

CHAPTER 3

MODERN MANAGEMENT TECHNOLOGIES

THE ROLE OF WELL-BEING IN SUSTAINABLE CORPORATE DEVELOPMENT OF COMPANIES

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Abstract. *This article emphasizes the importance of employee well-being in the sustainable development of companies. The purpose of the article is to study the theoretical and practical aspects of the impact of well-being on the productivity and loyalty of company personnel in the context of sustainable development. The methodological basis of the study is the results of the analysis of scientific works on the welfare, loyalty of personnel and their impact on the sustainable development of companies. Analyzing the results of the conducted research, the main characteristic features of the well-being of company employees were identified, as well as the factors that help retain employees in the company and can make them stay were systematized. It has been established that all types of well-being are closely interrelated, and the improvement of one of them will affect the well-being of a person as a whole. The search for universal means of increasing well-being is the final result of the successful study of this phenomenon. Means of improving the well-being of employees is one of the most important elements of the company's successful operation. The necessity of conducting corporate welfare programs is indicated. The implementation of corporate welfare programs increases the satisfaction and productivity of employees, and increases the effectiveness of the management team in conditions of uncertainty. An increase in employee loyalty and engagement due to better quality work with them is noted.*

Keywords: *corporate well-being; welfare; loyalty; personnel; company; sustainable development, corporate development.*

JEL Classification: I31, I38, J32

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Introduction. Corporate well-being refers to the practices and actions undertaken by corporations to ensure the welfare and satisfaction of their stakeholders, such as employees, local communities, suppliers, customers, and investors. This includes efforts to create a harmonious and sustainable work environment for the enterprise.

The essence of corporate well-being lies in understanding that corporations are not only economic entities but also social actors. They have an influence on their surroundings and play a crucial role in shaping society. Corporate well-being is grounded in the belief that business activities should align with ethical values, respect human rights, the natural environment, and have a positive impact on society.

The main goal of corporate well-being is to create value for all stakeholders, not just shareholders or management. This includes caring for the well-being of employees (including their mental, social, and economic well-being) by creating safe and stimulating work environments, promoting work-life balance, ensuring fair employment conditions, and supporting professional development.

Indeed, the issue of well-being is a crucial aspect of our existence as human beings, especially considering the current time. Almost every day, we encounter the challenges and components of well-being, making them the central actors in our lives. This question becomes even more significant as the ideology of "having" increasingly characterizes our society, simultaneously becoming a widely recognized priority and a cultural-status compulsion associated with quality of life.

Literature review. The questions related to well-being in its various dimensions transcend time because, according to the authors of this work, the satisfaction of human needs, including intellectual, social, and economic needs, determines the feeling of happiness. As the English philosopher of the Baroque era, Thomas Hobbes, wrote, "...relates to the possibility of satisfying human needs and desires in each epoch" [1]. In this context, it is worth mentioning that in the 20th century, one of the most prominent philosophers of the century, W. Tatarkiewicz, compiled the most comprehensive collection of concepts of happiness in his work "Treatise on Happiness."

Corporate well-being, as well as well-being understood as components of eudaimonism, is the subject of interdisciplinary analysis. It is studied by representatives of various scientific disciplines, including philosophy, psychology, sociology, economics, and ethics. Literature analysis shows that the concept of well-being is often equated with prosperity (e.g., S. Kot, 2000; D. G. Blanchflower and J. Oswald, 2000). The conducted analysis indicates that both these concepts primarily relate to the income or assets of individuals or groups (a material approach). Thus, they can be considered elementary determinants of happiness. This position is strongly emphasized by economic sciences. This conviction is clearly reflected in the works of R. Wilkinson and

K. Pickett: "The Spirit Level: Why Greater Equality Makes Societies Stronger" (2011), where it is argued that where equality prevails, everyone lives better.

