The Bigger Picture of Employee Well-Being: Its Role for Individuals, Families and Societies

Seth Kaplan
Department of Psychology
George Mason University
skaplan1@gmu.edu

Richard P. DeShon
Department of Psychology
Michigan State University
deshon@msu.edu

Lois E. Tetrick
Department of Psychology
George Mason University
ltetrick@gmu.edu

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Seth Kaplan, Ph.D., is an associate professor of industrial/organizational (I/O) psychology at George Mason University. His research focuses on understanding and trying to improve the subjective experience of work. He has published papers in this area in journals, including Psychological Bulletin, Journal of Applied Psychology and Journal of Management, and has received funding from sources such as the Army Research Institute. He currently is on the editorial board of four journals and is the director of the George Mason I/O Ph.D. program. In addition, he served as the head of the Government Relations Team for the Society of Industrial and Organizational Psychology (SIOP). He earned his B.S. from the University of Florida and his master’s and doctorate degrees in I/O psychology from Tulane University.

Richard (Rick) DeShon, Ph.D., is an industrial and organizational psychologist actively engaged in both research and practice designed to improve organizational effectiveness and increase the experienced meaningfulness of work. He was educated in Ohio, earning his B.S. in psychology at The Ohio State University in 1988 and his Ph.D. in industrial and organizational psychology at the University of Akron in 1993. He then joined the Psychology faculty at Michigan State University, where he remains employed as a professor. His research has been funded by the Air Force Office of Scientific Research and NASA and published in top-tier journals such as Psychological Bulletin, Psychological Methods, Journal of Applied Psychology, Organizational Research Methods and the Journal of Management. He is a fellow of the Society for Industrial and Organizational Psychology and the Association for Psychological Science and a member of the Academy of Management. Over the course of his academic career, he has earned numerous awards, including as the Earnest J. McCormick Award Early Career Contributions from the Society for Industrial and Organizational Psychology. He recently completed his term as associate editor at the Journal of Applied Psychology and is currently leading the Healthy Organizations Initiative at Michigan State University.

Lois Tetrick, Ph.D., is a University Professor in the Industrial and Organizational Psychology Program at George Mason University. She is a former president of the Society for Industrial and Organizational Psychology and a former chair of the Human Resources Division of the Academy of Management. She is a founding member of the Society for Occupational Health Psychology and a fellow of the European Academy of Occupational Health Psychology, the American Psychological Association, the Society for Industrial and Organizational Psychology and the Association for Psychological Science. Dr. Tetrick is the editor of the Journal of Managerial Psychology and a past editor of the Journal of Occupational Health Psychology. Dr. Tetrick has edited several books and published numerous chapters and journal articles on topics related to her research interests in occupational health and safety, occupational stress, the work-family interface, psychological contracts, social exchange theory and reciprocity, organizational commitment, and organizational change and development.
ABSTRACT
A wealth of literature from industrial/organizational psychology and other fields indicates that the well-being of employees influences various individual job outcomes (e.g., attendance and productivity) and nonwork outcomes (e.g., disease and mortality). This white paper summarizes these results and also goes beyond them, highlighting less well-known findings. We show that employee well-being has a broader impact, such as on the school performance of children of working parents and on the U.S. economy as a whole. Moreover, we discuss that work, when organized and managed in certain ways, can produce various positive individual and societal benefits. The paper closes with a discussion of how governmental and organizational policies can promote well-being and, in turn, bring about these gains.

Work and Employee Well-Being

Work is a fundamental aspect of life. Employees in the U.S. workforce spend much of their waking hours at work—more hours than in most industrialized countries (Organisation for Economic Cooperation and Development, 2009). As of 2015, employed persons worked an average of 7.6 hours on the days they worked, including 5.6 hours on weekend working days (U.S. Bureau of Labor Statistics, 2015). For women, in particular, the percentage of time spent doing paid work has nearly doubled since 1965 (Sayer, 2005). Given the amount of time the U.S. workforce spends working, it is not surprising that work relates significantly to overall well-being and life satisfaction (Bowling, Eschleman & Wang, 2010). Work also can represent a primary source of identity, status, daily structure and social relationships (Jahoda, 1982). A vast scientific literature supports these conclusions.

