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Introduction

The message of Jon Clifton’s (2022) new book, *Blind Spot*, is that the volatile, uncertain, complex, and ambiguous context of business has created enormous pressures on the modern employee with 28% of employees exhibiting chronic depression, extreme sadness, or other mental health problems. Those conditions negatively affect employee commitment and engagement and hamper the ability of organizations to succeed in a highly competitive global environment. The root cause of this “well-being problem” is the convergence of a multitude of economic and social problems that challenge the best efforts of even the most capable leaders.

The focus of this paper is on identifying how a highly ethical “fundamental state of leadership” approach to improving employee well-being can enable leaders and organizations to mitigate the factors that have eroded the modern work environment and have created the well-being problem that pervades businesses virtually worldwide. We begin the paper by defining well-being and summarizing evidence that identifies many of the issues that have created this well-being dilemma. We then describe the four elements of Robert Quinn’s fundamental state of leadership and present seven propositions about the application of Quinn’s leadership model in reducing the eroding of employee well-being. We conclude with encouragement to those who seek to improve well-being, increase employee engagement, and improve organizational performance thereby.

Defining Employee Well-Being

Employee well-being encompasses the facets of everyday life that contribute to a positive mental and physical state (Juniper, 2011). Personal well-being is not a new construct and has been loosely defined as “[the presence of] positive emotions and moods, generalized contentment, the absence of depression or anxiety, overall satisfaction with life, personal fulfillment, and the capacity to function positively in performing responsibilities in life” (Andrews & Withey, 1976). Employee well-being encompasses physical, emotional, and economic wellness within the context of work (Larsen & Eid, 2008), and, when effectively addressed, can substantially increase employee productivity and firm performance (Krekel, Ward, & DeNeve, 2019).

Because employees have historically spent many of their waking hours within the confines of their workplace, prioritizing ways to enhance employee well-being and performance can be beneficial to the flourishing of an organization (Hart, 2019). Achieving employee well-being requires accurately assessing a workforce’s needs and creating programs to support employee wellness in the workplace (Tonkin et al., 2018).

The Well-Being Dilemma

A growing body of empirical evidence about the nature of the workplace has confirmed that employee well-being is closely related to employee engagement, trust and commitment, job satisfaction, employee happiness, and organizational performance (Clifton, 2021; Worline & Dutton, 2017). The following statistics about employee attitudes, trust in the workplace, and employee commitment clarify these relationships.

- Worldwide research reported by the Gallup research team, an alarming 28% of all employees self-describe as being unhappy at work (Clifton, 2022).
- According to a *Harvard Business Review* study, 58% of employees would rather trust a stranger than their boss (Damron, 2018).
- Worldwide research about employee engagement conducted in 160 countries found that only 15% of employees worldwide described themselves as fully engaged at work and a higher percentage who are actually negatively engaged (Clifton & Harter, 2019).
- According to a study reported in the *Wall Street Journal*, half of all returning post-Covid employees are “quiet quitters,” whose commitment to their jobs conflicts with their other priorities (Smith, 2022).
- A total of 67% of employees report experiencing change fatigue, burnout, or the feeling of being overwhelmed by the amount of change in their lives (Wigert & Agrawal, 2018).
- According to a study reported by Wrike, Inc. (2021), 94% of employees report feeling stressed at work. According to research conducted by the *American Psychological Association*, the most common causes of work stress include low salaries (46%), lack of opportunities for growth or advancement (41%), too heavy a workload (41%), long hours (37%), and unclear job expectations (35%).

These alarming statistics summarize the dissatisfaction of many employees with their work and the stresses, anxiety, and ill feelings that affect the well-being and emotional health of many of today's employees.

Current policies implemented in the workplace heavily recognize economic outcomes as a measurement of success for society, but fail to consider the impact of work on

employee well-being. According to Deiner and Seligman (2004, p. 1), “economic indicators were extremely important in the early stages of economic development when the fulfillment of basic needs was the main issue. As societies grow wealthy, however, differences in well-being are less frequently due to income, and are more frequently due to factors such as social relationships and enjoyment at work.”