Furthermore, a detailed analysis of the works of French sociologist P. Bourdieu, such as "Practical Reason; On the Theory of Action" (2009) or "Sociology in Question" (1995) published by Sage Publications, convincingly argues that components of well-being, using Bourdieu's terminology, can also be socially distinctive features. On the other hand, well-being is typically a subjective matter that is not solely tied to a material approach. This position is shared by E. Diener, who in one of his works states that "well-being refers to an individual's experience of happiness and life satisfaction. The assessment of well-being, typically referred to as subjective well-being (SWB), is subjective in nature and is based on two categories: the experience of positive and negative affect and the aforementioned life satisfaction" [2].

Returning to the analysis of the rudimentary concept in this work, namely corporate well-being, it should be noted that it is closely linked to social activities such as investing in local communities, supporting charitable programs, environmental protection, promoting sustainable development, and ethical business practices. In other words, it is the aspiration for harmonious coexistence of business, people, and the planet [3].

It is important to understand that corporate well-being is not a one-time or marketing strategy. It is a long-term approach that emphasizes continuous improvement and refinement of business practices in a way that yields positive outcomes for both the corporation and stakeholders.

Furthermore, corporate well-being plays a crucial role in the modern business landscape, impacting not only the corporation itself but also society and the natural environment. In recent years, there has been an increased interest in studying the impact of proper governance and corporate responsibility on financial performance, employee engagement, company reputation, and long-term business success.

Aims. The purpose of the article is to study the theoretical and practical aspects of the impact of corporate welfare programs on the productivity and loyalty of personnel.

Methodology. The methodological basis of the study is the results of the analysis of scientific works on the welfare, loyalty of personnel and their impact on the sustainable development of companies.

Results. According to Gallup research, psychological distress will soon be one of the top causes of unemployment in the world, and the world economy will lose \$295 billion due to reduced productivity [11].

That is, a clear relationship can be traced: a decrease in the level of anxiety or stress - an increase in involvement in work processes and the life of the company - an improvement in the quality of work, which, as a result, significantly affects the financial indicators of the company. In other words, corporate well-being is not another tribute to fashion, but a key factor in the

successful development of business today [1, 8, 9].

It is believed that well-being consists of five components (Table 1).

Table 1. Five components affecting the well-being of a person

Emotional well-being	Physical well-being	Professional well-being	Financial well-being	Social well-being
predominantly positive emotional background; a dominant state of calm, contentment and confidence; subjective experience of happiness	a sense of confidence in the future, security and medical care. This is proper nutrition and sufficient physical activity	it is clear where to grow, how to apply your competences, experience and knowledge; growth prospects, the possibility of self-realization	the opportunity to take care of yourself and your family, the opportunity to fully cover your needs and rest normally	good relationships in the family and in the team, balance between work and personal life, contribution to a common cause
- belonging and self-esteem; - goals and success; - principles; - stress resistance	- living conditions; - sleep and rest; - physical activity; - health and energy	- trainings and development; - engagement and productivity; - recognition and achievements	- preparation; - planning; - protection; - seminars / webinars / coaching sessions on financial literacy	- environment; - family; - friends; - colleagues

Source: summarized by the authors based on [1, 8, 9]

If at least one of the listed factors "decreases", a person is not able to devote himself 100% to work. Hence the conclusion: if the company helps to improve the level of well-being of employees, their involvement will increase, and business indicators will also increase [14, 15].

Here are some of the factors that help keep employees at a company and can make them stay:

- a healthy working environment;
- recognition and praise;
- flexibility;
- opportunities for growth and development;
- healthy relationship with the manager;
- competitive compensation [16].

The well-being program is a serious advantage of the company as an employer on the labor market. It is the program, not separate actions. Today, there are many solutions that do not cost a lot of money, but can be very useful for maintaining the productivity of employees and increasing their engagement at work [4, 5, 6].

The well-being of employees is becoming a trend - a sustainable trend that is gaining momentum and is gradually coming to Ukraine. According to the Social Progress Index (summary for 2020, includes 163 countries) on international trends in personnel management in 2020, many companies are implementing the integration of well-being into the work process [17].

Another trend in well-being is caring not only for the employee, but also for his immediate environment. In many companies, welfare programs can be used by family members of an employee. These are cases when, for example, DMS (voluntary health insurance) applies to the closest relatives. Approaches to this can be different: corporate discounts that also apply to family members, payment of part of the DMS program from the company, etc. [3, 16].

