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# Determinants of Subjective Emotional Well-Being and Self-Determination of Employees: Slovene Case

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## **Abstract**

Work is a crucial part of human life. One should attain employees' well-being (WB) to support organisational success. In the first phase, the confirmatory factor analysis (CFA) was employed to assess the dimensionality, reliability, and validity of the reflective latent constructs. In the second phase, structural equation modelling was performed to test the research hypotheses. By structural equation modelling we found that physical health (PH) statistically significant negatively affects subjective emotional well-being (SEWB). Positive PH and SEWB were negatively connected. Emotional intelligence (EI) has a statistically significant impact on SEWB. The last relationship in the model—between spiritual intelligence (SI) and self-determination (SD)—was negative, but statistically significant. Therefore, human resource management's activities (HRM) must concentrate on optimal physical/mental health, emotional (EI) and spiritual (SI) intelligence. Employees' good health supports their emotional WB. Their emotional balance, based on their EI, enhances their subjective emotional WB and SD. The employees 'SI affects their SD.

**Key words**: subjective emotional well-being, selfdetermination, spiritual and emotional inteligence, physical health

## Introduction

We examined employees' WB in terms of how the Slovenian employees' physical health (PH), emotional balance (EB), and spiritual intelligence (SI) affect subjective emotional well-being (SEWB), and self-determination SD. The expected (economic) outcomes of businesses often result from WB, not vice versa. Previous studies reported that employees with higher WB and higher satisfaction (Judge et al., 1997), commitment and engagement (Garg in Rastogi, 2009) work more successfully than the others and earn more. But practically all key authors examined situations in the Western old market-economies. Slovenia has another history: As a part of Austria (for centuries until

1918), Kingdom of Yugoslavia (1918-1941), under Nazi-fascists occupation (1941-1945), in Tito's Yugoslavia (1945–1989), she experienced no real market economy except in her (rather few) exporting businesses: competition without government's or businesses' monopolies, dependence on innovation, hence on creativity-based WB, innovation-promoting education and values, culture, ethics, and norms, and less collectivism than individualism requiring international/global action for social responsibility, etc. (Mulej et al., 2013).

Organizational psychologists recognize the positive Organizational Psychology (POP) that examines well-being (happiness and optimism) on the job and its link to productivity. But relationships of recruitment to organisational psychology and HRM, and elements that influence employees' SEWB and SD are under-researched.

Little research focused on employees' WB factors (such as physical health-PH, emotional balance-EB and spiritual intelligence-SI) that affect levels of SEWB and SD of employees (De Moortel et al., 2014; Currie, 2001; Kersley et al., 2006; Babtiste, 2008). Therefore, we add to the literature by focusing on physical balance, spiritual maturity, and mental balance in relationship with employees' WB. Most employees lack the time, knowledge, skills, and strength for prevention of stress, spiritual lassitude, emotional and psychical emptiness that are reflected in his or her low psychic WB, which undermines employees' success and that of their organisations. The goal of this investigation was, therefore, to examine the influence of physical health (PH), emotional balance (EB) based on emotional intelligence and spiritual intelligence (SI) on SEWB and SD.

Thus, our article enriches literature by focusing on physical and mental balances, and spiritual maturity in relationship with employees' WB.

## Literature Overview

Literature on subjective emotional well-being (SEWB) and self-determination (SD) together with surveys, which address several SEWB and SD factors, is growing. The following authors contributed to the development of positive psychology (integrate SEWB, SD and psychological well-being): Arthaud-Day et al. (2005), Bradburn (1969), Beutell (2006), Brunstein (1993), Carver and Scheier (1999), Cloninger (2008), Csikszentmihalyi (1988), Deci (1975), Deci and Ryan (2000), De Neve and Oswald (2012), Diener and Lucas (2000), Campbell (1981), Diener et al. (1985), Diener and Biswas-Diener (2000), Diener

and Suh (2000), Lucas and Diener (2000), Diener and Seligman (2004), Diener et al. (2009), Lyubomirsky and Lepper (1999), Felce and Parry(sp) (1995), Gagné (2003), Hornung (2006), Musek (2005), Musek and Avsec (2002, 2006), Okun and George (1984), Ryan and Deci (2001), Ryan and LaGuardia (2000), Ryff (1989), Ryff and Keyes (1995), Ryan and Deci (2000), Sheldon et al. (2004).

