

# The Path to a Healthy Workplace

## *A Critical Review Linking Healthy Workplace Practices, Employee Well-being, and Organizational Improvements*

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*This review synthesizes much of the previous research since 1990 linking healthy workplace practices in organizations to employee well-being and organizational improvements. Based on the review, both a direct and an indirect link between healthy workplace practices and organizational improvements are proposed. Five general categories of healthy workplace practices were identified in the literature: work-life balance, employee growth and development, health and safety, recognition, and employee involvement. Previous research also suggests that the link between these practices and employee and organizational outcomes is contingent on the effectiveness of communication within the organization and the alignment of workplace practices with the organizational context. Finally, a discussion of some limitations of previous research and recommendations for future work in the area of healthy workplace practices are provided.*

**Keywords:** healthy workplace, organizational performance, employee involvement

Pets, yoga, music, awards, and stress management at first glance may appear to be unrelated topics. However, today many organizations are integrating such seemingly unrelated and novel practices and policies in an attempt to cultivate organizational health. A healthy workplace, as defined by Sauter, Lim, and Murphy (1996), is any organization that “maximizes the integration of worker goals for well-being and company objectives for profitability and productivity” (p. 250). The two critical components embedded in this definition are the performance of the organization and the

health of the employees (Jaffe, 1995). The dual focus associated with the definition of a healthy workplace represents a shift in the conceptualization of what constitutes health within an organization.

The notion of a healthy workplace has evolved throughout the past 60 years. Robin (2003) noted that originally the health of an organization was evaluated in terms of the bottom line. The goal of many organizations was to avoid being unhealthy as opposed to optimizing health. Beginning in the 1940s, organizations began hosting outings and picnics for their employees. In the 1970s and 1980s, companies provided fitness programs for workers. Now, employees in companies worldwide are inundated with a multitude of organizational programs designed to maximize employee health and the health of organizations. Approximately 90% of organizations with 50 or more employees provide some type of program designed to promote health (Aldana, 2001). The rising interest and investment in workplace health promotion parallels the significant role of work in the majority of individuals’ lives. Average adults spend at least a quarter to a third of their

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waking life at work (Harter, Schmidt, & Keyes, 2003). In addition, job satisfaction is estimated to account for a fifth to a quarter of life satisfaction in adults (Harter et al., 2003). In light of these percentages, it is understandable that so many organizations spend a significant amount of time and energy developing, implementing, and monitoring health promotion programs.

Beyond the extensive amount of time that individuals spend at work, there are several other mitigating factors behind the application of innovative organizational practices. Past research and site investigations have uncovered enormous financial and human costs associated with unhealthy organizations (Cooper, 1994). Human resource professionals have begun to position healthy workplace programs and activities as a source of competitive advantage to curtail increasing health care costs; assist in the attraction, acquisition, and retention of employees; better manage the employer-employee relationship; meet the needs of an increasingly diverse workforce, and boost employee morale (Fulmer, Gerhar, & Scott, 2003; Jaffe, 1995; Pfeffer, 1994).

Given the multiple forces that drive organizations to focus on organizational health, it is vital to identify the types of practices that are employed by healthy workplaces and how these various programs and policies contribute to better employee and organizational health. The purpose of this article is to detail the various forms of health initiatives undertaken by organizations and their influence on employee well-being and organizational improvements. This article builds on recent work conducted by the American Psychological Association (APA) Practice Directorate on its Psychologically Healthy Workplace Award. The award recognizes organizations that make a commitment to programs and policies that enhance the health and well-being of their employees. The purpose of this initiative was to validate previously established APA award cri-

teria and to recommend additional criteria, if necessary, in order to develop a comprehensive framework within which to evaluate healthy workplace practices by organizations. To that end, previous theory and research from the past 15 years was used to validate the need for understanding how workplace practices can affect employees and organizations. Specific categories of workplace practices were identified and linked to employee well-being and organizational improvement outcomes. By establishing an empirical link between workplace practices, employee well-being, and organizational improvements psychology can demonstrate its relevance to the development of healthy organizations.

### Literature Review Method

Over the past 15 years, theory and research focusing on psychological health in the workplace has offered new and innovative ways of both conceptualizing and measuring the influence of healthy workplace initiatives. Therefore, this article focuses on literature dating back primarily to 1990, since it offers the most developed body of information within which to understand the concept of psychological health in the workplace. A variety of disciplines, such as psychology, sociology, medicine, public health, management, and economics, have contributed to the understanding of healthy workplace practices. In order to reflect this extensive coverage, specialized databases for health and medicine, psychology, business, and multidisciplinary collections were examined. The resulting journal articles and books obtained through this search reflected the diverse background of specialty areas that have investigated the topic of healthy workplaces. The literature was divided into the following four categories: (1) the definition of key healthy workplace practices; (2) the establishment of the relationship between employee well-being and organizational improvements; (3) the relationship between healthy workplace prac-

tices and organizational improvements; and (4) the connection among healthy workplace practices, employee well-being, and organizational improvements. A review of the primary articles was also conducted to identify additional sources of information on organizational health initiatives. These four bodies of literature were used in the development of the Practices for the Achievement of Total Health (PATH) model.

### **Organizational Health: An Overview**

Revisiting the definition of a healthy workplace serves as a useful starting point to integrate the principles and themes identified in the literature. The definition of a healthy workplace provided by Sauter et al. (1996) is any organization that “maximizes the integration of worker goals for well-being and company objectives for profitability and productivity” (p. 250). This definition suggests that when an organization embarks on its mission to become a healthy workplace, the organization and the individuals within it must be considered. The need for dual consideration of the individual as well as the organization is epitomized by Browne’s (2000) argument that human resource practices “are only progressive if the concern for organizational-level outcomes is matched by a concern for the well-being of employees who are directly affected by these practices” (p. 55).

