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## The Impact of Human Resource Practices on Organizational Climate and Employee Well-Being

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### ABSTRACT

This exploratory study evaluated the relationship between Human Resources (HR) practices, organizational climate, and employee well-being from the lens of the Social Exchange Theory. Therefore, data were analyzed using linear regression and structural equations. The results indicated that there is a positive impact of HR practices on both the organizational climate and employee well-being, as well as the organizational climate on well-being. However, the explanatory power of well-being was low, indicating the need for more customized human resources management. Additionally, HR practices and organizational climate sensitize well-being to a greater extent among women than men, suggesting that women may be able to absorb better the benefits of a friendly and contributory work environment. The study contributes to knowledge in people management oriented towards the well-being of employees.

**Keywords:** *HR Management Practices, Organizational Climate, Employees' Well-being, Social Exchange Theory*

### Introduction

The relationship individual/workplace has been evolving, as well as the studies that evaluate the relationship between human resources (HR) practices and the performance of organizations. Guest (1987) already emphasized human resource management as a process used on a large scale, but with a weak definition. Still, it would be necessary to differentiate it from the traditional concept of personnel management for a broader view of oriented organizational behaviour, among other dimensions, for the strategic importance and impact on the organization's performance. More recently, Paauwe (2009), in a retrospective of the literature on HR and performance management, suggests that this is a field of growing

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interest, with different theoretical and methodological approaches, and that has generated countless contributions but is still relatively new.

Since the late 1990s, social advances have aroused the need for organizations to take better care of their employees' well-being (Boxall, Gunthrie, & Paauwe, 2016). Because of this new order, human resource management practices and the organizational climate are seen by managers as relevant indicators in the search for organizational well-being (Lia, Frenkel, & Sanders, 2011).

The increase in the levels of commitment and motivation, based on the perception of positive actions by the company, suggests a relationship of exchange of favours between the employee and the employer, which is consistent with the Social Exchanges Theory (Gould-Williams & Davies, 2005). Gould-Williams (2007), analyzing the employee/employer relationship in the light of this theory, it considers HR management practices and the organizational climate to assess the negative and positive attitudes of employees. Thus, it shows consistency in positive exchanges, which led to increased commitment, and in negative transactions, which caused increased stress.

Factors of negative exchanges between the company and the employee can also cause an increase in the employee's intention to leave the company (Li, Frankel, & Sanders, 2011). Using the organizational climate and HR management processes, Li, Frenkel, and Sanders (2011) concluded that both factors have a positive relationship with well-being and a negative association with the employee's intention to leave the organization.

There is research that started from different theoretical bases to study the relationship between HR practices and well-being at work, for example, Voorde, Paauwe and Van Veldhoven (2012), who used the mutual gain perspective, and Guest (2011). They used the Ability, Motivation, Opportunity (AMO) model. Cultural particularities also addressed the theme, such as, for example, Ashleigh, Higgs and Dulewicz (2012), Alfes, Shantz, Truss, (2012) and Kooij et al., (2013) in the United Kingdom; Burns and Machin (2013) in Norway; and Li, Frenkel and Sanders (2011) and Fu and Deshpande (2014) in China.

Despite the practical and theoretical contributions brought by the research cited, still need further studies. The association between HR management practices and well-being, bringing the organizational climate to the discussion, can expand to cultural particularities and diverse business environments, such as those in Brazil. Add to this the pertinence of the Social Exchange Theory for understanding the phenomenon and the direct impact of such relationships on the organization's performance. Therefore, this study aims to fill this gap, assessing the relationship between HR practices, the organizational climate and the well-being of employees.

The results presented can be used by managers so that they can better target their employees' management policies and practices that contribute to the increase in well-being and productivity. From a theoretical point of view, this research aims to provide knowledge in the area of human resources management, more precisely concerning the antecedent factors to employee's well-being.

Validated scales captured the constructs of HR practices, organizational climate, and employee well-being at work to test 3 hypotheses in a survey of perceptions with workers from the public and private sectors. The analysis took place through descriptive statistics, simple regressions, and structural equations.

## **Theoretical framework**

### **Social exchange theory**

This research started with the general concepts of Social Exchange Theory and its impact on human resources management. This theory was developed based on different disciplines, such as anthropology, sociology, and psychology. The interrelation with the different areas of knowledge makes it possible to study the most varied forms of social relationships (Mazza & Freitas, 2007).

Homans (1958) defined the Social Exchange Theory as the behaviour of the exchange of goods, whether material or not, which can generate remuneration or prestige. According to the author, there are people who “give” a lot, hoping to “receive” in the same proportion. In doing so, the individual leaves the other party under pressure to proceed with the reward in the same way. The influence process between the parties is perceived as positive whenever there is a balance between exchanges.