Beyond affecting employee well-being, the working experiences of Americans have much broader societal effects:

- The health and well-being of workers’ children and families.
- Organizational and societal productivity and health care costs.
- The well-being of communities.
The purpose of this white paper is to provide an overview of the scientific literature on the impact of employee well-being on individual, organizational, and societal outcomes. We hope to (1) broaden the discussion of the influence of work and (2) stimulate consideration of policy recommendations to improve individual, family, community, and societal outcomes. To this end, we highlight the evidence indicating that work can foster negative or positive experiences and can hurt or help job-related and more general well-being. Following from this notion, we provide a set of recommendations for organizations, relevant agencies and lawmakers to consider in attempting to improve well-being and, in turn, bring about individual, organizational and societal gains.

The Health and Economic Effects of Work-Related Well-Being

Work and Stress

Although there are many conceptualizations of well-being in the academic literature and popular press, we define it broadly, as the totality of one’s emotional experiences and subjective evaluations of one’s work and life circumstances (see Diener, 1984, for a similar conceptualization).

As noted above, given the amount of time employees in the U.S. spend at work and the financial and emotional consequences of employment, work has a significant impact on individuals’ overall well-being. Unfortunately, for many Americans, the experience of work is an aversive one. In particular, one key aspect of well-being that work affects is stress. According to a recent study, work is second only to money in terms of contributing to stress and is a greater source of stress than family issues or health.
survey conducted by the American Psychological Association (APA), 60% of Americans report that work is a very or somewhat significant source of stress (American Psychological Association, 2015). Furthermore, according to the same survey, work contributes to stress more than family issues or health (with money being number one contributor).

The Effects of Work-Related Stress on Individual Health

Work-related stress, anxiety and depression produce pervasive problems for individuals, organizations and society at large. Turning first to the effects of work-related stress on individual health, a large body of literature from various fields (e.g., industrial/organizational psychology, human resource management, public health and medicine) documents that job-related stress has several significant health-related consequences (e.g., Chandola et al., 2008; Cooper, Quick & Schabracq, 2010).

Table 1. Effects of Chronic Work-Related Stress for Employees

<table>
<thead>
<tr>
<th>Alcohol use</th>
<th>Cardiovascular disease</th>
<th>Clinical depression</th>
<th>Mortality</th>
<th>Musculoskeletal problems</th>
<th>Obesity</th>
<th>Smoking</th>
</tr>
</thead>
</table>

The results from a recent quantitative review based on 228 studies are especially telling (Goh, Pfeffer & Zenios, 2014). According to this review, workplace stress contributes to at least 120,000 deaths per year—more than the number of deaths from diabetes, Alzheimer’s or influenza.
stressors, the authors reported that 1) job insecurity (i.e., fears about losing one’s job) increased the odds of reporting poor health by 50%; 2) longer work hours increased mortality by almost 20%; and 3) highly demanding jobs raised the odds of a physician-diagnosed illness by 35%. As one of the authors notes, “The deaths are comparable to the fourth- and fifth-largest causes of death in the country—heart disease and accidents . . . It’s more than deaths from diabetes, Alzheimer’s, or influenza” (Zenios as quoted in Lynch, 2015).

**The Economic Effects of Employees’ Well-Being**

As can be seen in Table 2, the well-being of the workforce also has dramatic bottom-line implications for organizations and the economy as a whole. The figure below presents a simple depiction of how employee well-being affects these more distal financial outcomes.

