

Occupational Wellbeing and Performance: A Review of Organisational Health Research

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The organisational health framework is a theory-based approach delineating how key individual and organisational factors interact to determine employee wellbeing and organisational performance. The present review focuses on a particular research model derived from the organisational health framework, and summarises studies that have investigated the applicability of the framework across different occupational groups. In particular, the review focuses on the determinants of employee wellbeing, discretionary performance, and withdrawal behaviour intentions, including the submission of stress-related workers compensation claims and the use of uncertified sick leave. We also discuss research that links employee wellbeing to performance-related outcomes, and provide an overview of the major practical implications stemming from the research to date. The consistency of findings across a range of settings demonstrates that the organisational health framework provides a robust evidence-based approach to the management of employee wellbeing and the prevention of occupational stress.

The stressors and strain approach has dominated occupational stress research over the past three decades. Stressors and strain approaches are broadly characterised by the assumption that stress arises when work characteristics contribute to poor psychological and physical health (Beehr, 1995; Spector & Jex, 1998). Adverse work experiences or "stressors" are presumed to cause employee strain, which manifests in negative psychological and physiological responses to stress. Hence, researchers working with this approach have typically attempted to correlate various negative work experiences with indices of psychological distress. More recently, some researchers have integrated moderator variables, such as decision latitude and coping processes in the stressor-strain relationship (e.g., Day & Livingstone, 2001). Notwithstanding this, as Morrison and Payne (2003, p. 128) note, "the research literature on the causes of and consequences of stress is as voluminous as it is confusing".

We believe that this situation has largely been perpetuated by the continuing dominance of the stressors and strain approach in occupational stress research. In particular, the assumptions underpinning this approach foster a narrow focus on discrete adverse work experiences and negative employee emotional responses. However, these assumptions have been increasingly challenged in recent years, through the quality of life and work psychology literature (Hart & Cooper, 2001). Thus, positive work experiences and

positive emotional responses, which are typically not considered in stressors and strain approaches, have been shown to influence individual wellbeing outcomes (e.g., Diener 2000; George, 1996). Moreover, research has demonstrated that positive and negative experiences make independent contributions to levels of wellbeing (Hart, 1999). It follows that "stress" may not necessarily be caused by adverse work experiences. It is possible, for example, that people's perception of the experience of stress is caused more by a low level or lack of positive work experiences and positive emotional states.

A further concern about stressors and strain studies is that they typically neglect to take into account the broader organisational context. As Hurrell (1995) points out, the narrow focus of stressors and strain studies tends to reinforce the view that stress is an employee problem rather than an organisational issue that should be addressed more systemically. This problem is compounded by the failure of stress researchers to link indicators of occupational stress to relevant organisational performance outcomes, such as the cost of absenteeism, workers compensation claims and employee turnover, as well as ethical behaviour and complaints about the quality of service delivery (cf. Hart & Cotton, 2003; Hart, Palmer, Christie, & Lander, 2002). Importantly, the failure to link the stress process to organisational performance has tended to marginalise the issue of occupational stress in the broader management and organisational behaviour literature (Hart & Cooper, 2001; Wright & Cropanzano, 2000).

Given this state of affairs, there is evidently a need for methodologically sound studies that take a more comprehensive theoretical and practical perspective, and can clarify the relative contribution of a broader range of organisational and individual factors to the stress process. For example, research has shown that personality characteristics (Cooper & Payne, 1991; Heady & Wearing, 1992), coping processes (Carpenter, 1992), organisational climate (Griffin, Hart, & Wilson-Evered, 2000), and positive and negative work experiences (Hart, Wearing, & Heady, 1995; Hart, 1999), are all likely to contribute to indices of occupational stress.

The Organisational Health Framework

Hart and Cooper (2001) proposed the organisational health framework as an alternative theoretical perspective to the traditional stressors and strain approach for guiding research on occupational stress. The organisational health approach takes as its starting point a systematic focus on the dynamic interactions characterising the system of variables (e.g., multiple individual and organisational factors) relating