There are two assumptions underlying the definition of a healthy workplace (Schmidt, Welch, & Wilson, 2000). First, it assumes that it is possible to identify the key characteristics of a healthy workplace based on a set of job and organizational factors. The second assumption is that the establishment of a healthy workplace leads to a healthier and more productive workforce, which translates into increased productivity and a competitive advantage for the organization. These two assumptions have guided researchers and practitioners alike to apply and evaluate the practices advocated under the healthy workplace paradigm.

Adkins, Quick, and Moe (2000) expanded the definition of a healthy workplace by describing the four guiding principles of organizational health. The first principle proposes that health exists on a continuum from mortality to vibrant well-being. The purpose of organizational health is not merely to avoid ultimate destruction, but rather it is a quest to move toward abundant life. Organizations should focus on promoting positive health outcomes instead of acting only to prevent the negative outcomes of poor health. The second principle states that organizational health is a continuous process, not an obtainable state. Vigilance on the part of the organization is required to constantly maintain good health, even if and when optimal health is achieved. Constant attention, evaluation, and action are needed to maintain a healthy workplace. The third principle addresses the systemic nature of health, arguing that organizational health is the result of interconnections between multiple factors. An organization can only be healthy if all of its parts are free from disease. The organization must engage in risk assessment, based on its perceived threats and vulnerabilities. Moreover, damaging factors within the organization must be minimized in order to reach optimal systemic health. The final guiding principle of organizational health is its reliance on fulfilling relationships. Action within an organization is achieved through constant communication, collaboration, and relationship building.

In addition to the guiding principles of organizational health, the multidisciplinary literature reflects numerous common themes with respect to a healthy workplace. DeJoy and Wilson (2003), Jaffe (1995), Schmidt et al. (2000), and Williams (1994) all suggest that organizational health can only be obtained by focusing on the organization as a system. Additionally, they all suggest that any successful attempt to promote health within the organization must be accomplished at the organizational level,

rather than the department or group level. Finally, they all propose that healthy workplace programs and policies must be tailored to meet the individual needs of employees.

The issues and recommendations made by previous theory and research suggest that an understanding of health in the workplace requires recognizing that it is an ongoing process. The results of this process arise from the continuous transactions that occur between individuals and the work environment. For example, to meet the health needs of employees, the employer must (1) provide a way for employees to make their needs known to the employer, and (2) address those needs in a manner consistent with the organizational context. Therefore, developing a comprehensive framework for understanding the role of employee health and well-being in the workplace requires understanding the ways in which health is affected through organizational practices and the ways in which employee health contributes to organizational success.

### **The PATH Model: Practices for the Achievement of Total Health**

Figure 1 provides a framework for exploring healthy workplace practices in relation to employee well-being and organizational improvements. The PATH model reflects a synthesis of the previous research on workplace health, integrating a variety of different research disciplines and domains. Furthermore, the PATH model is consistent with other conceptualizations of workplace practices (e.g., DeJoy & Southern, 1993; Pfeffer, 1994), but the PATH model offers a more comprehensive approach to understanding the link between organizational practices, employee well-being, and organizational improvements.

