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**LIFE SATISFACTION AND  
HAPPINESS – THE FACTORS IN  
WORK PERFORMANCE**

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**ABSTRACT.** The paper analyses the role of work in human wellbeing, life satisfaction and happiness. The main problem is to relate the situation on Lithuanian labour market with individual wellbeing, life satisfaction and sense of happiness.

Money does not buy happiness – this we know from many studies and from our personal experience. But what is the relationship between economics and happiness? This question is under many studies conducted by foreign psychologists and sociologists. The view that income does not have impact on life satisfaction is shared by an increasing number of economists who have analysed the relationship between income and measures of subjective well-being. They conclude that the positive effects of extra income on our quality of life are surprisingly small. Most of conducted research conclude that well-being tends to be more strongly affected by personality factors, personal relationships and social participation than by economic factors. Also, and not surprisingly, the negative side of these factors – personality problems, marital problems, job problems (including unemployment) and self-assessed health – tend to affect ill-being.

The article aims to analyze the latest studies analyzing the role of work on life satisfaction and happiness and to reveal the importance of work relations, motivation and even the procedures for labor selection for happiness and life satisfaction of Lithuanian people. The analysis of unemployment as the main driver of human unhappiness is disclosed in the article.

**JEL Classification:** D6, D63

**Keywords:** work, human welfare, happiness, life satisfaction.

**Introduction**

Happiness is an important value. In some philosophies, it is even the ultimate value. For instance, the 19th century Scottish school of 'utilitarian' philosophy claimed that the moral value of all action should be judged by its effect on "the greatest happiness for the greatest number". In present day Bhutan, the official policy goal is promotion of the "Gross National Happiness". Putting this principle to practice requires understanding of happiness, in particular what it is and how it can be improved. According to set-point theories of subjective

well-being, people react to events, but then return to initial levels of happiness and satisfaction over time (Veenhoven, 2001).

There are two broadly accepted stylized facts discovered in the empirical literature on happiness (Frey and Stutzer, 2002). The first one is that married people are happier. The second one is that experiencing unemployment personally makes one very unhappy (e.g. Clark and Oswald, 1994; Winkelmann and Winkelmann, 1998; Di Tella et al. 2001). The purpose of this paper is to analyze in particular the connection between subjective well-being and unemployment. Experiencing unemployment personally reduces human life satisfaction.

*The problem* is related to the situation on USA, South Africa labour market with individual wellbeing, life satisfaction and sense of happiness.

*This research paper aims at:*

- Analyzing the relationship between economics and happiness;
- Evaluating the role of work in human wellbeing, life satisfaction and happiness;
- Measuring the importance of work relations and motivation for happiness;
- Estimating the significance of procedures for labor selection for life satisfaction;
- Drawing conclusions of the findings.

The data used in this study mainly consists of statistical and world wide level material.

### **The relationship between economics and happiness**

This question is under many studies conducted by foreign psychologists and sociologists. The view that income does not have impact on life satisfaction is shared by an increasing number of economists who have analysed the relationship between income and measures of subjective well-being. They conclude that the positive effects of extra income on our quality of life are surprisingly small. Most of conducted researches conclude that well-being tends to be more strongly affected by personality factors, personal relationships and social participation than by economic factors. Also, and not surprisingly, the negative side of these factors – personality problems, marital problems, job problems (including unemployment) and self-assessed health – tend to affect ill-being.

The implications for the main findings of the latest studies of happiness have modified the understanding of what matters to our well-being. The implications for economics are subtler. Historically, economists have been reluctant to measure utility or satisfaction directly, and have instead preferred to infer people's preferences from their behaviour. The newest findings in this field studies suggest that economists could in future use measures of life satisfaction knowing that they are sensitive enough to pick up whatever gains in well-being result from national economic growth. The work of role is crucial for the sense of happiness. On the other hand the happiness increases productivity of people. Happy people are more productive workers. When the time flows better for workers, their ability to do their jobs is enhanced. Happiness not only produces a quantitative improvement, by increasing efficiency, but also a qualitative one by making a better product by virtue of pride, belief and commitment to one's job. Motivation in work has also significant impact on happiness, productivity and satisfaction.

Graham and Pettinato (2002) provide a thorough and illuminating examination of how economic conditions in emerging market countries affect peoples' happiness. In particular, the authors explore that economic mobility, opportunity, and relative income levels affect life satisfaction. The authors confirm their proposition, finding that more income, higher education and a job go hand in hand with happiness. The authors' second proposition is that relative economic position matters more than absolute position in determining peoples' life satisfaction.

Alfred Michael Dockery (2003), research fellow at Curtin Business School, analyzes that happiness in business is caused by producing, forwarding, improving, modifying, inventing or creating services and / or products with love for the sole purpose of pleasing others, making other people's life more loving, more enjoyable, more fun and safer - making other people happy. The author analyzes Veenhoven's works and comments the following: "Drawing upon a meta-analysis of 245 studies in 32 countries, Veenhoven identifies the following factors as ones associated with happiness rather than unhappiness – living in an economically prosperous country where freedom and democracy are respected; political stability; being a part of a majority rather than a minority; being toward the top of the social ladder; being married and having good relationships with family and friends; being mentally and physically healthy; being active and open minded; feeling in control of one's life; having aspirations in social and moral matters rather than money-making and being politically conservative. Given the importance of work, both economically and socially, one's achievements and experiences at work and the quality of their working life is another very important component of overall satisfaction. Unemployment – deprivation of work - can similarly be expected to be important. A number of studies emphasize the importance of the quality of social relationships and the relative unimportance of income in determining satisfaction. Indeed, the literature is divided as to the presence of an income effect" (Dockery, 2003; Frijters, Haisken-De New and Shields, 2003; Kraft, 2000).