For example, you can hold health weeks on a regular basis and offer master classes on healthy eating to employees, conduct yoga classes, and implement practices to relieve stress and balance the emotional state. Another option: to use meditation as a way to achieve a balanced state and increase the clarity of the mind - to make the right decisions [1, 4, 5].

From the point of view of business, employee well-being affects the indicators presented in the table. 2.

Table 2. The influence of a person's well-being on business processes

Indicator	Characteristic
Productivity	When employees feel good, they make better decisions and work with greater dedication. Well-being increases productivity and efficiency. When employees feel good, they lead healthier lifestyles and make better decisions.
Team spirit/morale	Employees feel more valued when their needs are met on all levels, including physical, mental and financial. Employees feel more competent and valued when their needs are met on all levels, including physical, mental and financial.
Company reputation, talent attraction and retention	If an employer is known for respecting and helping to maintain work-life balance, then, other things being equal, they will attract more applicants. If your company has a good reputation in the market as an employer that respects and supports work-life balance, you are more likely to attract qualified candidates and retain your employees for a longer period.
Customer orientation	Happy employees are the best brand ambassadors who are determined to provide great customer service. Happy employees are the best brand ambassadors. If you treat them well, employees will be interested in understanding products and services and better meeting customer needs.

Source: summarized by the authors based on [1, 4, 5]

This is the development of healthy habits, reducing the risk of cardiovascular diseases, improving the quality of sleep and rest, increasing self-control and the ability to cope with stress - and, as a result, reducing the likelihood of burnout at work and the occurrence of mental problems. After all, such a strategy is necessary at least in order for employees to see that they are valued and supported at work! It increases the involvement of employees and motivates the achievement of the set goals of the team at the scale of the company, forms factors that contribute to the emergence of staff loyalty to this

organization [12].

Hidden disloyalty manifests itself as follows: people correctly fulfill the rules and requirements that are assigned, but the reason for this behavior is not a positive attitude, but a fear of punishment or an expectation of reward.

The first level of loyalty consists of external attributes that indicate belonging to the company. This is a formal, material level that speaks only about the expected behavior of a person who owns or uses a particular attribute of the company. There is no question of loyalty here yet.

Loyalty is only at the level of actions and behaviors associated with the observance of rituals, traditions, and customs in the company. Such traditions can be a special tone in dealing with customers, formal and informal gatherings (parties), etc. Employees who are loyal to the company at this level enthusiastically or at least without difficulty participate in such events.

Loyalty at the level of beliefs is not achieved by most of the company's employees. Employee loyalty at the level of beliefs alone is of great value to the company with its positive impact on professional motivation. Loyal employees devote themselves to their work as much as possible, intolerant of violations of other people's rules. They are active in solving problems, can be initiators of improving activities, are able to defend constructive proposals [2, 7].

Loyalty at the level of identity alone is the highest level. Apparently, this kind of loyalty is called devotion, fidelity. And here a person maximally identifies himself with the object of loyalty. Three components of loyalty: trust of the staff in the management of the company; the fairness of the employee's relationship with representatives of the enterprise's administration; job satisfaction [2].

There is no doubt that employers should provide their employees with the necessary support and care for their physical and mental health. And yet many organizations still don't have a well-being strategy in place. After all, such a strategy is necessary at least in order for employees to see that they are valued and supported at work. It increases the involvement of employees and motivates the achievement of the set goals of the team at the company scale [10, 13].

It is obvious that the well-being of employees is the foundation of any organization. Regardless of the size and industry of your company, there are many effective ways to improve the quality of life of everyone who works there. Get proactive about your employees' well-being and you'll find yourself improving (and maybe even saving) their lives. Corporate well-being is not financial compensation, but the employer's participation in creating opportunities that contribute to the psychological, financial, physical and social well-being of employees.