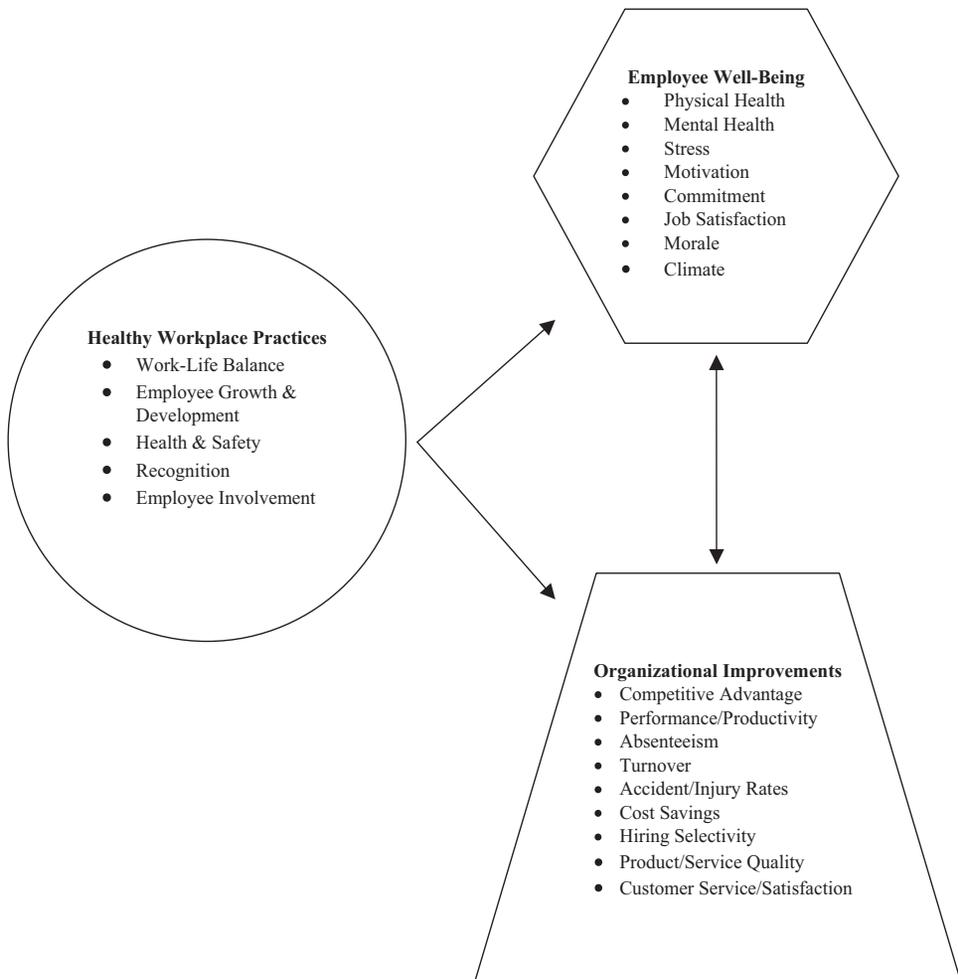
#### ***Healthy Workplace Practices***

Aldana (2001) defined health promotion programs as all “efforts that enhance

awareness, change behavior, and create environments that support good health practices” (p. 297). According to the PATH model, there are five categories of organizational practices, under which the vast array of health programs and policies that organizations use to achieve maximal employee well-being and organizational effectiveness can be classified. The categories were developed using the criteria of family support, employee growth and development, health and safety, and employee involvement that are used by APA as part of the Psychologically Healthy Workplace Award program and are viewed as indicators of healthy workplace practices. We then reviewed much of the previous literature to refine and expand on those categories. Based on this process we identified five specific categories: (1) work-life balance, (2) employee growth and development, (3) health and safety, (4) recognition, and (5) employee involvement.

Work-life balance programs help individuals to balance the multiple demands of their lives (Jamison & O’Mara, 1991). Such practices and policies recognize that workers must have responsibilities and lives outside of work. Although often considered primarily in the context of family support with an emphasis specifically on elder or child care, a narrow focus on the family excludes those employees that do not have demands related to elder or child care. Instead, employees may have other responsibilities in their personal lives that require flexibility. Therefore, redefining the exclusive category of family support programs into a more inclusive category of work-life balance programs provides all employees with the flexibility required to meet the demands of their work and personal lives. Examples of work-life balance programs include flexible scheduling, childcare, eldercare, and provision of job security.

Employee growth and development programs provide employees with the opportunity to expand their knowledge, skills,



*Figure 1.* The PATH model.

and abilities, and to apply the competencies they have gained to new situations (e.g., Jamison & O'Mara, 1991; Pfeffer, 1998). Employee growth and development programs allow an organization to capitalize on the potential of all employees by helping to develop leadership, problem-solving, and other skills that may make them more committed to the organization and may increase their likelihood of internal career advancement. Examples of employee growth and development programs include additional on-the-job training, leadership development, continuing education classes, and provision of internal career opportunities.

Health and safety programs seek to maximize the physical and mental health of employees through the prevention, assessment, and treatment of potential health risks and problems (Aldana, 2001). Employee assistance programs for alcohol and drug addiction, wellness screenings, stress management training, counseling, and safety training are all examples of potential programs that organizations may implement to increase the health and safety of their employees.

Recognition programs allow employees to be rewarded for their contributions to the organization, as well as for their achieve-

ment of professional and personal milestones (e.g., Browne, 2000; Pfeffer, 1998). Although usually conceptualized as monetary rewards, such as bonuses or raises, recognition programs can also include other types of rewards, including honorary ceremonies, plaques, and personal acknowledgment in official organizational communications, such as weekly newsletters.

Finally, employee involvement programs get employees involved in decision-making (e.g., Jaffe, 1995; Karasek & Theorell, 1990; Lawler, 1991). Perhaps the most popular of all healthy workplace practices, the goal of employee involvement is to allow employees to bring a diverse set of ideas and perspectives to bear on solving organizational problems and finding ways to increase organizational effectiveness. Greater employee participation in decision-making, empowerment, self-managed work teams, and job autonomy represent organizational practices designed to maximize employee involvement.

### ***Employee Well-being***

Employee well-being represents the physical, mental, and emotional facets of employee health, synergistically acting to affect individuals in a complex manner (DeJoy & Wilson, 2003). There is no general agreement on the best indicators of employee well-being, and many types of employee well-being have consequences for the organization. Specifically, theory and research has focused on constructs such as general physical health, general mental health, job satisfaction, employee morale, stress, motivation, organizational commitment, and climate (e.g., Goetzel, 2003; Jones, Flynn, & Kelloway, 1995; Yeung & Berman, 1997). In general, research has suggested that the various conceptualizations may all be important in understanding the well-being of employees, but no research has compared the

various constructs to determine their relative importance.

### ***Organizational Improvements***

By integrating healthy workplace practices, employee well-being, and organizational improvements into a unified model, the PATH model proposes specific organizational improvement outcomes that result from healthy organizations. There are several ways that organizational practices and employee well-being can improve the organization, including increases in competitive advantage, performance, productivity, hiring selectivity, and customer satisfaction, and decreases in absenteeism, turnover, injury/accident rates, and health care costs (e.g., Anderson, Serxner, & Gold, 2001; Browne, 2000; DeJoy & Wilson, 2003; Huselid, 1995).

### ***Relationship Between Employee Well-being and Organizational Improvements***

Previous research examining the relationship between employee well-being and organizational improvements is rich and extensive. Research implications drawn from the examination of this link have taken on new directions since the advent of the hypothesized relationship among employee well-being, organizational improvements, and healthy workplace practices. As such, it is essential to understand the relationship between employee and organizational outcomes before applying these concepts to the study of healthy workplace practices. Although numerous research studies have been conducted examining one or specific aspects of well-being and one or more specific aspects of organizational improvements, the following discussion will highlight a few of the more meaningful relationships. For the sake of brevity, all possible combinations of employee well-being and organizational outcome relationships are not specifically examined.

