, they oversee most of the activities which can influence customer fulfillment, the nature of the product and event.

1.2. Why training

According to G.P. Nunvi (2006), training programs are directed towards maintaining and improving current job performance while development seeks to improve skills for future jobs. Considering the progress in the technology, certain jobs become redundant with the replacement of machines in present days. Further education and competence becomes necessary for those in current positions and those wishing to be promoted in the future.

Expressing an understanding of training, Armstrong (1996), emphasized that training should be developed and practiced within the organization by appreciating learning of theories and approaches, if training is to be well understood.

⁸⁹Cole, G.A. 2002 Personnel and Human Resource Management Practice, 5th edition.

2. HUMAN RESOURCE MANAGEMENT

This chapter is based on reviewing what other writers and researchers have put forward relating to training and performance; related ideas and their manner of activities, functions, importance and the findings.

An important part of the Human Resource Management function of great relevance to the effective use of human resource is training and development. Nowadays, few persons would argue against the importance of training as the main force to a successful organization. For performance to be sustained effectively, the contribution of employees should be optimized to the goals of the organization. Re-search studies have recognized the importance of training to be a central role of management. (Jehan-zeb & Beshir, 2013) for instance were conferring that to give others vision and ability to perform is a contribution of an organization's manager. The general development towards downsizing, adaptable structures of organizations and the way of administration moving towards the devolution of power to the workforce, gives more emphasis to a coaching and support environment.

To ensure therefore an adequate supply of staff, that is both technically and socially competent, and capable in career development, training becomes a necessity.

3. Human Resource Management and Training

For any company to operate successfully, it must have materials, money, supplies, equipment, ideas regarding the good or services to offer the individuals who may utilize it outputs and lastly people, which is the human resource, to run the company. The proper management of individuals at work is Human Resource Management, and it has developed to be a main activity in many organizations and is the concentration for a wide - ranging deliberation concerning the nature of the contemporary business relationships. One of the major components in the coordination and management of work in an organization is the management of human resource. (Shen, 2004) referred to Human Resource Management as including all of management activities and decision, that influence the relationship between an organization and its employees which are the HR. Generally, management settles on essential choices day after day that influence this relationship. (Shen, 2004).

(McDowall et al., 2010) argues that the acknowledgment of the importance of training as of late has been intensely influenced by the intensification of rivalry and the relative achievement

of organizations, as investment in employees' development is extensively emphasized. They further argued that innovative improvements and hierarchical change have progressively driven a few businesses to the realization that achievements depend on the skills and abilities of their workers, and this implies significant and persistent investment in training and development.⁹⁰, viewed that Human Resource Management concept for example, responsibility to the organization and the growth in the quality development have driven senior management groups to understand the increased importance of training, employee development and long - term education. A concept of this nature requires not only careful planning, but a more emphasis on employee development. To Krietner (1995), no matter how carefully employees are screened, typically, a gap remains between what the employee does know and how they should know it. An organization therefore, desiring to gain the competitive edge in its departments, will need extensive labor and effective training of its human resource.

4. Consequences of Outdated Professional Skills

An organization is only as good as its people, and therefore it is important to update the employees' professional skills. Increasing globalization creates new challenges for employees and businesses because it means constant change in the current business environment. In order to take advantage of new opportunities, companies and employees must adapt, learn to anticipate and manage change. This can only happen when companies can identify what skills their employees are missing and how those deficiencies can be restored to meet the demands of an international business environment. This requires that employees have a realistic understanding of themselves and their skills. It is the prerequisite for learning and it encourages employees to take an active role in developing their own work.⁹¹

Employees' professional skills can be updated for example through training development courses. Effective training should enable learning and development for people as individuals. This way each individual's strengths can reach full potential. Right employee training, development and education provide large payoffs for the employer in increased productivity, knowledge, loyalty and contribution. On the contrary, if employees' professional skills are not constantly updated and developed, it will have a negative impact on the

⁹⁰Beardwell, N. and Holden B. 1993. Managing for success 2nd edition, Prentice Hall Publisher, Eng-land.

⁹¹Otala-Ahonen 2005, p93; Peltonen 2009.

business's quality and productivity level. This in turn affects the company's competitive advantage as demonstrated in Figure 5.⁹²

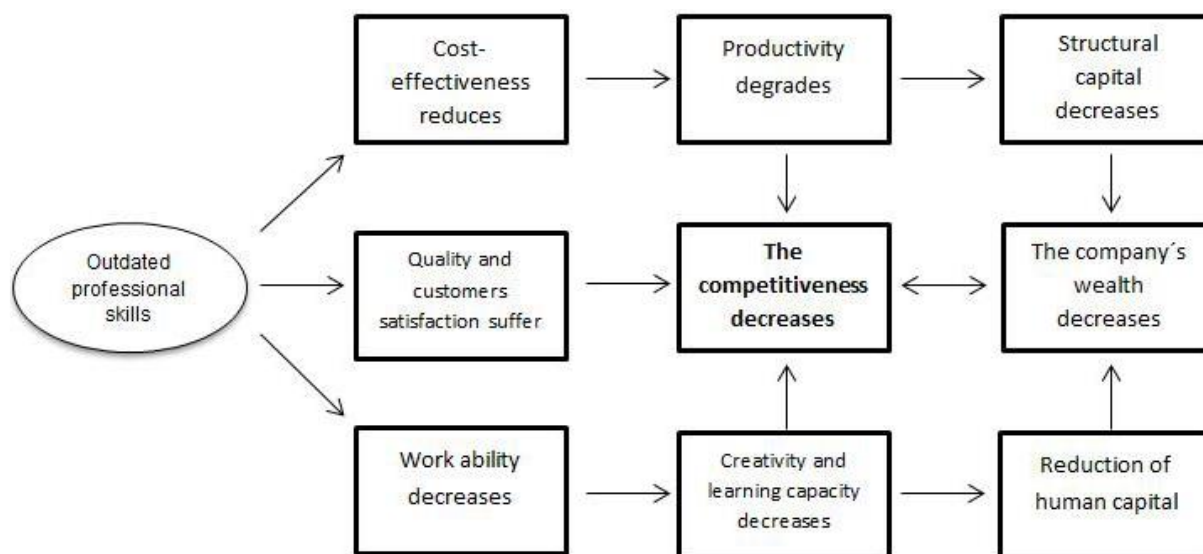


Figure 5- Consequences of Outdated Professional Skills (Ojala-Ahonen 2005, 94.)

⁹²Ojala-Ahonen 2005, 93–94; Peltonen 2009.

Section 2: training evaluation

1. Identifying training needs

This analysis is necessary to determine the training needs of the employees or a specific job. What are the practical needs? Why an employee needs training? Every training begins with the need analysis, and establishing a need analysis is and should always be the first step in the training process⁹³. There are four procedures that managers can use to determine the training needs of employees in their organizations

a. Job requirements analysis:

The skills and knowledge specified in the appropriate job description are examined. The employees without the skills needed are candidates for training programs.

b. Organizational analysis:

The effectiveness and successes of an organization are analyzed to determine where differences exist. For instance, members of a department with a high turnover rate or a low performance record might require additional training.

c. Performance appraisals:

Here, each employee's work is measured against objectives established for his or her job.

d. Human resource survey:

Managers as well as non-managers are expected to describe what problems they are experiencing at their workplaces and, what actions they believe can be taken to solve the problems. Immediately the training needs are identified, the human resource department must initiate the appropriate training effort, to close the gap between expected and actual results. This may also depend on circumstances like; developing a training plan, designing a training lesson, selecting trainer and preparing the trainers.