In economics, we rely on the somewhat vague (perhaps usefully vague!) concept of utility to explain individuals' choices and behaviour. Within a given budget constraint, the consumer is both rational and welfare maximizing. From the micro foundations of economics we can show that relaxing the budget constraint expands the individual's choice set between goods, services and leisure and, assuming freedom of choice and rational behaviour, this must also lead to increased "wellbeing" or "happiness". In microeconomic theory, unlike theories in psychology and other disciplines, money does buy you happiness; and an individual's revealed preference for Choice A over Choice B is proof that they are happier with A. Yet we see from experimental and other empirical evidence this conclusion may not be so sound (see, for example, Tversky and Griffin, 1991). More contentious still is the macroeconomic extension of this analysis that concludes that increased economic growth and increased happiness are synonymous.

A paradox in happiness research which has intrigued economists is that when you take a cross-section of the population at any point in time, there is a clear positive relationship between income and subjective wellbeing. Yet since the Second World War mean reported levels of happiness have not risen despite very large rises in real incomes. An obvious explanation is that of adaptation or habituation — the people questioned in later years are accustomed to higher material standards of living. However the pace of economic growth has been sufficient to ensure rising real incomes during the working lives of individual cohorts (Dockery, 2003).

The importance of work is reflected in an extensive literature that concentrates on "quality of working life", a rapidly growing literature on the ability of people to "balance" work and family life and analyses of the impact of work deprivation or unemployment on mental health and wellbeing. It seems clear that happiness in one's working life does "spill over" into one's non-work life. Tait, Padget and Baldwin's (1989) review of studies of job and life-satisfaction across 34 countries finds an average correlation coefficient of 0.44 between measures of the two. However, there remains much contention about the direction of causality and the role of other factors (see Parasuraman and Simmers, 2001; Iverson and Maguire, 2000; Kossek and Ozeki, 1998). Furnham (1991) outlines the importance of personality traits, including mental health and extraversion, in determining satisfaction in work and leisure. Feather (1990) provides an excellent overview of theoretical treatments of

the link between unemployment and wellbeing. A major contribution is Jahoda's Functional Approach, which posits that participation in paid employment generates a range of functions in addition to income that are important for psychological wellbeing, such as a time-structure to the day, social interaction, self-identity and purpose (Jahoda, 1982). Unemployment thus results in deprivation of these functions. Other theories suggest that the impact of unemployment on psychological wellbeing will be influenced by the unemployed person's perceptions of the reason they became unemployed, the main causes of their ongoing unemployment and their perceived likelihood of finding a job in the near future. An important observation to be drawn is that the effect of unemployment is very different for different individuals. Potential mediating or compounding factors include the availability of financial resources and the ability to legitimise unemployment, such as by those close to retirement age or who take on child-minding activities; the level of social support available; and the individual's attitudes towards work (work ethic) and their role as a "breadwinner". (see Feather, 1990; Warr, 1987; Bandura, 1982; Harrison, 1976; Dockery, 2003).

Economists have been interested in the reason an individual became (or remains) unemployed for a different reason — to address the debate as to whether unemployment is primarily a voluntary or involuntary phenomenon. The policy implications are obviously very different depending upon the view you take. The simple proposition put forward is that if unemployment were voluntary, we would not expect the unemployed to be any less content than the employed (Clark and Oswald, 1994). The accumulating evidence on this test is clearly that unemployment is by and large an involuntary state. Empirical studies finding an adverse impact of unemployment on happiness include Frijters et al (2003); Clark, Georgellis and Sanfey (2001) and Winkelmann and Winkelmann (1998). There is also a closely related but distinct literature on the nature of the association between mental health, self esteem and time in unemployment (see Waters and Moore, 2002 and Flatau, Galea and Petridis, 2000) and for recent reviews (Dockery, 2003).

### **The role of work in human wellbeing, life satisfaction and happiness**

The great critic and dramatist, George Bernard Shaw, was someone who acutely understood the relationship between commitment, achievement and happiness. These quotations from his play 'Man and Superman' represent a kind of anthem for Shaw – a wonderful summary of his philosophy of life. "I am of the opinion that my life belongs to the whole community and as long as I live it is my privilege to do for it whatever I can. I want to be thoroughly used up when I die. For the harder I work, the more I live." His opening line – "This is the true joy in life, the being used for a purpose recognized by yourself as a mighty one" – contains the secret of happiness and satisfaction. If you can find a significant challenge to which you can commit yourself, you will give yourself an opportunity to enjoy life in an extraordinary way. The most important part of taking on a challenge is that you are clearly committed to the result for no other reason than you say so. If you finished your degree just because your parents wanted you to, you will probably not experience the same sense of happiness as those who took it on as a personal challenge (Watson, 2003).

Another opinion was told by Professor Andrew Oswald (2004) from the University of Warwick: "Every day, journalists and politicians give out the message that better economic performance means more happiness for the nation. This idea is rarely questioned. We feel that we would be happier if our boss raised our pay, but this is certainly not necessarily the case."