Several issues have been examined in literature on subjective emotional well-being (SEWB) and self-determination (SD); one can find surveys with various SEWB and SD factors studied. Brunstein (1993), Carver and Scheier (1999), and Csikszentmihalyi (1988) examined the integration of objectives and values within SEWB. Diener and Lucas (2000) stress the importance of the relationship between emotions and SEWB. Campbell (1981) and Diener (1984) discussed the integration of self-esteem, respect, and the SEWB. Diener and Biswas-Diener (2000), Myers and Diener (1995), Lucas and Diener (2000) examined the impact of demographic factors (such as age, sex, marital status, education, socioeconomic status, religion, and race) on SEWB. There is a significant impact of income over SEWB (Diener & Seligman, 2004). Integration of SEWB, adjustment, mental health and success in life was at the forefront of research by Diener, Wolsic and Fujita (1995), Okun and George (1984), and Ryan and Deci (2001). Ryan and LaGuardia (2000) investigated the link between the satisfaction of needs, motivation and WB. Sheldon et al. (1996) studied the daily fluctuation in customer satisfaction in terms of their perception of their autonomy and competence.

"Well-being is more than the absence of illness or pathology; it has subjective (self-assessed) and objective (ascribed) dimensions; it can be measured at the level of individuals or society; it accounts for elements of life satisfaction that cannot be defined, explained or primarily influenced by economic growth" (SDRN, 2005). The meaning of WB remains contested; primarily, one distinguishes hedonic and eudemonic WB and objective and subjective measures (SDRN, 2006).

This study covers aspects of positive emotions and the evaluation of life satisfaction as relevant to the labour market and organisational outcomes. Positive emotions help—are constructive and restorative—but no simplistic cure for all life's ills or a one-step path to health and wisdom. Positive emotions can be anything from whimsical cheeriness to intense interest to quiet contentment. Amid difficult situations or profound sadness, they can take the form of a sense of hope, a moment of peace, or a fond memory.

Subjective emotional well-being (SEWB) is the main topic in positive psychology (Musek & Avsec, 2006). Diener

and Seligman (2004) define subjective well-being as the evaluation of an individual's life, taking into account his or her positive emotions, work, life satisfaction and meaning. SEWB covers the positive emotions and humors, the absence of negative emotions and humors, and the evaluation of life satisfaction (Musek, 2005). The first and second factors of SEWB challenge the emotional aspect of well-being, which is composed of two independent components - positive and negative affect. This study covers the aspects of positive emotions and the evaluation of life satisfaction. Positive emotions are constructive and restorative. They are no simplistic cure for all life's ills or a one-step path to health and wisdom, but they do help. Positive emotions can be anything from whimsical cheeriness to intense interest to quiet contentment. Amid difficult situations or profound sadness, they can take the form of a sense of hope, a moment of peace, or a fond memory (Cohn, 2008). Life satisfaction is often considered a desirable goal, in and of itself (Beutell, 2006).

Self-determination (SD) is connected to self-respect. SD is another construct and represents the intersection between the eudaumonic and hedonic traditions. SD asserts that when needs are satisfied, motivation and well-being are enhanced, and when needs are not satisfied, there is a negative impact on functioning. Theory on SD was mainly developed by Ryan and Deci (2001) who postulate the existence of three universal needs:

- Autonomy the need to choose what one is doing, or the possession of agency;
- Competence the need to feel confident in doing what one is doing;
- Relatedness the need to have close and secure human connections whilst respecting autonomy and facilitating competence.

## Determinants of SEWB and SD – Discussion Before Modelling

Humans (in synergy) are physical, mental, social and spiritual entities, implementing devotedly different life roles; hence they should be requisitely holistic by considering all important attributes (Šarotar Žižek, 2012). Thus, (requisite) holism of employees should be established by appropriate techniques, enabling physical balance, life art, personality, one's professional and working development. Employees' requisite holism positively influences the organisation's success by managing stress, work satisfaction, and well-being. Thus, organisations should create conditions for using the mentioned techniques for developing and strengthening requisite holism of individuals as employees because organisations will get what they enable and appreciate.