2. Training plans and Implementation.

⁹³Infante, A. 2015, The Four Basic steps in the Training Process, Kindle Edition

This area of the training process emphasizes on the techniques and methods by which training is carried out. The objectives of training, budgets and the duration are allocated.

Often, this turns to be the most critical part of the training process, focusing on the results achieved after training. The main idea is to analyze the effects of training and determine whether the set goals have been achieved. Reactions such as the participant's feedback, trainer's feedback, learning behavior and results of the training are being measured. To measure the impact of training, Kirkpatrick (1959) outlined four levels of evaluation, and each of which is a prerequisite for the next level:

a. Reaction and planned action.

These are measured reaction or evaluation of how the employees felt concerning the learning experience.

b. Learning and confidence evaluation.

Here is the measurement of the increase in knowledge before and after training.

c. Behavioral impact.

This is the degree of applied learning back at work – are the members really doing anything diverse after the training program than before?

d. Results.

It's important to know what results were achieved, in relation to the previous training objectives that were being set. For instance, has there being any decline in the number of customer's complaints? Reactions, behavior and learning are of great importance, but if the training program cannot produce measurable performance – related results, then it has not achieved its goals accordingly.

3. Methods of Training

A variety of training methods are used in different organizations today, to train different individuals. DeCauza et al (1996) explains that the most popular training and development method used by organizations can be classified as: On-the-job training and Off-the-job training.

a. On-the-job training

As the name goes, on-the-job training (OTJ) is a method of giving training to employees when they are at work at their working environment. The purpose of this training is to make the employees get familiar with the normal working circumstance, i.e. during the

training time frame, the workers will get the direct involvement of using machinery, equipment, devices, materials, and so forth.

Additionally, it helps the employees to figure out how to confront the difficulties that may occur during the execution of the job. The main idea of this training is learning by doing where the supervisor or the more experienced employees show the training how to perform out a specific task. The learners take after the directions of the supervisor and perform out the task.

This method is highly used by companies to train current and future workers, due to its simplicity. On-the-job training includes apprenticeship, coaching, internship, job rotation, job instruction and few others.

b. Off-the-job training

Off-the-job training is another method of training, which is organized at a site, far from the original work environment for a specific period. The purpose of this method of training at a place other than the job area is to give a peaceful domain to the employees where they can focus just on learning. Learning material is provided to the trainees, for a complete theoretical knowledge. The trainees can express their perspectives and opinions during these training sessions. Additionally, they can investigate new and innovative ideas. Case studies, conferences, audiovisuals, seminars, simulations, role play and lectures are some basic systems that the employee needs to experience during, off-the-job training. This is one of the costly training methods. It includes choice of the place of training, arrangement of facilities for the employees, hiring experts to impart the training.

4. Factors Affecting Training

There are various factors influencing training extending from environment, supervisors, lecturers, content of the training and how it is being done. These variables can be expounded and better understood by discussing them below:

a. Individual Factors

At whatever point people are included in some sort of activity, or practice, they generally influence the environment or process they are experiencing. The same is the situation with employee training. As it is a process of transferring skills and technology from the expert to the new learner. The main parties are obviously workers themselves seeking training and the trainer or member of the staff delivering the training. Authorities organizing

training and giving assets to it can be considered a third party, as they oversee the prearrangement and post quality evaluation of training⁹⁴

b. Organizational factors

Everything tends to be affected by its surrounding and environment, so too with training organizers. Birdi claimed that the absence of managerial support could restrain the impact of creative training. In-conducive environment affects training effectiveness.⁹⁵

c. Other Factors

To Fischer and Ronald open mindedness is additionally a factor in training effectively. It has been claimed that training will be as much effective as the learners and the instructors are open minded (Fischer 2011). Driskell stated that the kind of training conducted, training content and training expertise equally affect the results of training. Achievement depends on the way training has been conducted by the trainer and its content⁹⁶

5. Importance of Training

Training is an important part of Human Resource Management and Development, to Govil, it is important for the following reasons:

- Training helps in the recruitment of staffs and ensures a better quality of applicant.
- It eliminates risk, since trained employees can make better and economic use of materials, and equipment thereby reducing and avoiding waste.
- Training serves as a monitoring factor for employees in an organization.
- It leads to greater efficiency and productivity.
- It increases the loyalty and adaptability of staffs.
- It improves staff's moral.

6. Performance Appraisal

This is a method used to assess the effectiveness of an employee's performance by comparing set goals with outcome. Although performance appraisal is one of the most important task any manager can carry out, managers admits they have difficulties in

⁹⁴Birdi, K. S. 2005. No idea? Evaluating the Effectiveness of Creativity Training. *Journal of European Industrial Training*, 102 – 111.

⁹⁵idem

⁹⁶Driskell, J. E. 2011. Effectiveness of Different Detection Training: A Meta – Analysis. *Psychology, Crime and Law* 10 (2011), 1-19.

adequately handling. It is not always easy to judge a subordinate's performance accurately, and it's often even more difficult judging employees in a constructive painless manner. Performance is more concerned with the organization's success. For example, from the past years, has the stated objectives being achieved? Areas of weakness pin-pointed? And the need for training identified? It's also necessary to set performance standards, and ensure that the employees receive the training, incentives required and feedback to avoid performance deficiencies. (Dessler, 2015) Coupled with its importance, performance appraisal involves the three steps Performance Appraisal Process: 1) setting work standards; (2) assessing the employee's actual performance to the standards (usually, it consists of some rating forms); and providing employees with feedback with the purpose of assisting them reduce performance deficiencies.

Usually, there are five reasons to appraise subordinates' performance which are:

- 1) Enables the employer to identify promotion candidates, base pay and retention decision within an organization.
- 2) Appraisals play a key role in employees' Performance Management Process (a continuous means of ensuring that each employee's performance is relevant in terms of the organization overall goals.
- 3) The appraisal helps the employer and employee develop a plan to correct any deficiencies, also to reinforce employee's strength.
- 4) Appraisal gives an opportunity to review the employee's career plans.
- 5) It helps the supervisor to identify if there is a need for training and the necessary steps to be taken⁹⁷.

⁹⁷Dessler, G. 2015, Human Resource Management, 14th edition.

Section 3: CONTINUOUS PROFESSIONAL DEVELOPMENT

1. CDP definition

Madden and Mitchell (1993) useful, it was one used in their study of a number of professions. They define Continuing Professional Development as ‘the maintenance and enhancement of the knowledge, expertise and competence of professionals through their careers according to a plan formulated with regard to the need of the professional, the employer, the profession and society’⁹⁸. This definition balances individual needs, institutional priorities, and the broader needs of society. It also carries the sense of CPD as a career-long commitment to professional growth and the progressive enhancement of expertise. Day (1999) states that: ‘professional development consists of all natural learning experiences and those conscious and planned activities which are intended to be of direct or indirect benefit to the individual, and the group, and which contribute through these to the quality of education in the classroom’, also adding that ‘it is the process by which, alone and with others, teachers review, renew and extend their commitment as change agents to the moral purposes of teaching, and by which they acquire and develop critically the knowledge, skills and emotional intelligence essential to good professional thinking, planning and practice with learners.