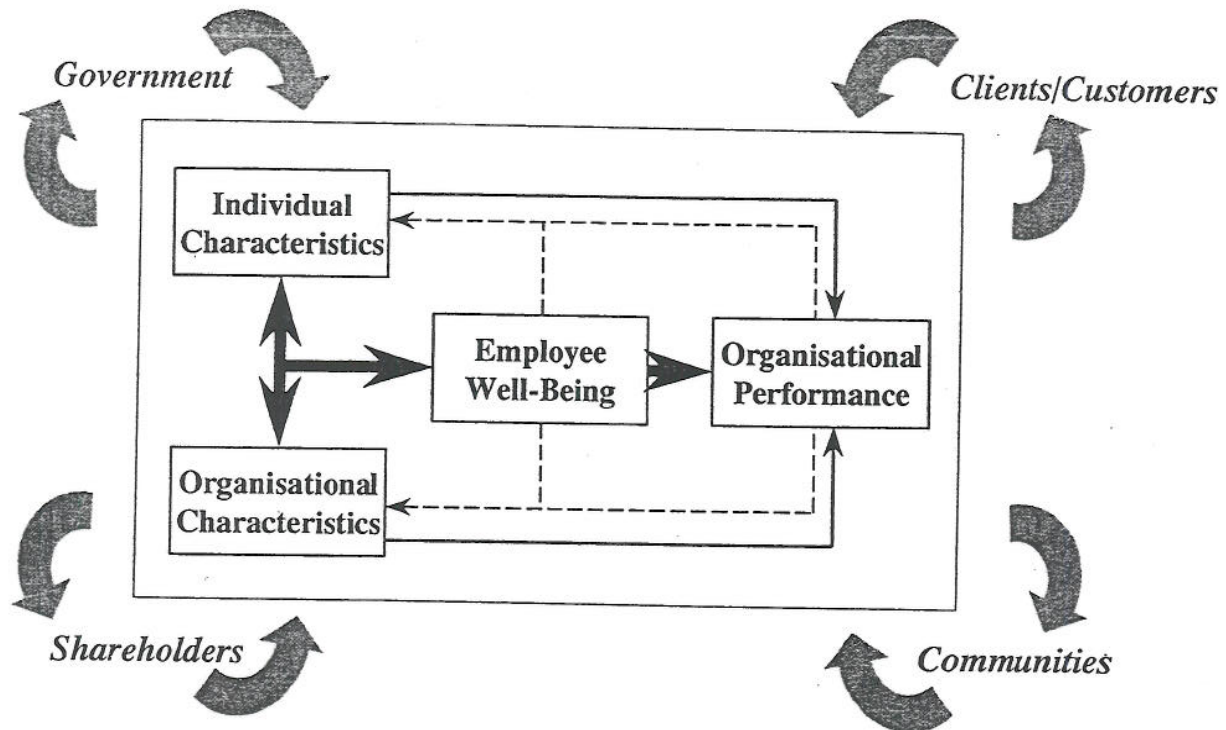


FIGURE 1

A heuristic model of organisational health.

people to their environments. The core elements of this framework are shown in Figure 1.

According to the organisational health framework, it is important for researchers and practitioners to be concerned with the occupational wellbeing of employees *and* organisational performance (Cox, 1988, 1992). In other words, it is not sufficient to be concerned with occupational wellbeing in itself, but instead, occupational wellbeing must be linked to outcomes that affect organisational performance. In a recent empirical study, for example, it was found that satisfaction among employees led to greater discretionary effort that, in turn, contributed to the satisfaction that was being experienced by customers of the organisation (Hart et al., 2002). Although these findings demonstrate that occupational wellbeing may be related to "core business" outcomes, it is important to extend this line of research to include a range of performance indicators (e.g., Wright & Cropanzano, 2000; Armstrong, Hart, & Fisher, 2003). Moreover, the simultaneous focus on employee wellbeing and performance recognises the practical reality that having happy and satisfied staff is of little value to an organisation unless staff are also performing efficiently and productively. Likewise, having an efficient and productive organisation is of little value if this is achieved at the expense of staff wellbeing.

The organisational health framework shown in Figure 1 also recognises that the relationship between individual and organisational characteristics on the one hand, and occupational wellbeing and organisational performance on the other hand, operates in a broader context. The nature of this broader context varies according to the level of analysis that is applied to the core elements of the framework. For example, if the core elements of the model were applied to individual employees and their work teams, then the policies and practices of the wider organisation will form part of the context in which they must operate. If the core

elements of the model were applied to the organisation as a whole, then other factors, such as the economic environment, government policies, regulatory authorities, and the wider community's expectations, would make up the broader context in which the organisation operates.

The Structure of Occupational Wellbeing

The focus on occupational "wellbeing" in the organisational health framework is an important departure from the language of occupational stress. The term "stress" is typically associated with psychological distress (e.g., Cooper, 1998; Newton, 1989), and forms only one part of the much broader construct of occupational wellbeing. Drawing on a considerable body of empirical evidence in the quality of life literature that describes the structure of subjective wellbeing (e.g., Diener, 2000; Heady & Wearing, 1992), Hart and Cooper (2001) argue that occupational wellbeing includes both emotional and cognitive components. The emotional component is conceptualised in terms of two independent dimensions of positive and negative affect (Watson, 1988), which are termed morale and distress respectively in the organisational health approach. These emotional components can operate at the individual employee or workgroup levels (George, 1996; cf. Hart & Cooper, 2001; Griffin, Hart, & Wilson-Evered, 2000). The cognitive component is termed job satisfaction and reflects employees' judgements about their levels of satisfaction with their work (George, 1996; Hart, 1999). Hart and Cooper's proposed structure of occupational wellbeing is shown diagrammatically in Figure 2.

According to the organisational health approach, job satisfaction reflects an individual's evaluative judgements, based on weighing up their positive and negative employment experiences (Hart, 1999). Thus, job satisfaction can be likened to a summary index of how satisfied an individual is

