Factors Affecting Employees Subjective Well-being and Performance in Pakistani Organizations

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Abstract— The main purpose for conducting this research is to explore the relationship between Subjective well-being, absenteeism, health, and employee’s motivation for on work performance in Pakistan. A questionnaire was used as the method to gather data from 1,144 employees of different organizations in Pakistan and Smart PLS was used to analyze the data. The results indicate that motivation and health both have positive relation with SWB and Work performance while absenteeism has positive relation with SWB but negative relation to work performance. This study covers different public and private sector organization employees working in Punjab, Pakistan. That’s why some of the other areas outside Asia could be chosen for future research purposes with a bigger sample size. This research basically determined that how different factors impact Subjective Well-Being to enhance work performance of employees as well as the organization.

Keywords— Subjective Well-Being, health, absenteeism, motivation, work performance.

I. INTRODUCTION

Employee’s positive attitudes and behaviors improve work performance. Subjective well-being (SWB) plays an important role in improving the work performance of individuals as well as organizations by applying positive attitudes. Subjective well-being (SWB) basically refers to the standards and experiences of people who can show the quality of their lives and includes both positive and negative feelings such as stress, anger, sadness, emotional reactions and cognitive bias or judgments. Positivity is the base and specifically concerned with the study of Subjective Well-Being of the employees. It is approved from many years of research that the subjective well-being (SWB) of employees which basically includes life satisfaction, job satisfaction and positive affects during working hours relates positively and mutually with the performance of employees and ultimately the productivity and profitability of organizations as well. Nonetheless, the size of the relationships is usually small to control. We will firstly be discussing a proof that would indicate clearly the relationship between Subjective well-being and performance through various ways. It is expected that the employees who are following Subjective well-being (SWB) into the organizations are understood to have better health, lower absenteeism, stronger motivation, positive relationships and lower turnover. All these variables are somehow related to one another and can readily predict the individual and eventually overall organizational performance. Secondly, we will be focusing on the evidence of these mediators that when a positive and happier workforce is a more productive one and when it is not of that importance. Employee job performance and job behavior in terms of positivity are known to be one of the key factors that impact the performance of the individuals as well as organizations. In today’s competitive businesses all around the globe, one must establish the pathways from different types of SWB through the mediators of performance and particularly to evaluate how much Subjective Well-Being is needed to maximize effectiveness of the employees into the different sectors. For many years organizational scholars have studied the relationship between positivity and subjective well-being (SWB) and work performance.

Subjective well-being (SWB) is referred to people’s self-evaluated, self-analyzed or experienced well-being [1,2] (Kahneman and Krueger 2006; Stiglitz et al. 2009). A widely adopted definition of Subjective Well-Being (SWB) used by many researchers throughout the world is given by Diener, who defines SWB as ‘people’s evaluations of their life as a whole or of its various domains, e.g., health, work, family, income’ or ‘people’s actual feelings, both positive feelings such as happiness, pleasure or negative feelings such as stress, sadness, worry and anger’ [3] (Diener 1984; Diener et al. 1999). Most studies on SWB have been researched in Western countries [3,4]; but there is an increasing interest in studying SWB in China as well [5]. Although SWB practices are mostly performed in western cultures but there is a great and rapidly increasing interest of studying SWB in some of the developing economies such as Pakistan, China and India as well.

The study of Subjective well-being is showing an increased interest in the relationship between happiness and health. For example, happy nuns are shown to live substantially longer than unhappy nuns [6] and experimental evidence is available to indicate that happy people are more resistant to the common cold in comparison with unhappy people. These studies, along with increasing number of others [7,8] indicate towards the causal pathway between health and happiness that basically goes both ways. In this study we
investigate how two separate elements of well-being may relate differently to subjective health in the context of the workplace. Our aim is to better understand both the interaction between different dimensions of general well-being and how they affect subjective health and sick-leave.

Moreover, this study deals with the effects of individual and organizational performance on turnover intentions of Pakistan employees. For investigating all these factors of employee work performance, the key objective of this research is to find out the effect of Subjective Well-Being on the individual and organizational performance through lower absenteeism, better health, stronger motivation and lower turnover of employees particularly considering the Pakistan education and banking sector organizations.

Concurrent or later production of electronic products Margins, column widths, line spacing, and type styles are built-in; examples of the type styles are provided throughout this document and are identified in italic type, within parentheses, following the example. Some components, such as multi-leveled equations, graphics, and tables are not prescribed, although the various table text styles are provided. The formatter will need to create these components, incorporating the applicable criteria that follow.