**Figure 1. Impact of Individual Employee Well-Being on Organizational and Societal Financial Outcomes**

<table>
<thead>
<tr>
<th>Employee Well-Being</th>
<th>Organizational Impacts</th>
<th>Societal Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Psychological Factors</strong></td>
<td>- Organizational productivity</td>
<td>- U.S. productivity</td>
</tr>
<tr>
<td>- Stress</td>
<td>- Absenteeism/presenteeism</td>
<td>- Health care costs</td>
</tr>
<tr>
<td>- Anxiety/depression</td>
<td>- Turnover/retention (and replacement)</td>
<td>- Health insurance costs</td>
</tr>
<tr>
<td>- Job engagement</td>
<td>- Health insurance costs</td>
<td></td>
</tr>
<tr>
<td>- Job satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Physical Factors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Heart disease</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Musculoskeletal problems</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Behavioral Factors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Alcohol and drug abuse</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 2. Organizational and Societal Financial Impacts of Employee Well-Being

Workplace Stress...

- Accounts for up to $190 billion in health care costs and increases the nation’s health care costs by 5% to 8% (Goh et al., 2015).

- Contributes to 40% of all job turnover (Hoel, Sparks & Cooper, 2001).

- Results in 50% greater health care expenditures (National Institute for Occupational Safety and Health, 1999).

**Primary Takeaway:** Work is consistently rated among the top two or three sources of stress among individuals in the U.S. This stress contributes to psychological (e.g., depression, anxiety), physical (e.g., cardiovascular disease, obesity) and behavioral (e.g., increased alcohol use) problems. In turn, these problems result in decreased organizational productivity and retention and in higher health care costs. **The ultimate downstream effects of this impaired psychological well-being occur at the national level, where U.S. efficiency and productivity suffer and health care costs increase.**

The Effects of Work on Family and Children’s Well-Being

As mentioned above, most employed adults spend a significant amount of their time awake performing a job in a work setting away from their families. Research from fields such as industrial/organizational psychology now clearly indicates that excessive work demands and negative workplace experiences spill over into family life, adding substantial stress to the lives of all family members and decreasing family well-being (e.g., Bianchi, Casper & King 2005; Hammer et al. 2005; Kelly et al. 2008; Korabik, Lero & Whitehead 2008; Kossek & Lambert
Parents’ Work and Children’s Well-Being

One way that employees’ well-being affects their families is in terms of children’s well-being. Several findings demonstrate this impact. For instance, a study of fathers demonstrated that negative work experiences such as low decision latitude, high job demands, low job security and high role conflict are associated with fathers’ punishing and rejecting behavior toward children and children's behavior problems in school (Stewart & Barling, 1996). A similar study found that job stress was related to mothers exhibiting less warmth and acceptance toward their adolescents, who, in turn, were more likely to demonstrate problem behavior (Galambos, Sears, Almeida, & Kolaric, 1995). More recently, Johnson and Allen (2013) reported that mothers with greater work demands and less job control have children who are less physically active and healthy (Johnson & Allen, 2013). Furthermore, children appear to recognize and lament the job-related stress and tiredness that their parents endure (Galinsky, 1999).

Work and Marital Well-Being

Worker well-being also affects the quality of other interpersonal relationships outside of work, such as marriage. For instance, Beatty (1996) found that stress at work is associated with reduced marital satisfaction. More recently, researchers have shown that work-to-life conflict is negatively related to experienced marital satisfaction, family satisfaction and life satisfaction (Allen, Herst, Bruck, & Sutton, 2000). Even more troubling are findings suggesting that spouses
who are in certain occupations (Melzer, 2002) and those who experience stressful work events are more likely to physically abuse their partners (Barling & Rosenbaum, 1986).

**Work and Family Well-Being**

More generally, work experiences and work-related well-being can influence the amount of time spent with one’s family and the quality of family relations. For instance, studies show that excessive work demands and working long hours negatively affect the experienced quality of family time (Major, Klein & Ehrhart, 2002). Furthermore, a recent study revealed that more than half of employees surveyed feel that the need to respond immediately to electronic communications (e.g., texts and e-mails from supervisors and clients) is ruining their family meals (Workfront, 2015). Other studies show that greater job demands and related stress increase work-family conflict (Kossek, Lautsch, & Eaton, 2006; Thompson & Pruttas, 2006) and that employees who experience more job stress tend to spend more time away from their families, be less involved in family matters and have less satisfying marriages (Crouter & Bumpus, 2001).