In organizations, the social exchange relationship begins when the company values the contributions of the employee and is willing to take care of their interests and well-being. Once established this relationship, the employee will be ready to perform their job more diligently and showing a positive and committed attitude towards the organization (Gould-Williams, 2007).

A set of interactions guided the Social Exchanges Theory that, over time, could result in obligations of reciprocity (Homans, 1958). These interactions can be positive or negative, relational, or transactional. The result will depend on the type of benefit that the party will receive and the cost that will occur to achieve this benefit. In a pure exchange ratio, what the person “gives” is the cost, and what they “receive” is the benefit. The social exchange relationship can produce benefits and costs that are not only economic or material but also impacting the attitudes and values of each person (Mazza & Freitas, 2007).

### **HR management practices**

There is no consensus in the literature as to which are the most effective practices to be adopted to maximize employee performance. However, it is inevitable that given the practices observed, they all converge in the same direction and deal with issues such as human resources planning, recruitment, remuneration, performance evaluation, training, and labour relations (Guest, 2011).

Pillai and Abraham (2016) confirmed the importance of HR practices aimed at employee well-being by analyzing service provision in hotels in India. The authors showed that employees are vital to achieving customer satisfaction. Also, according to the authors, the manager must focus their efforts to safeguard the employee’s well-being. When this action is perceived, the employee will make every effort to ensure that the client’s well-being is equally well taken care of.

Ashleigh, Higgs, and Dulewicz (2012) also proved the relationship between HR management practices and well-being in research carried out with managers of American companies. Moderated by the trust variable, the results showed that managers who trusted their teams felt happier and more satisfied in the workplace, which contributed to increased commitment and well-being. Using the Social Exchanges Theory, the authors concluded that

when managers are willing to trust, they develop, in return, higher levels of trust, which contributes to the consolidation of the mutual exchange environment.

The literature highlights the importance of HR management practices for the most varied organizational purposes like competitiveness increasing (Patel & Cardon, 2010), performance gains (Voorde, Paauwe, & VanVelhoven, 2012), and employee's well-being (Ashleigh, Higgs, & Dulewicz, 2012). In this research, the instrument used to measure this factor was the scale of HR management practices by Gould-Williams and Davies (2005).

### **Organizational climate**

Studies on the organizational climate emerged as a result of advances in work relations, that generated the need for organizations to understand employee behaviour and satisfaction better. Of the proposed concepts that define the climate, many are confused with the organizational culture. Although it exists a possible correlation between these factors, culture is formed by the beliefs and values that are adopted by the members of the organization (Ötken & Cenkci, 2015). The climate represents the organizational atmosphere, the environment, and the social interactions that are perceived by employees, shapes the individual's behaviour, and assists in the organization's market positioning, acting as a differentiating factor between companies (Randhawa & Kaur, 2014).

The psychological climate is another component of the construct, as the basis of the organizational climate. The psychological climate represents the internalization of the employee's interactions and also the way the member perceives and makes sense of the organization's precepts. The psychological climate is also a cognitive element, a property of the individual that, when shared with other members, creates a collective environment that reflects the company's atmosphere (Schulte, Ostroff, & Kinicki, 2006).

Regarding the elements that make up the organizational climate, Jung and Lee (2016) included the organization's practices and procedures as factors. The authors presented this finding in a study that analyzed the relationship between innovation and climate. As innovation is a process that tries to implement new ideas and changes to the members of the organization, without changing the climate, the change will not be fully effective. Climate change is a barrier that, when overcome, creates the basis for interpreting and directing the activities of employees.

Burns and Machin (2013), likewise, they defended the idea of the relationship between the organizational climate and well-being in research carried out with Norwegian teachers. The results show that factors such as a pleasant work environment and organizational support contribute positively to maintaining a positive climate and well-being. Other factors identified by the researchers as maintainers of well-being were autonomy and participation in decisions made in the workplace. Autonomy interferes with the employee's relationship with their activity, strengthening the sense of responsibility and motivation. Engagement, in turn, influences changes in working conditions, which will contribute to improving organizational health and reducing stress levels.

As explained, the employee's perceptions regarding the work environment guided the study of the organizational climate. It is directly related to well-being and other elements that provide a competitive advantage for the organization. Because it is a variable that measures

the context of an organization with the behaviour of its members, the construct has numerous ways of being operationalized (Patterson et al., 2005).

This research starts from the theoretical foundation by Gould-Wiliams (2007), which analyzed the influence of the organizational climate in the light of the Social Exchanges Theory, leading to the use of this author's scale.