II. LITERATURE REVIEW

A. Subjective Well-Being

Subjective well-being (SWB) is defined as people’s judgment or evaluation of their lives, both personal interpretation of a situation that how an individual view a situation and responses of the affect system (moods and emotions) to events [9]. Subjective well-being can be examined in life but I will focus on specific facets within the global category of SWB that basically relate to life at work including job satisfaction, positive attitude of employees at work and excluding the presence of job stress or negative affect at work. These specific forms of SWB can be further divided into narrower categories like satisfaction with one’s supervisor or anger on the job, and they can reflect a temporary state response. The main purpose to measure SWB is to find out that how people evaluate their own lives or conditions of their lives (hence, subjective well-being), concentrating on how good they feel and how content or satisfied they are [3].

Krueger and colleagues have argued that ideally, someone might like to know the proportion of daily time that an individual faces negative and positive emotions. The higher the proportion of positive experience is noticed, the higher is the Subjective well-being. This would be possible to say only if the researcher was to measure subjective experiences of employees continuously throughout a day. Lacking a comprehensive measure, well-being is defined in terms of individual experiences either at specific times or during participation in specific activities.

B. SWB and performance

At the individual level, there is a valid and effective proof that employees with higher frequency of SWB seems to be more developed and successful in the workplace, generally earning more salaries and compensations than others, even though the effects are commonly not that good. One meta-analysis found a small cross-sectional correlation between job satisfaction and compensation [33]. Despite the small size of the effect, longitudinal studies suggest a reasonable and reliable effect. Correlational and longitudinal findings give an opinion that high Subject well-being examines the later work success. However, they cannot establish a causal relationship between SWB and work performance. Their causal relationship can be evidenced through means of experimental findings that provide proof [34].

Comparative to individual performance, probably less research on exploring the link between SWB and performance at the organizational level has been done but there is a solid proof that employee Subjective Well-Being helps predict an organization’s overall as well as individual performance. Looking at the financial performance, employee satisfaction towards organization seems joined with higher firm earnings to “Best Companies” had higher firm value and future stock returns [35]. Employee satisfaction also observed firm value among the “Best Companies” list, like the organizations top on the list in terms of higher employee satisfaction seemed to have higher firm earnings [36].

C. Better Health

The better health positively influences between Subjective well-being (SWB) and performance of the individuals. Meta-analyses assure that positive feelings and various forms of Subjective Well-Being are correlated with better health and greater longevity, even when initial health and other factors are controlled [7,9]. Subjective Well-being and health of employees into the organizations relate to each other to a very reasonable degree and have become a common term into the mainstream media [9], in individual performance evaluated magazines and journals [10]. There is a vast but unexpectedly disconnected, disordered and unfocused body diverse fields and culture that relates directly or indirectly to health and Subjective well-being in the organizations. This study addresses health and well-being from physical [11], emotional, psychological [12], and mental abilities of employees into the organizations [13]. Because of vast and massive domain showed in this literature, there is also considerable variation in the meanings and definitions connected with the terms of health and Subjective well-being. Despite this lack of clarity, however, employee health and well-being in the workplace are important concerns that should to be taken into the account. In fact, for a variety of reasons these issues should occupy a much more prominent value in the mainstream organizational research.

Hypothesis 1a: There is a positive relationship between better health and Subjective Well-Being.

Hypothesis 1b: There is a positive relationship between better health and the Work performance.
D. Lower Absenteeism

Organizational behavior is directly linked with absenteeism. It is related to health in a way that it is absence from work due to illness or some other factor when attendance is expected [14]. Scholars sometimes try to examine the effect of absenteeism by counting the number of sick days employees use or the number of absences during a specific period. Various studies have found that job satisfaction predicts reduced absenteeism [15,16]. Absenteeism is somehow considered to be in relation to the health in a way that one gets absence from his work mainly because of illness or may be some other reason when attendance is either scheduled, programmed or expected [14]. Most of the Scholars and experts sometimes analyze the effect of absenteeism simply by having a look at the number of days when the employee was sick [17] or the total number of absences during a specific period [18]. Various researches and studies examined that job satisfaction is somehow related to absenteeism of employee, therefore it can predict reduced absenteeism [15,16]. For instance, a employee who feels good and is satisfied about the progress of his job will have fewer absences [19]. Absenteeism can be sometimes a biased distribution with few absences per employee per year and therefore a complex measure, and the type of job satisfaction measure is also used to account for some variance [15,19]. Moreover, if employees are not feeling better in case of sickness, whether they need to take a leave is not always available to use.