**Primary Takeaway:** The pernicious effects of excessive work demands and resultant stress extend beyond employees, affecting their families as well. **Such demands and stress can contribute to various negative consequences, such as marital and family discord, parents being less available for children and problematic child behavior, among others.**
**Work as a Source of Well-Being**

Having just explored how work can harm well-being, we now consider the evidence suggesting that work, structured in a particular way, has the potential to instead facilitate well-being. Although work can contribute to various individual, family and societal problems, it need not. In fact, the evidence indicates that work can have various benefits beyond just economic ones. As discussed in the final section of this paper, whether work is primarily a source of impaired versus enhanced well-being largely is a function of governmental and organizational policies.

**The Well-Being Benefits of Working**

First, important to emphasize is that, although the experience of work can and should be improved, having a job (versus being unemployed) relates to a host of well-being benefits (e.g., McKee-Ryan, Song, Wanberg & Kinicki, 2005). For instance, compared with those who are unemployed, employed individuals tend to experience:

- Higher life satisfaction.
- Lower depression and anxiety.
- Greater marital/family satisfaction.
- Better subjective and objective physical health.

Notably, these effects are not simply due to the financial benefits of work (e.g., Paul & Batinic, 2010). Studies show that work can benefit even those who do not need to work for financial reasons. These potential well-being gains accrue because work can help satisfy several psychological needs, as shown in Table 3 (Jahoda, 1982; Paul & Batinic, 2010).
Table 3. Nonfinancial Benefits of Working

<table>
<thead>
<tr>
<th>Work can provide . . .</th>
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<tbody>
<tr>
<td>• Daily structure</td>
</tr>
<tr>
<td>• Social contact, support and friendship</td>
</tr>
<tr>
<td>• Status and a sense of identity</td>
</tr>
<tr>
<td>• Directed activity and distraction</td>
</tr>
<tr>
<td>• A sense of purpose</td>
</tr>
<tr>
<td>• An opportunity to learn and achieve</td>
</tr>
</tbody>
</table>

The workplace may be especially conducive to helping individuals meet some of these needs, perhaps more so than any other context or domain.

It is also important to recognize that, in addition to potentially contributing to negative emotional states, work can be a source of positive emotional states, such as gratitude (e.g., for one’s colleagues) and growth. This matters because evidence indicates that well-being is not simply the absence of negative experiences like stress and anxiety. A necessary condition for psychological thriving is the frequent occurrence of positive experiences, not just the lack of negative ones (Diener, 1984; Seligman & Csikszentmihalyi, 2000).

These positive experiences then translate into individual and organizational benefits. Evidence shows, for instance, that increased happiness is associated with higher productivity and that more frequent workplace positive emotional experiences relate to higher performance ratings and more organizational citizenship and helping behavior (Lyubomirsky, King, & Diener, 2005).
Also, from a societal perspective, working can contribute to community well-being through practices such as volunteering. Recent support for this claim comes from the U.S. Bureau of Labor Statistics (2016), which reports that employed people are more likely to be volunteers than are unemployed individuals or people who are not in the labor force. Furthermore, evidence suggest that corporate volunteer programs increase the number of volunteers (Peterson, 2004), potentially resulting in extended benefits such as the community organizations being able to provide greater services (Volunteer Canada Discussion Paper, 2015).

**Primary Takeaway:** Although the experience of work can be aversive, it need not be. In addition to providing income, work also can provide various well-being benefits. More positive work-related emotions and evaluations then can lead to outcomes such as greater productivity and more workplace helping behavior. In the section that follows, we provide some research-based recommendations that governments and organizations should consider to help facilitate these positive experiences and, in turn, the consequences they help create.