### **Employee's well-being**

Zheng et al. (2015) propose that employee well-being is a simple term and that everyone understands its meaning. However, there is no exact concept to define it. The employee's well-being is the general quality of the experiences lived by the individual during the performance of their activity (Van de Voorde, Paauwe, & Van Veldhoven, 2012). In addition to such experiences, there is a tendency to explore the positive aspects of employees and the organization in defining the concept, which has brought the term happiness closer to the definition of well-being (Paschoal, Torres, & Porto, 2010).

In the same sense, Sant'anna, Paschoal, and Gosendo (2012) defined well-being at work as the employee's positive emotions and perceptions that, during their performance, are expressed and assist in the development of their potential in the pursuit of their life goals. In this context, happiness emphasizes the positive aspects of the worker's experience while adding a positive connotation to the term. The definition of well-being from the perspective of happiness, and referring to philosophical elements, is usually excluded from well-being research (Paschoal, Torres, & Porto, 2010). Such an approach contributes to the research on the topic since it makes it possible to understand the phenomenon through the metric that assesses the employee's levels of positive emotions (Paschoal, Torres, & Porto, 2010).

In a divergent analysis, Raibley (2012) pointed out that well-being should not be a synonym for happiness. The author argues that a complex cognitive feeling that can affect the goals, future perspectives, and even the individual's sense of life cannot be fleeting or momentary. Happiness, according to him, does not have a dominant definition. Still, in literature, it is treated as a synonym for joy, referring to joyful moments, which can be generated by a situation that does not reflect the general state of life of the person. Therefore, no amount of happy feelings can compensate, for example, a meaningless life, just as it cannot reflect well-being.

Fogaça and Coelho Junior (2015), when analyzing the relationship of well-being and satisfaction with the individual's performance, they did not agree with the approach by Raibley (2012). They defended happiness as a synonym for well-being. The authors argue that the employee fosters positive emotions, carrying out their work activities efficiently, which implies pleasure with the result achieved, generating well-being. Therefore, satisfaction is directly related to happiness, even if it is a momentary feeling. However, there are jobs where the employee deals only with pressure and situations of failure, which contributed to the increase in negative emotions and stress. These bad feelings cause a lack of happiness and, consequently, inhibitors of their well-being.

In this research, the employee well-being assessment tool will be the scale of well-being at work by Paschoal and Tamayo (2008). This scale derived from the lack of existing consensus on the definition of the variables that make up the construct and is composed of factors that

positively and negatively affect achievement at work. The proposed dimensions can assess well-being at work since the workplace represents an enabling environment that favours emotions and the construction of happiness.

### **Hypotheses and model**

Ashleigh, Higgs, and Dulewicz (2012) affirm that, even in the face of the global and competitive market experienced by organizations, managers have not neglected to take care of the psychological factors of employees. For these authors, taking care of the employee's well-being represents an opportunity to improve the organizational climate and increase performance. Besides, one of the ways discussed in organizations to promote well-being is through HR management practices, since they favour the growth of trust that results in the improvement of relationships within the organization.

Bello-Pintado (2015) considers that HR management practices are not individually isolated, but a set of practices and processes that, when employed in a connected manner, ensure the well-being of the employee. Pillai and Abraham (2016) recognize the gains brought by the use of HR practices jointly and add that the benefits brought about by these actions have an impact, not only on the industry but also in the services sector. Unlike products, human relationships deliver services. Therefore, it has a set of intangible factors that are outside any standard of certification or quality. However, in the same way as a product's evaluation, the service also generates customer satisfaction or dissatisfaction, and, as a guarantee that the service will positively provide, HR practices should focus on the well-being of the employee. According to the authors, happy workers equals happy customers.

Following the proposed ideas, Dysvik and Kuvaas (2012) point out that the manager has a fundamental role in how the employee perceives the relationship between HR management practices and the company's climate. In the opinion of the authors, this fact occurs because employees see the climate and well-being as the manager values these aspects and make decisions to strengthen them. The manager, when imbued with the sense of implementing the actions that will value and develop the employee, creates a collective environment that positively affects the climate of the entire organization.

Therefore, according to the proposed concepts and definitions on the influence of HR management practices on the company's organizational climate, the following hypothesis is proposed.

*H1: Human resource management practices have a positive effect on the organizational climate.*

The organizational climate, as it represents the atmosphere of the company and has a positive relationship with employee satisfaction and standards of behaviour, is considered a relevant aspect of assessing well-being (Ötken & Cenkci, 2015) In the authors' view, the climate also influences motivation, commitment, financial performance, and the perception of the quality of customers, thus exposing all its institutional representativeness.

Randhawa and Kaur (2014) add other factors to the list of elements that influence the climate, such as attitude, recognition, innovation, autonomy, and trust. The authors also point out that the climate is responsible for mediating different aspects that interfere in the employee's relationship with the organization. The layout of the workplace, style of

management, and behaviour of the leader are some factors that can contribute to the employees' well-being.