Much of the previous research on employee well-being and organizational improvements has focused on job satisfaction. Recent studies, such as the meta-analysis conducted by Judge, Bono, Thoreson, and Patton (2001), report a moderate positive relationship between job satisfaction and individual job performance. However, within the happy worker-productive worker line of research, there are a number of discrepancies apparent in the findings. One review by Spector (1997) indicated that employee satisfaction determined a variety of performance indicators, such as punctuality and lower absenteeism. Moving beyond the link between job satisfaction and performance, past research has also demonstrated that job satisfaction is related to organizational commitment (e.g., Vandenberg & Lance, 1992). In turn, organizational commitment has been associated with lower turnover and higher performance (e.g., Mathieu & Zajac, 1990).

Although job satisfaction has been the dominant indicator of employee well-being, other combinations of employee well-being and organizational improvement measures have been considered. A meta-analysis conducted by Griffeth, Hom, and Gaertner (2000) provided evidence that job satisfaction, organizational commitment, and role stress are significantly predictive of turnover. Additionally, a recent literature review by Aldana (2001) provided an extensive summary of previous research supporting the relationship between employee stress, employee health, and organizational health care. He cited a variety of individual factors, such as heart disease, smoking, and obesity as correlates of high health care costs that are absorbed by organizations. The relationship between individual health factors and organizational health was also supported by Cooper (1994), who suggested that approximately half of all absences are related to unhealthy work environments or stress. This finding highlights the need to consider a variety of employee

factors, such as the mental, physical, and emotional health of individuals, when evaluating organizational outcomes, such as health care costs and absenteeism.

Research findings, such as the ones presented above, clearly demonstrate that it is advantageous for organizations to consider employee well-being in addition to organizational improvements, given the relationship that exists between them. These studies lay the groundwork for examination of healthy workplace practices in relation to both individual and organizational outcomes. The reinforcing link between employee well-being and organizational improvements serves to strengthen the positive impact of innovative organizational practices.

### ***Three-factor Pathway***

The PATH model suggests two paths that lead to organizational improvements. The first is a direct pathway from workplace practices to organizational improvements. In addition to this direct pathway, there exists an indirect path from workplace practices to organizational improvements, through employee well-being. The model reflects the concept of a healthy workplace, building on the premise that organizations that foster employee health and well-being are also profitable and competitive in the marketplace. The indirect path to organizational improvements recognizes that organizational practices can have a significant effect on employee commitment, satisfaction and health, which in turn, affect productivity and the effectiveness of the organization (Schmidt, Welch, & Wilson, 2000; Williams, 1994). Williams (1994) suggested that the creation of a healthy workplace is an active process, which results in health for the individual employee and the overall organization. Employee well-being is not a by-product of health initiatives but rather it is a critical link to achieving organizational improve-

ments. This point is put into perspective by DeJoy and Wilson (2003) who argued that:

People perceive and react to the reality they experience as members of an organization. The subjective or perceived qualities of the organization are at least as important as the objective or actual qualities. This process of psychological adjustment is important to understanding the effects of various job and organizational factors on employee health and productivity. The levels of perceived stress, job satisfaction, commitment, and so forth that reflect this adjustment process can be used to assess how people are responding to their work environment and are predictive of longer-term consequences on well-being and productivity. (p. 338)

The following sections discuss the influence of specific healthy workplace practices on employee well-being and organizational improvements (see also Table 1). Each of the five types of healthy workplace practices is considered in relation to employee well-being and organizational improvements. However, this discussion is not meant to be an exhaustive listing of all possible relationships, but rather it seeks to generate ample support for the three-factor pathway posited by the PATH model.

## Work-Life Balance Initiatives

Higgins, Duxbury, and Irving (1992) found that conflict between work and family roles diminish employees' perceptions of quality of both work and family life which, in turn, influences organizational outcomes such as productivity, absenteeism, and turnover. They suggested that organizations could possibly reduce work-family conflicts by offering alternative work arrangements. Their research indicated that the "structure of work has a strong influence on family life and suggests that there should be recognition on the part of employers that the family consequences of work environment decisions are real and that they need to be considered" (p. 71). Subsequent research by Scandura and Lankau (1997) demonstrated that the existence of work-life programs, such as the offering of flextime, was positively related to organizational commitment and job satisfaction. Interestingly, their results showed no difference between employees who had participated in the program and those who had not participated, suggesting that the mere act of instituting such work-life balance policies demonstrates the organization's concern for employee well-being:

**Table 1**  
*Examples of the Relationship Between Healthy Workplace Practices, Employee Well-Being, and Organizational Improvements*

Healthy Workplace Practice	Employee Well-being Outcome	Organizational Improvement Outcome
Work-life balance	Organizational commitment (+)	Productivity (+)
	Job satisfaction (+)	Absenteeism (-)
	Employee morale (+)	Turnover (-)
Employee growth & development	Job satisfaction (+)	Organizational effectiveness (+)
	Job stress (-)	Competitive advantage (+)
	Motivation (+)	Quality (+)
Health & safety	Job stress (-)	Health care costs (-)
	Physical health risks (-)	Absenteeism (-)
	Organizational commitment (+)	Accident/Injury rates (-)
Recognition	Job satisfaction (+)	Hiring selectivity (+)
	Motivation (+)	Productivity (+)
	Job stress (-)	Turnover (-)
Employee involvement	Job satisfaction (+)	Productivity (+)
	Organizational commitment (+)	Turnover (-)
	Employee morale (+)	Absenteeism (-)

“Crooker and Grover (1993) noted that providing family benefits to employees positively influences their attachment to work through the symbolic action of the employer providing policies that are responsive to employees’ needs. In response to the offering of flexible work hours, employees may reciprocate with greater loyalty to the employer and better morale” (as cited in Scandura & Lankau, 1997, p. 380).