Historically, levels of anxiety have been steadily increasing in society whereas levels of social connectedness are decreasing (Putnam, 2020). Frey and Stutzer (2002) are among many scholars that found that societies that reported higher levels of well-being equate with higher levels of trust in organizations – a fact that more recent research has substantially confirmed (Cameron, 2012; Worline & Dutton, 2017).

Elements of the Fundamental State of Leadership

The fundamental state of leadership is a principle-based leadership perspective developed by the University of Michigan’s Robert E. Quinn (2006) that emphasizes the importance of leadership focus, defining values, willingness to change, and continuous learning. *Table 1* below identifies the differences between the more traditional or “normal state of leadership” and “the fundamental state of leadership.”

Table 1: The Normal State and Fundamental State of Leadership

The Normal State of Leadership	The Fundamental State of Leadership
<ul style="list-style-type: none"> • Comfort Centered – I stick with what I know. • Externally Directed – I comply with others’ wishes to keep the peace. • Self-Focused – I place my own interests above those of the group. • Internally Closed – I block out external stimuli to stay on task and avoid risk. 	<ul style="list-style-type: none"> • Results Centered – I venture beyond familiar territory to pursue ambitious outcomes. • Internally Directed – I behave according to my values about what is right. • Others Focused – I put the collective good first – above my own interests. • Externally Open – I learn from my environment and recognize when there is a need for change.

Each of the four factors associated with the fundamental state of leadership has the potential to significantly contribute to the enhancement of employee well-being. The following is a summary of these four factors that Quinn included and seven propositions that identify how adopting the fundamental state of leadership can increase employee well-being.

Results Centered

Results-centered leadership emphasizes the importance of achieving outcomes that fulfill an organization’s purpose and mission (Collins & Porras, 2014) while achieving what customers are striving to accomplish (Christensen, 2013). The evidence about employee well-being research affirms that organizations that focus on employee well-being have employees that are more fully engaged and contribute to higher productivity and overall profitability than comparable organizations that do not put importance on employee well-being (Cameron, 2021). Aligned with that evidence we suggest our first and second propositions about well-being and the fundamental state of leadership.

P₁: Organizations with leaders who incorporate the results-centered focus of the fundamental state of leadership achieve measurably greater results than comparable organizations.

P₂: Organizations with leaders who incorporate the results-centered approach of the fundamental state of leadership produce employees that are more collaborative and unified than companies that do not adopt this approach.

Internally Directed

Quinn (2006) explained that to be internally directed consisted of the ability to rely upon one's own inner sense of right and wrong, despite the lure of contradictory opinions. This belief in the importance of one's inner moral compass enables a leader to honor her or his sense of personal integrity (Christensen, 2012). Stephen R. Covey (2004, p. 98-99) explained that organizational leaders have the moral obligation to find their own voice and then treat their employees so well that those who they lead come to find their own voice or unique significance as well. Consistent with the fundamental state of leadership's requirement to be internally directed, we present our third proposition.

P₃: Organizations with leaders who are internally directed and who honor their obligation to help employees to find their voice have employees who have greater employee well-being than organizations with leaders that are not internally directed.

Others Focused

In defining the fundamental state of leadership as being others-focused, Quinn (2006) echoed the perspective that a leader's role is to first be a servant to others (cf. Greenleaf, 2002). Leaders adopting an others-focused perspective rise to the level of highly ethical stewards who recognize the importance of each stakeholder (Caldwell, Hayes, & Long, 2010). As ethical stewards committed to all stakeholders, leaders who are others focused seek to treat employees as valued "owners and partners" and fully engaged participants within their organizations (Block, 2013; Hernandez, 2012). Aligned with this others-focused quality of the fundamental state of leadership, we suggest our fourth and fifth propositions.

P₄: Organizations with leaders who incorporate the others-focused emphasis of the fundamental state of leadership inspire greater employee engagement within their workforce than comparable organizations.

P₅: Organizations with leaders who incorporate an others-focused leadership perspective are more likely to earn the commitment of their employees than organizations whose leaders lack that perspective.

Externally Open

Quinn (2006) explained that being externally open enables leaders to be more sensitive to the volatile nature of the external environment which confronts the modern organization. Being externally open enables leaders to be responsive to the demands of change (Bennett & Lemoine, 2014). Harvard University's John Kotter (2012) recognized the importance of preparing their employees to be adaptive to environmental conditions and explained that such employees are more prepared to utilize resources flexibly and creatively in response to change. Consistent with this leadership quality, we propose the sixth proposition.