Bolam’s (2000: 267) emphasizes education, training and support activities as the three core activities fulfilled by CPD. Similarly, Guest (2004) highlights the diverse range of practical opportunities for CPD beyond training courses to include, ‘on-the-job training, open learning, short courses, conferences, seminars, workshop, self-study, preparing and making presentations, and being a coach or mentor’⁹⁹

2. Leadership

Leadership in the learning and skills sector comprises processes and actions influencing other people, which affect learners in relation to education and training provision within the sector or institution. The importance placed on leadership in FE in terms of government expectations is evident in policy (2003) which states, ‘Good leadership is also essential if the learning and skills sector is going to meet the demands and challenges of the government’s reform strategies for skills, 14-19 education and training and higher education’,

⁹⁸Madden & Mitchell, 1993: 31

⁹⁹Guest, 2004: 22.

(DfES 2003: 5). This echoes Northhouse's (2004) view that 'leadership is a process whereby an individual influences a group of individuals to reach a common goal, a process that can be learned and is available to everyone',¹⁰⁰ Northhouse, 2004: 11).

In a recent review of leadership theory, Northhouse (2004) identifies four common themes in current conceptions of leadership. These are that leadership is a process, that it involves influence, that it occurs in a group context and that it involves the achievement of goals. Interestingly, there is considerable overlap between these four themes and what Grint (2004) views as the four problems that make consensus about a shared definition of leadership hard to achieve. These he describes as, 'the process problem: Is leadership derived from the personal qualities or traits of the leader or is follower-ship induced through some social process in which leaders and followers are engaged. The position problem: Does leadership stem from formal authority or from informal influence. The philosophy problem: is leadership an intentional, causal effort on the part of the leaders, or the part of the followers',¹⁰¹

2.1. Characteristics of CPD leadership

Studies have attempted to examine if CPD leaders' personal characteristics are related to their individual perceptions regarding their personal and professional development, for example as the level of education that individuals have attained. Studies have attempted to identify 'distinctive characteristics of the setting to which the leader's success could be attributed' (Hoy and Miskel, 1987: 273), while Hensley (1973) reviews leadership theories and notes that 'the situation approach maintains that leadership is determined not so much by the characters of the individuals as by the requirements of social situation',¹⁰²

According to this research the individual could be a leader or a follower, depending upon circumstances. Attempts have been made to clearly identify the characteristics that affect leaders' performance. Hoy and Miskel (1987) listed four areas of situational leadership: 'structural properties of the organization, organizational climate, role characteristics, and subordinate characteristics',¹⁰³. Situational leadership reveals the complexity of leadership but it is not sufficient because the theories cannot identify which leadership skills would be more effective than others in certain situations.

Other research efforts to identify leadership characteristics have focused on the fit between leaders' behavior and personality characteristics, or leaders' behavior and situational

¹⁰⁰e.g Hoy and Miskel, 1987

¹⁰¹Grint, 2004: 26

¹⁰²Hensley, 1973: 38.

¹⁰³Hoy & Miskel, 1987: 273

variables. While the situational leadership approach that considers each situation requires different types of leadership, the contingency approach attempts to ‘specify the conditions or situational variable that moderate the relationship between leader behaviors, characteristics and performance criteria’¹⁰⁴

Fiedler (1967), differentiating between leadership behaviors and styles, concludes that leadership styles indicate leaders' motivational systems and that leadership behaviors are leaders' specific actions. He believes that group effectiveness is a result of the leader's style and the situation's favorableness.

Hopper and Potter (1997) identify seven leadership competences that a leader should possess: ‘They set the direction for the organizations, they are influential and role models; they are effective communicators; they are convening; they bring out the best in people; they are proactive for change; and they make decisions in times of crisis and ambiguity’.¹⁰⁵

Foster's (1985) discussion of leadership stresses on the importance of communication and interaction, he states, ‘Leadership is conditioned by language. Successful leaders are good at communicating and have the aptitude and skills they need to interact well with others; they know how to communicate’¹⁰⁶ Foster believes that good communication, aptitude and skills are important for leadership development.

Effective CPD leaders should be able to identify the needs of the individual, meet such needs, and bring out the best in them. CPD leaders should be able to communicate and to motivate individuals to perform to the best of their ability, and to be able to relate to, and connect with them.

2.2. Distributed leadership

The following researchers have acknowledged the complexity of the organization and have recommended distributed leadership. Gronn, (2002), Abzug and Phelps, (1998), Mahony and Moos, (1998), Bennett, Harvey, Wise, Woods and Harvey, (2003). Where Distributed leadership theory suggests that leadership is the role of many individuals across the organization and, as has been argued above, CPD leadership, embedded across different staffing groups, is a good example of distributed leadership in terms of both practice and structure. A number of idealized representations of distributed leadership have been developed through different research studies. These insights provided the basis for developing a more explicit strategy for promoting CPD leadership as distributed leadership.

¹⁰⁴Hoy & Miskel, 1987: 274.

¹⁰⁵Hopper and Potter, 1997: 35

¹⁰⁶Foster, 1985: 18).

Research into distributed leadership acknowledges the complexity of the organization; the diversity, maturity and interdependence of the participants within it; and our deep cultural values of democratic governance. Hallmarks of distributed leadership include shared responsibility, shared power and authority, synergy, leadership capacity, organizational learning, an equitable and ethical climate, a democratic and investigative culture, and macro-community engagement. Bailey (2005) states that ‘leadership is not only about the distribution of leadership within the organization; it is also about interaction with the local environment. This interaction is political, in the sense of requiring foresight, and the making and fostering of alliances. Having the ability to operate in this environment is crucial to the successful leadership of a college¹⁰⁷.

Collinson, (2005) state, ‘It is recommended that any attempt to address leadership in the FE sector must also recognize the collaborative nature of leadership work’¹⁰⁸. In practice, it is argued that there is no one approached being used in leadership among successful providers, but rather that mixes of transactional, transformational and distributed approaches are employed.

3. Roles of CPD leaders

The college in the research defined the role of the (CPD) leader as ‘the key link between people and teams both within and outside the college, and when an individual leads or co-ordinates continuing professional development, he/she plays a critical role in helping all staff contribute to the achievement of college priorities, and also in supporting improvement in both the quality of teaching and students outcomes (College CPD document HR, 2012: 7). Hargreaves (1972) uses the concept of role in a broad way to refer to the ‘behavioral expectations associated with a position’¹⁰⁹

Berger and Luckman (1966) define a role as ‘a pattern according to which the individual is to act in a particular situation’¹¹⁰. Playing the role encompasses not only actions and what is done, but also the attitudes and emotions that underpin those actions. The role should shape both the individuals and their actions. Handy and Aitken (1990) argue that every organization ‘has its set of roles, some with formal titles of jobs or responsibilities and others

¹⁰⁷Bailey, 2005: 2

¹⁰⁸Collinson and Collinson, 2005:11

¹⁰⁹Hargreaves, 1972: 71.

¹¹⁰Berger, 1966: 112

more informal¹¹¹. Roles help individuals to know what their duties are and give them a sense of purpose in their work. In this study CPD leaders were well placed to be members of the senior leadership team and take a strategic view of the college development. The role required an understanding of the professional development needs of different groups of staff and how they could be identified. CPD leadership required knowledge of the different forms that CPD could take and how it could be organized and evaluated. The role of CPD leadership in school was to support staff development, equipping the school workforce with the skills to support students effectively and to help them reach their full potential.