Hypothesis 2a: Lower absenteeism has a positive relationship with Subjective Well-Being.
Hypothesis 2b: Lower absenteeism has a positive relationship to the work performance.

E. Stronger Motivation

Positive affect can be of crucial importance in maintaining intrinsic motivation and performing intrinsically motivating skills and tasks can also increase positive affect. When people experience positive affect, if the required task is already interesting to some extent then it could become even more interesting and more satisfying [20]. Research in organizational behavior is a task itself, so making employees feel that they enjoy the task and want to complete it is of much importance.

Several researches throughout the world and theoretical approaches have highlighted the role of motivation of employees towards work performance. For example, the functional approach [21] (Clary & Snyder, 1991) describes that individuals should be engaged in donating and cooperating behaviors to a high extent so that they can have certain motives for these behaviors (these behaviors can include the social progress such as developing, volunteering, understanding the social responsibility and career improvements). [21] further presented that certain motives are very important and play a crucial role for gaining satisfaction and enjoyment belonged to pro-social behaviors. Almost all the theoretical approaches have similarly indicated the issues of motivation and volition in prosocial acts. [22] theoretically compared and differentiated intrinsic motives for volunteering. Motives takes place out of pursuit of self or personal gain or avoidance of loss, endocentric motives take place out of anticipation of self-esteem-related results, and intrinsic motives are basically focused on the needs and necessities of the other people. Another approach, social role theory [21,23], proposes that motivation of employees arises from external influences including the parents and society.

Hypothesis 3a: Motivation has a positive relationship to Subjective Well-Being.
Hypothesis 3b: Motivation has a positive relationship with Work performance.

III. Research Methodology

The empirical research in this project is comprised of gathering survey data from public and private sector employees working in Punjab Province, Pakistan. This method was chosen to prevent from different issues regarding collection of data from employees of almost all sectors and as a result the data collection in Punjab province saved the cost as well as time. The main purpose of choosing both the sectors for this research was that it seemed a more suitable and easier way to approach employees of different organizations and convince them to fill the survey. The employees who filled the surveys were all professional level employees working in managerial or non-managerial positions in both the public and private sector organizations. A pilot test of questionnaire was taken to avoid any sort of issues and then some of the changes were made to the final questionnaire. Employees were not selected in any order in fact different department’s employees were randomly requested to take part in the survey. The questionnaires were given to all employees of managerial and non-managerial positions. All the participants were given enough time to complete the questionnaire assessing Subjective Well-Being, health, stronger motivation, lower absenteeism, work performance and some demographic questions. This was considered that not a single member of the top management should be there while filling out of the questionnaires. All participants were guaranteed that their information would be kept secret and anonymous. 144 questionnaires were returned out of the total of 200 questionnaires given to employees. A response rate was 72%. The ratio of male and female participants in the questionnaire survey was 58% and 42% respectively. Most of the respondents were between 25 to 30 years of age having a few years of experience. About 20% of the respondents were university employees. The questionnaires were divided among the employees of 3 different sectors working in the banking and education sectors all over the Punjab Province, Pakistan as shown below in Table 1.

A. Measures

All variables in the questionnaire survey except demographic questions were measured on a 5 point Likert scale that starts from 1 = strongly agree to 5 = strongly disagree.
Subjective Well-Being (SWB):

The subjective well-being measures used in this study comprised of positive feelings such as happy and meaningful and negative emotions such as sadness, tired, stressed and boredom. Five of the emotions were asked. For instance, “Employees are satisfied with the top Management”. The Cronbach alpha for this scale was 0.789.

Work Performance:

Work performance of employees into the different organizations was measured using 4-item scale. An example is “My organization looks for ways to improve processes and productivity”. The Cronbach alpha for this scale was 0.737.

Stronger Motivation (SM):

The practice of motivating employees into the organizations is considered as an important and meaningful attribute towards employees. Motivation was measured using 5-item scale. Sample item included “I am given the freedom to find new and better ways to get the work done”. The Cronbach alpha for this scale was 0.779

Better Health:

The self-rated health question was used to check the relationship between health and subjective well-being measures. Health was measured using 4-item scale. The participants were asked, “My health in general is excellent”. The Cronbach alpha for this scale was 0.794.

In examining the association between subjective well-being and self-rated health, socio-demographic factors that may affect well-being and may also affect were adjusted [24], including age, educational attainment, the family’s total annual income, employment status, race/ethnicity, gender, marital status etc.