P₆: Organizations with leaders who incorporate the externally open perspective of the fundamental state of leadership are more likely to enhance employee well-being through their preparation of employees to be adaptive to change.

In his later research, Quinn (2015) explained that the application of all four of the foundation elements of the fundamental state of leadership was multiplicative rather than additive in their impact on people and organizations. The elements of effective leadership that increase employee commitment, engagement, and wellness signal to employees that they are valued participants as full partners in achieving an organization's mission. Accordingly, we offer our seventh proposition.

P₇: Organizations with leaders who adopt all four elements of the fundamental state of leadership have employees who are more engaged and committed than organizations with leaders who do not adopt all four elements of this leadership perspective.

Summarizing the Impact

Each of the four key elements of the fundamental state of leadership can substantially increase employee commitment, improve organizational trust, and reduce the negative factors that create stress and undermine employee commitment. *Table 2*, provided below, correlates each of Quinn's four elements of the fundamental state of leadership with creating a healthier and more positive organizational culture.

Table 2: Impact of the Fundamental State of Leadership on Well-Being

Fundamental State Factor	Impact on Employees	Impact on Organizations	Comment
Results Centered	Leading employees in the pursuit of worthy results increases commitment to a noble purpose beyond just making money for shareholders.	Pursuit of ambitious outcomes and seeking excellence is required to achieve great success in a world where being as good as competitors is not enough.	Achieving results requires company-wide commitment and depends upon the ability to create a culture of high trust in organizations to sustain cooperation.
Internally Directed	Leading with integrity and being true to organizational values enables leaders to earn high trust and commitment in a world where that trust and commitment are low.	In a world where trust in organizations is extremely low, building organization trust depends upon leaders who are honest and lead with integrity.	Being internally directed and committed to the values of ethical stewardship enable leaders and organizations to optimize long-term wealth creation.
Others Focused	Leaders who understand the importance of putting service to others over their personal self-interest earn the commitment of those whom they serve and demonstrate trustworthiness.	Pursuing outcomes that benefit all stakeholders enable leaders to demonstrate that they care about well-being and employee welfare.	By being others focused, leaders honor the covenantal responsibility of leaders to enable employees to flourish and become their best while achieving organization goals.
Externally Open	Helping employees to understand the need for	The ability to adapt to change in the fast-	By being change-focused and preparing employees

	change and providing the resources to change successfully are key elements of being externally open.	moving economic world requires preparing for change and creating an organization that can adapt quickly.	for inevitable change conditions, leaders and organizations create confidence in organization leadership.
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As indicated in this table, each of the four factors that are defining parts of the fundamental state of leadership have a positive impact on not only the trust and commitment of employees but also on the ability of organizations to create organizations that affirm the importance of employees. This commitment to employees' welfare, growth, and wholeness is so often missing in the modern organization (Worline & Dutton, 2017).

Conclusion

Although the implementation of principles associated with the fundamental state of leadership have the potential to strengthen employee well-being, the challenges facing leaders and organizations continue to be compelling (Worline & Dutton, 2017). It is important to emphasize that employer commitment to employee well-being does not replace financial priorities which are necessary for organizational well-being but to also acknowledge that increasing employee well-being can actually enhance a company's bottom line. The growing evidence is that the commitment to employee's welfare actually increases the likelihood of economic success for a firm (Cameron, 2011, 2012, & 2021; Gordon, 2017; Bremer, 2021).

Contributing to and improving the quality of life of employees aligns harmoniously with increasing organizational effectiveness, improved customer retention, and productivity (Cameron, 2013). By creating an organization culture that enhances employee well-being, leaders create a workplace that empowers their workforce, increases engagement, reduces work-related stress, and increases an organization's ability to achieve and sustain a competitive advantage (Worline & Dutton, 2017; Bremer, 2021). Ultimately, the evidence confirms that establishing greater emphasis on employee well-being in the workplace is consistent with the best interests of a company, its employees, and the customers that companies serve (Cameron, 2021; Worline & Dutton, 2017).

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