

More than just money

EMPLOYEES APPRECIATE FAIR TREATMENT AT WORK EVEN MORE THAN FINANCIAL REWARD, A NEW REPORT SUGGESTS. **GRAHAM BUCK** STUDIED THE FINDINGS.

Variety and autonomy are the keys to job satisfaction rather than performance-related pay, according to recently published research.

The study finds that staff who are given a greater variety of work and a degree of independence tend to be happier and less prone to stress. There are ways of treating people at work to assist the process which have little to do with money and management. Those techniques are about keeping employees "in the loop" by readily sharing information as well as consulting with them. The research, led by Stephen Wood, professor of management at the University of Leicester, highlights several such management practices that are designed to make employees more efficient and also make them happier.

Despite the publicity devoted to City workers' large bonuses, the study finds that performance-related pay makes no difference to either job satisfaction or stress levels.

"The way jobs are designed has a huge impact on employees' sense of happiness at work," says Wood. "But this is in danger of being neglected, at a time when people are worrying about unemployment, job security and the fairness of large salaries. The current government's desire to measure our well-being seems largely to have provoked public debates about whether money can make us happy. This research shows there are ways of treating people at work that can make them happier, which have little to do with money."

The researchers measured two forms of well-being – anxiety and job satisfaction – to determine whether either differs in workplaces where high-performance work systems (those that do not rely on pay to motivate staff) are practised.

Performance is boosted by giving people greater involvement in their companies. This includes granting them more variety and autonomy, or what Wood dubs "enriched jobs", and "informative management" or giving them more information on changes within the company such as staffing and overall financial performance. Another involvement mechanism is "consultative management", which enables greater consultation to take place between bosses and employees, as both sides can exchange views.

Wood's study is reported in a paper, High Involvement Management, High Performance Work Systems and Well-Being, co-authored with Lilian de Menezes, professor at Cass Business School in London, which advocates enriched jobs as the key to well-being at work.

"An enriched job may also increase opportunities for skill use and development job variety, and the sense of being valued or playing a significant role in the organisation or society, thus adding to the potential impact on well-being," the authors note. "Our study implies that priority should be given to initiatives that enrich jobs, enhance consultation and improve information sharing and consultation."

Wood also recommends that any future surveys of well-being organised by the government should include the quality of work, although ministers are still debating precisely how well-being should be measured.

Wood and de Menezes drew on data from the government's 2004 Workplace Employee Relations Survey, which involved 22,451 employees at 2,295 workplaces across Britain. This consisted of questionnaires completed by employees and interview conducted with their managers.

Managers were asked whether they designed core jobs so employees had a lot of influence over how they did their work at one extreme, or no influence at the other. Employees were also asked to assess their well-being at work, ranging from feeling tense all of the time to never experiencing any tension.

The analysis then correlated the measures of management practice, such as how managers design jobs, with the measures of employees' well-being.

Although the study offers practical evidence of how to make people happier at work, other research suggests that over the long term there has been a steady decline in job autonomy. This may recently have stabilised, although only at a low level. Another study conducted by Wood with David Holman of Manchester Business School concluded that staff at British call centres have an exceptionally low level of independence compared with their peers in other countries.

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