Lower Absenteeism:

Absenteeism of employees has a very bad impact on the profitability and productivity of an organization. Absenteeism was measured using 4-item scale. Sample items included “I am satisfied with the present leave procedure.”. The Cronbach alpha for this scale was 0.702.

Control Variables:

In this study, we used age, gender, education, and experience as a control variable.

IV. ANALYSIS AND FINDINGS

The analysis of the data gathered from employees of different organizations was calculated by using the ‘SmartPLS software’ to find confirmatory factor analysis CFA. The structural equation model SEM process contains a confirmatory factor analysis (CFA) and a path analysis [25] (Hair et al., 2010 ). First, the data was examined to check the correlation of all the items and then the mean and standard aviation of all the variables were calculated. The results of displayed values were concluded based on the discriminant Validity and further the values of Cronbach’s alpha, composite reliability (CR) and average variance (AV).

Table 1: correlation among variables (N=144)

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>3.51</td>
<td>0.64</td>
<td>0.699</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work performance</td>
<td>3.72</td>
<td>0.781</td>
<td>0.152</td>
<td>0.731</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation</td>
<td>4.12</td>
<td>0.792</td>
<td>0.207</td>
<td>0.424</td>
<td>0.774</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absenteeism</td>
<td>3.99</td>
<td>0.978</td>
<td>-0.213</td>
<td>0.120</td>
<td>0.215</td>
<td>0.732</td>
<td></td>
</tr>
<tr>
<td>SWB</td>
<td>3.91</td>
<td>0.772</td>
<td>0.177</td>
<td>-0.180</td>
<td>0.699</td>
<td>-0.291</td>
<td>0.779</td>
</tr>
</tbody>
</table>

After checking the relation of the variables among each other the data was analyzed to examine the ‘construct validity and reliability’ shown in table B. Internal values of the model was checked considering Cronbach alpha analysis. In this step some of the items from total should be eradicated to increase the values of validity and reliability of the data. After removing some of the negative items from the model the values of the reliability and validity are enhanced to a high extent. Therefore, the validity and reliability of the data becomes more accurate and valid. So, in order to improve the validity and reliability of the gathered data some of the items were eradicated. After removing these items, the results became more accurate and no error was found. The measurement’s validity has been assessed and approved in many studies. The factor loading was calculated to find out the consistency of the items, and as a result it indicated that all item loading was more than the required value i.e. 0.7 [26]. The value for the Cronbach’s alpha which is above 0.7 is usually considered to be reliable. Moreover, the measures of model fit i.e. comparative fit index (CFI), root-mean square error of approximation, standardized root-mean square (SRM) were also examined. The results of this research showed values that are somehow accepted. The value for composite reliability was close to the range of 0.7. All of these values are above 0.7 which shows the accuracy of the data [28]. After the calculation of all required terms finally the average variance extracted (AVE) was also measured, all the variables showed the value above 0.5, which generally is considered valid and standard value for AVE [28]. Thus, overall measurement scales used for analyzing the data and their values were good and within the accepted ranges. Data was almost both reliable and valid. [25, 27].

Table 2. CFA results (Construct Reliability & Validity).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite reliability</th>
<th>Average Variable extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subjective Well Being</td>
<td>0.902</td>
<td>0.822</td>
</tr>
<tr>
<td>Stronger Motivation</td>
<td>0.848</td>
<td>0.529</td>
</tr>
<tr>
<td>Lower Absenteeism</td>
<td>0.810</td>
<td>0.518</td>
</tr>
<tr>
<td>Better Health</td>
<td>0.801</td>
<td>0.510</td>
</tr>
<tr>
<td>Work performance</td>
<td>0.807</td>
<td>0.527</td>
</tr>
</tbody>
</table>
Table 3 shows the relationship of the path coefficients. The data was displayed from bootstrapping analysis using Smart PLS software as shown in table 3. Finally, the figure below shows the regression weight of each variable. It is showing the $R^2$ values of all the variables and the pathway for the model.

The results predict that better health has a positive relationship with Subjective well-being ($\beta = 0.469, p < 0.001$), and employee work performance ($\beta = 0.510, p < 0.01$), supporting the hypothesis 1a and 1b. Moreover, results show that lower turnover has a positive relation with the subjective well-being ($\beta = 0.322, p < 0.001$), and work performance ($\beta = 0.301, p < 0.05$), supporting the hypothesis 2a and 2b. Finally, motivation has a positive relationship with Subjective well-being ($\beta = 0.523, p < 0.001$), and work performance ($\beta = 0.445, p < 0.001$). Thus, supporting the hypotheses 3a and 3b.