As the atmosphere is widespread throughout the organization, employees consider it as an attribute of the company (Jung & Lee, 2016). It consists of all interactions, observed by the employees, that influence the well-being (Jung & Lee, 2016).

Li, Frenkel, and Sanders (2011) strengthen the relationship between the climate and well-being and add that actions aimed at well-being, when perceived by employees, create a collective effect that infects the entire organization. This positive environment motivates all other team members to adopt behaviours desired by management to foster more welfare actions. This fact contributes to the maintenance of the organizational climate focused on well-being while helping the company to achieve its goals.

According to the concepts presented, emerges the following hypothesis.

*H2: The organizational climate positively affects employee well-being.*

Organizations are structures considered to be major influencers of human life, including the power to interfere with emotions, feelings, and even in the individual's thoughts (Fogaça & Coelho Junior, 2015). For the authors, this concept reflects the importance of the worker's relationship with the company. It highlights the need to understand how emotions experienced in the workplace affect their health and well-being.

Despite all the attention focused on the psychological aspects of employees, research related to the study of HR management practices has always concentrated its efforts on the analysis of effectiveness and performance (Guest, 2011). In conflicting reports, Takeuchi and Takeuchi (2013) argue that it is increasingly evident that companies must direct their efforts to understand how HR practices influence the psychological processes of employees. For the authors, in this way, the manager will be able to evaluate better the procedures and practices that affect the employee's attitudes and, consequently, influence their well-being.

By the same bias, Alfes, Shantz, and Truss (2012) reinforce that the way employees experience and perceive HR practice actions is as relevant as the actions themselves. Every employee embeds a set of values, beliefs, and life expectations that shape their personality and influence their behaviour. At the same time that this natural and positive difference in the way of thinking and acting is relevant to the organization, it can help HR actions differently, or contrary, interpret their real meaning. Thus, in addition to the lack of well-being, the employee will still have a negative perception of the organization (Alfes, Shantz, & Truss, 2012).

From this perspective, Zheng et al. (2015) highlight that it is essential to support and develop the organization managing the employee's well-being efficiently and professionally. The authors add that, in addition to the psychological factors that impact the well-being, organizations should seek to understand how events in the workplace affect different employees, regardless of job title. In this way, the well-being individually perceived, should contribute to increasing motivation and satisfaction for all members of the organization, regardless of their hierarchical level.

Sant'anna, Paschoal and Gosendo (2012) ensure that well-being, especially concerning positive worker experiences, is seen as a factor of competitive advantage for the organization. Thus, it remains clear the importance of maintaining well-being as a tool to increase

performance, as well as identifying HR management practices that affect employee well-being.

Given these considerations about the relationship between HR management practices and employee well-being, comes the following hypothesis.

*H3: HR management practices positively affect employee well-being.*

In short, the proposed model is shown in Figure 1.

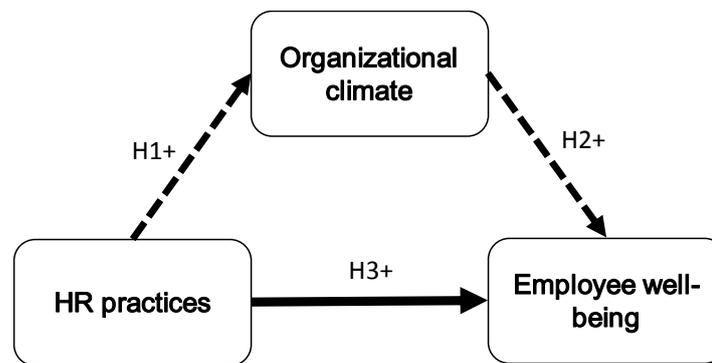


Figure 1. Proposed model

## Methodology

Aiming to achieve the objective of assessing the relationships between HR practices, the organizational climate and the well-being of employees, a quantitative cross-sectional survey and a non-random sample was performed based on the perceptions of employees in the Brazilian work environment. Initially, 529 people answered the questionnaire, of which 467 declared themselves employed and had their answers considered. Initially, 529 people answered the survey, of which 467 reported themselves employed. That amount validated the sample, according to Hair Jr., Black, Babin, and Tatham (2009).

The questionnaire consisted of scales validated in the literature and covering the three constructs covered in the research. There was no need for adaptation, nor a change of agreement or tense in the statements (variables) components of the questionnaire. We used the one-dimensional Likert measurement of 5 points (from 1 - strongly disagree to 5 - strongly agree).