### ***Employee Growth and Development Initiatives***

The opportunity to gain additional skills, knowledge, and experiences can act as a motivator for employees, which can translate into positive gains for an organization (Pfeffer, 1994). In an analysis of five human resource practices, Browne (2000) found training and internal career opportunities to be significant predictors of organizational effectiveness and job satisfaction. In addition, training was predictive of job stress. Overall, out of the five practices studied, training was the best single overall predictor of all three outcomes, specifically organizational effectiveness, job satisfaction, and job stress. The positive benefits associated with employee growth and development programs can only be realized by organizations if they provide employees a chance to apply the knowledge and skills acquired during development (Pfeffer, 1994). Moreover, when employees are given a chance to apply what they have gained, employee growth and development programs become a source of competitive advantage that differentiates one organization from another (Pfeffer, 1994; Rosen & Berger, 1991).

### ***Health and Safety Initiatives***

Aldana (2001) conducted a comprehensive literature review of 72 studies to investigate the relationship between health risk factors and organizational productiv-

ity, defined in terms of health care costs and illness-related absenteeism. He concluded that increased health care expenditures and illness-related absenteeism were related to high levels of stress, excessive body weight, and the existence of multiple risk factors. In addition, lack of physical activity or fitness was related to increased health care expenditures but not illness-related absenteeism.

The review conducted by Aldana (2001) also evaluated the impact of health promotion programs on organizational productivity. Across studies, health promotion programs were related to lower absenteeism and health care expenditures. The average cost-benefit ratio for health promotion program savings associated with reduced health care costs was 3.48, a cost savings of \$3.48 for every dollar spent. The average cost-benefit ratio reported was 5.82 for health promotion program savings associated with absenteeism related expenditures. In total, Aldana’s review supports the idea that higher health risks are associated with firm performance. Furthermore, the review suggests that health promotion programs do positively affect the effectiveness of the organization when defined in terms of health care expenditures and absenteeism. A review conducted by Golaszewski (2001) provided additional support for the conclusions drawn by Aldana (2001). Golaszewski (2001) examined 12 studies and supported the findings that reduction in health care expenditures and absenteeism are possible through the implementation of health program initiatives. The impact of health and safety practices extends to other employee and organizational outcomes, aside from health risk factors, health care expenditures, and absenteeism. For example, research by Jones, Flynn, and Kelloway (1995) demonstrated that there is a strong negative correlation between employees’ perceptions of organizational support and stress.

Implementation of healthy workplace initiatives, such as those designed to promote health and safety, are a form of orga-

nizational support. Provision of such support is beneficial for employees, who experience less stress as a result. Employee stress may be directly targeted through worksite stress management programs. Research indicates that stress management training encourages employees to engage in extra role behaviors and improves employee emotional well-being, defined as affect, depression, and perceived stress. In addition, the organization stands to benefit from stress management programs, which have been shown to increase productivity and decrease absenteeism (e.g., Munz, Kohler, & Greenberg, 2001; Munz & Kohler, 1997). The establishment of Employee Assistance Programs, such as alcohol or drug abuse counseling, is another opportunity for organizations to demonstrate their commitment and concern for their employees. Organizations that are willing to demonstrate commitment to their employees may benefit from reciprocal commitment by their employees (Browne, 2000). Moreover, reduction of destructive behaviors such as alcohol or drug abuse yields positive organizational results, including a reduction in employee absences and accidents (McFarlin & Fals-Stewart, 2002).

### ***Recognition Initiatives***

Browne (2000) demonstrated that recognition is a significant predictor of organizational effectiveness, job satisfaction, and stress. A particular type of recognition, namely compensation, is a critical healthy workplace factor. It is estimated that 70% of an organization's total costs are labor-related (Pfeffer, 1998). When implementing policies regarding compensation, organizations must be cognizant of the level and nature of compensation being offered. Particulars such as the schedule of payment and the type of performance compensation must be decided by each organization. If an organization offers an attractive benefits package, more candidates may be lured to

the organization, allowing for greater selectivity when hiring new employees (Pfeffer, 1998). In addition, higher compensation may aid in the retention of current employees. Besides monetary compensation, there are other recognition practices that can motivate employees, such as award ceremonies, recognition plaques, and celebrations for personal and professional milestones. By acknowledging effort and good work, organizations can increase employee satisfaction, morale, and self-esteem (Rosen & Berger, 1991), which, as we have already discussed, will have a positive influence on organizational effectiveness.

### ***Employee Involvement Initiatives***

Employee involvement has been related to employee well-being variables, such as job satisfaction and employee morale, as well as organizational improvement variables, such as decreases in turnover and absenteeism and increases in quality (e.g., Lawler, 1991; Vandenberg, Richardson, & Eastman, 1999). According to Freeman and Rogers (1999), previous research suggests that employee involvement programs yield a 2% to 5% increase in productivity. In addition, research by Freeman and Rogers (1999) demonstrated a significant difference between employee involvement program participants and nonparticipants. Program participants reported higher levels of loyalty and commitment to their organization, increased job satisfaction, and a more positive view of management and labor relations than did nonparticipants. Therefore, employee involvement programs, if initiated effectively, produce positive consequences for both employee well-being and organizational effectiveness.