Prerequisites for prevention of repetition of (financial, economic and social) crises, as well as for their abolition, include requisitely holistic individuals. Hence the organisations should look at humans as multilayered rather than only as professional entities. In synergy, not only separately, we define humans at least as physical, mental, social, spiritual and economic entities. In this article we are focusing on the following:

- Physical health (PH); frequently improving the quality of the function of the physical body-mind synergy (nutrition, exercise and skilled relaxation).
- Emotional balance (EB) is the capacity for recognizing one's own feelings and those of others, for motivating ourselves, and for managing emotions in us and in our relationships (Goleman, 1995).
- Spiritual intelligence (SI) is the ability to apply, manifest, and embody spiritual resources, values, and qualities to enhance daily functioning and well-being (Vaughan, 2002).
- Life in the present moment (LIV) The current moment is the moment in which one actually exist. The awareness of one's current moment is a rather rare than a permament practice; one's thoughts carry one often into one's past times (how have others injured one, what have one's failures been, how they have deceived one, ...), or in one's future times (which position and status one wishes to attain, which goods one intends to buy, ...). One must think about the past and the future to a limited extent, as much as necessary only (Šarotar Žižek, 2012).
- Meaning in life (MEAN LIFE) Internal human desire to live a sense-making and valuable life.

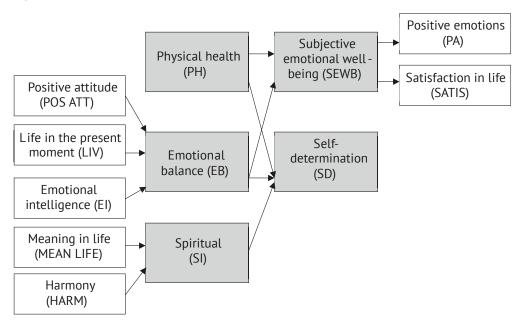
Three key relationships are highlighted: between PH and SEWB and SD, between EB and SEWB and SD, and between SI and SD.

## Physical health, subjective emotional well-being and self-determination – hypotheses setting

Emotionality and rationality are complementary decision-making bases. They define the need for diversity in real-life experience and for psychological acceptance of both oneself and one's (sociocultural) environment. They can enable (relative) stability of happiness.

Conditions for developing the capability for one's emotional orientation and happiness (SEWB) depend on one's sociocultural environment (Hornung, 2006). Investigation suggests connections between physical health and SEWB. Several health problems are often accompanied by discomfort or pain that can directly increase negative feeling and limit functionality; it could stop someone from feeling positive emotions and life satisfaction (Ryan & Deci, 2001).

Figure 1. The basic conceptual model



PH is associated with SEWB, but the connection between PH and SEWB is weak and complex (Okun and George, 1984). Some ill people have high levels of SEWB and some people with no somatic disorders have a low SEWB. The meaning and understanding of health is important for SEWB. SEWB is ultimately subjective and dependent on someone's personality and interpretive style (Ryan & Deci, 2001). Therefore our first hypothesis is as follows:

## H1: Employees with stronger physical health exhibit more SEWB.

Satisfying psychological needs, which presupposes the SD, such as autonomy, competence and connectedness, it is essential for the psychological growth (intrinsic motivation), integrity (internalization and assimilation of cultural practices) and well being (life satisfaction and psychological health); also for experience with vitality (PH) (Ryan & Frederick 1997) in and self-compliance (Sheldon & Elliot 1999). Hence, we hypothesize:

## H2: Employees with stronger physical health exhibit more SD.

## Emotional balance, emotional intelligence, subjective emotional well-being and self-determination based on competences as one's need – hypotheses setting

Examinations show a significant positive correlation between emotional intelligence and subjective emotional WB: employees with high emotional intelligence scored significantly high on positive affect and significantly low on negative affect. Employees with high emotional intelligence are happier, more successful in their relationships, and capable of balancing emotion and reason. High emotional intelligence facilitates decision-making and problem-solving (Singh, 2001). People with high emotional intelligence can identify and regulate their own emotions and enable others to activate theirs (Bar-On & Parker, 2000); they should also have significantly more positive affect (Kulshrestha & Sen, 2006).

