

OCCUPATIONAL WELFARE: A RESPONSIBILITY FOR EMPLOYER AND EMPLOYEE

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Abstract

Are the benefit packages outlined by today's companies sufficient in order to attract and retain the talented workforce that shows commitment to work? How the employees will be engaged to achieve the performance at work?

A possible solution is to offer to the employees a good C&B program which include the well-being concept.

The present paper work presents the theoretical elements of this concept and a practical case regarding the role of occupational welfare in having happy employees and successful organizations.

Key words: *employee welfare; human experience; engagement techniques; quality of life; HERO*

JEL: M10, M12, M16

INTRODUCTION

The understanding, measurement, and improvement of human experience have been major goals of individuals, researchers, communities and governments. The overall assessment of human experience has been commonly expressed by the term quality of life (QOL) across multiple disciplines including psychology, medicine, economics, environmental science, and sociology. A search of the Institute for Scientific Information (ISI) database from 1982 to 2005 reveals over 55,000 citations utilizing the term "quality of life." QOL as a general term is meant to represent either how well human needs are met or the extent to which individuals or groups perceive satisfaction or dissatisfaction in various life domains.

When we evaluate the state of human affairs or propose policies to improve them, we typically proceed from assumptions about the characteristics of a good life and strategies for achieving them. We might suppose, for example, that access to particular resources is a part of a good life and, therefore, that increasing economic production per-capita is an appropriate goal.

MATERIAL AND METHOD

We studied new concepts and choose to present the following:

- Positivity, positive organizational behavior
- Engaged and performed employees- source of competitive advantage
- Compensation and benefits- HR Strategies for Retaining Top Talent(Occupational Welfare)

RESULTS AND DISCUSSIONS

Positivity, positive organizational behavior

Drawing from a wide range of definitions, we can say that positivity is in general known as 'an integrated system of antecedents, processes, practices and outcomes that can be readily identified and agreed upon by diverse observers and stakeholders as uniquely surpassing standards of adequate functioning and adding sustainable value to both the individual and the context'[7]. Within this 'umbrella concept' of positivity, which spans a variety of positive approaches, including positive traits, states, processes, dynamics, perspectives and outcomes at various levels of analysis [6] we define POB (positive organizational behavior) as, 'the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed and effectively managed for performance improvement in today's workplace' [3]. The focus of POB is on individual-level psychological resources that are positive, theory-based and research-based, measurable, state-like or open to development, and related to desired attitudinal, behavioral and especially performance outcomes in the workplace. This set of criteria was selected to ensure that POB can meet the scientific rigor of academic research, as well as the practical relevance and utility of evidence-based effective practice [5].

Initially, four psychological resources met this set of criteria, namely *hope*, *efficacy*, *resilience* and *optimism*. The acronym HERO it is used to represent these four resources and their importance and relevance in producing exceptional capabilities and outcomes in individuals. Other relevant psychological resources such as creativity, flow, courage, gratitude, forgiveness, mindfulness, emotional intelligence, authenticity and spirituality have also been investigated and found to vary in their degree of fit with these criteria [2]. Thus, while the list of psychological resources may not be exhaustive, the inclusion criteria that were set early on in the emergence of POB provide an ongoing high standard for the rigor and relevance of its constituent resources. Integrating the 'HERO within' resources, a higherorder construct was empirically supported, whereas the whole was a better predictor of job satisfaction and performance than each of the components that make it up.

We refer to this higher-order construct as PsyCap, which we define as 'an individual's positive psychological state of development that is characterized by:

(1) having confidence (efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success' [3].

The basic underlying theoretical thread connecting hope, efficacy, resilience and optimism is a 'positive appraisal of circumstances and probability for success based on motivated effort and perseverance' and an internalized sense of agency, control and intentionality. In other words, as chances of success are consistently appraised in a positive light and perceived to be within reach and control, this promotes a positive outlook, choice to pursue challenging goals, and investment of energy and resources in pursuit of those goals despite obstacles and setbacks.

Engaged and performed employees- source of competitive advantage

The human capital focuses two main components which is individuals and organizations. This concept have further been that human capitals have four key attributes as follows: (1) flexibility and adaptability (2) enhancement of individual competencies (3) the development of organizational competencies and (4) individual employability. It shows that these attributes in turn generate add values to individual and organizational outcomes. There are various findings that incorporate human

capital with higher performance and sustainable competitive advantage; higher organizational commitment and enhanced organizational retention.

Hence, all this debates fundamentally focuses on individual and organizational performance. From the individual level, the importance of human capital depends on the degree to which it contributes to the creation of a competitive advantage. From an economic point of view, transaction-costs indicate that firm gains a competitive advantage when they own firm-specific resources that can not be copied by rivals. Thus, as the uniqueness of human capital increases, firm have incentives to invest resources into its management and the aim to reduce risks and capitalize on productive potentials. Hence, individuals need to enhance their competency skills in order to be competitive in their organizations.