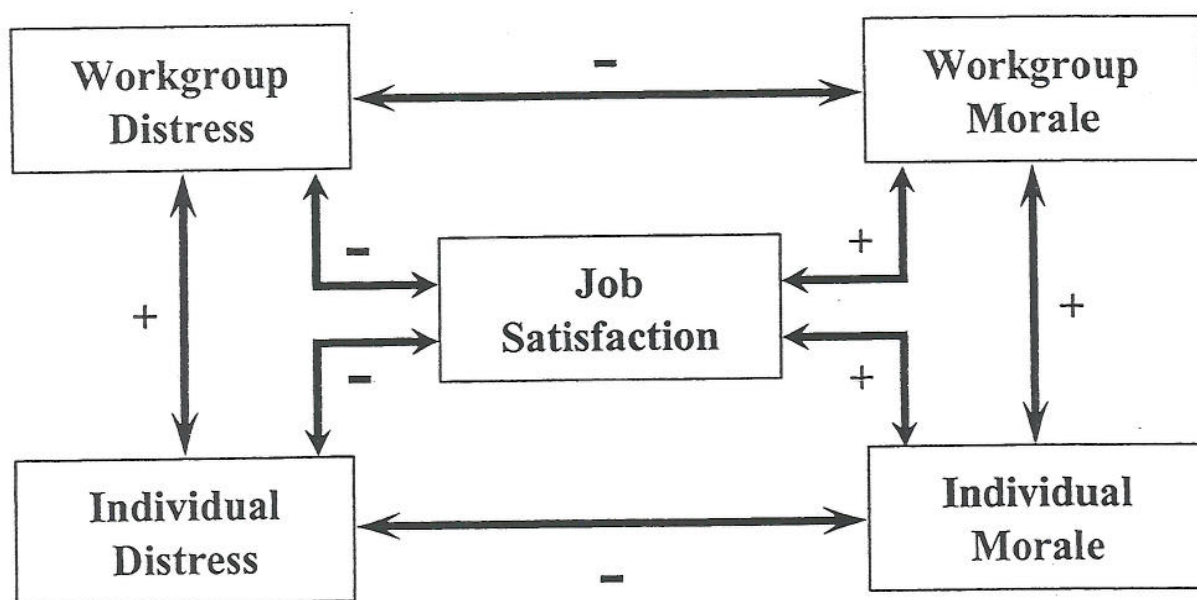


FIGURE 2

The structure of occupational wellbeing ("+" indicates a positive relationship and "-" indicates a negative relationship).

with their work. The negative affective dimension is defined in terms of the subjective experience of distress and includes emotional states such as anxiousness, anger, guilt and sadness. The positive affective dimension reflects a pleasurable emotional state, characterised by such terms as energy, enthusiasm and pride.

On theoretical grounds (e.g., Weiss & Cropanzano, 1996), it has been proposed that the cognitive dimension of individual wellbeing more strongly influences judgement-related outcomes in the workplace such as the decision to resign, whereas the emotional components are likely to be more strongly linked to emotive-related behaviours such as organisational withdrawal, harassment and impulsive behaviours (see also Ashkanasy and Daus, 2002; George, 1996). Indeed, the Affective Events Theory proposed by Weiss and Cropanzano is consistent with the core elements of the organisational health framework (e.g., Hart, 1994; Hart & Cooper, 2001; Hart, Wearing, & Heady, 1995). However, recent research linking cognitive and emotional wellbeing variables to judgement-related and emotive-behaviour outcomes respectively, suggests that these links are more complex than proposed by Affective Events Theory (Armstrong et al., 2003).

Importantly, research (e.g., Hart, 1994; Hart et al., 1995) has confirmed quality of life research findings (e.g., Bradburn, 1969; Deiner & Emmons, 1985; Heady & Wearing, 1992) that the two emotional factors (i.e., distress and morale), make independent contributions to overall employee wellbeing. That is to say, the two emotional components of wellbeing are quite distinct and an individual's actual level of morale has no influence on their level of distress, and vice versa.

Furthermore, specific employee outcomes may be more influenced by levels of distress or levels of morale, or a combination of both. Indeed, George (1989, 1996) found

that absenteeism outcomes were more strongly influenced by low levels of positive affect (morale) than by levels of negative affect (distress). To further illustrate the relationship between stress and morale, and why the distinction is important in a practical sense, consider the following example of two employees: A with high morale and B with low morale. Both of these employees get out of bed on a particular morning with flu symptoms and need to make a decision about whether to attend work or not. Based on the results of George's research, if person A has high morale they are likely to "soldier on" regardless and attend work. By contrast, if Person B has low morale they are more likely to take sick leave. In other words, research has shown that it is a person's level of energy, enthusiasm and pride that more strongly influences their decision to take time off work, rather than the level of distress they may be experiencing. Hence, notwithstanding these two individuals experiencing the same symptoms, their outcomes are likely to be quite different, in terms of the time they take off work, if they have different levels of morale.

It is also important to note, as Hart and Cotton (2003) have recently shown, that distress and morale have distinct sets of determinants; the factors influencing levels of morale are not the same as those determining levels of distress. These findings are consistent with previous research by Hart and colleagues (e.g., Hart, 1994; Hart et al., 1995; Hart & Wearing, 1995), and have major practical implications for the management of occupational stress. Quite different intervention strategies may be indicated, depending on whether a reported stress problem is actually influenced by an increase in distress, a reduction in morale or a combination of both.

The occupational wellbeing components discussed thus far are typically anchored at the level of the individual employee. However, distress and morale can also be conceptualised

as operating at the group level of analysis. George (1990) provided support for this group level of abstraction by relying on the statistical aggregation of individual level affect. Hart and Cooper argue (2001), however, that this approach is not psychologically meaningful to individual employees. Accordingly, they propose that workgroup distress and morale should be conceptualised as individual employees' experience of the emotional tone of their workgroup. In essence, the distinction between individual and group level affect is the difference between employees saying "I have a lot of energy and enthusiasm" and "There is a lot of energy and enthusiasm in my workgroup".

