HUMAN RESOURCE DEVELOPMENT IN TERMS OF THE QUALITY OF WORKING LIFE

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Abstract

This article justifies the necessity to create proper conditions for the development of individuals in organizations in terms of improving the quality of working life. Last is considered to be a significant factor of employee’s satisfaction with the quality of life in general. Having been influenced by the new changes in the labour structure, content and process, the author has developed a conceptual model reflecting the interdependence of the quality of working life with a high level of productivity. It proves that the increasing of labour productivity indicators is influenced by the optimal usage of staff competencies, which can be provided only in case of satisfying personal and professional needs of employees.

Keywords: human capital, human resource development, labour productivity, quality of working life, staff competencies, staff needs.

1 Introduction

The key aspect of the information revolution, which caused the emergence of a post-industrial view of society economic model, is the growing value of employee’s knowledge, skills and creative abilities. The development of these qualities today is possible in the case of the appropriate work motivation. But the great complexity of it is provided by the constant growth of personal and professional staff needs. Among all the variety of needs, the lack of high quality of working life is the sticking point, which decreases the motivation of employees, so they do not perform their in proper way.

In a social and scientific consciousness the human resource development was considered only as a tool for achieving economic welfare by accumulating material wealth of the nation. That thought have prevailed in society during a certain period of time until perception has radically changed into awareness that a worker is the main driving force of social progress. The appearance of the theory of human capital (20th century) became the basis, which created solid economic foundation for quick spreading ideas of human resource development around the world. Thus, modern economy considers a man as a carrier of a human capital or value that generates income.

The importance of research in area of human capital nowadays demonstrates major changes in understanding of quality of work life. It is well established in the literature that employees with a high level of psychological well-being are better, more committed, and more productive than employees with a low level of psychological well-being (Wright and Bonett 2007 [18]). This aspect is very important because of increasing number of employees that are unhappy with their work. From 2007 till now people started to work harder, faster and longer and with less satisfaction from work (Worrall & Cooper, 2012 [17]). Yet this tendency is typical mostly for companies with authoritarian management style. It is also written in the survey, that in companies with favorable work climate, with flexible wage system and with high social and corporate responsibility, surely show improving economic indicators.

In USA and other developed countries the aspect of dissatisfaction from work had been very well studied during few last years, nonetheless it does not concerns countries from Asia and Eastern Europe, where this problem seems to be not studied fully. The tendency of rapidly rising number of dissatisfied with their work (in Ukraine it is more than half of population) shows us the necessity of
providing such research in less developed countries. Lack of attention from executives and competence from native managers reveals itself at this point. It is quite clear that in order to provide high efficiency staff, for improving quality of working life a complex program should be implemented. The origin of this problem is in impossibility to apply western management practices in less developed countries. Implementation of it is quite a tough task which requires serious decisions to be made. To some extent, Ukrainian employees’ conscience is way behind comparing with European or American ones and it is a serious stumbling block for development.

Therefore, we have developed a conceptual model for improving the quality of working life, which is designed to solve many problems in practice. It is based on equilibrium between professional and personal needs, which are easily subject to change because of inconstant and fluid politics and economic situation, corruption, mobbing and other factors. Satisfying those needs provides stimulus for greater job involvement of employees, and therefore serves for optimal usage of employee’s competencies. As a result it provides improvement in quality of working life (satisfaction from work, decreasing absenteeism and staff turnover).

The remainder of this article is structured as follows: in Section 2 there is a literature review, in which we present the existing literature in our research area. Section 3 tells us about the methods of estimating the quality of working life. In section 4 we present our conceptual model of the quality of working life. And section 5 includes conclusions to our paper.

2 Literature review

Improving the quality of working life is a dominant feature of social development, leading to increasing employment potential. The developed society today desires to achieve leadership due to optimal usage and development of human capital. At the same time economic values are being replaced by social ones. Some theoretical aspects of this scientific problem are studied by Becker, G., Pilzer, P., Sakaiya, T., Schultz, T., Toffler A., however, the works of authors listed above do not embrace the whole spectrum of the problem, mainly the interaction between human capital and quality of working life. These scholars mostly researched human capital as a production factor, therefore no emphasis on quality of working life was made.