The human capital theory has undergone a rapid development. Within its development, greater attention has been paid to training related aspects. This is much related to the individual perspective. Human capital investment is any activity which improves the quality (productivity) of the worker. Therefore, training is an important component of human capital investment. This refers to the knowledge and training required and undergone by a person that increases his or her capabilities in performing activities of economic values. Some recent literature shows the importance of training. In any case, it is fitting to point out that the workforce's lack of training is related to low competitiveness. In turn, a greater human capital stock is associated with greater productivity and higher salaries. Likewise, training is linked to the longevity of companies and greater tendency to business and economic growth.

In addition, human capital as a way not only to motivate workers and boost up their commitment but also to create expenditure in R&D and eventually pave a way for the generation of new knowledge for the economy and society in general. Also, for small businesses it is a valuable asset, which is positively associated with business performance. Finally, investment in training is desirable form both a personal and social perspective. From the organizational level, human capital plays an important role in the strategic planning on how to create competitive advantages. Also it stated that a company's human capital has two dimensions which are *value* and *uniqueness*. Firm indicates that resources are valuable when they allow improving effectiveness, capitalizing on opportunities and neutralizing threats. In the context of effective management, value focuses on increasing profits in comparison with the associated costs. In this sense, firm's human capital can add value if it contributes to lower costs, provide increased performances. Another study analysed the relationship between human capital and organizational performance of software companies. They found that the human capital indicators had a positive association on organizational performances.

These indicators such as training attended and team-work practices, tended to result in superstar performers where more productivity could be translated to organizational performances. This was also supported by the thing that a significant positive correlation between the quality of developers and volume of market shares it was noticed during the time. Based on the above arguments we can conclude that human capital indicators enhanced the firm performance directly or indirectly.

A causal model using a set of cross-sectional indicates that human capital enhancement paves a way for greater innovativeness and this in turn offers positive implications on firm performance. In the meantime, firm performance and human capital could also be viewed in the context of high performance work systems. It is argued that the formation and emphasis on the human capital enhancement will result in high performance or rather high performance work systems. Admittedly, human capital development and enhancement in organizations tend to create a significant contribution on organizational competencies and this in turn becomes a great boost for further

enhancing innovativeness and the current literature to a large extent supports the fact that firm performance is positively impacted by the presence of human capital practices.

Some even endorsed that human capital development is a prerequisite to good financial performance and in addition, the importance of organizational human capital with regard to firm performance. In addition, evidence shows that the relevance of human capital to firm performance has also become prevalent among the technology-based new ventures, and it seems that the use of human capital tool (emphasizing quality of employees) per say in small technology based new ventures tends to have a great impact on the firms' success. In the meantime, human capital enhancement can also be viewed in the context of top management team (TMT). Heterogeneity or sometimes is called diversity in TMT will tend to lead to greater performance because the argument is heterogeneity promotes various characteristics to be absorbed into the workforce team; this includes people of different age groups, functional backgrounds, education backgrounds, tenure and gender.

These characteristics have a positive impact on firm performance as argued under the upper echelon theory. Studies reveal that heterogeneity cultivates greater knowledge, creativity and innovation among the team members. Heterogeneity is positively linked to better problem solving and offering creative solutions. Hence, diversity is positively related to performance. Even in the context of an organization, the implementation of certain management approaches or philosophies also deals with the infusion of human capital (e.g quality circles, team of employee's experts) especially when faced with problems. Again, in a very broad discussion, especially in the context of total quality management (TQM), firms can be assessed using financial and non-financial performance.

The financial performance includes employee productivity, defect rates and market share and non-financial performance that include workflow improvement, innovation, customer satisfaction and skills development. Besides this, diversity is able to attract and retain the best talent available; reduced costs due to lower turnover and fewer lawsuits, enhanced market understanding and marketing ability, better problem solving, greater organizational flexibility and better overall performance and improvement in decision making at strategic level.

Heterogeneity is positively linked to better problem solving and offering creating solutions. A recent study in the related area also provides some insightful information about the heterogeneity effect on firm performance. Undoubtedly, heterogeneity (in the form of human capital) can be a significantly important input to human capital development and enhancement as it makes organizations to be more creative and innovative for long term survival in their international and global markets. In light of this, the competency of TMT is supported by the input-based international human capital, transformational human capital and output-based international human capital. However, some even argue that the relationship between innovative human resource practices (though human capital practices are not directly involved) and organizational performance could be described as 'non-linear'.

Compensation and benefits- HR Strategies for Retaining Top Talent(Occupational Welfare)

Job satisfaction is a sensation that employees have about their work environment and their expectations towards work. Thus, job satisfaction can be recognized as what one wants or values from a job. Different kinds of satisfaction lead to diverse objectives and behaviours that ascend from different types of motivation in getting different types of rewards. Rewards with their aftermath relationship were expected to establish on satisfaction of the employee with their organization [6]. Employee who reveals high job satisfaction is motivated by rewards, and rewards supported work engagement. Satisfaction of rewards in public and private sector employee has been established certainly associated with job satisfaction. Furthermore, preceding research found that

job satisfaction is associated with the monetary compensation (pay, promotion, and bonus) and non-monetary compensation is one of the most important explanatory variables in both sectors.