Empirical support for the distinction between individual and group level morale and distress has been found in a wide range of studies (e.g., Griffin et al., 2000; Hart & Wearing, 1995). This research has found that employees reliably differentiated between rating their personal levels of morale and distress, and the extent to which they believe that a sense of energy and enthusiasm or frustration and worry characterised the emotional tone of their work group. More recently, studies have shown that individual and workgroup levels of distress and morale relate differently to wellbeing and performance outcomes (e.g., Armstrong, Hart & Fisher, 2003).

Organisational Health Research Model

Hart and Cooper (2001) proposed a comprehensive research model that is based on the organisational health framework. This model is derived from an integration of the cognitive-relational (e.g., DeLongis, Folkman, & Lazarus, 1988; Lazarus & Folkman, 1984) and dynamic equilibrium (e.g., Hart, 1999; Hart, Wearing, & Heady, 1993, 1994) theories of stress, with the quality of life and subjective wellbeing

literature (e.g., Heady & Wearing, 1989, 1992). Moreover, the model incorporates a range of individual and organisational characteristics that are likely to be important in determining the stress process. Thus, in terms of individual characteristics, the model incorporates the enduring personality characteristics of emotionality (i.e., tendency to worry and experience negative emotions) and extraversion (i.e., people-oriented, sociable and engaging) (Costa & McCrae, 1980, 1985), as well as the use of emotion-focused and problem-focused coping strategies (Latack & Havlovic, 1992) — both of which have been related to indices of psychological wellbeing in occupational and community studies (e.g., Hart, 1999; Headey & Wearing, 1990; Moyle, 1995). In terms of organisational characteristics, research has shown that organisational climate (Griffin et al., 2000; Michela, Lukaszewski & Allengrante, 1995) and employees' positive (i.e., uplifts or emotionally motivating) and negative (i.e., hassles, pressures, stressors, or emotionally distressing) experiences of work (Hart et al., 1995) also influence indices of occupational wellbeing. Accordingly, the organisational health research model integrates these individual and organisational characteristics, as shown in Figure 3.

Many of the components included in the organisational health research model have been investigated separately in prior research, and there has been a few studies that have integrated the various components and examined them simultaneously (e.g., Hart, 1994; Hart et al., 1995; Hart & Wearing, 1995). Nevertheless, the overall model has been successfully applied in a wide variety of contexts with a range of occupational groups (Hart, 1994; Hart & Wearing, 1995; Hart & Cotton, 2003; Hart, Griffin, Norris, Ostragnay, Wearing, & Cotton, 1999; Hart, Griffin, Wearing, & Cooper, 1996).

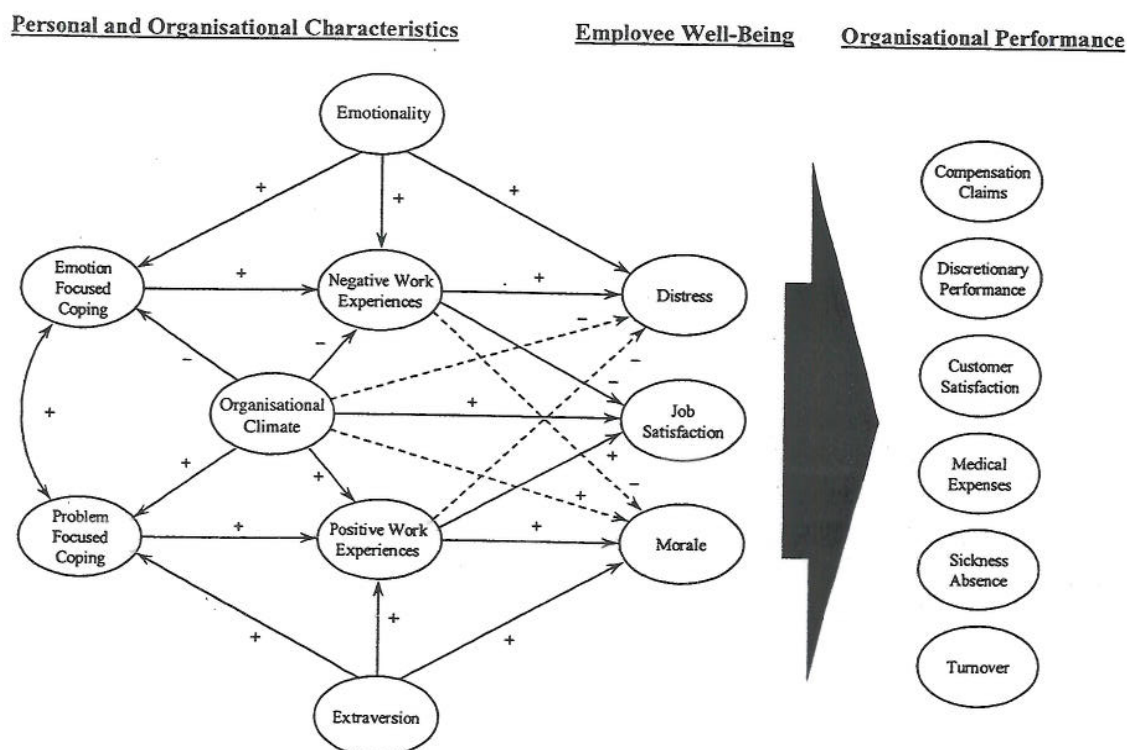


FIGURE 3

An organisational health research model. ("+" indicates a positive relationship and "-" indicates a negative relationship. Dotted lines indicate possible relationships that are expected to be comparatively weak.)