Data analysis was performed in four stages: sample characterization, descriptive statistics, linear regression, and structural equations. The objective of the characterization of the sample was to verify if there is any bias. Then, the descriptive statistics – means and standard deviations of each variable – allowed the performance of primary analyzes on the studied relationships. With simple linear regression, the relationship between each independent variable and its dependent variable verified the support or not of the investigated hypotheses. Finally, through the structural equations model, it was possible to understand the correlation patterns and the effects between the set of variables of each construct. Additionally, the characteristics of the sample provided analytical information. The assumption of normality not fulfilled indicated the use of the Generalized Least Squares (GLS) method (Sharma & Kim, 2013).

## Data analysis

Gender, marital status, age, education, and income characterized the sample. Most respondents were female (53%), in line with the IBGE (Brazilian Institute of Geography and Statistics) census, which shows 50.76% of women in the Brazilian population (IBGE, 2010).

Regarding age, the 25 to 35 years old group (38%) stands out; concerning income, the range of BRL 2,640.00 to BRL 13,200.00 represents 57% of the sample; 54% are married, and 45% have graduate degrees.

Thus, the sample tended to represent individuals who have a consolidated career since they are married, are in middle age, and have a high level of education, being, therefore, a group that can assess the influence of the interactions of the factors object of the study.

Of the 467 valid responses, means and standard deviations were calculated for each question answered. Each construct had its mean calculated. All the constructs investigated obtained means higher than indifference, and the organizational climate was the one that achieved the highest mean ( $M=3.42$ ). However, all constructs had high standard deviations and were almost equal (from 1.26 to 1.30), which indicates divergence of opinions.

In the case of the organizational climate, the variable of organizational support stands out, tending to agreement, which indicates that the organizational climate benefits when people perceive the support of the boss. However, this variable had a high standard deviation ( $SD = 1.26$ ), which also shows differences of opinion. The results tend to confirm Fu and Deshpande (2014). They understand that managers, when they show the employee a sincere interest in carrying out their activities, contribute decisively to the maintenance of a pleasant organizational climate. Still, according to these authors, there is an influence in the satisfaction, intention to remain in the organization, and employee well-being.

The variable that addressed the climate relationship through the friendly and supportive atmosphere existing among the team members, also had a high mean ( $M=3.79$ ), tending to an agreement and, although with the smallest standard deviation found ( $SD=1.11$ ), still demonstrates the divergence of perceptions. In this light, Schulte, Ostroff, and Kinicki (2006) emphasize that the psychological climate is a basic component of the organizational climate. The psychological climate is the internalization of the employee's interactions and the way the member perceives and gives meaning to the company's precepts and those around them. Because it is a cognitive element, the relationships of friendship and cooperation when shared with other members, create a collective environment that will act positively on the individuals who are there.

The well-being construct showed a tendency towards neutrality ( $M = 3.15$ ), but with high variability of perceptions ( $SD=1.23$ ). There are variables with clearly neutral results (e.g.: irritation –  $M = 3.01$ ), variables tending to disagreement (e.g., depression and nervousness –  $M = 2.45$ ), and others tending to the agreement (e.g., skills development –  $M = 3.87$ ).

Observing the well-being construct in its affection factors – positive and negative – there is a tendency towards neutrality, with a mean slightly higher than 3 in the case of positive affect ( $M = 3.15$ ) and slightly less than 3 in the negative affect ( $M = 2.84$ ). However, standard deviations are very close (1.24 and 1.31, respectively), which causes the affection factor to diverge opinions. This divergence is also apparent in the achievement factor at work ( $SD = 1.23$ ), although, in this case, the mean tends to agree ( $M = 3.57$ ).

The dimension of well-being at work addressed factors related to affection, which analyzed positive and negative emotions and moods at work, and achievement at work, that assessed how the individual perceives the development of their skills to advance in pursuit of their goals (Paschoal & Tamayo, 2008). From the analysis of emotions and moods that the work reflects on the employee, the variables related to pride ( $M=3.34$ ;  $SD = 1.23$ ) and joy ( $M=3.28$ ;  $SD= 1.28$ ) reached the highest means but tending to neutrality. Following the results presented, Fogaça and Coelho Junior (2015) argue that the employee fosters positive emotions by carrying out their work activities efficiently and, this fact, generates pleasure with the result achieved, which supports well-being. Satisfaction and pride are directly related to happiness, and the lack of these elements contributes to the increase in negative emotions and stress.

Regarding the factors of achievement at work, the issue related to the development of skills that the employee considers important and, as already pointed out, it reached the highest mean of the entire questionnaire, tending to the agreement, as well as the lowest standard deviation, albeit high ( $M=3.87$ ;  $SD=1.11$ ). An important factor related to the employee's well-being construct is the fact that it had the highest means and the lowest standard deviation among all the constructs surveyed. Based on the ideas by Sant'anna, Paschoal, and Gosendo (2012, p. 747), who affirm that well-being is related to personal satisfaction obtained through gains related to the fulfilment of tasks, the results found in this study demonstrate this relationship.