Discussion. The main characteristics of well-being that indicate its importance for companies are the following:

1) Corporate well-being leads to increased employee engagement. Creating an attractive and healthy work environment is one of the key aspects of

corporate well-being [17]. Corporations that invest in the well-being of their employees, such as health or wellness programs, career development opportunities, and creating a friendly work environment, typically experience higher levels of employee engagement. Their employees tend to be more productive, loyal to the company, and contribute to achieving better financial outcomes. Therefore, corporate well-being can be seen as a business energy that mobilizes employees to fully realize their potential.

2) Corporate well-being contributes to the formation of a positive company image. Corporations that prioritize ethical standards and social responsibility often gain a reputation as responsible market players. Investments in corporate well-being, such as social programs, environmental protection, or community involvement, enhance the company's positive image. Consumers, investors, and other stakeholders increasingly prefer companies that operate in line with social and environmental values. Therefore, corporate well-being is a business energy that attracts customers, investors, and other partners, thereby increasing the company's competitive advantage.

3) Corporate well-being contributes to increased operational efficiency and productivity in organizations. By improving working conditions, addressing work-life balance for employees, and investing in competency development and training, there is greater employee engagement and better financial performance for the company [18].

4) Corporations that prioritize employee well-being create a positive workplace atmosphere, which, in turn, leads to increased motivation, greater creativity, and innovation. This positive climate fosters the development of talents and skills among employees, which is a key driving force for business success.

5) Corporate well-being as a business energy is an important factor in attracting and retaining talented employees. Organizations that provide favorable working conditions, professional development opportunities, and a sustainable work environment have a better chance of attracting and retaining the best talents in the job market.

6) Implementing a sustainable development strategy and corporate social responsibility (CSR) as part of proper corporate behavior contributes to increased trust from customers and potential clients towards the brand. The awareness that a company engages in social and environmental initiatives appeals to consumers who are more likely to support such organizations [19].

7) Corporate well-being as a business energy leads to enhanced reputation of the organization in the market. The positive impact on employees, local communities, and the natural environment creates a strong foundation of trust, which translates into long-term success and competitiveness of the company [20].

8) There is a synergy between social good and financial performance. Research shows that corporations that invest in employee well-being, social

sustainability, and environmental conservation achieve better financial indicators and long-term profitability [21].

9) Corporate well-being as a business energy is a key factor in building sustainable relationships with stakeholders such as employees, investors, suppliers, customers, and the local community.

Employees who experience corporate well-being feel valued and therefore are dedicated to the company's goals. This increases their trust in the organization and leads to greater loyalty and long-term collaboration. The stability and continuity of work also ensure the preservation of knowledge and expertise within the company, which is a strategic competitive advantage.

In turn, investors who see that the company strives for corporate good have greater confidence in its growth potential and profitability. For this reason, they are more willing to invest their financial resources and engage in long-term business partnerships. Thus, corporate well-being becomes a key factor in attracting capital and driving business development.

And conversely, suppliers who work with a corporation that prioritizes employee well-being have greater confidence that their interests will be respected. A good corporate reputation translates to increased reliability and trust in commercial relationships, fostering long-term partnerships and mutual benefits. Turning to customers, those who see that a company strives for corporate good feel more trust in its products or services. Commitment to sustainable development, corporate social responsibility, and ethical business practices attract customers who are more likely to support the brand loyally and recommend it to others.

As for the local community in which the company operates, it benefits from corporate well-being through investments in social projects, charitable activities, and involvement in local initiatives. As a result, corporations become integral parts of the community, strengthening trust, support, and a positive image. This, in turn, leads to an enhanced reputation and lasting relationships with local stakeholders [22].

Conclusions. Based on the presented theses, the following conclusion can be drawn: corporate well-being has a broad impact on the success of a business. It is an elemental energy for business that contributes to increased employee engagement, motivation, customer loyalty, reputation growth, and attracting investors. Companies that attach significant importance to this opus magnum, which is corporate well-being, thereby establish long-lasting relationships with stakeholders and gain a competitive advantage in markets that are becoming increasingly socially conscious. Moreover, it not only contributes to improving working conditions and employee well-being but also provides significant driving energy.

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