4. Implications of the research for CPD

The challenge faced by the college was to develop a culture of learning, in which all staff, including resistant experienced staff members close to retirement, would embrace CPD and consider it as an opportunity that was relevant and beneficial to their work. It was important for the institution to develop a culture and leadership strategy that would involve all staff taken part in the development and critiquing of policy, especially as this related to CPD.

It needs to be recognized that some forms of effective CPD are more challenging for CPD leaders to promote than others. Some forms of CPD, especially collaborative modes of classroom-contextualized CPD need more flexible arrangements such as more flexible timetabling.

¹¹¹Handy and Aitken, 1990: 57

Conclusion:

The importance of training and continuous professional development have been highlighted in this chapter, thus it is essential to examine and evaluate the needs of the organization in terms of skills and competences to be able to put the right employee at the right job, the external environment keeps on changing, therefore the actualization of knowledge should be updated with the environment. Training and development have an impact on the performance of employees with regards to their jobs, as it impacts the organizational performance.

Chapter three: organizational
performance

Case study: the institution of training in
electricity and gas SONELGAZ

Chapter three: organizational performance Case study: the institution of training in electricity and gas SONELGAZ

Introduction:

This chapter contains major findings that came out of the study and the conclusion drawn, the study investigated the impact of working conditions and learning environment in the national company of SONELGAZ, it sought to find out whether environmental conditions could influence organizational performances at the enterprise, descriptive sample survey was used to carry out this study to measure the respondents' views about the issue.

The research instrument that was used in the data gathering was a survey; the survey was answered by 61 employees.

The data gathered were analyzed using SPSS. It was found out that most factors that comprise workplace influence employee's performances.

In this chapter we will talk about the crucial role of employees in the organization.

Section 1: introduction of SONALGAZ

History

National Society for Electricity and Gas) is a state-owned utility in charge of electricity and natural gas distribution in Algeria. It was established in 1969, replacing the previous body Electricité et Gaz d'Algérie (EGA), and was given a monopoly over the distribution and selling of natural gas within the country as well as the production, distribution, importation, and exportation of electricity. In 2002, its monopoly was revoked by presidential decree N° 02-195, which legally converted it into a private (though entirely government-owned) company; it is now scheduled to be split eventually. As of 2003, it produces 29 billion kWh a year, sells 4.6 billion cubic meters of gas a year, and employs nearly 20,000 people (Wikipedia). With more than 41 years of experience in the field, SONELGAZ has become a major element in the Algerian economy and to satisfy these customers, the company has developed new management systems and internal management in order to guarantee special activities and efficient that meets the needs of the Algerian economy.

Section 2: Sonalgaz's activities and ambitions

1. Activities

SONELGAZ controls and monopolizes the production, transportation and distribution, also that it supplies to its customers the electric energy produced by the company itself, also the Natural Gas that it buys from SONATRACH, knowing that the Gas is produced by the last one.

a. Electricity:

The electricity is produced by electricity centers located on several points at national level and this generated electrical energy, SONELGAZ sends it to its customers by electricity networks, lines and centers. This energy is either sent to industrial customers or it goes through processing centers to reduce its sharpness to reach normal customers with degrees of 380v, 220v.

b. Gas:

The Gas comes in second position for SONELGAZ. On the contrary, Gas is purchased from SONATRACH and distributed to subscribers via channels, this energy is also delivered to industrial subscribers or it passes through centers to reduce its pressure to be distributed to customers afterwards.

2. Ambitions:

The main ambition of SONELGAZ is that it wants to become a competitive company that can face the competition that is approaching more and more and to be among the five best operators in the Mediterranean region. One of his major current achievements is his contribution in the Project of Electric Power Generation and Gas with Solar Energy in Hassi Rmel, as it also signed an agreement with the operator to create a system of recording the consumption of electricity from afar, and it is in the date of 2 January 2015.

This system will be adopted in the future to allow having the information displayed on the meter from far by providing to the latter a chip to charge the energy used it also allows other information to be recorded, such as alerts and consumption levels per hour. SONELGAZ seeks to improve the quality of its services through new recruitment to increase the number of its clients and the degree of their satisfaction, the number of employees at SONELGAZ is 6,000 to satisfy 7,000 customers. The income reached 191 billion and a 1 million Algerian Dinars, year 2011, and it seeks to double this figure in the future through these 39 companies at the national level.

Section 3: Analysis of the survey and results

In this section, we will discuss how we performed our experiment. In this way we will introduce the materials used, the experimental procedure and the treatment of the results. The below survey provides a real picture of working conditions and CPD and their impact on organizational performance.

The key objective of this research was to gather information on current practices human capital development in the public enterprise of SONALGEZ.

A major portion of the data for this research report came from a survey sent to the employees of SONALGEZ; this survey was answered by 61 employees from different departments and different functions.

After receiving the survey responses, we analyzed the results to obtain a practical perspective on various topics covered in the survey.

1. Analysis of working conditions:

- General working conditions

The results of the analysis about the working conditions in general show that 47.5 % of the employees find the working conditions good; the following figure explains the results.

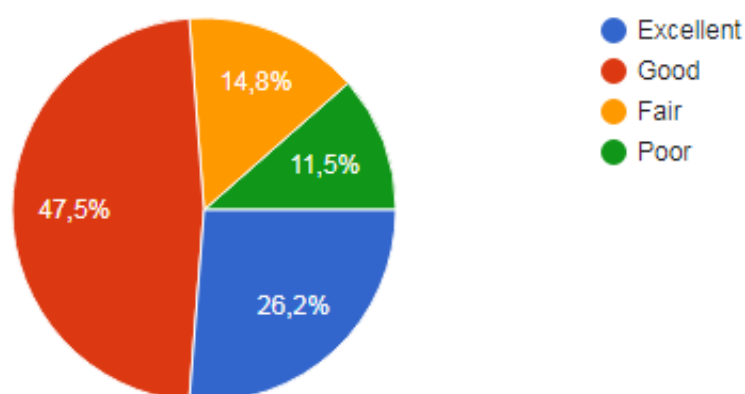


Figure 6- suitability of working conditions. Source, based on the survey

	excellent	good	fair	Poor
Frequency	10	29	13	9
Pourcentage	16.4%	47.5%	21.3%	14.8%

Table 1- frequency and percentage of the quality of working conditions Source, based on the survey.

Commentary: We can see that from the 61 employees 26,6% think that their work conditions are excellent, 47,5% think that they are good, 14,8% think that they are fair and 11,5% think that they are poor.

- Working conditions related to safety:

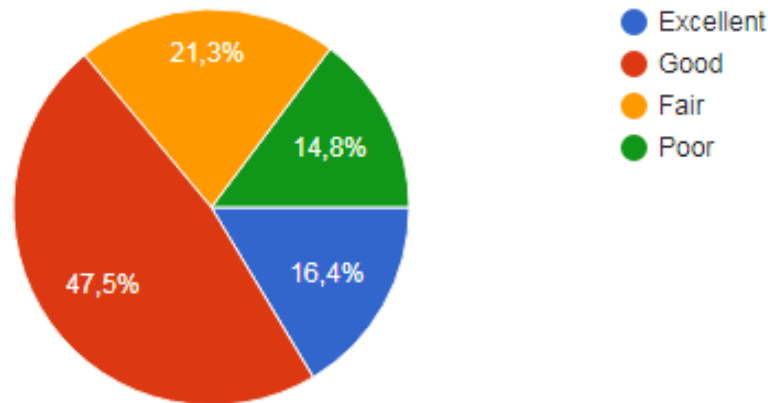


Figure 7- safety inside the organization..

	excellent	good	fair	Poor
Frequency	10	29	13	9
Percentage	16.4%	47.5%	21.3%	14.8%

Table 2- frequency and percentage of safety inside the organization.