For a very long time, the rewarding of employees involved the fulfillment of legal obligations towards the employee (salary payment, granting of leave and other types of holidays, payment of social and health insurance, etc.).[7]

Compensation structure, the amount of pay dispersion across organizational levels, matters in employee turnover. Studies have shown that wide gaps between an organization's lowest paid and highest paid employees increase the likelihood that managers and other employees will voluntarily leave the organization.

It is well known that procedures such as determination and administration of pay raises can affect employee turnover through their perceptions of organizational support. Employees' higher levels of satisfaction with pay procedures are associated with higher perceptions of organizational support, which in turn reduces their likelihood to voluntarily leave.

Type of compensation also has an effect on employee turnover. Beyond pay raises and cash bonuses, stock options do have an effect on executive turnover, and it is shown that companies with higher levels of insurance and retirement benefits generally experience lower levels of employee turnover. Perceptions of pay fairness and equity are significant in managing employee commitment and turnover. Later research supported his findings in that reductions in turnover were shown to be a result of compensation and benefits systems that employees perceived as fair in terms of equity theory.

Finally, studies have shown that many different vesting schedules for compensation and benefits can be linked to tenure requirements to have a positive effect on employee retention. Benefits with relatively long-term vesting schedules such as stock options, employee stock ownership plans and retirement plans have been shown to effectively manage employee turnover.

The key is to keep vesting schedules long enough to retain employees for a reasonable period of time and short enough to retain their motivational power.

What advantages can the Romanian employee have in the benefits package?

Table vouchers, gift vouchers, life insurance, health insurance, private pensions or care courses are the opposite pole with the position at work when you can get care in terms of providing more companies. The benefits of large employers can be estimated, about 12% of the total amount of care or pleasure an employer for employees.

About 85% of companies can benefit from accident and sickness insurance. These are considered mandatory, they are benefits to care for, you have to take care of them and remain primary.

Private pensions experienced a boom in 2008, when multinationals wanted to offer beneficial rights products. Of course, they are more interesting for a strong or middle-aged resistance and an employee of 35-40 years. Relevant studies for a multinational company from five private pension plans for employees.

If care is provided for the parties regarding the salaries, they will be able to exchange tangible benefits when they can take place at work.

The most recent famous research has turned around 85% of the multinationals that can be provided salaries, especially in private clinics. At the same time, medical insurance is also offered, except that they are not yet present on the benefit packages. Employers motivated to think of the prince's need to decrease in order to be able to cover the expenses.[4]

If there is a meal ticket, the situation is completely different, he returns to Romania, which is estimated to pay salaries and more than 90% of the big companies.

Another facilitation of the care is the clarity of the way in the last years to reach the actions, for the employers, a subscription to the gymnasium. The analysis was done by the experience and the extract, but it reveals a surprising result. It was a boom at the beginning, but the companies drew

a line and found that, although they had requested them, the employees did not use them abusively. About 30-40% to be able to present such benefits.[1]

The newest we have tendencies in the tactic of motivating our salary, but, necessarily, financial advantages. It emphasizes the benefits systems designed to maintain the balance between personal and professional life. Here comes a flexible schedule, you can do homework, reduce for the restaurant table, preferential rates in the accommodation space, in terms of rooms, but also special for vehicles. In some respects, discounts may be granted to accompany their companions, these may be established in the field of activity, the famous care product or cosmetics, up to the care institutions, which cannot be salary that can have credits with preferential interest. In many parts, during classes, workshops or on weekends with colleagues, they are successful in taking care of the benefits in terms of the care needed to keep people. Developed especially in Bucharest, it designs like Bookster, the corporate library, and manages to sow. There is constant care to pay for the courses that have no connection with the job, in areas such as design, child-rearing and childcare.

CONCLUSIONS

This perspective implies that firms should very carefully evaluate their decisions to outsource HR responsibilities. We have argued that some aspects of the HR function are appropriately judged as cost centers (e.g., benefits administration) but that other elements of an HR system create value as part of a firm's strategic infrastructure.

Although a decision with respect to outsourcing might be straightforward at the two ends of the cost-value creation continuum, for many elements of an HR system the decision is not so clear. In some respects, as a firm moves toward a strategic perspective on the HR system, HR activities like recruiting and hiring, which might be considered best outsourced when measured against a cost standard, might well be retained if their alignment with the remainder of the HR system is a critical source of value for the entire system.

This situation would be more likely when it is the entire HR system that is the source of value, and the core competencies required to create this value are largely firm-specific and not easily replicated through outsourcing. With the emergence of a strategic role for human resources, the HR function and indeed the traditional discipline of human resources are at a crossroads. If HR functional managers ignore this opportunity, the HR function will be left with traditional transaction and compliance activities, forced to justify itself on a cost basis, and in many cases will be outsourced. The research that is the focus of this special issue points to the importance of the HR system, not necessarily to the importance of the HR function.

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