Oswald A. (2004) tried to find out what could be more important than human happiness. Economists for years and years have studied income, lots of what you might call proxy measures for human well-being, but really what people care about is true happiness, it's fulfillment. It's not money itself, it's not things themselves, it is psychological well-being. It is

happiness. Surveys of employees' wage satisfaction show that people feel relatively deprived and less content when their wage is less than that of those they compare themselves with, and more satisfied when their wage is relatively higher. Wage satisfaction depends not so much on how people earn, but on how much people earn in comparison with others. Happiness is all about 'keeping up with the Joneses: what matters to us is our income relative to others.

"We know that inequality in countries like Britain and the US has gone up enormously and we're trying to work out what the true effects of inequality are on people. The research evidence coming out of this conference is that inequality is bad in the sense that it lowers average happiness. It may have some beneficial effect, it may sharpen incentives in society, it may make us more productive, but the evidence indicates that inequality is harmful." (Oswald, 2004)

Somewhat surprisingly Dockery (2003) finds that persons who are employed and those who are unemployed are less satisfied with their life overall than those who are not in the labour market. Further, those working full-time are less satisfied than those working part-time. As expected, it is the unemployed who are least satisfied with their life overall. Persons who were working were also asked to rate their overall job satisfaction. Creating dummy variables representing roughly the four quartiles of the job satisfaction response distribution, we see that the average person needs to have a very high degree of contentment in their job for them to be more satisfied with their life than those not in the labour force – in fact they needed to respond that they were "totally satisfied" with their job (10 on a scale of 0 to 10). However, these workers who are in jobs with which they are totally satisfied do report a very high degree of life satisfaction — the estimated effect of being in such a job is greater than the effect of being married. Even those who gave their job satisfaction a rating of 8 or 9 out of 10 are significantly less satisfied with their lives than those not in the labour force. There is a very large negative effect on wellbeing from being in a job with which one has low satisfaction. It seems that overall life satisfaction is more responsive to job satisfaction for men than it is for women.

Dockery (2003) has found no simple relationship between duration of unemployment and satisfaction. Being recently unemployed has no significant impact. This is surprising since this group must include a considerable proportion of people who had recently lost their jobs. A variable indicating that the person lost their job involuntarily (eg. fired or retrenched) was tested and found not to be significant. After this initial period, satisfaction does fall off rapidly with duration, and seems to reach a nadir sometime between 4 weeks and one year, after which it ceases to decline and if anything seems to improve. It must be noted, however, that the estimated effect of being jobless for anything from 3 weeks to one year, which encompasses around two-thirds of the unemployed in this sample, is highly detrimental.

Clark and Oswald (2004) measured stress or disutility based on sleep, concentration, strain and self-worth by arbitrary scale. Most have levels <2, but unemployed index is 2.98. Greater for the highly educated and older workers and those in low unemployment areas.

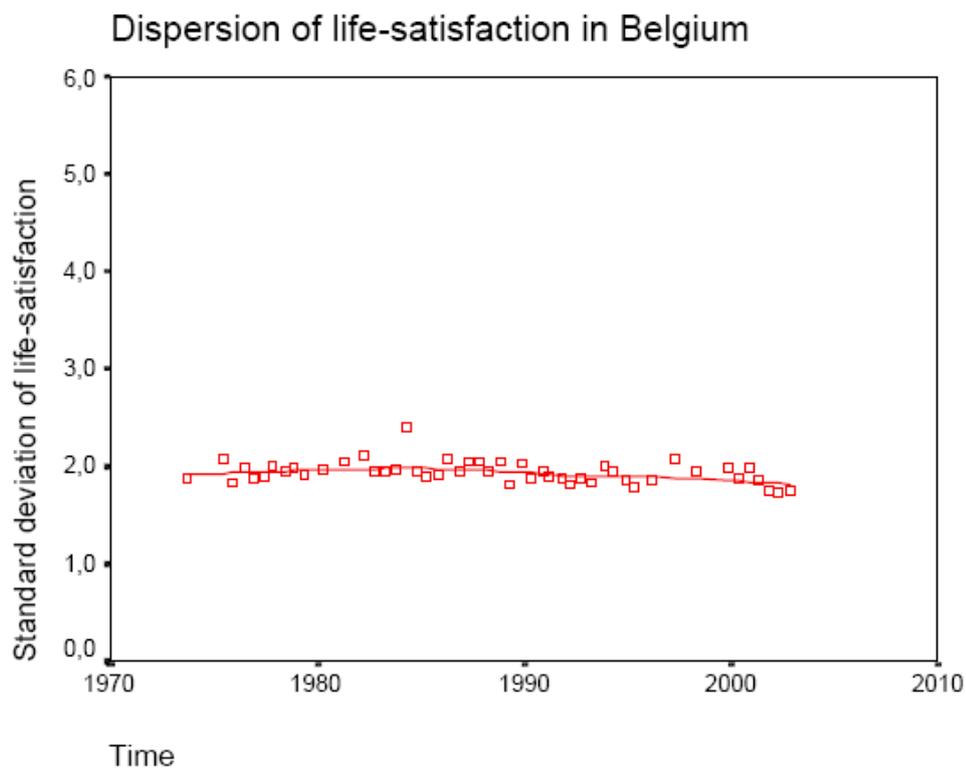
Winklemann (2001) refers to Clark and Oswald: "the case seems particularly strong for the direct negative association between unemployment and psychological well-being". Data are used from German Socio-Economic Panel so results not just from cross-section data as in C&O. Over-all unemployment has a substantial and negative impact on satisfaction. The non-pecuniary costs of unemployment by far exceed the pecuniary costs associated with loss of income while unemployed".