Commentary: From the 61 employees 16,4% think that the safety and prevention implemented by the company is excellent, meanwhile, 47,5% think that it is good, 21,3% think it is fairly implemented and 14,8% think the implementation is poor.

- Work related health problems:

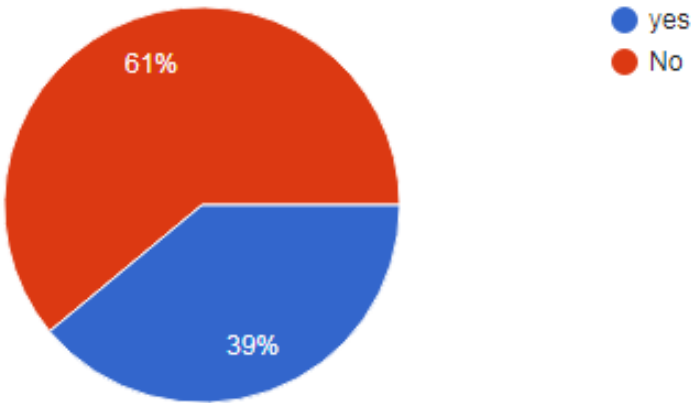


Figure 8 Health issues related to work Source: survey.

	no	Yes
Frequency	37	24
Percentage	39%	61%

Table 3- health issues related to work Source: survey.

Commentary: Based on the answers of the survey 61% of the employees have work-related health problems and 39% don't have any

Entertainment during work-time.

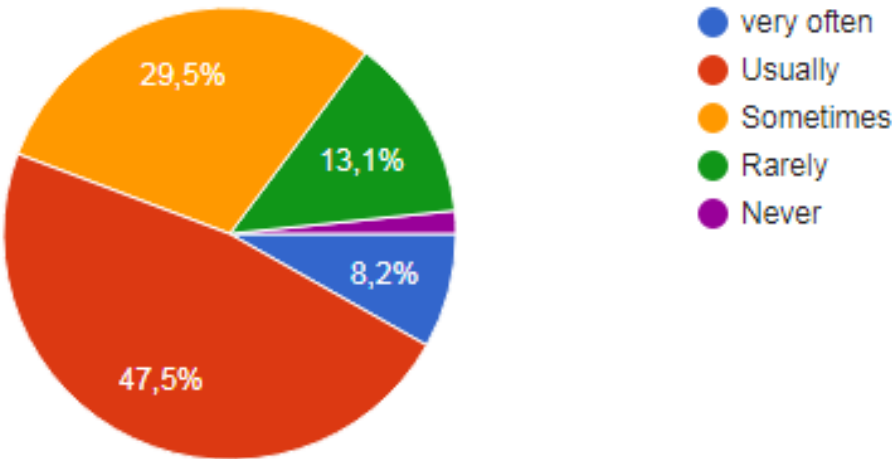


Figure 9entertainment during work Source: survey

	very often 1	Usually 2	Sometimes 3	Rarely 4	Never 5
Frequency	5	29	18	8	1
Percentage	8.2%	47.5%	29.5%	13.1%	1.6%

Table 4- entertainment during work. Source, survey.

Commentary: 8,2% of the employees enjoy doing their tasks very often, 47,5% usually, 29,5% sometimes, 13,1% rarely and 1,6% never do.

- Personal problems of employees

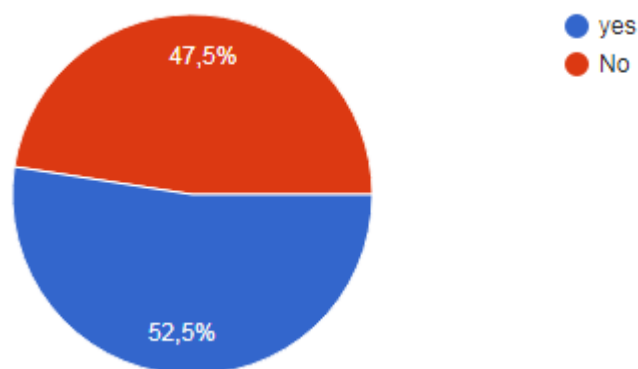


Figure 10- Personal problems source: survey.

	No 1	Yes 2
Frequency	29	32
Percentage	47.5%	52.5%

Table 5- Personal problems.

Commentary: Based on the survey, 52,2% of the employees have personal problems while 47,5% don't.

- Professional problems related to work

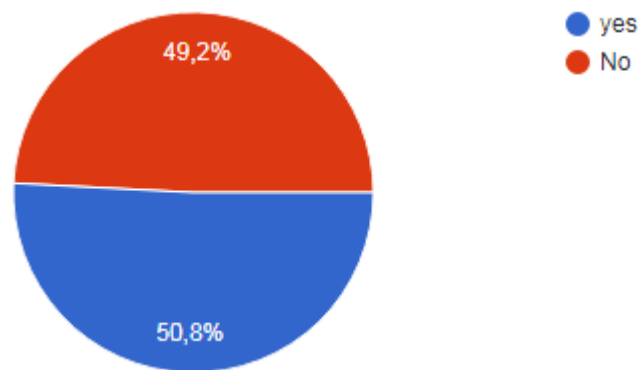


Figure 11 professional problems related to work Source, survey

	No	Yes
Frequency	30	31
Percentage	49.2%	50.8%

Table 6- professional problems related to work Source, survey.

Commentary: Based on the survey 50,8% of the employees have work related problems while 49,2%of the employees don't have any professional problems.

- Work overload

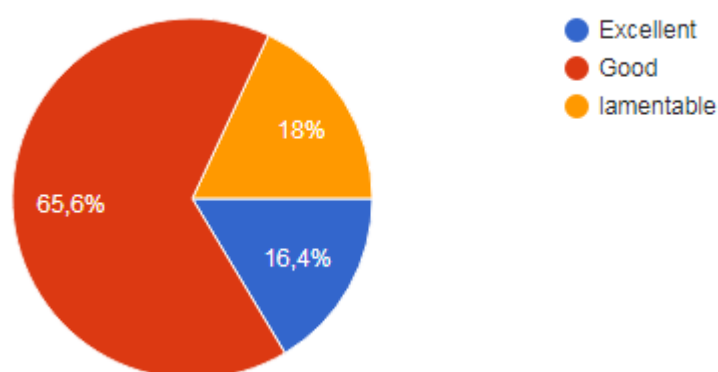


Figure 12 overload hours of work Source, survey.

	Excellent	Good	Lamentable
Frequency	10	40	11
Percentage	16.4%	65.6%	18%

Table 7- overload hours of work

Commentary: Based on the survey, 16,4% of the employees think that their working hours are excellent, 65,6% think that they are good and 18% think that they are lamentable.