Other investigations confirm that emotional intelligence enhances one's sense of WB (Goleman, 1995; Schutte et al., 2001). Bar-On (2005) confirmed the impact of emotional intelligence (EI) on SEWB. The ability to be aware of one's emotions and capable of managing them enhances one's ability to solve problems. One can develop emotional intelligence as a buffer against the stress of meeting demands at work and at home (Lenaghan et al., 2007). Emotional intelligence enables emotional balance.

Researchers documented the association between emotional intelligence and psychological WB. The emotional intelligence is the most consistent predictor of variance of general well-being (Higgs and Dulewicz, 2008). Carmeli et al. (2009) also found strong positive associations between EI and several components of psychological well-being, including self-esteem, life satisfaction, and self-acceptance (Saad, 2011). This leads to our third hypothesis:

## H3: Employees with stronger emotional balance exhibit more SEWB.

EI can predict individual ability to self-determine; self-determination depends on self-regard, emotional self-awareness

and independence (Bar-On 2001). Thus, the realisation of one's full potential seems to require one understands of the things that people naturally find interesting. By knowing ourselves, we are able to set goals which, when supported by emotional regulation, allow us to become self-determined (Spence et al., 2004).

EI is an important part of emotional balance, facilitates SD, and enables one's optimal use of emotions as a source of motivation. EI is posited here as a plausible antecedent of self-determined motivation because it facilitates managing the negative emotions generated by extrinsic activities, and by making the best of positive emotions experienced during intrinsic activities (Salovey & Mayer, 1989). EI is a personal variable, uniquely associated with self-determined work motivation, even when they are studied in combination with supervisor support, a social variable. However, the examination of personal antecedents, such as EI, was neglected in research of self-determined motivation. Our fourth hypothesis, therefore, is as follows:

## H4: Employees with stronger emotional balance exhibit more SD.

Spiritual intelligence engages the philosophy of being, cooperation and leading. It also distinguishes the meaning and purpose of conducting business aimed at assuring the WB. Thus the spiritual intelligence, upgraded with spiritual capital, contributes significantly to the modern leading and modern organisational business management; it sets a new paradigm of conducting business, too.

To create wealth (spiritual capital) that derives from the purpose of life, life values and basic sense of life, one needs a sense for the purpose of life and its values as well as for the basic meaning of life (SI). SI is associated with SD providing problem-solving while maintaining internal balance. It tackles learning to solve problems and to reach conclusions, positive for everyone. Jayadi (2012) examined the factors that affect the organisational citizenship behavior: teacher competence, SI, and SD theory in junior high school teachers. His research showed a significant influence of SI on SD of employees in the education sector.

SI enables people to find their deeper purpose of life, its highest values, purpose and motives. It is the way of thinking by decisions and doing things one finds worth doing. SI differs from EI by its transfigurative power (Zohar and Marshall, 2006). EI enables us to evaluate the position in which we find ourselves and decide how to behave in it; SI enables us to ask ourselves if we want to be in that position. Therefore, employees, especially managers, should focus on their own responsibilities and respect others, disregarding mistakes they have made and their unpleasant personalities.

They also should trust and care for others before themselves and be empathetic. These attributes express the personal spiritual power that is rooted in the sub-consciousness. It means that EI and SI are in complex connection and that understanding the basis of SI is a precondition for development of EI. SI—developed by individuals, not by committees—asks eight essential questions and foresees that all persons who invest their time in working on its foundations can answer them. Hence,

## H5: Employees with stronger spiritual intelligence exhibit more SD.

## Methodology

A structured survey was used to measure the concepts, after 3-phase development. Twelve in-depth interviews were conducted with the employees: four from upper and middle management, four from the tactical, and four from the operating levels. Six employees came from manufacturing companies, six from service business; four from large, four from middle-sized, and four from small Slovenian companies.

PH, EB, SI, SD and SEWB were used to develop the scales. For PH we developed our own scale. For EB, based on EI, we used a shorter version of Goleman's (1995) scale. For SI we used a modified version of the Musek and Maravič (2004) scale. For SEWB we used Diener's (1984) scale for satisfaction with life; the Watson et al. (1988) scale was used for positive affect (PA) and negative affect (NA). The SD scale was adopted from La Guardia et al. (2000).

Most scales were shortened; the original questionnaires were too long for this project. To maintain the scale's content validity, the measurement instrument was first tested on a small sample of post-graduate students. The reliability and validity tests showed the instrument was adequate.