Determinants of Organisational Health Occupational Wellbeing

Hart and Cotton (2003) investigated the relative contributions of organisational climate, positive and negative employment experiences (e.g., stressors), personality and coping strategies to levels of wellbeing (stress and morale) among a sample of police officers. A series of structural equation analyses were used to examine the extent to which each of these factors influenced levels of wellbeing. Table 1 presents the standardised total effects, resulting from the estimation of Hart and Cooper's (2001) theoretical model, showing the relative contribution of each of the predictor variables to police officers' levels of occupational wellbeing.

The results shown in Table 1 indicate that organisational climate exerted the strongest influence on morale, followed by positive work experiences and personality (i.e., extraversion). The use of emotion focused and problem focused coping strategies did not significantly influence levels of morale. The strongest influence on levels of distress was personality (specifically, emotionality), followed by organisational climate and then positive and negative work experiences. Again, the use of coping strategies did not significantly influence levels of distress. In terms of overall levels of wellbeing, organisational climate exerted the strongest influence.

Similar patterns of relationships among predictor variables have also been found in cohorts of teachers. Hart et al. (1999) found that organisational climate was the strongest determinant of levels of morale, whilst personality followed by organisational climate was the strongest determinant of levels of distress among teachers (see also Hart, 1994; Hart 2000). Studies conducted with other occupational groups have also found very similar patterns of influence among the predictor variables contained in Hart and Cooper's (2001) theoretical model, and their contribution to employee wellbeing (e.g., Hart et al., 1996).

These studies demonstrate the key role of organisational climate in influencing levels of occupational wellbeing. Organisational climate refers to employees' perceptions about the way in which their workplace functions (Griffin et al., 2000). In other words, organisational climate consists of the leadership and managerial practices, as well as the organisational structures and processes (e.g., appraisal and recognition processes, decision-making styles, clarity of roles, goal alignment etc.) characterising a work organisation (James & McIntyre, 1996; Hart & Cooper, 2001). Importantly, these organisational factors, which are common to all work organisations, have been shown to be much

more influential than the impact of adverse employment experiences (i.e., stressors) in numerous occupational groups including police, teachers, health professionals, community service workers, primary industry workers and other public sector employees (Hart et al., 1996).

Hart and Cotton (2003) argued that the central role of organisational climate can be explained in terms of it reflecting the core organisational behaviours that underpin employees' coping strategies and work experiences. In other words, climate is a cognitively oriented construct that reflects employees' perceptions of what occurs on a day-to-day basis in their workplace, as opposed to their positive and negative work experiences, which reflect their affect-laden responses to various events occurring in the workplace. According to this view, organisational climate contributes directly to levels of wellbeing, and indirectly through its role in influencing both negative and positive work experiences. As such, organisational climate can be regarded as exerting a pervasive influence on employee wellbeing outcomes.

These findings challenge the conventional wisdom that the major source of stress among, for example, police and teachers, are unique operational pressures (e.g., dealing with victims and danger for police, and dealing with student misbehaviour for teachers). The results from the studies reported here clearly indicate that quite different occupational groups (e.g., teachers and police) are more similar than different in that generic organisational factors exert the strongest influence on levels of wellbeing. Moreover, this is supported by the fact that studies comparing the influence of job-specific and general organisational stressors has consistently shown that general organisational stressors are much more important in determining occupational wellbeing (e.g., Hart, 1994; Hart et al., 1995; Hart & Cotton, 2003).

The findings indicating that trait emotionality is the strongest determinant of distress is consistent with previous research reported in the negative affectivity literature (e.g., Burke, Brief & George 1993, Moyle, 1995; Williams, Gavin, & Williams, 1996). These results raise the issue of what can be done, from an organisational viewpoint, given that personality is relatively stable over the long term (e.g., Headey & Wearing, 1992). One strategy sometimes considered is personality screening in recruitment and selection processes. However, the enduring personality trait of emotionality has been shown to have little, if any, effect on performance outcomes (e.g., Barrick & Mount 1991). Hence, as Hart and Cotton (2003) note, this is unlikely to be the most appropriate response to addressing stress-related issues in the workplace. Moreover, other research has shown that employees with high levels of emotionality are randomly distributed in an organisation; they do not tend to be clustered together as evidenced by relatively little between group variance in personality variables (e.g., Griffin, Hart, & Norris, 1998).

