

EMPLOYEE WELL-BEING AS AN ANTECEDENT AND EFFECT OF THEIR EXPERIENCES IN THE WORK

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Purpose: Literature on human resource management does not contain many studies on the relationship between employee well-being and their experiences in the work environment. The existing research gap justifies the need for analysis and reflection on the relationship between the two. The aim of this article is to draw attention to the key importance of this relationship for human resource management practice.

Design/methodology/approach: In this theoretical article, which does not exhaust the entire topic, a literature review in the fields of economics, human resource management and psychology was used as a research method.

Findings: The close relationship and two-way connection between employee well-being and their experiences in the work environment has been confirmed. This shows that well-being generates positive experiences, but it is also the result of strategic management within HRM.

Originality/value: The originality relates to the research context and interrelationships (experience economy, employee experience and well-being in the workplace).

Research limitations/implications: Limitations arise from the fact that this is an inherently theoretical article, as well as on the need to confirm the relationship between employees' well-being and their experiences in empirical studies.

Keywords: experience economy, experiential marketing, employee experience, well-being in the workplace.

Category of the paper: Literature review.

1. Introduction

The evolution of the economy and the structural changes taking place in it have led, after the phases of the agrarian economy, the industrial commodity economy and the service economy, to the emergence of the next stage in its development - the experience economy. The concept of the *experience economy* developed by J.B. Pine II and J.H. Gilmore (1998, 1999) refers to a new way of thinking and creating value by companies through positive, unique, memorable experiences that are important for consumers and employees alike.

Experiences as a specific product become a new, separate offer for which customers are willing to pay. People no longer just buy products, but the entire experience associated with them. While previous offers (goods and services) are something external to the buyer, experiences (impressions, feelings and the emotions that accompany them) involve individuals in a personal way on a physical, emotional, intellectual and even spiritual level. Companies try to actively involve the customer in the experience creation process. They adapt them to individual needs and preferences, strive to evoke positive emotions, engage all the customer's senses to enhance the experience and create lasting memories, thus creating a long-term relationship conducive to building loyalty. Examples include tourist trips, survival expeditions, culinary events, promotional events, fascinating exhibitions, virtual reality experiences, etc.

The experience economy, so influential in economics and inspiring for management science, is part of the broader trend of behavioral economics, which, going beyond the *homo economicus* paradigm, has begun to offer alternative explanations for economic behavior. As one of its pioneers aptly put it, rational decision-making does not boil down to constant and strict calculation: "people behave as they like, or as they feel they have to, or finally they can make compromises between these two elements" (Leibenstein, 1985, p. 128). Behavioral economics, which draws on psychological knowledge, has started to consider explanations of human economic behavior other than the general equilibrium or efficiency theory, and its leading researchers and supporters, C.F. Camerer and G. Loewenstein - recognized that behavioral economics, which combines economic and psychological knowledge, "increases the explanatory power of economics, giving it a more realistic psychological basis" (Camerer, Loewenstein, 2004, p. 3).

Undoubtedly, the cultural changes in the second half of the 20th century, which manifested themselves, among other things, in post-materialism as part of the post-modernization process, had a significant impact on experimental economics. The decline of materialistic values associated with the satisfaction of basic needs resulted in an increase in post-materialistic values such as quality of life, mental well-being, personal development and self-realization or various forms of self-expression (Inglehart, 1990; Bauman, 2008). These changes are reflected in the sphere of values that emphasize the importance of free time, hobbies, entertainment and a lifestyle open to all forms of individual self-expression (*homo ludens*).

The aim of the considerations undertaken in the article is to find an answer to the question of whether the experience economy and its assumptions have an impact and are applicable in human resources management, with particular focus on employee well-being.

2. From experience marketing to employee experience management

A practical application of the principles of experience economy is *experiential marketing*, which aims to engage the customer by creating interactive and memorable brand experiences (Schmitt, 1999ab). In traditional marketing, the consumer is seen as a rational decision-maker who considers the functional characteristics of the product and the potential benefits. In contrast to traditional marketing, experiential marketing sees the consumer as someone who can make rational choices, but who is also often guided by emotions and the search for positive experiences and sensations.

For the purpose of consumer experience management (CEMs), B. Schmitt (1999a, pp. 60-65) has identified five modules that can be used to create different types of customer experiences. These modules include:

- sensory experiences, referring to the senses of sight, hearing, touch, taste, smell (sense),
- affective experiences related to emotions, feelings, mood (feel),
- cognitive experiences referring to intellect, creativity, learning (think),
- behavioral experiences related to behavior, lifestyles (act) and
- experiences resulting from relating to a broader system, society, culture (relate).