The HR management practices construct obtained the highest standard deviation among all the surveyed constructs ( $SD=1.30$ ), demonstrating that there is a difference of opinion among respondents. The mean tended towards neutrality ( $M=3.25$ ), and only the variable related to the encouragement made by the company to teamwork and only the variable related to the support created by the company to teamwork tended to agreement ( $M=3.68$ ;  $SD=1.21$ ). Such practice promotes a sense of engagement that affects climate and organizational performance. According to Truss et al. (2013), engagement directly relates to commitment and effectiveness. Thus, as employees are motivated, engaged, and mutually contributing to each other in search of organizational success, they will be able to work for their well-being.

The results are following Ashleigh, Higgs, and Dulewicz (2012), which showed that managers who trusted their teams felt happier and more satisfied in the workplace, which contributed to increased commitment and well-being. These authors concluded that managers, when they are willing to trust, develop, on the other hand, higher levels of trust, which contributes to the consolidation of the mutual exchange environment, as proposed in the Social Exchanges Theory. Likewise, this study found high scores for HR management practices that converged on employee safety, as well as in the manager's trust towards the team.

In short, with the results showing that the factors related to affection – positive and negative – tend to neutrality, however, with notable differences of opinion and considering the indications by Paschoal and Tamayo (2008), the lack of consensus in defining the well-being at work construct. Therefore, the aggregate construct took part in the following stages of analysis, since, the model did not demonstrate convergence when analyzing factors separately. Accordingly, neither linear regressions nor structural equations used the variables, but the only as an aggregated construct, as proposed by Paschoal and Tamayo (2008).

The linear regression assessed the hypotheses. Firstly, testing the relationship between HR practices and the organizational climate, the results are shown in Table 1.

*Table 1. Hypothesis 1 Test*

<i>Dependent Variable</i>	<i>Independent Variable</i>	<i>Coefficient</i>	<i>Standardized Coefficient</i>	<i>Standard Error</i>	<i>R<sup>2</sup> Adjusted</i>	<i>p-value</i>
<i>HRP</i>	<i>OCL</i>	0.428	0.548	0.03	0.2984	0.000

Source: The Authors.

Obs.:

- The symbols “\*\*\*\*”, “\*\*\*”, and “\*\*” indicate that the coefficient is significant, respectively, in the level of 1%, 5% and 10%.
- HRP is human resource practices and OCL is the organizational climate.

From this information, there are indications that HR management practices are positively related to the organizational climate (p-value= 0.000), not rejecting Hypothesis 1. The R<sup>2</sup>adjusted indicates that HR management practices explain 29.84% of the organizational climate.

This result can derive from the fact that in organizations, concern for the climate arose from the advances in work relationships, which generated managers, the need to understand better employee behaviour and satisfaction (Ötken & Cenkci, 2015). Still, to understand the behaviour, but also to improve the performance of the employee, a set of management practices and strategies for the management and control of human resources was structured, which was called HR management practices (Pillai & Abraham, 2016).

Bearing in mind that the main focus of HR management practices is to address issues such as human resources planning, recruitment, remuneration, performance evaluation, training, and labour relations (Guest, 2011). Moreover, the climate, in turn, represents the organizational atmosphere and the social interactions that are perceived by employees (Randhawa & Kaur, 2014). It is plausible to conclude that the positive relationship between the climate and HR management practices is confirmed through the sense of satisfaction and care with the employees' behaviour by the company. All HR practices, as well as company processes, form a set of duties that define the daily tasks of the worker. This set can have a negative or positive influence on the employee's everyday life when these interactions are perceived collectively; it reflects the climate of that organization (Schulte, Ostroff, & Kinicki, 2006).

Then, Hypothesis 2 was analyzed to assess the relationship between the organizational climate and well-being. The results are in Table 2.

*Table 2. Hypothesis 2 Test*

<i>Dependent Variable</i>	<i>Independent Variable</i>	<i>Coefficient</i>	<i>Standardized Coefficient</i>	<i>Standard Error</i>	<i>R<sup>2</sup> Adjusted</i>	<i>p-value</i>
<i>OCL</i>	<i>WEL</i>	0.209	0.308	0.315	0.0845	0.000***

Source: The Authors.

Obs.:

- The symbols “\*\*\*\*”, “\*\*\*”, and “\*\*” indicate that the coefficient is significant, respectively, in the level of 1%, 5% and 10%.

– OCL is the organizational climate, and WEL is employee well-being.

The results indicate that the organizational climate variable is positively related to the employee's well-being ( $p$ -value= 0.000), which confirms Hypothesis 2. The  $R^2$  adjusted indicates that the organizational climate explains only 8.45% of well-being.