- Reconciliation between work and private life

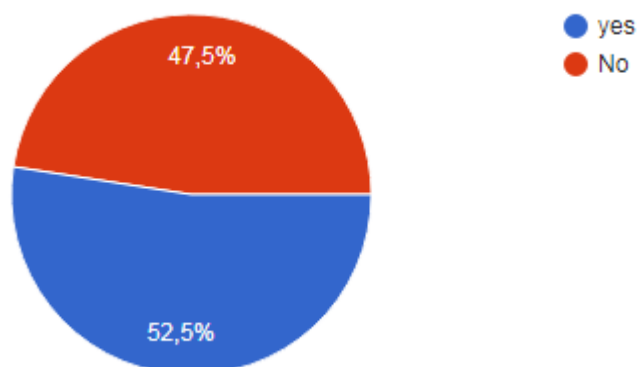


Figure 13, reconciliation between work and private life Source: survey

	No 1	Yes 2
Frequency	29	32
Percentage	47.5%	52.5%

Table 8- reconciliation between work and private life Source: survey.

Commentary: based on the survey, of 52,5% of the employees can reconcile work and private life, while 47,5% of them cannot.

- Stress during work-time

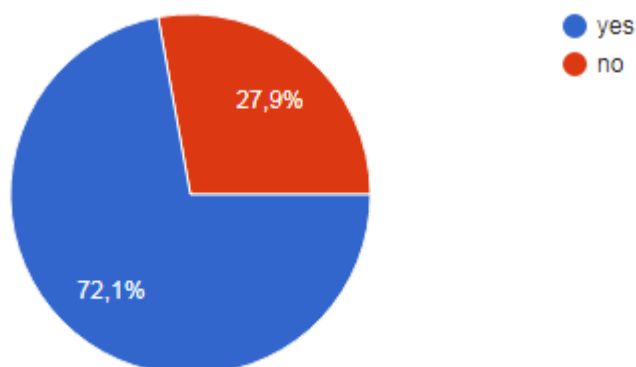


Figure 14: stress during work-time Source: survey.

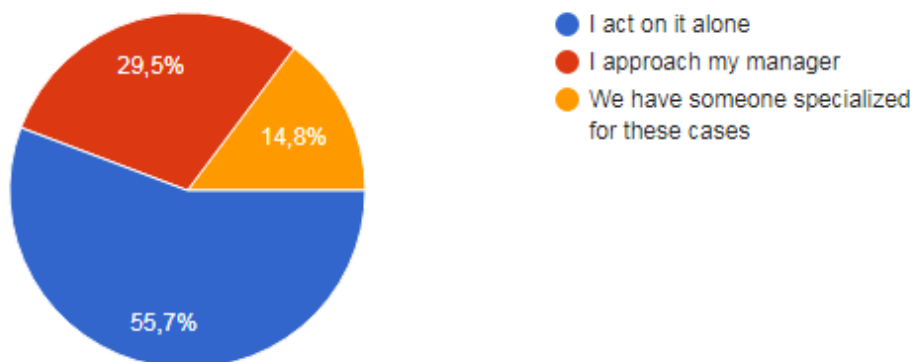
	no	Yes
Frequency	17	44

Percentage	27.9%	72.1%
------------	-------	-------

Table 9- stress during work-time Source: survey.

Commentary: Based on the survey, 72,1% of the employees face stress during their work while 27,9% don't.

- how do employees face stress at work

Figure 15: reaction of employees to stress at work.
Source: survey.

	I act on it alone	I approach my manager	We have someone specialized for these cases
Frequency	34	18	9
Percentage	55.7%	29.5%	14.8%

Table 10- reaction of employees to stress at work Source: survey

Commentary: Based on the survey, 55,7% act on their stress alone, 29,5% approach their managers and 14,8% they reach to someone else.

- Communication between employees

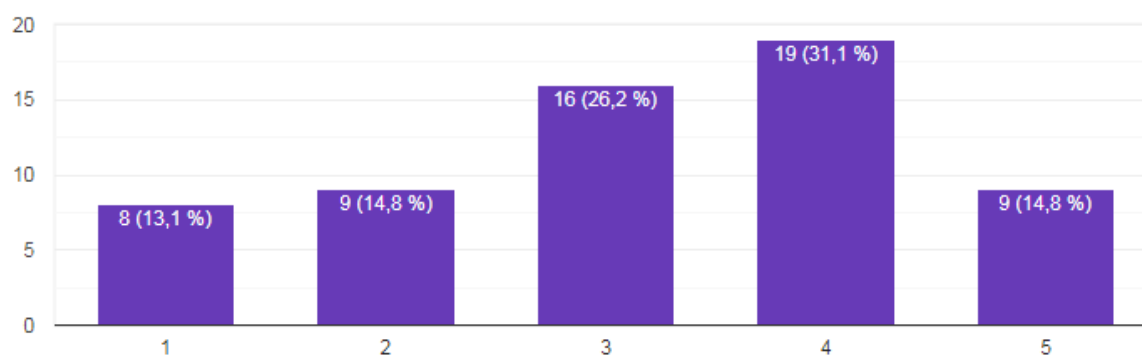


Figure 16: communication between employees.
Source: survey, Google forms results.

Commentary: On a scale from 1 to 5, employees rated the internal communication in the organization, we can see that 13,1% did rate the communication between them and their managers as 1/5, 14,8% did rate it 2/5, 26,2% did rate it 3/5 , 31,1% did rate it 4 and 14,8% did rate it 5/5.

2. Analysis of the continuous professional development of the employees

- Training

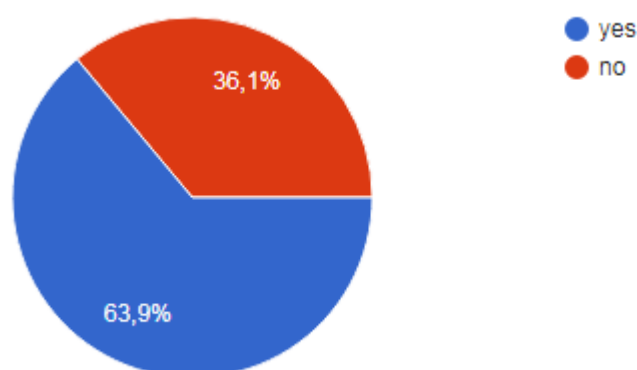


Figure 17 accomplished training in the last 12 months Source, survey

	yes	no
Frequency	39	22
Percentage	63.9%	36.1%

Table 11- accomplished training in the last 12 months Source, survey

Commentary: Based on the survey, 63.9 %of the employees have accomplished training in the past 12 months while 36.1% have not.

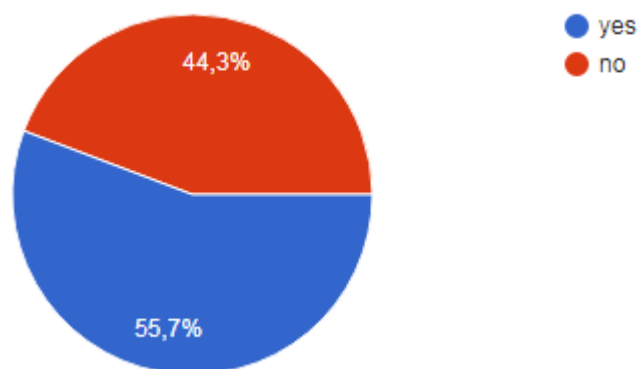


Figure 18: priority of employees training in SONELGAZ.
Source: survey.

	Yes 1	No 2
Frequency	34	27
Percentage	55.7%	44.3%

Table 12- priority of employees training in SONELGAZ Source, survey.

Commentary: Based on the survey, 55.7% of the employees think that the enterprise considers training as a priority while 44.3% think that the enterprise does not give a priority to training.