On the other hand, Davis, L. and Charnes, A. in 60’s of 20th century not only described the definition of quality of working life, but also proved on practice that its development is very important feature and it should be provided mainly by state social programs (Davis & Charnes, 1972 [3]).

Few years later Toffler, A. and Bell, D. pointed out that the desire of developed societies to achieve leadership will be provided by maximizing the usage of human capital and replacing economic values by social ones (Novikova et al., 2008 [10]).

Hackman, R. and Durkheim, E. (1990) and others have focused on quality of working life as a measure of satisfaction of personal needs through the work in certain organization. They believe that quality of working life of a worker is a manufacturing factor, related to workforce and human capital.

Hackman, J. and Oldham, G. (1980) highlight the quality of working life as the interaction between work environment and personal needs of a worker. They emphasized that the personal needs are satisfied when rewards from the organization, such as compensation, promotion, recognition and development meet their expectations.

According to European Foundation for the Improvement of Living Conditions, the quality of working life is a multi-dimensional construct, made up of a number of interrelated factors that need careful conceptualization and measurement. It is associated with job satisfaction, job involvement, motivation, productivity, health, safety, job security, competence development and balance between work and non-work life.

At present, active discussions of significance of human capital is impossible without inquiry into the quality of life, particularly in industrialized countries. In fact, Quality of Life Index (QOLI) became not only an objective of socio-economic development, but also a criterion for assessing
social and economic policy and scientific and technical progress. In this background it is possible to analyze the prospects for human capital development and identify potential economic opportunities of the country.

3 Method of estimating the quality of life

The early 60-s of the XX century in science and the practice were enriched by new categories: "human capital" and "quality of life". It is quite logical, because on the one hand, the allocation of such factor as "human capital" resulted to the appearance of the important source of economic growth, that is knowledge and competence (Becker, 1993 [1]). The ability to make a profit is the one most important feature that connects human abilities with the category of capital. On the other side, the emphasis in scientific researches starts to be made on the allocation of investment in human development. This is a precondition for increasing of work productivity and economic indicators, and also increase of workers' satisfaction with their work and possibility disclosure of their potential (Schultz, 1971 [14]).

Human capital, being a category related to the production, working place, working force, relations between an employer and employee, it is the source that influences on the changes of quality of working life (Krupnov, 2003 [9]). And that is why, development of human capital, the integral part of which is worker’s intellectual abilities, his moral principles and level of qualification training, acquires a priority in the context of achievement of high level of quality of working life.

Creating favorable conditions of work, giving personnel organizational independence and opportunity of professional and career promotion, controlling the level of physical loadings are the key elements of providing quality life of hired workers. Indisputably, all of these factors have great influence on so called enrichment of work content of employees. Under “enrichment of work content of a worker” we understand the process of creating conditions for the personality development of employees, providing opportunities for their personal skills improvement, realization of their abilities, expression of their independence and diversity of tasks (Devis, 1989[3]).

The majority of scientists are unanimous in the thought that quality of working life is considered to be the foundation for quality of life of all population in general. It follows that working place is a place where people spend most of their time. This trend is progressing now. Consequently, employees’ job satisfaction is of great importance in perception of their life in a border meaning. Therefore, the overwhelming part of indexes of quality of life consists of indexes of quality of working life.

Due to the results of statistic analysis of different methods of estimation of quality of working life, that was recently conducted, the most reliable index is Work-Related Quality of Life scale (WRQoL). This method includes the usage of six basic factors, which explain the changes in quality of life of working population. Among them are favorable work conditions, welfare, work and career satisfaction, the increased attention to the employees’ families, stress at work and control at work. Regular estimation of quality of working life is the essential part for managerial process as the received results provide managers with a lot of useful information about their employees’ welfare. In fact, according to the researches of Worrall of and of Cooper which were conducted in 2006 the low level of employees’ welfare at work results the losses of about 5-10% from the annual volume of GNP (Worrall & Cooper, 2006 [16]).