### **The SHAPE Framework: Placing Healthy Workplace Practices in Context**

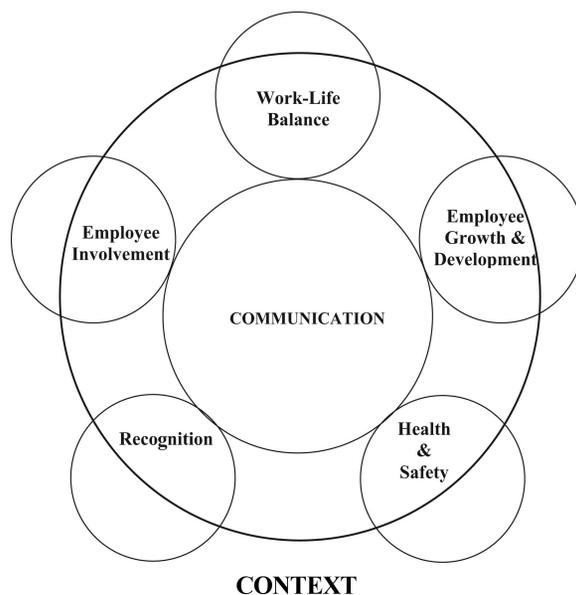
Drawing from the work previously conducted by Pfeffer (1994, 1998) and others

in the field, the SHAPE framework was created to more specifically delineate the categories of healthy workplace practices (see Figure 2). The SHAPE framework stands for “Stimulating Health And Practice Effectiveness” and depicts the relationship between the primary types of healthy workplace practices and the organizational context in which those practices are implemented. Healthy workplace practices do not exist in a vacuum. Although research has not fully investigated the role of the organizational context, it is necessary to understand how each practice is situated in relation to other workplace practices and the overall organizational context.

When considering the interrelationships between the basic types of healthy workplace practices, Delery and Doty (1996) proposed that one of three approaches is often adopted. The best practice, or universalistic, approach suggests that there are a number of practices that are universally effective. Certain practices are viewed as more effective than others under this approach, regardless of the setting in which they are applied. The contingency approach

posits that the effectiveness of any one organizational practice is dependent on the consistency between that practice and other organizational components, such as organizational structure, technology, and strategy. Finally, the configurational approach argues that it is the total system of organizational practices that together determine the health and effectiveness gained by the organization. This perspective differs from the universalistic or contingency approach because it stresses the need for a comprehensive evaluation of the complete package of practices. In addition, this approach argues that ideal types of practices can take on varying forms. As such, the same benefits gained through the implementation of one set of practices may be achieved through the adoption of a different set of practices (i.e., equifinality). Lastly, this approach suggests that the practices adopted by an organization must be consistent with one another as well as with the characteristics of the organization.

Research supports each approach as a way to understand the relationship between healthy workplace practices and the orga-



*Figure 2.* The SHAPE framework.

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nization. For example, Delery and Doty (1996) found a universal effect of three specific practices, namely profit-sharing, results-oriented appraisals, and employment security, on firm performance. In addition, within the same study there was evidence to suggest that the contingency approach was also valid. Moderate support for the contingency approach was found for employee involvement, results-oriented appraisals, and internal career opportunities, as healthy workplace practices that are contingent on performance. Lastly, Delery and Doty (1996) also reported moderate support for the configurational approach. Results indicated that higher performance was associated with those practice systems established by firms that closely resembled an idealized group of practices. In other words, the more closely an organization can implement healthy workplace practices in a manner consistent with the organization's structure, strategy, and values, the more likely those practices are to be effective.

Beyond the study conducted by Delery and Doty (1996), which specifically tested each of the proposed approaches, many other investigators of healthy workplace practices acknowledge the need to adopt a particular approach. Williams (1994) argued that "organizations need to take a holistic approach to managing the health of their employees and be aware of the interaction between the various elements" (p. 9). The application and impact of various healthy workplace practices may be understood best in relation to other workplace practices. For example, the employee growth and development practice of promoting from within is related to recognition practices and employee involvement practices (Pfeffer, 1994). Promotion from within encourages organizations to offer additional training and development because employee participants are more likely to use their newly acquired knowledge and skills inside the organization. Ad-

ditionally, promotion from within acts as a form of recognition program that rewards successful employee performance. Lastly, promotion from within demands increased employee involvement by enhancing the trust across organizational levels. The establishment of new healthy workplace practices or changes to existing programs should prompt organizations to reconsider the total package because of the interrelationships among organizational practices.

An understanding of the interrelationships between healthy workplace practices is typically interpreted through the lens of organizational strategy. However, Pfeffer (1994) makes the critical distinction between practice existence and implementation grounded in strategy. He argued:

One would want to think systematically about the particular skills and behaviors one needs to execute the particular strategy in a specific market environment and obviously adjust the implementation of these practices to fit those requirements. However, there is an important distinction between the contingent nature of the implementation of these practices, which everyone would agree is necessary, and the idea that the practices themselves do not provide benefit in many, if not most situations. (p. 65)

Pfeffer also indicated that strategy is not the only factor on which practices are contingent. Other organizational factors such as structure, location, and nature of the job represent further considerations that must be taken into account when implementing healthy workplace practices.

In a broader sense, healthy workplace initiatives and their effect must be considered within the context in which the business operates (Brache, 2001). Research by Fitz-enz (1993) provided evidence for the underlying structure of healthy workplace practices. Fitz-enz investigated over 600 companies to identify best practices used to promote organizational effectiveness and productivity. Based on objective performance data, the top 25% of companies

were selected. Follow-up interviews were conducted to ensure that the organizations were actively involved in practice planning and execution, and that the implemented practices yielded objective successful results. Upon reviewing the data, Fitz-enz discovered that in many cases organizations with opposing practices yielded excellent results. The interpretation of this finding was that there had to be a deeper philosophical basis beyond the best practices employed that could account for the excellent performance results shared across the organizations.

Indeed, Fitz-enz (1993) found evidence of a driving set of values that supported the decisions made by the organizations. Fitz-enz identified eight factors over a two-year period as the foundation for best practices across organizations: (1) continuous communication; (2) continuous improvement processes; (3) awareness of the organization's culture; (4) a focus on building relationships inside and outside the organization; (5) cross-functional cooperation and communication; (6) risk taking; (7) long-term commitment to a strategic direction; and (8) a constant linking of the organization's values to specific activities. These eight factors represent the foundation on which strong and effective practices are erected. Consistency between organizational actions and values increases the likelihood of practice effectiveness. It is insufficient for an organization to implement various healthy workplace practices only to undercut their intended purpose by not actively supporting their workforce.