Unemployment reduces life satisfaction, while having an insignificant effect on happiness. Low income has a clear negative effect on both happiness and life satisfaction. Low income, in turn, does not decrease the happiness of those who are already unhappy, but tends to decrease the happiness of the happiest people. In this sense, money matters more for

the happiest. Personally experiencing unemployment reduces life satisfaction, but unemployment and happiness are not related (Böckerman; Ilmakunnas, 2005).

However, the result that unemployment and happiness are unrelated is caused by an artefact of the restrictions imposed in ordered logit estimation. Generalized ordered logit estimation, where the parallel regression assumption is lifted, shows that unemployment has a significant negative effect on moving from low happiness levels to higher ones, where at high happiness levels it has an insignificant effect. This means that unemployment contributes to the inequality of subjective well-being among individuals. All in all, the results demonstrate that unemployment may not always matter for happiness, but when investigating the issue one should go beyond the average effects (Böckerman, Ilmakunnas, 2005).

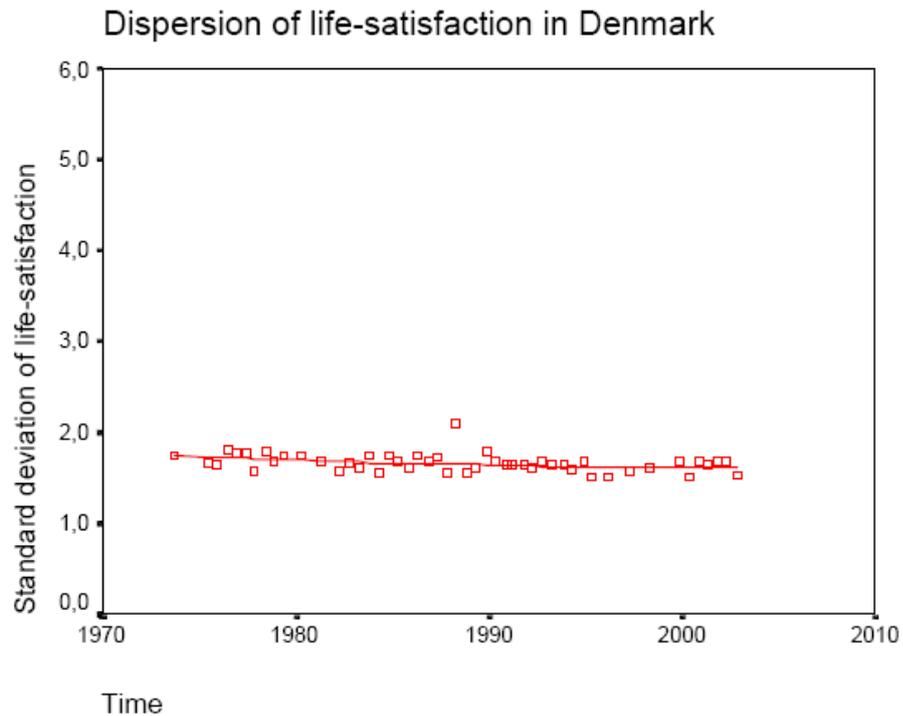
To illustrate the analysis written above, equality of happiness in nations: Trend 1946-2003 is shown. Equality of happiness is measured by standard-deviations. Rise/decline is expressed in regression coefficient standard deviation of happiness - year (Veenhoven, 2004). Some countries are shown as follows:



References: Veenhoven, R. (2004). Equality of happiness in nations: Trend 1946-2003.

### **Figure 1. Dispersion of life- satisfaction in Belgium**

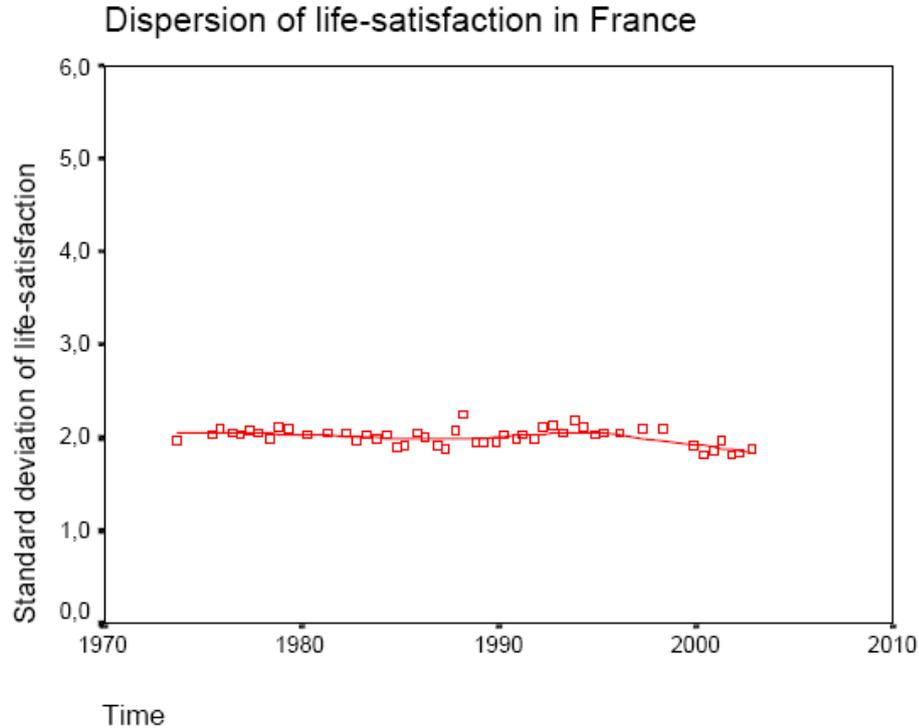
The linear regression coefficient in Belgium is:  $-0.005$ . 95 % confidence interval:  $[-0.009, -0.001]$  (see Figure 1).