The usage of specific estimation methods to measure quality of life can provide organization with information about the conditions of work of its employees. It could be very useful in case of control or prevention bad consequences concerning bad work organization. Provided information is divided into groups, which describes welfare, job satisfaction, stress level and home-work interface. This information is the basis for estimation methods which have the same names. Unfortunately, those estimation methods of quality of life, with the exception of the primary data collection and analysis of the present situation, have not solved the general problem – the increase of life
standards. It is because they are designed only to show the present situation in company and they cannot show where actually the problem is. So, there is a need for systematization of general knowledge and results of researches in a conceptual approach to a model which would represent the correlation of key characteristics of quality of working life with the achievement of high level personnel productivity. It is also very important to provide the effect of synergy between its basic elements.

4 Conceptual model of the quality of working life

The disagreement or incomprehension between an employer and an employee, often causing a problem inside organization, has a great influence on quality of working life. Mostly the vision of ways of problem solution among a manager and employees are in different coordinate axes. Consequences may vary from a plain misunderstanding to a serious conflict without a happy end.

If we concentrate our attention on correlation of the personal and professional needs, we’ll see that our goal is to achieve their equilibrium. In practice, the gaining such a result seems to be extremely hard, and even impossible in some cases. The main reasons include:

- incorrectly chosen vector of the organization development at whole;
- misunderstanding of the organization objectives;
- lack of current personnel management system;
- lack of a flexible approach to personnel management.

At the same time, employees performing production functions will face all the variety of problems which seem to be difficult to avoid. Solving these problems is a very important characteristic of the quality of employee's working life. Therefore, organization leadership should focus on the interest of staff in achieving a high common result.

To improve the quality of working life, the authorities should be conscious and awareness about the direct dependence of the whole organization’s welfare and the wellbeing of employees. The main benefits that the employees and authority are going of to receive due to high quality of working life are the following ones: job involvement, job satisfaction, high productivity, lower absenteeism, lower staff turnover.

Moreover, it is difficult to avoid and overcome the obstacles that may be met in achieving high quality of working life. The new changes in the labour structure, content and process affecting the quality, style and standard of living are the demand of modern life. The labour today is considered to be:

- more cognitively complex;
- more team-based and collaborative;
- more dependent on social skills;
- more dependent on technological competence;
- more time pressured;
- more mobile and less dependent on geography (Garg et al., 2012 [6]).

It is obvious to work out a conceptual model which is based on the above mentioned labor characteristics. The model should reflect the interdependence of the quality of working life with a high level of productivity (see Figure 1).
Figure 1 Conceptual model of the quality of working life

Firstly, the existing close relationship between the characteristics of the staff work and personal goals should be analyzed. The initial characteristics of personnel work are as following ones: significance, autonomy, diversity. The significance of labour is to be in providing guidance on personnel orientation of the labour content and the social focus of the labour. The degree of employee autonomy depends on the so-called "labour freedom" which is characterized by the absence of dual subordination, the use of time and opportunities for personal decision making and responsibility for them. Providing the variety of labour characteristics and content will avoid employees' indifference towards the performed work.

On a way to increasing labor productivity in a organization there should be started from satisfaction of professional and personal needs which is the basis of achieving the main goal – improving quality of work life. It requires much effort from both –an organization and a worker himself to create so called equilibrium between this needs. Without satisfying them there is no chance to gain the desired quality of working life. After successfully balancing the needs we are approaching the competencies sector, where organization must provide more job involvement and a worker must increase his competence, expand his horizon for better efficiency. This will bring the interaction between staff and company to the next level where likely absenteeism and staff turnover will reduce and work satisfaction will increase.