3. Discussion of the results

3.1. Crossed analysis

After the *frequency distribution* analysis, we will try to confirm or decline our hypothesis depending on the crossed analysis between the impact of working conditions on employee performance, the importance of continuous professional development and the impact of those two on organizational performances.

a. Discussion of results on work conditions' impact on employees performances

Effectif		Do you have fun coming to work and doing your tasks?					Total
		very often	usually	sometimes	rarely	never	
What do you think about working and organizational conditions?	excellent	2	6	6	1	1	16
	good	2	16	9	2	0	29
	fair	0	7	1	1	0	9
	poor	1	0	2	4	0	7
Total		5	29	18	8	1	61

Table 13- crossed analysis of work conditions and entertainment at work Source, based on the survey elaborated by SPSS.

Based on the crossed table that we deducted from the answers of the employees, it appears that employees who generally think their working conditions are comfortable enjoy their work more often, while the employees who generally find their working conditions less comfortable enjoy their work less, from this result the hypothesis that relates working conditions to performances is confirmed.

b. Discussion of results on continuous professional development and its impact on employee's performance.

Effectif		Do you feel encouraged to take training courses by your company or manager?		Total
		yes	no	
Do you consider that your company makes the training of its employees a priority?	yes	24	10	34
	no	18	9	27
Total		42	19	61

Table 14- crossed analysis of the importance of training Source: survey, elaborated by SPSS.

The purpose of the study was to underline the important relation between continuous professional development and employees performances, The cross table above shows that most of the employees find continuous professional development is important for the improvement of their performances.

c. Discussion of results on the impact of continuous professional development and working environment on organizational performance:

The purpose of this study was to check and examine the factors that impact organizational performances, the employees performances and their impact on the enterprise's performance, and from what we have discussed in the paragraphs above, work environment impact on a major degree employees' performances, and continuous professional development is a important for the actualization and the improvement of the employees' skills and performances. Therefore we conclude that good working conditions and continuous professional development are a necessity for every organization to be able to achieve the

goals and perform at its best.

Conclusion:

The objective of our study in this chapter was to assess the level of performance of SONELGAZ' National company in Algeria, based on its employees' performance which were measured by a survey where we used to different tools to gather information and get the most accurate analysis.

The result of the study was on in average level, taking in consideration that we are studying a company in the public sector, we conclude that the performances of SONELGAZ's human capital are in an average level and can be improved to the better

General Conclusion

General Conclusion:

Working environment plays a vital role in motivating employees to reach their full potentials and skills, Nowadays the human being cares more about their self satisfaction on comfort levels than about money, salary is an important motivational factor but a good salary alone can never be enough to motivate and bring the best out of employees. Today, Human resources investments are the most important type of investments, companies try with all ways to attract, keep and motivate their employees to stay on a competitive level with environmental changes, this study revealed the importance of the well being of the employee, whether physically or psychologically and the importance of working environment that impact on a major level the well being of the employees and their performances, Therefore it is the responsibilities of the organization to provide friendly working environment and to implement well developed learning environment which will influence employees to work comfortable and perform their job.

In this context, we have tried throughout this work to answer the following question:

“What is the impact of work environment on organizational performance?”

To achieve our purpose we have started the first chapter by a theoretical foundation of the fundamental framework of working environment, in which we cited various definitions, historical review, work theories, well being at work and its importance.

The second chapter in which we talked about training and leadership and its importance for the professional development as well as the consequences of outdated skills and its effects.

The third chapter presented the theoretical concepts of the study case, data collection the descriptive analysis of the importance of working environment and learning environment on the organizational performances.

The difficulties that we have faced in our work was the lack of information due to the pandemic of corona virus, unfortunately we could not fulfill the days of our internship to do as much observation possible on the working environment, also the lack of resources from which we could get books and documents and the inaccessibility to certain information.

The survey we launched was very useful for the gathering of information, it allowed

us to verify our hypotheses, and we summarize the following findings to answer this topic's problematic:

- Working conditions has a major impact on employees' well being, and the well being of the employees at work contribute to the optimization of performances and skills, a good working environment motivates employees to perform better and retains them.
- Creating a learning environment is important for the actualization of skills and competences, therefore every company should have a continuous professional development system to optimize the employees' performances.
- Working environment has a vital role in organizational performance, working conditions and training get the employees to perform better, and when employees optimize their performances the organization will reach optimal performances and results.

Taking in consideration the results from the survey, we suggest few recommendations for SONALGAZ to improve its organizational performance, the main recommendation are as following:

1. Periodic meetings with employees out of the context of work should serve the employees to air their grievances and develop a sphere of positive communication.
2. The organization should set up a good program in place to allow the employees to balance between their personal and professional life that would help release their stress out and motivate them.
3. Management should be as much as possible influencing than authoritarian, employees tend to work better when they want to work not when they should work. Leadership is the key.
4. Work furniture should be adjustable depending on the employee's preferences, to provide comfortable working space.

5. Managers should find ways to include their subordinate in work decisions, that way they would feel more responsible and more concerned with the achieving the objectives of the organization.
6. Training and skills development should be transferred on internal basis, employees develop knowledge from each other to minimize the costs and maximize the learning process.

References:

BOOKS

Salaman, Graeme; Storey, John; Billsberry (2005). *Strategic Human Resource Management: Theory and Practice*. 2nd Edition. Sage Publications Ltd.

Cavanaugh, T. B. (2004). The new spectrum of support: Reclassifying human performance technology. *Performance Improvement*, 43(4), 28-32

Chandrasekar K. (2011). Workplace Environment and its Impact on Organizational Performance in Public Sector Organizations, *International Journal Of Enterprise Computing and Business Systems*, Vol:1, Issue:1

Armstrong, M. 2009 Armstrong's Handbook of Human Management Practice, 11th Edition

Dessler, G. 2015, Human Resource Management, 14th edition.

Cole, G.A. 2002 Personnel and Human Resource Management Practice, 5th edition.
Beardwell, N. and Holden B. 1993. Managing for success 2nd edition, Prentice Hall Publisher, Eng-land.

THESIS

Chandrasekar K. (2011). Workplace Environment and its Impact on Organizational Performance in Public Sector Organizations, *International Journal of Enterprise Computing and Business Systems*, Vol:1, Issue:1.

Dorgan, C.E. (1994). The Productivity Link to indoor environment. *Proceedings of Health Buildings*

Hasun, F. M. & Makhbul Z.M. (2005). An overview of workplace environment and selected demographic factors towards individual's health and performance enhancement. *Synergizing OSH for Business Competitive*, 45-53.

Stup, R. (2003). Control the factors that influence employee success. *Managing the Hispanic workforce Conference*. Cornell University and Pennsylvania State University.

Franco LM, Bennett S, Kanfer R, & Stubblebine P, (2000). *Health Worker Motivation in Jordan and Georgia: A Synthesis of the Results, Major Applied Research 5, Technical Paper 3* Bethesda, Maryland: Partnership for Health Reform Project.

Taiwo, A. S. (2009). The influence of work environment on workers' productivity: a case of selected oil and gas industry in Lagos, Nigeria. *African Journal of Business Management*, Vol. 4, pp. 299-307.

Cooper, C., & Dewe, P. (2004). *Stress, a brief history*. Oxford: Blackwell Publishing.