It should be emphasized that, according to B. Schmitt, experience is not the sum of individual sensations, but a holistic whole, composed of interrelated sensory, emotional, cognitive and behavioral interactions. These interactions, as a coherent system, form experience modules.

The modern market places increasingly high demands on companies, and building strong customer relationships is becoming the key to success. *Customer experience* is therefore becoming a priority for many organizations. It is important to bear in mind that a good customer experience is the result of a positive employee experience. Employees are brand ambassadors, and their satisfaction and commitment directly translate into the quality of customer service and the customer's perception of the company.

Work is one of the main values and one of the most important experiences in a person's life. It is no coincidence, therefore, that an approach based on *employee experiences*, inspired by experience marketing, is gaining more and more importance in human resources management. The experiences of employees, which arise from their interaction with various entities and factors, are formed throughout their entire life cycle in the organization. They are characterized by, among other things, different degrees of awareness and intensity, contextuality, subjectivity, as well as positive or negative character (Lipka, Waszczak, 2024, p. 11).

The human resource management model of an organization that focuses on analyzing and shaping the *employee experience management* uses B. Schmitt's modular approach (Lipka, 2022). Although the model was originally developed for marketing, it can also be applied to human resources management and employee experience design. As mentioned above,

the researcher identified five modules that, when applied to the work environment and organization, influence various aspects of employee experience and well-being (see Table 1).

Table 1.

Experience modules and examples of their practical application in the work environment to shape positive experiences and sensations of employees

Experience modules	Examples of application
Sensory: – visual stimuli, – auditory stimuli, – olfactory stimuli, – taste stimuli, – tactile stimuli.	<ul style="list-style-type: none"> • aesthetic and employee-friendly office design (design, furnishings, quality of equipment), • pleasant experiences (color, aromas, adequate lighting, quiet and stimulating background music, the smell of coffee in the office, adequate temperature, access to healthy meals and water, especially on hot days, comfortable seating), • access to nature (plants, fish in an aquarium, or a nice view from the window),
Emotional	<ul style="list-style-type: none"> • positive atmosphere at work, • organizational culture based on respect and trust, • emotions conducive to creative work and the experience of <i>flow</i>, • higher level of motivation, • the ability to reduce stress in relaxation zones, • providing support in crisis situations (stress, burnout),
Intellectual	<ul style="list-style-type: none"> • stimulating learning processes, creativity and innovative thinking, • sharing knowledge, • encouraging challenging tasks, • offering training, mentoring and coaching,
Behavioral	<ul style="list-style-type: none"> • promoting physical activity and a healthy lifestyle, • work organization that allows you to choose flexible forms of work (including remote/hybrid work), • a concern for work-life balance,
Relational (social)	<ul style="list-style-type: none"> • fostering the creation of a sense of belonging; • efficient and free communication, • taking care of an inclusive organizational culture, • strengthening organizational values (trust, loyalty), • fair treatment, • support and appreciation through regular feedback.

Source: own elaboration based on the literature on the subject.

The examples given in the table are those that are conducive to shaping positive employee experiences and therefore have a positive impact on employee well-being.

3. Employee well-being and experience in the work environment

Researchers belonging to the positive psychology trend define well-being as a general, subjective sense of happiness and satisfaction with life. Its structure includes a cognitive component (assessments of one's own life relating to the past, present and future, manifested in a general positive assessment of life and satisfaction with its individual areas) and an emotional component (positive balance of emotions, more frequent experiencing of positive emotions than negative ones, high level of life satisfaction) (Diener, Lucas, Oishi, 2004, p. 35; Ryff, Singer, 2004, p. 156). People who are satisfied with life are characterized by high self-esteem, a sense

of control, optimism, self-efficacy, stable extroversion and a low level of neuroticism (Sobol-Kwapińska, 2009, pp. 93-94).

An interesting attempt to formulate a definition of well-being was made by Keyes (2009, quoted in: Trzebińska, 2012, pp. 21-22), who identified it as a nosological entity, similar to the definitions of psychopathological entities contained in the DSM. As in the case of mental disorders, the definition of well-being combines qualitative and quantitative criteria. It includes both a list of symptoms of well-being and the number of symptoms that must be present in order to assign this mental health category to a person being diagnosed. The symptoms of well-being, according to Keyes's definition, are as follows:

- positive affect for the last 30 days,
- the belief that one has a generally successful life,
- a positive attitude towards oneself without excluding aspects of oneself or periods of life history,
- a positive attitude towards other people while being aware of the differences between people and the ambiguity of their behavior,
- focus on personal development,
- belief in the progress of human civilization,
- a sense of meaning and purpose in one's own life,
- sense of the social meaning of one's own life,
- the ability to influence events that are important to them,
- interest in and understanding of social life,
- maintaining autonomy in relationships with other people in a socially acceptable form,
- having cordial relationships, the ability to empathize and intimacy,
- a sense of social belonging and support.