References: Veenhoven, R. (2004). Equality of happiness in nations: Trend 1946-2003.

**Figure 2. Dispersion of life- satisfaction in Denmark**

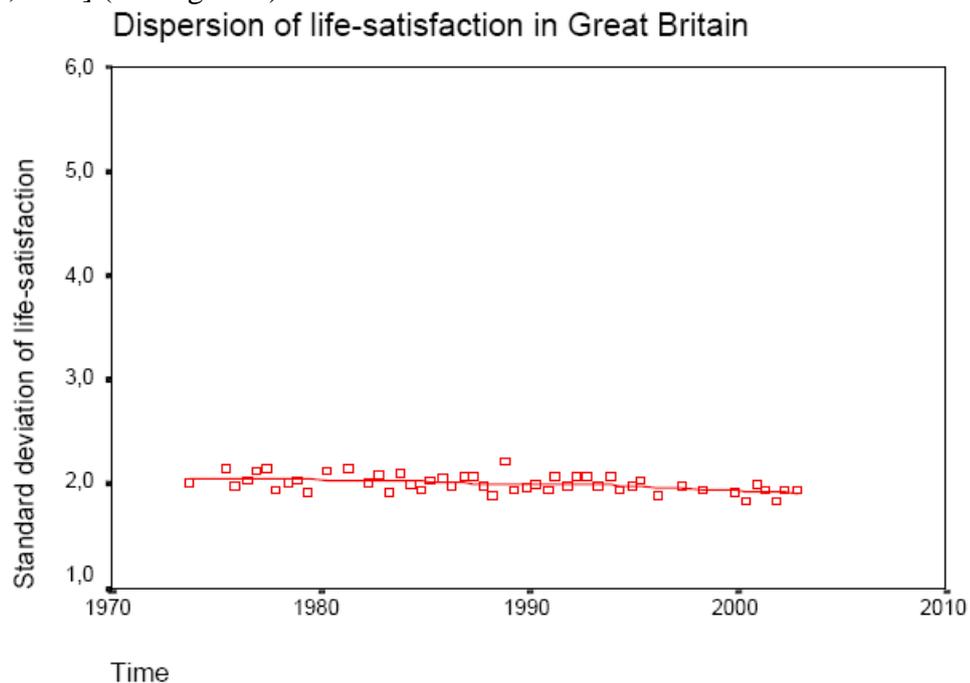
The linear regression coefficient in Denmark is:  $-.004$ . 95 % confidence interval:  $[-.008, -.001]$  (see Figure 2).



References: Veenhoven, R. (2004). Equality of happiness in nations: Trend 1946-2003.

**Figure 3. Dispersion of life- satisfaction in France**

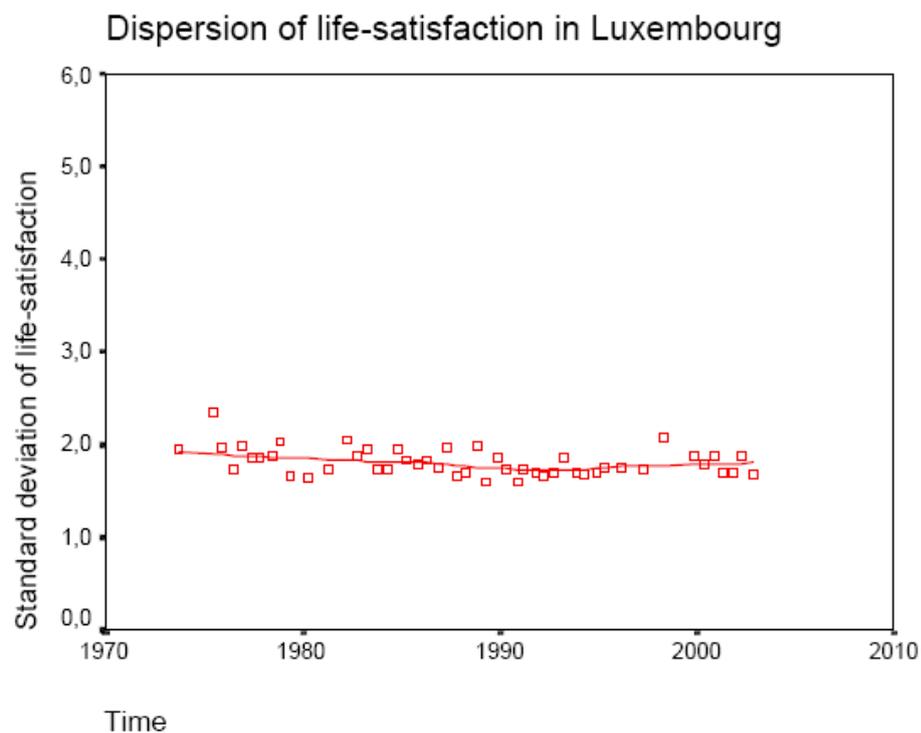
The linear regression coefficient in France is:  $-.004$ . 95 % confidence interval:  $[-.007, -.001]$  (see Figure 3).



References: Veenhoven, R. (2004). Equality of happiness in nations: Trend 1946-2003.