Given the low explanatory capacity, the same cognitive and emotional relationship that acts on the climate likewise may influence well-being. This fact occurs because, as in the climate, well-being studies have also advanced as labour relations have become complex over the years. In this way, managers create mechanisms to meet the demands of the employee. While the climate focus on behaviour and satisfaction, well-being acts on the employee's positive emotions and perceptions, that is, it is the result of these interactions together (Sant'Anna, Paschoal, & Gosendo, 2012).

Still, on the influence of climate on well-being, Silva and Tolfo (2012) reinforce the idea of the relationship between both factors. In the words of the authors, well-being is a positive emotional state that functions as a driving force for the conditions in which the employee lives. Likewise, through the climate, it is possible to implement means that provide peace to the individual, as far as the purpose found contributes to the improvement of their living conditions and working environment. This combination of factors can create a collective effect that affects the entire organization at the same time, where one can motivate other team members to adopt the same behaviours. Thus, the maintenance of a positive climate will be ensured together with organizational interests (Li, Frenkel, & Sanders, 2011).

The result of the linear regression between HR management practices and well-being is in Table 3.

Table 3. Hypothesis 3 Test

<i>Dependent Variable</i>	<i>Independent Variable</i>	<i>Coefficient</i>	<i>Standardized Coefficient</i>	<i>Standard Error</i>	<i>R<sup>2</sup> Adjusted</i>	<i>p-value</i>
HRP	WEL	0.239	0.348	0.233	0.1822	0.000***

\*\*\* $P < .01$ ; HRP are HR practices, and WEL is employee well-being.

The results indicate that HR practices also positively affect employee well-being ( $p$ -value = 0.000), confirming Hypothesis 3. The  $R^2$  adjusted indicates that HR management practices explain only 18.22% of well-being.

As indicated, HR practices influence well-being rather than climate, which is in line with the findings by Pillai and Abraham (2016), that confirmed the relationship between HR management practices and employee well-being. According to the authors' opinion, customer satisfaction is related to employee well-being. Therefore, HR management practices must focus on obtaining employee satisfaction. Once this action is perceived, the worker will spare no effort, so that also ensures the customer's satisfaction.

Following the proposed ideas, Truss et al. (2013) corroborate the results found and assert that well-being has a direct relationship with commitment and effectiveness, and HR management practices should be a mechanism that generates motivation and engagement. Once the worker assimilates these practices, they will have the necessary conditions to work for their well-being while seeking organizational success.

Some indications support the Social Exchanges Theory. The results showed a positive relationship between HR practices and well-being, as well as between the organizational climate and the employees' well-being. When the exchange ratio is good, the employee feels protected, contributing to the increase of his well-being. When the quality is poor, the employee becomes sensitive to all manifestations and influences of the company, contributing to the loss of trust and performance (Tekleab, Takeuchi, & Taylor, 2005), which leads to deterioration of well-being.

To obtain more robustness in the results found, we also ran a model of Structural Equations Model (SEM) to assess a supposed pattern of linear relationships between the set of measurable variables (observable). The analysis confirmed the results obtained using simple linear regressions.

Table 4 shows the SEM model estimates for the 467 observations. All p-values were significant with 99% confidence, confirming the three hypotheses. Specifically, we can say that when a standard deviation of HR practice increases, in 55% the variability of the organizational climate, and in 38% the variability of well-being, and when a standard deviation increases the organizational climate, the well-being variability is increased by 8%.

*Table 4.* SEM model estimates for the complete sample

Dependent Variable	Independent Variable	Coefficient	Standardized Coefficient	Standard Error	Critical Reason	p-value
OCL	HRP	0.428	0.548	0.03	14.12	0.001***
WEL	HRP	0.213	0.380	0.03	7.61	0.001***
WEL	OCL	0.061	0.085	0.04	1.71	0.08*

\*P<.05; \*\*P<.01; \*\*\*P<.001; CL is the organizational climate; HRP are HR practices; and WEL is well-being.

The organizational climate, again, demonstrated low power of influence on well-being; however, it is known that the organizational climate represents all the means of interaction that are observed in the company. Even with this observation, the manager must understand that the climate has a relevant role in maintaining the company's friendly and supportive atmosphere. These factors are essential for the creation of a friendly and harmonious environment that influences the growth of the employee and can affect his well-being (Schulte, Ostroff, & Kinicki, 2006).

Then tests were performed to assess possible divergences in perceptions regarding the respondent's gender. Table 5 shows the SEM model estimates for female individuals, that is, 247 observations. All constructs proved to be significant, confirming the three hypotheses.