Our sample includes employees from 2409 companies in Slovenia with more than 10 employees. During April - June 2011, we received 523 questionnaires. The 53 questionnaires with less than 75% answers were excluded. The data analysis included 470 completed questionnaires gathered from employees in 320 companies, representing 13.3% of 2409 randomly selected organisations in Slovenia and 4.1% of the 7754 organisations in Slovenia with more than ten employees. 39.87% respondents were male and 60.13% were female. Most respondents (47.9%) came from middle-sized companies, 35.8% from small companies, and 16.0% from large companies. No response bias was also

tested. We compared early and late responders on their demographic variables (age, employment period, and education) and found no statistically significant differences.

In the first phase, the confirmatory factor analysis (CFA) was employed to assess the dimensionality, reliability and validity of the reflective latent constructs. In the second phase structural equation modelling was performed to test the research hypotheses.

CFA, EI, SI, and SEWB proved to be multidimensional constructs (Table 1); this is why the contextual intelligence might be useful (we did not know it then). First they were conceptualized as one-dimensional and then compared to multi-factor conceptualized models. The results of the multi-factor models in every case showed a large drop in the

 $\chi^2$  statistics and improved fit indices in comparison to the one-dimensional ones. Fit indices in Tables 1, 2, 3 indicate that the  $\chi^2$  statistics is statistically significant in most cases, while the other fit indices (RMSEA, RMSEA, NFI, NNFI, CFI, RMR, and GFI) are inside the suggested intervals. SD and PH, in contrast, proved to be single-factor models and were directly included in the final structural model.

Composite reliability (CR) was used to evaluate reliability and average variance extracted (AVE) for convergent validity of the latent constructs. As Tables 1, 2 and 3 show, the CRs range from 0.74 to 0.91, and the AVEs range from 0.49 to 0.77. Except EI all measures are above the recommended cut-off levels of 0.60 for CR and 0.50 for AVE, (Fornell & Larcker, 1981). All loadings on latent constructs were significant and higher than 0.60.

Table 1. Descriptive Statistics, Loadings, Reliabilities and Average Variance Extracted for EI Sub-constructs ["I trust myself ..."]

Construct	Indicators	Mean	SD	Coefficient λ	CR	AVE
POSITIVE ATTITUDE (POS ATT)	I trust me and people around me.	4.19	0.924	0.685		
	In every situation I find something good.	4.33	0.800	0.757	0.82	0.60
	With positive thoughts I control my future.	4.31	0.894	0.876		
LIFE IN A PRESENT MOMENT (LIV PRE)	I am aware of long-term consequences of current developments.	4.44	0.743	0.691		
	I realize my thoughts, feelings and bodily sensations.	4.55	0.672	0.894	0.84	0.64
	I realize the consequences of my thoughts, words and actions.	4.51	0.663	0.812		
EMOTIONAL INTELLIGENCE (EI)	I recognize my emotions and their effects.	4.29	0.810	0.787		
	I know my capabilities (knowledge, skills, motivation, and values) and restrictions.	4.50	0.691	0.674	0.73	0.49
	I control my emotions and impulses.	4.05	0.875	0.619		
$\chi^2/df = 4.063/24$ ; p = 0.0969; RMSEA = 0.0378; NFI = 0.969; NNFI = 0.973; CFI = 0.982; RMR = 0.0366; GFI = 0.974						
Likert scale: 1- I do r	not agree to 5 - I agree					

Table 2. Descriptive Statistics, Loadings, Reliabilities and Average Variance Extracted for SI Sub-constructs

Construct	Indicators	Mean	SD	Coefficient λ	CR	AVE			
MEANING IN LIFE (MEAN LIFE)	My spirituality gives meaning to my life.	3.58	1.200	0.941					
	My spiritual beliefs give my life a sense of importance and meaning.	3.48	1.254	0.966	0.91	0.77			
	When I'm not connected with the spiritual side of my life, I lose my life sense.	2.88	1.299	0.698					
	I feel gratitude for my life.	4.10	1.085	0.771					
HARMONY	I admire and respect creation.	3.96	1.141	0.868	0.88	0.66			
(HARM)	I'm grateful for all gifts.	4.08	1.133	0.902	0.88				
	I feel deep inner peace and harmony.	3.46	1.155	0.678					
$\chi^2/df = 35.380/12$ ; p > 0.05; RMSEA = 0.0605; NFI = 0.980; NNFI = 0.977; CFI = 0.986; RMR = 0.0520; GFI = 0.973									
Likert scale: 1- I do not agree to 5 - I agree									