**Recommendations for Governmental and Business Policy and Practice**

In sum, work can be a source of both negative and positive experiences and well-being. Ultimately, the well-being of employees and the downstream effects for them, their families, their organizations and the nation as a whole largely reflects governmental policy and organizational practices. That is, government bodies as well as public and private organizations can influence these broader, more distal outcomes by influencing the well-being of U.S.
employees. In this sense, work, and the organizations where such work occurs, can be seen as a lever, if not the linchpin, through which to achieve these benefits.

Given these conclusions, we offer several practical recommendations for how policy makers can improve workplace well-being and, in so doing, positively affect society.

**Aligning Policies with Scientific Findings on the Promotion and Benefits of Well-Being**

**The Case of Presenteeism**

Presenteeism is reporting to work when sick. Research clearly demonstrates that presenteeism has a negative effect on worker productivity and safety. Moreover, presenteeism costs employers considerably more in terms of medical costs than does absenteeism (e.g., employees staying home when sick), with estimates that between 18% and 61% of employer total health care costs are due to presenteeism (Johns, 2010).

Research suggests that organizations could reduce presenteeism by offering paid sick leave and by avoiding disciplinary action for absenteeism (Johns, 2010). Thus, we encourage organizations and lawmakers to consider policies to promote paid sick leave and also encourage educational initiatives to teach organizational leaders about the downstream financial effects of presenteeism.

**The Case of Recovery Time**

Americans use far fewer of their vacation days than they did in past decades. According to a recent survey of 1,500 Americans, the majority of U.S. workers do not use all of their allotted
vacation days, and 42% did not use even a single allotted vacation day in 2014 (Skift, 2015). Furthermore, the U.S. is the only industrialized country that does not require employers to offer paid vacation leave (Center for Economic and Policy Research, 2013).

At the same time, research conclusively demonstrates that time spent for psychological recovery benefits employees. A lack of recovery is related to depression, reduced task performance and health problems (e.g., Fritz & Sonnentag, 2006). Thus, both employees and organizations may be suffering when employees do not use their allotted vacation days. As such, we would encourage organizations and lawmakers to consider policies to promote, or even mandate, the provision and use of sick/vacation time. Other options include providing more time off for certain populations such as younger employees (to pursue schooling) and shift workers (so they can spend more time with family). Also, organizations could provide more time off for employees who volunteer in the community and engage in civic activities.

**Recommendation 1:** Encourage organizations to align policies with consideration for employee well-being, which ultimately affects organizational well-being and bottom-line outcomes.

**Recommendation 2:** Develop legislation promoting paid sick leave and develop clearer guidelines for excusable absences.

**Conduct Rigorous Evaluations of Workplace Wellness Programs**

Organizations are adopting wellness programs at an increasing rate (RAND, 2013). Research suggests that workplace wellness interventions can lead to positive outcomes such as smoking cessation, weight loss, and lower cholesterol and blood pressure (RAND 2013). However, as seen in Table 4, several important concerns and questions about these programs and their
potential benefit remain.

Table 4. Significant Concerns and Questions about Workplace Wellness Programs

<table>
<thead>
<tr>
<th>Concern/Question</th>
<th>Description</th>
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<tbody>
<tr>
<td>Low participation rate</td>
<td>Only 24% of employees at companies that offer a wellness program actually participate in it (Gallup, 2014). Also, only 12% of employees strongly agree that they have substantially higher overall well-being because of the wellness program.</td>
</tr>
<tr>
<td>Focus on physical well-being, neglecting psychological well-being</td>
<td>As the above statistics make clear, psychological well-being also has significant organizational and societal implications.</td>
</tr>
<tr>
<td>Focus on decreasing negative outcomes (e.g., obesity), not on enhancing positive ones (e.g., developing resilience, gratitude)</td>
<td>However, research conclusively shows that well-being reflects both the absence of negative factors and the presence of positive ones.</td>
</tr>
<tr>
<td>Center on individual outcomes, ignoring family and community outcomes</td>
<td></td>
</tr>
<tr>
<td>Poor-quality program effectiveness evaluation</td>
<td>Most evaluation consists of case studies, which are not best practice for evaluation. The bottom-line impact of these programs and the factors influencing their effectiveness are largely unknown (RAND, 2013; SHRM Foundation, 2014).</td>
</tr>
</tbody>
</table>