*Table 5.* SEM model estimates for female individuals

Dependent Variable	Independent Variable	Coefficient	Standardized Coefficient	Standard Error	Critical Reason	p-value
OCL	HRP	0.384	0.489	0.044	8.786	0.001***
WEL	HRP	0.213	0.372	0.038	5.660	0.001***
WEL	OCL	0.084	0.115	0.048	1.752	0.080*

\*P<.05; \*\*P<.01; \*\*\*P<.001; CL is the organizational climate; HRP are HR practices, and WEL is well-being.

Table 6 shows the results for male respondents; that is, 220 observations. Hypotheses 1 and 3 were confirmed.

Table 6. SEM model estimates for male individuals

<i>Dependent Variable</i>	<i>Independent Variable</i>	<i>Coefficient</i>	<i>Standardized Coefficient</i>	<i>Standard Error</i>	<i>Critical Reason</i>	<i>p-value</i>
<i>OCL</i>	<i>HRP</i>	0.474	0.607	0.042	11.301	0.001***
<i>WEL</i>	<i>HRP</i>	0.213	0.390	0.042	5.052	0.001***
<i>WEL</i>	<i>OCL</i>	0.032	0.046	0.054	0,592	0.554

\*P<.05; \*\*P<.01; \*\*\*P<.001; CL is the organizational climate; HRP are HR practices, and WEL is well-being.

The women who answered the questionnaire indicated that both HR practices and the climate are providers of well-being, unlike men, who confirmed the relationship only between HR management practices and well-being. This result shows that relationships at work have a more significant influence on women than on men, which indicates that, possibly, women can better absorb the benefits of a friendly and contributory work environment.

### Conclusions

This study aimed to assess the relationship between HR practices, organizational climate, and employee well-being. The objective was achieved through a quantitative cross-sectional survey and non-random sample that captured the perceptions of employees in the Brazilian work environment. Using the Social Exchanges Theory as a basis, the role of mutual care that should permeate the employee x employer relationship was observed as a way of maintaining the environment of positive exchanges for both parties, making the operation positive for both the employee and the organization. Concerning this study, the investigated exchanges took place within the scope of HR practices, the result of management decisions, and their relationship with employees, determining effects on the organizational climate and the employee's well-being. Additionally, the relationship between the organizational climate and well-being was investigated.

Regarding the three hypotheses formulated, evaluated using linear regressions, all were confirmed. That is, there is evidence of a positive relationship between HR practices and organizational climate, organizational climate and well-being, and HR and well-being practices. However, there was no relevance to the relationship between the organizational climate as a provider of well-being.

The analysis through structural equations brought more robustness to the results, confirming the trends identified in the simple linear regression. In this analysis, the little relevance of the organizational climate for the employee's well-being was even more striking, notably when some of the sample stratifications were analyzed, such as higher income, higher education, or marital status.

Only for gender, the data suggested some additional insights. The women who answered the questionnaire indicated that both HR practices and the climate are providers of well-being, unlike men, that confirmed the relationship only between HR management practices and well-being. This result shows that relationships at work have a greater influence on women than on men, indicating that, possibly, women are better able to absorb the benefits of a friendly and contributory work environment.

Together, the results presented here, as well as the concepts and definitions discussed, suggest that the human element, individually, it cannot fail to be taken into account within organizations. In addition to investments in equipment and strategies, which are effectively transformed into a competitive advantage, people are the real drivers of the processes that make the organization achieve its goals. Therefore, care with HR practices to maintain a good organizational climate and employee well-being, which are directly related to the increase in performance and productivity, should be part of the management booklet of the entire company that aims to guarantee their sustainable growth.

From a theoretical point of view, this study contributes to the people management literature by proposing the investigation of a model that analyzes the interactions of HR management practices, of the organizational climate, and the well-being of the employee considering the cultural particularities and the Brazilian business environment. For organizations, the results presented may awaken in managers the importance of investing in the employee's well-being. Besides, it can provide relevant information for the preparation of strategic planning that will contain actions of HR practices aimed at maintaining a good organizational climate aiming at the well-being of the team.

However, this study has limitations. The first limitation refers to the process of collecting the researched data, carried out using a non-probabilistic sample, which makes it impossible to generalize the results. Non-probabilistic samples do not allow generalizations but present evidence of perceptions, attitudes, and behaviours. Another limitation is the failure to approach the search for the difference between the interviewees' profiles. These data could enrich the results from the different influences that other variables could present as, for example, the individual's time in the company. Finally, as this study used a limited set of HR practices, there may be other variables not covered in this research that may explain more comprehensively the relationship between HR management practices and the employee's climate and well-being.

Therefore, we suggest that further research can analyze the variables, taking into account a greater diversity of profiles, to make comparisons between the different types of employees. Another issue that could be analyzed is associated with the fact that the investigated sample aimed at individuals who are currently employed. Thus, it would be pertinent to examine the perceptions of retired individuals, that is, that is no longer part of the market or even the differentiation between public and private sector employees.

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