The right correlation of work characteristics in organization (significance, autonomy and variety) together with satisfaction of needs (personal and professional) of employees gives a great opportunity for creation a favorable production environment. As a result, personnel become more interested in applying their competitions and developing them during operative process. It forces the employee to be maximally involved in production process which brings him to intensification of his work.
Thus, the basic indexes of quality of work life are improved. Among them are the following ones: increase of the job satisfaction level, decrease the employee passive presence at work, reduction in personnel turnover. The right performance of the model will provide organization with the increase of employees’ productivity and their profits. It is directly related to the increased level of the quality of employees’ life, and in future, the socio-economic development of country.

Among multiplicity of indexes which characterize quality of life of population, the scientific community emphasizes on Human Development Index HDI, which is an integral estimation of three components, that characterize longevity, level of education and profits of population. It is explained by presence of close connection between processes of development of human capital with economic and innovative processes in society, as a result we see high-quality changes in the social sphere of country. High level of professional preparation of employees is the source of new innovative products, ideas and developments, that are called to bring changes in the operative process of the company. It is a step forward in forming hi-tech structure of national manufacture, new sources of profits for population, providing the growth of GDP and export potential. As a result, there is the development of not only the certain industries of economy, but there is also high-quality transformation of all society.

The HDI of Ukraine in 2010 is 0.710 – that puts our country on a 69 position from 169. This value is a bit less than average index of countries with the high level of human development (0,717). In Europe and Central Asia countries with similar HDI are Kazakhstan and Russian Federation, which are on 66 and 65 places in rating of HDI (Human Development Report Office, 2011 [7]). Therefore, today the investment in human development is the primary objective, which is the basis of providing high level of quality of life.

Providing of high level of quality of working life is important not only for an organization but also for the whole country. In fact, the state and international ratings of indexes of quality of life are based on it, which includes conditions of work and satisfaction of personnel by their payment. Most scientists claim that payment is one of the major motivators to the employees. It is not possible to increase the level of working life without a fair wage for their labor. World bank in 2010, came up with the rating of current wage level in the world. The leading positions taken by the economies of such countries as Norway, Kuwait, Macao (China), in which a wage level makes close 13$/h. Ukraine in this rating stands on 116 with 1.63$/h (General Services Agency, 2010). Usually this index keeps a growing trend, but taking into consideration the inflation level during past few years we see at whole the other picture. Therefore, the relation of parity of purchasing power remains the same, and even decreases.

Ukraine being compared with the highly developed countries stands on a extremely low level which considers payment for labor. Thus, it is obvious that enterprise cannot attain the high level of development of personnel. Personal earnings is the main source for providing welfare of an employee, without a proper level of which there is no satisfaction from work and low level of quality of life is observed. This problem cannot be solved on a microlevel, it needs attention from government, that is their support (reformation, grants, compensative payments, lowering tax pressure).

5 Conclusions

Ensuring high quality of working life as one of the goals of human and social development is impossible without creating a favorable working environment. In fact, working conditions, worthy wages, opportunity for career growth is a precondition for proper application and development of staff competencies. In turn, if treated human abilities, as capital, they are also a source of income that affects the well-being.

The top management should be aware of the importance of the welfare of its employees because it serves an integral part of the general welfare of the organization. Therefore, employee’s satisfaction with conditions of his working life is the key to increasing productivity of labour and, consequently, the efficiency of the enterprise.
The worked out conceptual model shows that achieving a balance of personal and professional needs of employees, that are exposed to changes quickly, is the basis and stimulus for the optimal use of staff competencies. As a result, these leads to improvement of quality of working life (increase in satisfaction with work, reducing the passive presence of the employee at work, lower turnover).

Using our model at right place in a right moment as a proper instrument may affect the efficiency of staff in growing order. Our research shows that most of problems which appear on a working place are tightly linked to satisfaction from work factor. It is very important to diagnose the right form of that satisfaction problem and where exactly the balance spot is situated between their needs. That is why equilibrium is essential in our case.

References