These findings further suggest that workplace strategies to deal with counter-productive personality styles and employees exhibiting significant ongoing distress, need to be individual-based interventions, rather than organisation-oriented interventions. In this respect, clinical research suggests that targeted and structured psychological interventions, rather than supportive counselling and generic stress management approaches are likely to be more effective (see Australian Psychological Society Expert Consensus Statement, 2000; Cotton, 1996; Nathan & Gorman, 2002). The variable level of skills and qualifications among employee assistance counselling providers (Kirk & Brown, 2003) further suggests that organisations need to be vigilant and ensure that their provider groups have at least some

TABLE 1

Standardized Total Effects Showing the Relative Contribution of the Predictor Variables to Police Officers' Levels of Occupational Wellbeing

Predictor Variable	Quality of Work Life	Distress	Morale
Quality of Work Life			
Distress			
Morale			
Negative Work Experiences	-.19	.16	-.13
Positive Work Experiences	.25	-.16	.24
Organisational Climate	.54	-.36	.49
Emotion-Focused Coping	-.02 ^{ns}	.02 ^{ns}	-.01 ^{ns}
Problem-Focused Coping	.02 ^{ns}	-.01 ^{ns}	.02 ^{ns}
Emotionality	-.32	.60	-.16
Extraversion	.18	-.07 ^{ns}	.46

Note: N = 420 (Listwise). ^{ns} = Nonsignificant at the .05 level.

staff who have postgraduate clinical training and skills in the delivery of these focused psychological treatments.

Organisational health research also challenges the traditional priority accorded to coping skills training in workplace stress management programs. The studies summarised here suggest that improving leadership and managerial practices, as well as various other aspects of organisational climate, is the most effective approach to improving levels of employee wellbeing. For example, Table 1 indicates that a 10% improvement in organisational climate would result in a 4.9% improvement in morale, and a 3.6% reduction in levels of distress; whereas, improving coping skills would not have any significant impact on levels of morale and distress.

These findings may also help to illuminate the apparent discrepancy between (a) research suggesting that the overall effectiveness of various employee support functions (e.g., employee assistance and critical incident debriefing programs), is uncertain (Kirk & Brown, 2003) or has negligible impact on clinical outcomes (Deville & Cotton, 2003), and (b) the positive satisfaction ratings typically obtained from employees who utilise these services. Organisational health research, which distinguishes between individual morale and distress, and has identified their typical determinants, suggests that such employee support functions may have more impact on morale than on levels of individual distress. In other words, these functions may not have a significant impact on clinical outcomes, but may nevertheless be useful because they constitute a gesture of employer support that contributes towards the maintenance of employee morale.

We note, in passing, that the findings summarised here may also help to illuminate the mixed results often obtained through applying risk management principles to the management of occupational stress; that is, targeting discrete stressors as "psychosocial hazards" and designing interventions to reduce or eliminate them. The results reported here indicate that substantial improvements in levels of occupational wellbeing will only be achieved by focusing on improving leadership and managerial practices and other aspects of organisational climate.

The issue of work demands, which is frequently reported to be a major workplace stressor that is detrimental to employee wellbeing, further illustrates the inherent difficulties in targeting discrete stressors as a strategy for improving employee wellbeing. Our research suggests that work demands have a complex relationship with employee wellbeing. Employees' workload, in itself, can contribute to both morale and distress. For example, we have found that achieving a heavy workload can be a positive uplift for employees, contributing to their level of morale, whereas feeling overloaded with work is often a stressor that contributes to levels of distress (Hart et al., 1995; Cotton & Hart, 2002). This is consistent with our research into the role of organisational climate in determining occupational wellbeing. It has consistently been found that when employees view their work demands as *excessive*, this does not influence their levels of morale, but instead, employees' levels of morale influence whether or not they will perceive their workload to be excessive (e.g., Armstrong et al., 2003; Hart, Schembri, Bell & Armstrong, 2003; Hart & Wearing, 1995). In other words, complaints about work demands can be a symptom of poor morale.

People Performance Related Outcomes

Employee Withdrawal Behaviours

Employee behaviours including absenteeism, turnover and submitting stress-related workers compensation claims have predominantly been investigated by organisational

behaviour researchers in terms of the construct of withdrawal behaviours (Hulin, 1991). Employee withdrawal behaviours are costly to organisations (Johns, 1997) and detrimental to the "bottom-line". Hence, minimising employee withdrawal behaviours can be very important in influencing an organisation's overall performance.

It is commonly assumed that withdrawal behaviours are influenced primarily by negative work experiences and levels of distress. However, much of the variance remains unaccounted for in studies that focus on correlating stressors and levels of distress with withdrawal behaviours (Harrison & Matocchio, 1998). George (1989, 1996) has challenged the assumptions underpinning this approach to withdrawal behaviours with research suggesting that positive affectivity (morale) may be more important than negative affectivity (distress) in determining some types of withdrawal behaviours.

We have investigated the determinants of employee withdrawal behaviour intentions across a range of occupational groups. In a recent study with a group of police officers, we examined the determinants of reported intentions to withdraw from their jobs due to stress-related problems using a series of structural equation analyses (Hart & Cotton, 2003). Table 2 presents the standardised total effects from the results of the structural equation analyses that were used to examine Hart & Cooper's 2003 theoretical model, showing the relative contribution that personality, organisational climate, coping, work experiences and occupational wellbeing made to police officers' withdrawal behavioural intentions due to stress-related problems.

The results shown in Table 2 indicate that personality is the strongest driver of withdrawal behavioural intentions. After personality, police officer's feelings of low energy and a lack of pride in their work, (i.e., low morale) was the next strongest determinant of withdrawal behaviours, including submitting stress-related compensation claims and taking medically uncertified sick leave. Importantly, no significant relation was found linking distress to withdrawal behavioural intentions. In other words, the absence of morale, rather than the presence of distress, influenced withdrawal behavioural intentions. Organisational climate was the third strongest driver of police officers' withdrawal behavioural intentions.