**Figure 4. Dispersion of life- satisfaction in GB**

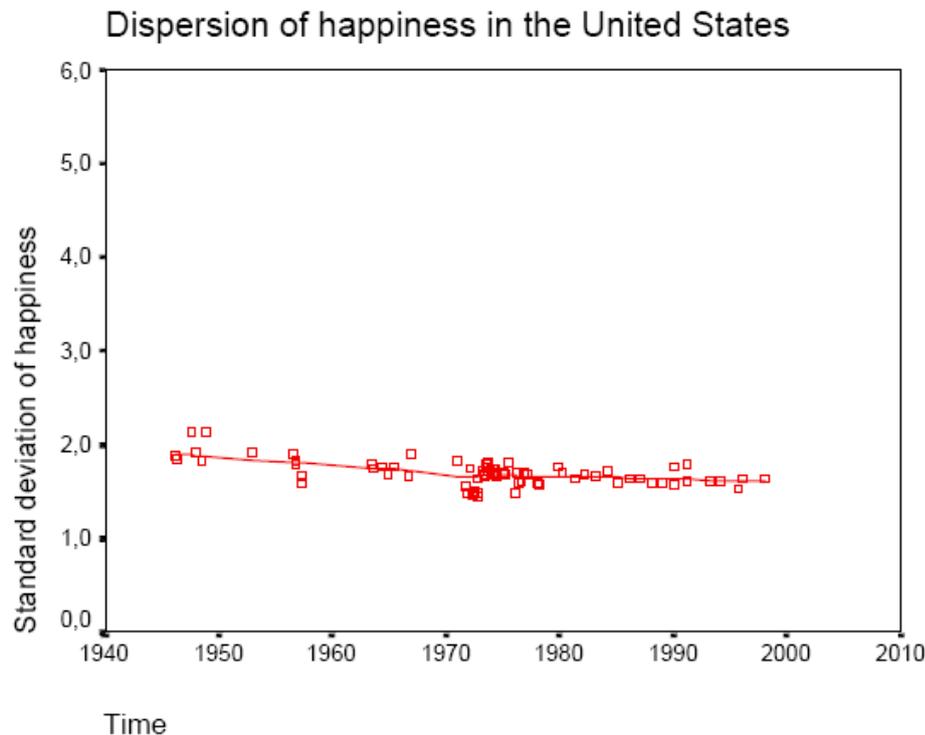
The linear regression coefficient in Great Britain is:  $-.005$ . 95 % confidence interval:  $[-.007, -.002]$  (see Figure 4).



References: Veenhoven, R. (2004). Equality of happiness in nations: Trend 1946-2003.

**Figure 5. Dispersion of life- satisfaction in Luxembourg**

The linear regression coefficient in Luxembourg is:  $-.006$ . 95 % confidence interval:  $[-.011, -.001]$  (see Figure 5).



References: Veenhoven, R. (2004). Equality of happiness in nations: Trend 1946-2003.

### **Figure 6. Dispersion of life- satisfaction in the USA**

The linear regression coefficient in the USA is  $-.006$ . 95 % confidence interval:  $[-.008, -.004]$  (see Figure 6).

Veenhoven R. (2004) explains that happiness assessed by means of surveys in general public samples. This list is based on responses to identical questions on happiness over time. In this ranking the focus is not on the level of happiness in the country, but on inequality in happiness among citizens. Inequality in happiness can be measured by the dispersion of responses to survey-questions. The degree of dispersion can be expressed statistically in the standard deviation.

The regression-coefficient stands for the size of the angle of the linear regression line through the dots (averages) in the time charts. A positive coefficient denotes a rise in inequality in happiness, and a negative coefficient a decline. A regression-coefficient of  $-.01$  means 0.01 points decrease of inequality in happiness per year. A one-point rise of happiness would take hundred years at this pace of change. The highest possible standard deviation on this scale is 5.77, when one half of the population is very happy and the other half unhappy, with on scores in between. The lowest possible score is 0, when all are equally happy (either happy or unhappy) (Veenhoven, 2004).

As the additional information a survey of US workers' satisfaction level is given. This survey gives findings and comparison on the researches of the year of 1995 and 2005. The survey, conducted for the Conference Board by market research firm TNS, is based on a representative sample of 5,000 households surveyed in July.

US workers, pushed to produce more and uneasy about new technology and other changes, are markedly less satisfied with their jobs than a decade ago, a survey says. But the decline in on-the-job happiness, which continued through economic cycles in recent years,

has at least temporarily leveled off, according to the survey released yesterday by the Conference Board, a New York-based business research group.

Half of US workers are happy with their jobs, down from nearly 59 percent in 1995, according to the survey. Of those, about 14 percent say they are very satisfied, on par with the group's last survey in 2003 and down from 18.4 percent in 1995. The number of those satisfied is slightly higher than in a similar survey done in 2003, when 48.9 percent of workers said they were content with their jobs.

Compared to a decade ago, job satisfaction has declined among all workers, but the drop varies by age and income. The biggest decline in on-the-job happiness was among workers earning \$25,000 to \$35,000 and among workers between the ages of 35 to 44. The workers most satisfied with their jobs are those earning \$50,000 or more and workers at least 65 years old, the survey found. The long-term drop in job satisfaction has been driven by rapid changes in technology, employers' push for productivity, and shifting expectations among workers, said Lynn Franco, director of the group's Consumer Research Center.

"As large numbers of baby boomers prepare to leave the workforce, they will be increasingly replaced by younger workers, who tend to be as dissatisfied with their jobs but have different attitudes and expectations about the role of work in their lives," Franco said. "This transition will present a new challenge for employers." (Boston Globe, 2005).