Brill, M. (1992). How design affects productivity in settings where office-like work is done. *Journal of Health Care Design*, 4, 11-16.

Amir, F. (2010). Measuring the impact of office environment on performance level of employees. *Global Environment. Bhurban, Pakistan appraisal*. Glenview: Scott, Foresman and Company.

Reviews

Carnevale, D.G., (1992). Physical Settings of Work. Public productivity and management Review.

Boles, M., Pelletier, B. & Lynch, W. (2004). The relationship between health risks and work productivity. *Journal of Occupational and Environment Medicine*, 46(7), 737-745. rosen155

Kohun, S. (1992). Business environment. Ibadan: University Press

Brenner, P. (2004). Workers physical surrounding. Impact bottom line accounting: Smarts Pros.com

Opperman C. S. (2002). Tropical business issues. Partner Price Water House Coopers. International Business Review.

Gardner and Lambert (1972). *Attitudes and Motivation in Second Language Learning*. Newbury House Publisher,

Sinha, E. S. (2001). The skills and career path of an effective project manager. *International Journal of Project Management*, 19, 1-7.

Abbas, Q. and Yaqoob, S. (2009) *Effect of leadership development on employee performance in Pakistan*, *Pakistan Economic and Social Review*, Vol. 47, pp. 269-292.

Sabir, M. S., Iqbal, J. J., Rehman, K., Shah, K. A. and Yameen, M. (2012). Impact of corporate ethical values on ethical leadership and employee performance. *International Journal of Business and Social Science*, Vol. 3, pp. 163-171.

Harris, R., Simon, M., & Bone, J. (2000). *Re thinking the role of workplace trainer*, NCVER, Adelaide. Retrieved from [http:// www.ncver.edu.au/publications/ 471.html](http://www.ncver.edu.au/publications/471.html). 13th June, 2014.

Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *The Journal of American Academy of Business, Cambridge*. Occupational Safety & Health Administration. U.S Department of Labor.

Web :

<https://www.historycrunch.com/working-conditions-in-the-industrial-revolution.html>

.

<https://nationalwellness.org/resources/six-dimensions-of-wellness/>

<https://cdn.ymaws.com/members.nationalwellness.org/resource/resmgr/pdfs/sixdimensionsfactsheet.pdf>

<http://webspace.ship.edu/cgboer/maslow.html>

APRENDIXES

The influence of work environment on organizational performance

In the context of preparing for a thesis of masters in commercial science, in the human resources science major at the school of the high commercial studies (EHEC Alger), We are conducting a questionnaire and would like to hear your valuable views on the Work conditions and well being, also on the Continuous professional development, in order to Improve the working condition in companies So please allow us a minimum of your time! Thank you in advance for your time! Thank you for your participation.

***Obligatory**

Work conditions and well being

This part is containing some specific questions about work conditions and wellbeing.

- 1- What do you think about working and organizational conditions? *
- Excellent
 - Good
 - Fair
 - Poor
- 2- What do you think about the safety and prevention implemented by the company?
- Excellent
 - Good
 - Fair
 - Poor
- 3- Have you ever had any work-related health problems?
- yes
 - No
- 4- Do you have fun coming to work and doing your tasks? *
- very often

- Usually
- Sometimes
- Rarely
- Never

5- Do you have personal problems? *

- yes
- No

6- Do you have professional problems? *

- yes
- No

7- What do you think of your working hours? *

- Excellent
- Good
- lamentable

8- Do they allow you to reconcile work and private life? *

- yes
- No

9- Do you have a clear work-time schedule?*

- yes
- No

10- Do you generally get stressed during your tasks? *

- yes
- No

11- If yes, how do you react? *

- I act on it alone
- I approach my manager
- We have someone specialized for these cases

12- On 5, rate the communication between you and your direct manager. *

1	2	3	4	5
☐	☐	☐	☐	☐

Continuous professional development

This part contains some specific questions about continuous professional development.

13- Have you completed any training in the past 12 months? *

- yes
- No

14- Your last training was on the initiative of?

- You
- Your manager
- both you and your manager and you

15- Do you consider that your company makes the training of its employees a priority? *

- yes
- No

16- Do you feel encouraged to take training courses by your company or manager? *

- yes
- No

This part contains some general questions.

General information

17- What is your gender? *

- Male
- Féale

18- What is your function in the company?*

- An agent
- A supervisor
- A manager
- A cleaning lady

Table of contents:

Table of Contents

Abstract:	C
Résumé:	D
:ملخص:	E
Acknowledgements:	F
Dedications:	G
List of tables:	H
List of figures:	I
Contents:	J
General Introduction:	L
Chapter one: work conditions and wellbeing	2
Introduction:	2
Section 01: The conceptual framework of work conditions.....	3
1. Theoretical review:.....	3
1.1. History of working conditions:.....	3
2. Conceptual Definitions:.....	6
3. WORK THEORIOES	8
4. Working Environment Factors that Affect Employees Performance	12
Section02: Well being at work	15
1. Well being at work	15
1.1. Well being and wellness.....	15
1.2. The six dimensions of wellness.....	15
1.3. Individual Well-Being through Maslow's Hierarchy of Needs	18
2. Employee Well-Being as Managerial Responsibility.....	24
Section 3: impact of well being on organizational performance.....	26
1. Importance of Employee Well-Being for Corporations	26
1.1. Legislation Sets Requirements for Employee Well-Being.....	26
1.2. Employee Well-Being and Sick Leaves	27
2. Working environment's impact on employees.....	28
2.1. Consequences of Stress	28
2.2. Consequences of Poor Working Environment	29
3. How to Measure Employee Well-Being	30
4. How to Measure Employee Performance.....	31
5. Employee well being competitive advantage.....	32
5.1. What is Competitive Advantage?	32

5.2. Employee Well-Being's Economic Effects.....	33
5.3. Employee Well-Being and Productivity.....	33
5.4. Employee Well-Being Affects Quality	34
6. Lack of Employee Well-Being is Business Risk.....	35
Conclusion:	37
Chapter two: continuous professional development.	39
Introduction:	39
Section1: Training and personnel development	40
1. Training.....	40
1.1. Training Purpose, Process and outcomes	41
1.2. Why training.....	41
2. HUMAN RESOURCE MANAGEMENT	42
3. Human Resource Management and Training.....	42
4. Consequences of Outdated Professional Skills	43
Section 2: training evaluation.....	45
1. Identifying training needs.....	45
2. Training plans and Implementation.....	45
3. Methods of Training.....	46
4. Factors Affecting Training	47
5. Importance of Training.....	48
6. Performance Appraisal.....	48
Section 3: CONTINUOUS PROFESIONAL DEVELOPEMENT	50
1. CDP definition	50
2. Leadership	50
2.1. Characteristics of CPD leadership.....	51
2.2. Distributed leadership	52
3. Roles of CPD leaders	53
4. Implications of the research for CPD	54
Conclusion:	55
Chapter three: organizational performance Case study: the institution of training in electricity and gas SONELGAZ	57
Introduction:	57
Section 1: introduction of SONALGAZ	58
History.....	58
Section 2: Sonalgaz's activities and ambitions	58
1. Activities	58
2. Ambitions:.....	59
Section 3: Analysis of the survey and results	60
1. Analysis of working conditions :	60
2. Analysis of the continuous professional development of the employees	67

3. Discussion of the results.....	68
3.1. Crossed analysis	68
Conclusion:	70
General Conclusion:	72
References:	76
APRENDIXES	76