In another study with a cohort of teachers in a state education system, Hart et al. (1999) found that personality was the strongest driver of teacher's intentions to submit stress-related compensation claims. The next most influential factors were morale, distress and organisational climate.

TABLE 2

Standardised Total Effects Showing the Relative Contribution of the Predictor Variables to Police Officers' Withdrawal Behavior Intentions (Intention to Submit Stress Related Workers Compensation Claims)

Predictor Variable	Withdrawal Behavior
Quality of Work Life	-.16 ^{ns}
Distress	.13 ^{ns}
Morale	-.38
Negative Work Experiences	.10
Positive Work Experiences	-.15
Organisational Climate	-.32
Emotion-Focused Coping	.01 ^{ns}
Problem-Focused Coping	-.01 ^{ns}
Emotionality	.51
Extraversion	.08 ^{ns}

Note: N = 420 (Listwise). ^{ns} = Nonsignificant at the .05 level.

TABLE 3

Standardised Total Effects Showing the Relative Contribution of the Predictor Variables to Teacher's Withdrawal Behavior Intentions (Intention to Submit Stress-related Workers Compensation Claims)

Predictor Variable	Withdrawal Behavior
Distress	.28
Morale	-.28
Negative Work Experiences	.12
Positive Work Experiences	-.12
Organisational Climate	-.26
Emotion-Focused Coping	.12
Emotionality	.54
Extraversion	.13

Note: $N = 1115$

Table 3 summarises these results, showing the standardised total effects resulting from the structural equation analysis that was used to examine the factors contributing to teachers' intentions to submit stress-related compensation claims.

The pattern of relationships shown in Table 3 is generally consistent with the pattern of determinants identified for police officers' withdrawal behaviour intentions, although distress did contribute as strongly as morale to teacher withdrawal behavioural intentions. Nevertheless, the key practical implication here is that while personality and distress are largely determined by pre-existing individual and non-work-related factors, morale and organisational climate are strongly influenced by workplace factors. As such, the results indicate that improving organisational climate and increasing levels of employee morale, is likely to be the most effective organisational approach to reducing the incidence of stress-related compensation claims.

It is also noteworthy that positive and negative work experiences exerted a relatively minor influence over police and teacher withdrawal behavioural intentions. The measures used to assess negative work experiences for both of these occupational groups included commonly reported workplace stressors as well as job-specific stressors. Hence, these results suggest that exposure to stressors (including dealing with student misbehaviour for teachers and dealing with danger and trauma for police) is typically not the most salient determinant of withdrawal behaviour intentions. These findings run contrary to the conventional wisdom that presumes "work stress" is primarily caused by exposure to stressors. Rather, as the research summarised here indicates, improving leadership practices and the quality of organisational climate is likely to have a much greater impact on reducing compensation premiums than reducing or eliminating workplace stressors. Similar results have also been found with respect to absence behaviour (e.g., Hart et al., 1999; cf. George, 1989, 1990).

Beyond organisational health theory and the research conducted to date, it is also relevant to note that we have applied these findings in a range of practical contexts to inform organisational improvement programs conducted across a range of public and private sector organisations. In a recent project, for example, we worked with an organisation (of approximately 80 staff in the education sector) and focused on improving leadership and managerial capability and the quality of people management practices. The program utilised evidence-based improvement initiatives, based on high quality employee opinion survey data, and all employees working in the organisation were involved in the design and implementation of these initiatives.

The program evaluation, comparing post-intervention organisational health indicators with pre-program baseline data gathered 1 year earlier, showed significant improvements on leadership, morale and a number of other organisational health indicators. Crucially, the improvement program did not in any way target commonly reported workplace stressors. Nevertheless, the workers compensation premium for this organisation fell by 65% in 2 years and 75% in 3 years (Hart, Dingle, Baulch, & Schembri, 2003).

Discretionary Performance

Attempts by researchers to demonstrate direct links between occupational wellbeing and productivity indicators have exhibited a chequered history (Wright & Cropanzano, 2000). Nonetheless, the happy-productive worker thesis (Brief, 1998; Weiss & Cropanzano, 1996) has persistent intuitive appeal. One of the problems in demonstrating linkages between wellbeing and performance has been how happiness and performance have been operationalised. In terms of wellbeing indicators, as Wright and Cropanzano note, focusing on employee emotions is likely to be more productive than focusing on the construct of job satisfaction, because research over the past three decades on the satisfaction-productivity connection has typically yielded very low correlations.

With respect to performance, it is possible to distinguish between two distinct dimensions of core task performance and contextual or discretionary performance (Motowildo & Van Scotter, 1994). The former refers to an employee's core task responsibilities, while the latter refers to a variety of work behaviours that are important for organisational success but are typically not part of an individual's core task responsibilities (Borman & Motowildo, 1993). Contextual behaviours include activities that support the overall success of the organisation, such as volunteering to carry out tasks, cooperating with co-workers, exerting effort, and promoting the organisation to others (Armstrong et al., 2003).