Table 3. Descriptive Statistics, Loadings, Reliabilities and Average Variance Extracted for SEWB Sub-constructs

Construct	Claims	Mean	SD	Coefficient $\lambda$	CR	AVE
	Interested	3.93	0.816	0.767	0.88	0.55
DOCITIVE ENACTIONS (DA)	Strong	3.63	0.879	0.766		
POSITIVE EMOTIONS (PA) - Scale of 1 - very rarely to	Excited	3.72	0.898	0.809		
5 - very often (Śpaces between ratings are the same)	Proud	3.64	0.932	0.754		
ratings are the same,	Inspired	3.41	0.863	0.649		
	Determined	3.83	0.866	0.699		
	Mostly my life is close to my ideal life.	3.53	1.068	0.826	0.86	0.61
SATISFACTION IN LIFE (SATIS)	_ My living conditions are excellent.	3.59	1.117	0.746		
Likert scale: 1- I do not agree	I'm satisfied with my life.	3.95	0.983	0.851		
to 5 - I agree	If I could live my life over again, I would change nothing.	3.35	1.323	0.683		
$\chi^2/df = 89.001/34$ ; p = 0; RMSE	A = 0.0587; NFI = 0.952; NNFI = 0.955; CFI = 0.96	6; RMR =	0.0324;	GFI = 0.954		

**Table 4.** Descriptive Statistics, Loadings, Reliabilities, and Average Variance Extracted for First- and Second-Order Constructs ["In general, I feel exhausted.""...losing control: broken bone/illness." "Often, I do not feel professional enough."]

Construct	Indicators	Mean	SD	Coefficient	CR	AVE
РН	In general Ifeel exhausted and tired.	2.28	0.859	0.764		
	I am afraid of losing control over myself, fracture or illness.	1.53	0.829	0.839	0.97	0.53
	I have problems breathing during regeneration and recreation.	1.68	0.935	0.693	0.86	0.52
	I feel tension in the chest, neck and head.	1.81	0.917	0.818		
EB*	Positive attitudes	4.27	0.745	0.815	0.81	
	Life in this moment	4.47	0.561	0.625		0.51
	Emotional intelligence	4.28	0.643	0.684		
SI*	Sense	3.31	1.137	0.674	0.75	0.60
	Harmony	4.04	1.006	0.861	0.75	0.60
SEWB*	Positive emotions	3.69	.690	0.707	0.67	0.47
	Satisfaction	3.61	.934	0.656	0.63	
SD	Often I do not feel capable enough	3.94	.902	0.889	0.83	0.72
	Often Ido not feel professional enough	3.76	.954	0.803		0.72
$\frac{1}{\chi^2/df} = 101$	.1/55; p > 0.05; RMSEA = 0.044; NFI = 0.956; NNFI = 0.967; CFI = 0	.975; RMR	= 0.0366; (	GFI = 0.964		
Likert scale	e: 1- I do not agree to 5 - I agree					

<sup>\*</sup> Second-order constructs

Evidence of discriminant validity comes from chi-square difference tests. Discriminant validity was tested with several CFAs for each possible pair of constructs, first allowing free correlation between the two constructs and then fixing the correlation between the constructs at 1. All chi square differences between the fixed and free solutions were significant at p<0.05 or higher. Discriminant validity was further tested with the recommended Fornell and Larcker (1981) test. All square roots of the average variance extracted for a given latent construct were greater than the standardized correlation of the pairs of latent constructs.

The structures of EI, SI and SEWB constructs were simplified with first-order constructs, recalculated to second-order latent constructs, to attain a more parsimonious structure for the final structural model. Average scores were calculated for the corresponding indicators leading to a single composite indicator. Table 4 presents the final CFA, including two first-order factors models (PH and SD) and three second-order factors. The measurement model indicates construct validity. The chi-square of 101.1 at 55 degrees of freedom was statistically significant. However, NFI, NNFI, CFI, and GFI fit indices were higher than the 0.95 benchmark.