As we showed the situation in highly economically developed USA, we would like to continue by presenting the difference of South Africa. For the first time in six years, money is rated the South African IT professional's number one job satisfaction factor. The surveys were taken on the year of 2003 and 2004.

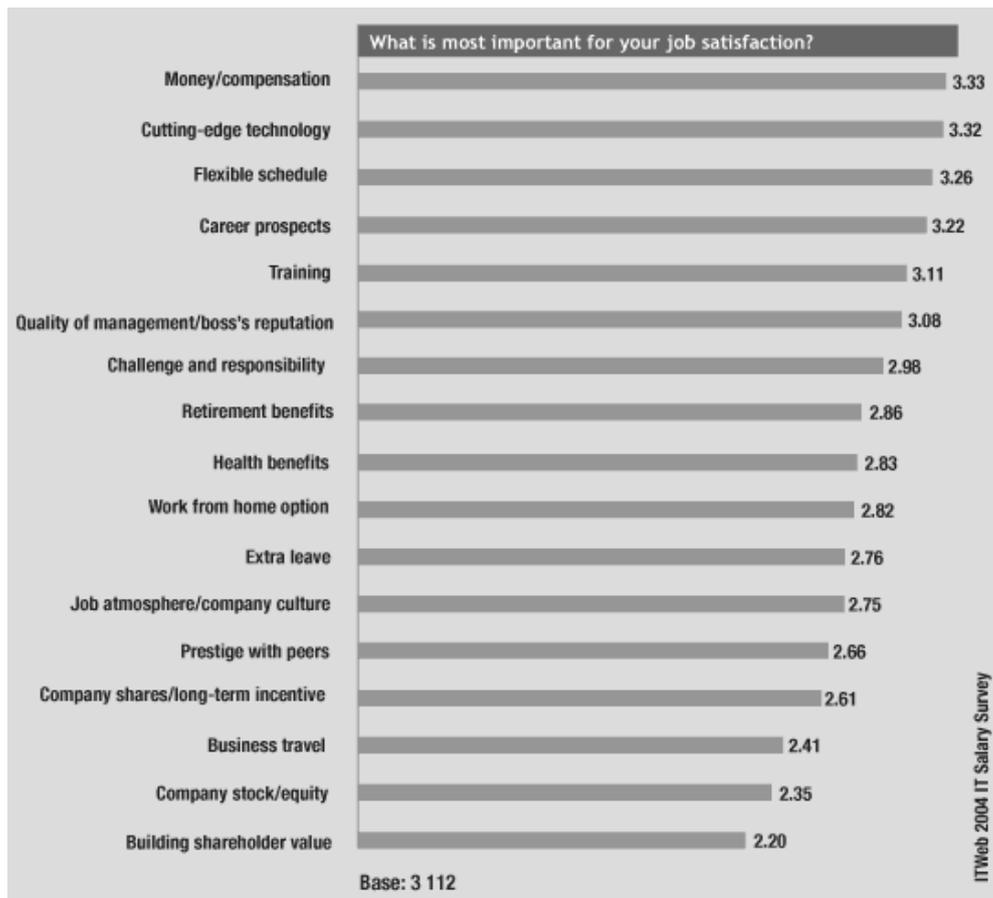
In the year of 2003 salary surveys, money was rated below the top three job satisfaction factors (see Priorities in Figure 7). Work environment and career challenge seemed more important than the cash.

SHIFTED PRIORITIES	
2003	2004
Challenge	Money
Job atmosphere	Cutting-edge technology
Career prospects	Flexible schedule
Money	Career prospects
Quality of management	Training

References: Burrows, T. (2004). Salary survey: Money can buy happiness.

### Figure 7. Shifted priorities

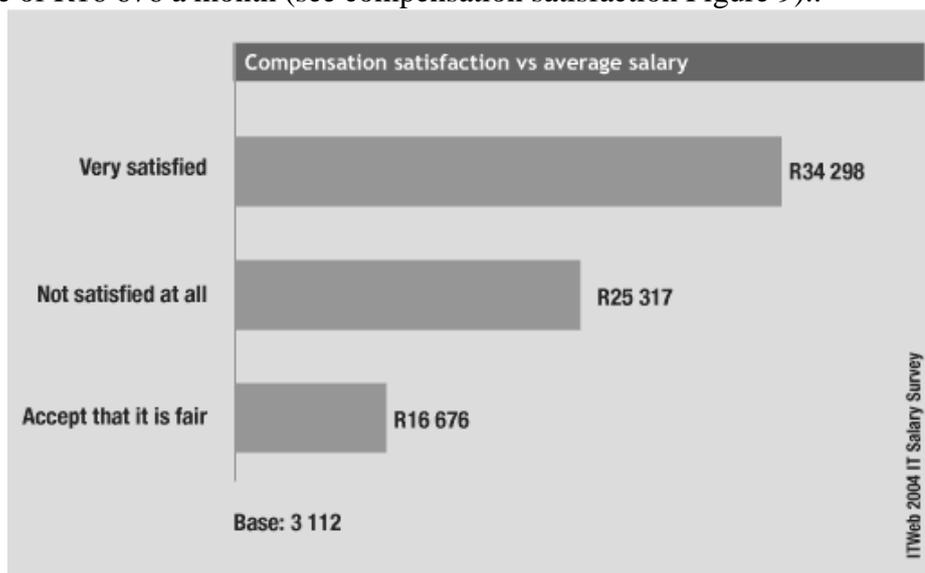
However, as predicted by recruiters earlier on the year of 2004, employees are after the money now. A close second rating on the year of 2004 was access to cutting-edge technology. Also new were the high ratings for flexible schedule and training, while career growth slipped a notch – from the year's of 2004 third to fourth position (see job satisfaction Figure 8).