Building on previous research (e.g., Hart, Griffin, & Norris, 1999; Motowildo & Van Scotter, 1994), we have examined the determinants of four dimensions of contextual performance: participation, job dedication, helpfulness and promoting the organisation to others, across a range of different employee groups. Consistent with previous research (e.g., George, 1991; George & Brief, 1992; Rosenham, Salovey, & Hargis, 1981), Hart and Ostragnay (2000) found that individual morale influenced contextual performance, and particularly job dedication among a sample of employees in the education sector. Armstrong et al. (2003) found that increased levels of morale fostered contextual performance in a public service organisation that coordinates government financial and budget management. More specifically, they found that individual morale was the strongest predictor of job dedication, while workgroup morale was the strongest predictor of helpfulness. Further, they found that organisational climate was the strongest predictor of core task performance, but that its effects were wholly mediated by employees' emotional experience.

In another study with a sample of 1430 employees in a large private sector service organisation, we found that the likelihood of employees positively promoting their organisation outside of the workplace was significantly influenced by the emotional tone of the work team (i.e., levels of workplace morale). Those employees in work teams with high levels of group morale were much more likely to portray their organisation in positive terms, in their interactions with other people outside of the workplace.

While the research on employee emotional responses and discretionary performance has thus far been limited, the studies conducted to date are very promising and suggest that the management of employee emotions is an integral component contributing to the overall viability and effectiveness of an organisation. Nevertheless, the linkages between employee emotions and particular wellbeing and performance outcomes are complex and much more research needs to be conducted (Armstrong, et al., 2003).

Practical Implications

The organisational health framework provides a rich perspective for understanding how various individual and organisational factors interact and influence particular employee and organisational outcomes. It is a strong evidence-based model that is also consistent with previous quality of life research (e.g., Heady & Wearing, 1989, 1992) and cognitive-relational stress research (e.g., De Longis et al., 1988). It has been applied in a wide variety of occupational settings, and has been demonstrated to be very robust in predicting employee wellbeing and performance related outcomes. Hence, based on the organisational health research conducted to date, there are a number of key practical implications that can be summarised as follows:

1. Individual levels of distress and morale are independent of one another; knowing an individual's level of distress does not provide any information about their level of morale, and vice versa.
2. Individual levels of distress and morale each have distinct sets of determinants.
3. Because the determinants of distress and morale are not the same, different interventions may be required to address reported low morale or high distress problems in the workplace.
4. Personality is the strongest determinant of individual distress.
5. Organisational climate is the strongest determinant of individual morale.
6. Organisational climate is the strongest determinant of individual distress, once personality has been taken into account, which is something that managers have considerable control over.
7. Organisational experiences (e.g., leadership behaviours, appraisal and recognition processes, the clarity of roles, decision-making styles, goal alignment etc.) that are common to all workplaces are typically more "stressful" for employees than specific operational experiences (e.g., "stressors").
8. Employee withdrawal behaviours, including submitting stress-related workers compensation claims and taking uncertified sick leave, are more strongly influenced by low levels of morale (e.g., lack of energy, enthusiasm and pride) rather than the presence of distress.
9. Interventions to reduce employee withdrawal behaviours that focus on increasing levels of morale will typically be more effective than approaches that focus on reducing levels of employee distress.
10. Interventions to reduce employee withdrawal behaviours that target the reduction of workplace stressors, are likely to be much less effective than organisation level interventions that focus on improving the quality of leadership and people management practices (i.e., organisational climate). Thus, it is more important to develop a supportive organisational climate that

helps employees to manage their work more effectively, rather than attempting to change employee's operational work demands.

11. Traditional stress management interventions that focus on teaching employees coping skills are likely to be of negligible value from a whole of organisation point of view, in terms of demonstrating any enduring benefits on levels of employee wellbeing and in reducing withdrawal behaviours.
12. There is no justification for organisations utilising selection and recruitment processes to screen out individuals who have higher levels of emotionality. However, this applies to the normative employee population rather than a clinical population (i.e., individuals with more extreme elevations on emotionality or emotional reactivity). Thus, in specific contexts where employees are exposed to ongoing high level pressures, screening for the latter may be warranted.
13. For individual employees exhibiting more extreme counter-productive personality styles (i.e., beyond the normative population of employees), a more clinical approach is required. In this respect, the use of targeted and structured clinical psychological interventions is likely to be more effective than supportive counselling and generic employee assistance services.
14. Some employee support functions (e.g., employee assistance counselling and debriefing programs) may actually be more effective as morale support interventions rather than as clinical interventions. That is to say, they may have limited value in terms of improving clinical outcomes, but are nevertheless useful because they constitute a gesture of employer support that contributes towards maintaining morale.
15. Organisational development programs that focus on improving the quality of leadership practices and organisational climate are likely to have a greater impact on reducing workers compensation premiums than traditional occupational health and safety risk management approaches.

Endnote

- 1 In terms of defining the term "stress", the organisational health approach adopts the dynamic equilibrium theory proposed by Hart and colleagues (Hart, Wearing, & Heady, 1993, 1995). According to this approach, stress results from a broad system of individual and organisational variables, and stress cannot be located in any one of these variables. Rather, stress only occurs when a state of disequilibrium exists within the system of variables relating people to their environments, provided that this state of disequilibrium brings about a change in people's normal (i.e., equilibrium) levels of psychological wellbeing. It follows that stress is a complex construct that cannot be assessed directly. Instead, stress can only be understood by assessing a complex system of variables and establishing how these variables relate to one another over time.

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