Some misfit was found in the recommended intervals (RMSEA=0.044; RMR=0.036). The CRs ranged from 0.63 to 0.86 and AVEs from 0.47 to 0.77. Except SEWB all measures were above the recommended cut-off levels of 0.60 for CR and 0.50 for AVE.

## Results

Fit indices for the final structural model showed good data fit. Chi-square value was not significant at p<0.01, CFI; NNFI and GFI were all in the acceptable threshold levels (above 0.95), suggesting a good fit. RMSEA index was lower than 0.50. We, therefore, concluded the model adequately fits the data (Table 5).

**Table 5.** Standardized Coefficients  $\beta$  and  $\gamma$  in the Structural Model to Employees

Relationships	Standardized regression coefficient	t-values	Significance
H1: PH ->SEWB	$\gamma_1 = -0.144$	-3.309	p<0.001
H2: PH -> SD	$\gamma_2 = -0.058$	-0.473	n.s.
H3: EI ->SEWB	$\gamma_3 = 0.977$	6.469	p<0.001
H4: EI-> SD	$\gamma_4 = 0.676$	12.693	p<0.001
H5: SI -> SD	$\gamma_5 = -0.210$	-2.219	p<0.01

Fit indices:  $\chi^2$  = 103.49/df = 55; p=0.00008; RMSEA=0.043; CFI = 0.974; NNFI = 0.964; RMR = 0.0269; GFI = 0.963

Concerning the hypotheses in Table 5 we can see that PH negatively impacts SEWB. The relationship was statistically significant at p<0.001; hence we can reject H1. Positive physical balance and SEWB were negatively connected. In addition, H2 could not be supported since the negative relationship between PH and SD proved to be non-significant. EI's impact on SEWB and SD was in both cases strong, statistically significant (p<0.001), and positive. The relationship between EI and SEWB was the strongest. We can thus support hypotheses H3 and H4. The last relationship in the model between SI and SD was negative, but statistically significant at p<0.01. Hence we can reject the hypothesis H5.

## Conclusion

#### **Contributions to theory**

The above findings are important for the behaviour of employees (organizational behaviour). Employees with their behaviour generate organisational success. Successful organisations apply knowledge how to recruit, manage, train,

educate, and develop employees, evaluate and reward their work, and ensure their vocational and personal development through permanent learning. Organizational activities must concentrate on maximizing health along with emotional and spiritual intelligence. The model of organizational behaviour of employees must address the following functional (human resources) strategies: (1) planning of human resources, (2) recruiting and selecting, (3) development and training, (4) reward management and appraisal, (5) teamwork and creativity, (6) motivation, (7) diversity management, (8) employee relations, (9) health and safety, (10) well-being strategies, (11) stress management, and (12) holistic strategies.

Our findings have implications for positive psychology and organisational psychology. In Slovenia, employees' good health negatively impacts SEWB; Okun and George (1984) mention that physical health is associated with SEWB but relation is relatively weak. The results show that in Slovenia, employees with better physical health exhibit no weaker SD (the connection was not statistically significant); many researchers show that weak SD is negatively associated with physical problems. Among Slovenian employees, EB is a key factor for SEWB and SD (based on self-determination theory). This matches theory. Strong SI of Slovenian employees negatively impacts SD. This does not match previous findings of researchers of positive psychology. Potential reasons include the Slovene cultural characteristics and the impact of the 2007 economic and financial crisis.

The conclusions from the survey matter for making the "positive organisational psychology" as the employees' SEWB and SD were studied at the crisis time.

The time of existence and development of the market economy in Slovenia is much shorter than in the old market economies of the West; thus, all measured attributes are still not equal to t0he ones in the West. This challenges the development economics' findings expressed in the Mulej et al. (1992) two-generation cycles: the change of values, culture, ethics, and norms in the transition from a pre-market economy to a modern market economy tends to take two generations lasting about 70 years. This might tackle all newcomers to the European Union or at least the ones entering it after 1990 from the Eastern and South-Central Europe. More care for the 'knowledge-cum-values management' might accelerate the up-dating of employees' values.