Table 3: Results from the analysis

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Path weight</th>
<th>Std value</th>
<th>T. value</th>
<th>P. value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a BH &gt; SWB</td>
<td>-</td>
<td>0.469</td>
<td>3.610</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H1b BH &gt; WP</td>
<td>0.510</td>
<td>2.441</td>
<td>0.017</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H2a LA &gt; SWB</td>
<td>0.322</td>
<td>2.394</td>
<td>0.001</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H2b LA &gt; WP</td>
<td>0.301</td>
<td>2.319</td>
<td>0.038</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H3a SM &gt; SWB</td>
<td>0.523</td>
<td>6.086</td>
<td>0.000</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H3b SM &gt; WP</td>
<td>0.445</td>
<td>3.104</td>
<td>0.002</td>
<td>Supported</td>
<td></td>
</tr>
</tbody>
</table>

A. Discussion

The primary and main objective of conducting this research was to analyze and determine that how various factors affect the individual employee’s performance as well as overall organization’s performance. In this research we examined that how the performance of employees of different organizations and different sectors are influenced by some of the mediating variables like lower absenteeism, stronger motivation, and better health of employees through Subjective Well-Being. For examining the influences of different variables on work performance of employees. All of the proposed hypotheses were supported. This research shows how to enhance the profitability and productivity of an organization by improving work performance in today’s competitive world. This analysis gives a brief and meaningful insight of thinking that how employees think and adopt better ways to achieve performance through factors such as, health, motivation, absenteeism and their effects on individual and organizational performance.

Our outcomes and supplement past research on the connection between work struggle and subjective being are not very different. Our key discoveries propose that for the time being, steady with earlier research and hypothesis [9,29], work–family strife has a prompt, negative impact on subjective well-being. In this manner, the present review underscores the significance of past research distinguishing elements that lessen the prompt effect of work performance strife on subjective prosperity. Although some may trust that far reaching economic changes to work stations are difficult to legitimize from a monetary point of view, previous researches revealed that economic changes not just affect the wellbeing and security of the employees, they can likewise make employees more effective and increment their profitability. A recent report by the World Wellbeing Association uncovered that 30% of office structures may have an indoor air quality issue adding to indoor air contamination could affect employee’s health in a longer run [30].

B. Managerial and Practical Implications

This research study mainly focused on how to direct the organizations of different sectors a better and useful way in order to increase their productivity and profitability. This study identified, analyzed and then determined some ways which organizations can adopt to enhance their performance. The factors that were used to make their correlation with Subjective Well-Being to check the work performance of employees as well as organizations are e.g. lower absenteeism, stronger motivation, and better health. The lower absenteeism is very pivotal for all the organizations in order to improve the performance of the organization. Absenteeism is directly related to the performance of every business therefore lower absenteeism has a good impact on the performance. Higher absenteeism influences the outcome of a company very badly. Better health has very strong correlation with the work performance. It is very necessary that the employees of an organization should be healthy and active to perform their tasks eagerly on time. Every organization should provide their employees with some medical facilities to avoid any risk of failure. The last but not the least factor is stronger motivation. Stronger motivation plays a crucial role in terms of increasing profitability. According [31] different kind of rewards like promotions, increase in salary, good working environment, medical facilities and other incentives from top management to their employees automatically motivates the employees who in turn show great work performance. And in this way the work performance and profitability of overall organization is enhanced to a high degree. This satisfaction will eventually result in great work performance. The good employees are the greatest assets of an organization so they should be kept in the organization for longer period.

CONCLUSION

Since most employees now spend a large part of their waking hours in the workplace, it would be a good thing if these hours were satisfying and rewarding in a psychological as well as financial way. The youngest contingent of the current workforce seems to care whether their work is fulfilling [32]. The research literature generally agrees that the SWB of employees (including job satisfaction, trait positive affect, and frequency of fleeting, positive moods) can predict individuals’ work performance and the performance of organizations. We proposed that the number and complexity
of pathways by which SWB is linked to performance helps answer this question. Subjective Well-Being can predict health, absenteeism, motivation and job turnover of employees during working hours and these variables in turn, predict work performance of employees into the organization. But at each step, the effects can wax, wane, and even reverse in certain predictable circumstances depending on personal, organizational, and environmental moderators. The pathways should be explored further and rigorously in future research. Employers will be more likely to work to create and maintain higher worker well-being if we can be able to determine that under what conditions Subjective Well-Being will truly enhance work performance.

REFERENCES