Given these factors, there is a need for scientifically developed and evaluated programs. Also, given their knowledge about the workplace and workplace well-being, organizational scientists (e.g., industrial/organizational psychologists), in addition to health care professionals, should be central in these efforts.

**Recommendation 3**: Encourage organizations and governmental agencies to develop quality research demonstrating and evaluating the effectiveness of workplace wellness programs.
Attending to Special Populations

Research and policy focused on certain populations could provide the most value, both to those groups and to the economy as a whole. International research has demonstrated that workers experience a decline in their work ability based on the external environment. This can include such aspects as society, culture, legislation, educational, social and health policy, as well as employees’ immediate social environment at work and their family. However, there are still many unanswered questions concerning work ability and aging, as well as among unemployed, handicapped and disabled people (Ilmarinen & Ilmarinen, 2015).

More specifically, given the aging workforce, more research is needed on retirement security/well-being of aging employees. There is evidence that positive work experiences have long-term effects on daily living independence in later life. Furthermore, the recent economic recession highlighted the need to understand and combat underemployment for high-skilled workers. Also, research is needed on recruiting and retaining workforces in low-income/rural areas. Finally, scientific evidence is needed on Veterans in the workforce, especially with respect to strategies to help them gain appropriate employment.

**Recommendation 4:** Design and evaluate programs meant to attend to special populations.

Encouraging Managers to Adopt Evidence-Based Practices

Managers and supervisors generally are the place “where the rubber meets the road” in terms of organizational impact on employee well-being. Organizations may adopt formal policies, but front-line management must institute those policies. Research offers several evidence-based strategies that organizational leaders as well as front-line supervisors can use to help
enhance employee well-being.

**Recommendation 5:** Train and motivate managers and supervisors to adopt evidence-based practices to improve employee well-being.

**Table 5. Strategies that Managers and Supervisor Can Use to Improve Well-Being**

<table>
<thead>
<tr>
<th>Provide employees with control and autonomy</th>
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<tbody>
<tr>
<td>There is a tremendous amount of evidence linking job control, autonomy and decision-making authority to various psychological and physical outcomes, including morbidity and mortality (Goh et al., 2015). Furthermore, greater control at lower levels frees up managers’ oversight and decision-making time. Managers should be trained and encouraged to allow their employees to make decisions over how, when, where and with whom work tasks are done.</td>
</tr>
</tbody>
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<table>
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<tr>
<th>Train and incentivize managers to behave fairly</th>
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<tbody>
<tr>
<td>As with job control, there is significant evidence linking managers’ fairness to employee well-being (e.g., Goh, 2014). Fairness is not just about what outcomes employees receive, but also about “how” decisions are made and what the type of everyday, interpersonal treatment employees receive. Simple practices that reflect fairness include using the same standards for all employees, allowing employees a voice in decisions that affect them, meeting with employees regularly (e.g., weekly) to keep them informed and asking employees for feedback about the managers’ performance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incentivize employee well-being practices for managers and supervisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and supervisors often neglect employees’ well-being because they fear that efforts to enhance well-being will result in lower productivity and, in turn, reflect poorly upon their leadership. As such, executives often implement policies (e.g., allowing employees to telework), but managers and supervisors refuse to enforce them (e.g., granting specific telework requests). Thus, the policy fails or, worse, is viewed as disingenuous and manipulative. Organizations that are serious about improving well-being must ensure alignment and compliance among all of management. They can do so by mandating or incentivizing managerial practices that foster well-being and by establishing norms that would compel managers to follow these practices.</td>
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References