## Contributions to practice

Many managers and organisations want to maximize shortrun profitability to satisfy their shareholders; they neglect their organisations' long-term performance, social, and personal responsibility. They tend to forget the fact of the Resource Based Theory that the organisations generate long-term competitive advantages by their development of human potential, recognized as the company's assets. Thus, they achieve its and their strategic goals, which are unique and therefore hard to imitate. Employees are essential to organisational success, and managers must develop and implement a requisitely holistic HRM.

Organisations must offer workshops based on a new HRM model to teach their employees about a healthy life style. They should enable employees to improve their health by activities such as regular exercise, nutrition, relaxation, deep breathing, Ayurveda, massage and aromatherapy, Reiki, music treatment, chromotherapy, bioenergy, and meditation.

Employees must cultivate their EI, which integrates understanding and managing their emotions, recognizing emotions in others, building healthy relationships, and building resilience. Emotionally intelligent workers control their own emotions, are more self-aware, more sensitive to others' emotions, more successful in interpersonal relationships and more resilient. To improve employees' emotional intelligence, organisations should offer seminars and workshops about life in the present, positive thinking, cognitive methods, visualization, yoga, and meditation. The use of these techniques enhances mental maturity and emotional intelligence, hence improving general WB.

Although the SI diminishes self-determination in Slovene organisations, organisations should develop their employees' SI, especially that of managers. They should become more long-term oriented and cognizant of their personal and social responsibilities. Hence management should encourage their employees' spiritual maturity. We mention

strengthening intelligences, living in the current moment, positive thinking, cognitive methods or autogenuous training, visualization, yoga, and meditation.

This will enable, in the first phase of this change management process, the organisation to cultivate employees with stronger SEWB/SD. Such employees are productive, efficient, satisfied with their work, good motivators, and they have self-esteem, a large personal and professional social network, positive emotions, and they take the initiative, and exercise self-control. These advantages support organisational efficiency, each employee's subjective and objective welfare. Specifically, WB increases employees' satisfaction, their creativity and innovative potential, productivity and loyalty, and lowers absenteeism. Education aimed at managers' and owners' 'knowledge-cum-values management' might help.

Therefore, we propose that management adopt a requisitely holistic and innovated strategy on employee planning, recruiting and selecting, development and training, appraisal of work performance, and turnover of co-workers, teamwork and creativity, motivation and remuneration, diversity, relations between employees, physical health and safety, SI, EI, and WB.

Further research should study the effectiveness of comprehensive HRM activities on the performance of organisations.

#### **Limitations and Further Research**

Further research should cover the effectiveness of requisitely holistic HRM of organizations. Multi-criteria methodology can be used for detecting the key success and failure spheres (Čančer, Mulej 2013) of HRM.

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## Determinante subjektivnega emocionalnega dobrega počutja in samodeterminacije zaposlenih: primer Slovenije

#### Izvleček

Delo je bistvena sestavina življenja ljudi. Dosegli naj bi, da prijetno počutje sodelavcev podpira uspeh organizacije. V prvi fazi smo za oceno dimenzionalnosti, zanesljivosti in veljavnosti reflektivnih latentnih konstruktov uporabili konfirmatorno faktorsko analizo. V drugi fazi smo izvedli modeliranje strukturnih enačb za preizkušanje raziskovalnih hipotez. Z modeliranjem strukturnih enačb smo ugotovili, da fizično zdravje (PH) negativno, vendar statistično pomembno vpliva na subjektivno emocionalno dobro počutje (SEWB). Pozitivno PH in SEWB sta glede na rezultate negativno povezana. Čustvena inteligenca (EI) statistično pomembno vpliva na SEWB. Zadnja povezava v modelu med duhovno inteligenco (SI) in samodeterminacijo (SD) je bila negativna, vendar statistično pomembna. Zato se morajo dejavnosti HRM osredotočiti na optimalno duševno in telesno zdravje, emocionalno in spiritualno inteligenco. Dobro zdravje sodelavcev podpira njihovo čustveno prijetno počutje. Njihovo čustveno ravnovesje temelji na njihovi čustveni inteligenci, krepi njihovo subjektivno čustveno dobro počutje in samodeterminacijo.

**Ključne besede**: subjektivno emocionalno dobro počutje, samodeterminacija,čustvena in duhovna inteligenca, telesno zdravje