The components of general well-being and the characteristics of people who are satisfied with life can also be related (to a certain extent) to employee *well-being*, as well as to the conditions of the working environment and the quality of working life. Despite the fact that professional work is a partial satisfaction, well-being at work can be considered one of the most important determinants of general well-being. The way in which the work environment and work properties affect the well-being of employees is explained by various theories and models, e.g. the model of work properties by J.R. Hackman and G.R. Oldham – 1980, the model of requirements – control – support by R.A. Karasek, T. Theorrell and J.V. Johnson, E.M. Hall – 1988, 1990, the vitamin model by P.B. Warr – 1987 (De Jonge, Schaufeli, 1998, p. 397).

Among the many factors in the literature on the subject that determine the well-being of employees and correspond to B. Schmitt's experiment modules, the following can be mentioned:

- work that matters (as long as it does not come down to routine activities, gives employees a sense of purpose, satisfaction from its performance, a feeling of pride in achievements, a sense of dignity, self-acceptance, and sets status),
- affective reaction to the work environment (sense of satisfaction related to various aspects of the work environment, among others: autonomy, the possibility of using one's talents and skills, remuneration, working time, transfer of information, relations with co-workers, as well as professional stress),
- balance of emotional experiences at work (proportions of positive and negative emotions experienced in the workplace; well-being increases when the employee experiences more positive emotions than negative ones),
- the level of satisfaction of employees' needs by the organization (existential, social, self-fulfillment),
- satisfaction in the work-life relationship (satisfaction has a hierarchical structure, it is conditioned by satisfaction with the main spheres of life: professional, personal, family, social, spiritual, related to spending free time, etc.; satisfaction with work results from its specificity, conditions in which it is performed, compliance with expectations, etc.),
- work-specific well-being (taking into account attitudes and emotional states experienced in connection with the work tasks performed) (cf. M.J. Sirgy, 2012, pp. 35-38).

According to N. Delobbe and her colleagues, well-being at work is determined by organizational factors that generate stress and organizational factors that influence psychological well-being and job satisfaction (Delobbe, Van Tolhuysen, Berck, Wattiaux, 2009, pp. 14-20). Well-being can therefore be seen through the prism of the quality of employees' experiences, which means that the two categories are interrelated and the boundaries between them are not clearly defined (Molek-Winiarska, Bereś, Drzewiecki, 2024).

In this article, it is assumed that the relationship between employee well-being and their experiences in the workplace is two-way. On the one hand, positive experiences can help improve well-being (e.g. when employees feel that they are respected and appreciated, and have opportunities for development). On the other hand, employees with a high level of well-being are more likely to perceive their daily work experiences positively, which in turn has a positive impact on their innovation and productivity. Therefore, the experiences of employees, covering such a wide range as relationships with superiors and team members, participation in decision-making, autonomy in performing tasks, remuneration and working conditions, significantly affect their well-being. Positive experiences, such as a sense of purpose in one's work, recognition for one's work, support from the team and clearly defined goals, lead to a higher sense of satisfaction and commitment (Czerw, 2017). Negative experiences, on the other hand, e.g. a lack of clearly defined goals, insufficient support, discrimination, mobbing or excessive workload, have a negative impact on well-being, leading to stress and burnout as well as problems in relationships with others.

4. Conclusion

Understanding the relationship between employee well-being and employee experience is crucial for the human resources management practice of organizations. Organizations and managers should focus more on creating a work environment that fosters positive experiences, which in turn will improve employee well-being. This may include implementing programs that support mental health, promoting a healthy work-life balance, investing in employee development, or creating an inclusive culture based on respect and mutual support.

Regular monitoring of well-being and gathering feedback from employees are essential to identify areas for improvement and develop effective intervention strategies. Organizations that invest in improving both employee well-being and employee experience often see an improvement in workplace atmosphere, greater loyalty, and lower turnover rates. The implementation of mental health support programs and opportunities for feedback and professional development are examples of measures that can strengthen these interdependencies. In conclusion, well-being is both a result of positive work experiences and an important factor shaping them. Therefore, organizations that prioritize the well-being of their employees create the basis for positive employee experiences and achieve better results.

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