Although Fitz-enz (1993) categorized communication as a contextual factor, further evidence suggests that its importance is not solely contextually based. Instead, communication plays a more significant and central role in promoting the effectiveness of healthy workplace initiatives (Pfeffer, 1998). Communication is the foundation upon which all five organizational practices must be developed to achieve the

desired outcomes for the employee and the organization. Specifically, communication serves three functions in this process. First, through bottom-up communication processes directed from employees to management, organizations can tailor specific programs to meet the needs of the employees for which they are designed (Fitz-enz, 2000). In other words, an initiative focused on work-life balance will not be effective at creating a healthier workplace if employees do not value nor desire a work-life balance initiative.

Second, in some instance, communication processes can actually be the vehicle within which the initiative occurs (Fitz-enz, 2000). For example, the effectiveness of employee involvement initiatives relies specifically on the effectiveness of communication. If employees are going to actively participate in decision-making, then information must freely flow from management to the employees and from the employees to management, a bidirectional flow of communication and feedback.

Finally, communication can serve to increase the utilization of specific organizational programs designed to promote mental and physical health in the workplace through a top-down approach (Fitz-enz, 2000; Parchman & Miller, 2003). Although organizations may develop and implement any number of programs designed to improve the well-being of its workforce, employees will not engage those programs or services if (1) they are not aware of them, and (2) they do not feel that management supports and values the use of those programs or services. Therefore, for any healthy workplace initiative to be used by employees, the organization's leadership and management must communicate that the program exists, how that program is supposed to be used, and that the program is supported by the organizational leadership. To be effective, communication about programs and services that promote well-

being must be coherent, consistent, and timely (Parchman & Miller, 2003).

In addition to communication, Parchman and Miller discussed a variety of other factors that contribute to employee utilization of healthy workplace programs. First, employees must have ready access to the programs. Onsite facilities and information, telephone access, and online access represent options to increase the accessibility of services to all employees. If it is inconvenient for the employee to utilize the services provided by their employer, it is less likely that they will participate. Second, the extent to which wellness services are integrated into a set of activities can influence utilization. Participation in one program may be enabled by participation in another. For example, if an employee sees a physician at the worksite, extra time may be gained from not having to drive to a doctor's office. This spare time could be applied to another activity, such as a yoga class or tutorial on stress management offered by the organization. Third, utilization can be influenced by the promotion of positive and successful outcomes. For example, participation in a weight management program sponsored by an organization may increase if the employees who had reached their target weight were pictured on a bulletin board. Fourth, increasing awareness of programs and services can increase utilization. Companies can host events, such as health fairs, to raise employee awareness of the wellness program options, which creates a sense of anticipation and excitement among employees. Reluctant employees and previously unaware employees may be brought into the fold if they are confronted with the program options that are available. Excitement and anticipation may also be induced if group programs are implemented. Such programs instill a sense of camaraderie among employees, thereby motivating participation. Lastly, making wellness programs personal represents another avenue to enhancing usage. The pro-

vision of personal coaches is an option that organizations can use to tailor a plan for each employee based on the array of available services.

### **Limitations of the Research**

Although organizational health research has provided insights into understanding how workplace practices can influence employee well-being and organizational effectiveness, in general the research suffers from several methodological flaws. Ozminkowski and Goetzel (2001) identified six common weaknesses associated with research on the financial impact of healthy workplace program initiatives. First, typically in organizational settings, randomization is not possible. Therefore, selection bias occurs, which is defined as the likelihood that voluntary program participants differ from nonparticipants. Differentiation between these two groups based on some preexisting differences, such as initial health condition, represents a significant threat to the validity of a study. Second, many financial impact studies are inherently flawed because they fail to control for inflation, which may lead to exaggerated figures. Third, financial impact studies often fail to use discounting, which adjusts for the change in the value of money, which produces exaggerated figures. Fourth, small sample sizes are often employed in evaluation studies, which may lead to an inability to make generalizations to other organizations and may in some instances have a profound negative effect on the validity of the results. Fifth, a normal data distribution may be violated when considering various organizational outcomes, such as health care expenditures and days absent. Typically, there will be a disproportionate number of employees who have zero values on such measures and a few employees with extremely high values. Such extreme values are considered outliers and result in skewed data, which must be approached using alternative statistical

techniques. Finally, there is not a pre-defined set of common terminology applied across studies of the financial impact of health initiatives.

In addition to these special concerns associated with research on the financial impact of health programs, there are a few general limitations of healthy workplace research. First, research on healthy workplace initiatives typically is limited in its scope. For example, a few components of workplace health programs, such as employee participation and health education, may be investigated in relation to one or two outcomes, such as health care costs. However, previous research has neglected to examine total packages of healthy workplace practices. Second, although the definition of a healthy workplace includes both employee well-being and organizational performance, few have considered the interrelationships between organizational practices, employee well-being, and organizational improvements. Lastly, even though context is often theorized to be the foundation on which successful organizational health initiatives are built, it is rarely studied or controlled in research designs. Instead of simply theorizing about the role of context in implementation effectiveness, it should be a central variable.

### **Recommendations**

The majority of this article was presented to APA's Business of Practice Network at the Practice Directorate's annual State Leadership Conference in March, 2004. The purpose was to synthesize and review the previous research regarding psychological health in the workplace. Thirty-seven state, provincial, and territorial psychological associations have conducted or are currently developing a Psychologically Healthy Workplace Award program. As part of its effort to ensure that the award program is built on a solid empirical foundation, the APA Practice Directorate was interested in evaluating and refining their

comprehensive framework used to evaluate psychologically healthy workplace practices. In other words, the goal of this literature review was to develop a framework that could be used to develop evaluation processes and instruments that are both scientifically valid and useful for advancing the role of psychology in the business world. To that end, we developed the PATH model and the SHAPE framework, using previous research from a variety of disciplines as a starting point for their endeavors. In so doing, we made several recommendations for validating the models we developed.

First, evaluation processes and criteria must be developed to evaluate the implementation of the five key healthy workplace practices (i.e., work-life balance, employee growth and development, health and safety, employee involvement, and recognition) as presented in the models. Second, communication mechanisms must be evaluated to determine how well the organization is (1) communicating the awareness of programs to employees, and (2) listening to and acting on the needs and recommendations of employees. Third, mechanisms must be designed to determine whether the healthy workplace practices implemented by organizations are aligned with the organizational context, including the organization's values, strategy, and structure. This will permit a more explicit recognition that psychological health in the workplace occurs through a configurational approach as Delery and Doty (1996) suggested. Fourth, a consistent standard for the evaluation of healthy workplace initiatives must be developed. Throughout the literature, there is very little agreement as to how to evaluate the effectiveness of implementation. In fact, no comprehensive research studies have examined the combined effect of all five healthy workplace practices. Furthermore, there has been no attempt to empirically compare and contrast the large set of employee well-being variables or organiza-

tional improvement variables to determine whether some set of these best represent the psychological health and organizational effectiveness outcomes of interest. Therefore, any attempt to pursue an increase in our understanding of the healthy workplace requires a complex validation process. Only by moving to more comprehensive research studies can we develop a more complete understanding of how the five key practices, communication, and context, combine to influence employee well-being and organizational effectiveness.

Additionally, for consulting psychologists, there are at least four primary implications based on the synthesis presented here. First, many organizations do not recognize the relationship between employee well-being and organizational improvements. Instead, they view employee well-being outcomes as nothing more than “soft” indicators, and instead choose to focus on organizational improvement outcomes. As consulting psychologists, a stronger effort must be made to demonstrate the dual benefit of healthy workplace practices. In other words, consulting psychologists can help organizations understand that it is not a choice between focusing on employee well-being or focusing on organizational improvements. Instead, when helping organizations to design and implement healthy workplace practices, consulting psychologists should emphasize the assessment of both types of outcomes as a way to demonstrate the benefit for both the employees and the organization.

Second, the PATH model provides consulting psychologists with a set of broad categories that can guide the development of healthy workplace practices. Employee involvement initiatives are sometimes seen as the default category of healthy workplace practices, with emphases on Total Quality Management (TQM), gainsharing, and self-managed work teams, among others. Additionally, numerous practices from other categories may, in fact, involve some

degree of employee involvement. As Fitzenz (2000) argued, organizations should consider the specific needs of employees when designing any workplace initiative. This is accomplished through upward communication mechanisms, which suggests that the effective design and implementation of any healthy workplace practice has some degree of employee involvement associated with it. However, employee involvement should not be seen as the only type of healthy workplace practice. The other four categories (i.e., work-life balance, employee growth and development, health and safety, and recognition) all offer potential benefits for employee well-being and organizational improvement outcomes. Therefore, consulting psychologists should explore ways to help organizations develop healthy workplace initiatives that integrate specific practices from multiple categories. For example, organizations interested in health and safety initiatives might consider only offering training programs designed to improve the health and safety of employees. On the other hand, by using the PATH model as a guide, consulting psychologists could help the organization to integrate health and safety initiatives with recognition initiatives (e.g., by recognizing employees, groups, or departments that demonstrate the greatest health and safety improvements following the training program). By combining and integrating specific practices from the various categories, consulting psychologists may be able to optimize the overall benefit for the organization.

Third, consulting psychologists should help the organization to think through the role of downward and upward communication mechanisms in the effective implementation of healthy workplace practices. Without effective downward and upward communication mechanisms, the successful implementation of healthy workplace practices may be severely diminished. Given their expertise/training, consulting

psychologists are in the position to help organizations design or improve those communication mechanisms.

Finally, and perhaps most importantly, consulting psychologists should pay careful attention to the role of context in the development and implementation of any healthy workplace initiative. Organizations often implement initiatives without considering the role of context in the success of that initiative. This review specified a variety of contextual factors that should be considered in the design and implementation of healthy workplace practices, including an organization's culture, strategy, and values. Consulting psychologists can play a large role in helping organizations to consider how well their initiatives are aligned with these contextual factors. In some cases, it may mean that certain change efforts may need to occur before a healthy workplace practice can be implemented. For example, employee problem-solving teams (an employee involvement initiative) cannot be successfully implemented in an organization if the leadership of that organization has cultivated a culture in which employee suggestions are ignored. If the organization were serious about the implementation of problem-solving teams, the first step might be to implement an initiative designed to address the organization's past culture. Consulting psychologists can provide the audits and assessments necessary to determine whether key aspects of an organization's context will serve as facilitators or barriers to the successful implementation of healthy workplace practices.

### Conclusions

Positive change starts with the recognition of the need to change and a clear vision of the outcome of the change process. Healthy organizations are not created by accident. We need to manage the health of our employees as carefully as we manage our organization, and the most effective way of improving the well-being of our

staff is through the implementation of a planned program of health initiatives (Williams, 1994, p. 7).

This call to action clearly demonstrates the need to engage in the process of creating a healthy workplace. Organizations are composed of employees, and without those employees, there would be no organization. Employees within healthy workplaces are viewed as both assets and vehicles to achieve success. Therefore, every organization should develop programs designed to maximize the physical, mental, and emotional health of all employees, in addition to the health of the organization. Healthy workplaces recognize the need to look past the bottom line to the most vital business component, the people. Successful healthy workplace program initiatives will be reflected not only in the financial returns but also in the lives of each and every employee.

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