References: Burrows, T. (2004). Salary survey: Money can buy happiness.

**Figure 8. What is most important for workers' job satisfaction?**

Not surprisingly, the salaries of the very satisfied group were the highest – at an average R34 298 per month; while the “not satisfied” respondents were earning the least – an average of R16 676 a month (see compensation satisfaction Figure 9):.



References: Burrows, T. (2004). Salary survey: Money can buy happiness.

**Figure 9. Compensation satisfaction vs average salary**

However, the ratios changed somewhat on the question of how happy people were with their remuneration. Nearly one third (32 percent) were not at all satisfied with their compensation. Around 57 percent accepted its as fair and 10 percent were “very satisfied” (see satisfaction Figure 10):



References: Burrows, T. (2004). Salary survey: Money can buy happiness.

**Figure 10. How satisfied are workers' with their job**

On average, the respondents rated themselves as happy in their jobs, with around 66 percent either very happy or “loving the job”. Only 10 percent were not at all satisfied.

On the whole the level of happiness at work is quite high. As the man himself/herself sees the relation between his/her job and self-satisfaction, he/she tries to find a workplace where the needs could be fulfilled.

So what are the aspects of jobs that contribute to or detract from workers' sense of wellbeing? There is of course an extensive literature from management-associated disciplines dealing with employee- or job-satisfaction. The departure here is our concern with the wider measure of wellbeing. Indeed factors that increase motivation or attachment to an employee's firm may increase job satisfaction at the cost of wellbeing in other aspects of life. As would be expected higher satisfaction with the various job attributes is positively correlated with workers' overall happiness. Satisfaction with the people you work with, your boss and the tasks you are assigned seem to have greatest influence. The effects of satisfaction with pay, recognition for tasks well done, opportunities for promotion and training opportunities are less robust. With the inclusion of these additional job-related variables, the effect of the worker being in a job they would like to have as a career is also now far less strong than in the previous models (Dockery, 2003, p.14).

Workers in the “private not-for-profit” and “other non-commercial” sectors display a greater sense of wellbeing. There is weak evidence that workers from small firms are also more satisfied in their lives. A peculiar finding arises with respect to job security. Workers were asked to estimate the likelihood that they would lose their job in the coming 12 months.

Almost 50 percent of workers indicate zero chance of losing their jobs. I use two dummy variables to capture feelings of job insecurity, one for the 20 percent of workers who thought there was between 10 and 50 percent chance of losing their jobs, and one for the small group of workers (about 6 percent) who thought they were more likely than not to lose their job. The effect of feeling moderately insecure is in fact markedly more detrimental to wellbeing than the effect of being highly insecure. Variables reflecting the type of contract people were employed under — permanent, fixed term or casual — may also proxy job security. When tested, these were insignificant for all groups. The effects of working shift work, of being a union member and length of tenure in the job were also found to be insignificant. Having supervisory responsibilities seems only to improve wellbeing for workers with families (Dockery, 2003).

### **The importance of work relations and motivation for happiness**

Hiren Shah once said: “Most of us go through life engaged in jobs that give us no satisfaction. Many of us spend a lifetime imprisoned in work that we hate. Finding your calling early in life is crucial. But whose job is it to find it?”

Most of us go through life engaged in jobs that give us no satisfaction. Many of us spend a lifetime imprisoned in work that we hate. Finding your calling early in life is crucial. But whose job is it to find it?

Indian superstar Amitabh Bachchan, on being asked the secret of his success once remarked: "I consider myself lucky that I could decide early in life that I wanted to be an actor. I have come across many people who do not know what to do with themselves." It is important to identify your real interests correctly early in life. Indian tennis ace Vijay Amritraj says in his autobiography: "I have been incredibly lucky because I have earned money doing what I like best. My one nightmare is doing something I hate just to earn enough to keep my family secure. I hope it never comes to that." Thomas Edison, in spite of working 18 hours a day, once said: "I never did a day's work in my life. It was all fun."

Amritraj and Edison are well on their way to self-actualization. Psychologist Abraham Maslow describes self-actualization as a person's need to be and do that which the person was born to do, his calling. "A musician must make music, an artist must paint, and a poet must write," he said. Self-actualization is at the apex of Maslow's hierarchy of needs. If a person's self-actualization needs are not met, he feels restless, edgy, lacking something (Shah, 1991).

But isn't it the job of education to discover talent, determine potential and help in identifying an occupation closer to a calling?

The word 'education' is derived from two Latin terms *ek* and *ducere*. *Ek* means 'out' and *ducere* means 'to draw'. Therefore, education means to draw out from within. This is contrary to the established practice of 'stuffing in' knowledge. Does imbibing more knowledge (read information) make us more intelligent? The present-day obsession with qualifications and knowledge leads many people to live miserable lives. As somebody pointed out sarcastically: "The world is full of educated derelicts."

And what does occupation mean? Literally, it implies something that occupies you. Quite obviously, everybody cannot be occupied by everything. Psychiatrists employ 'occupational therapy' to treat people with certain physical or mental illnesses by giving them creative or productive work. But finding that creative or productive work to suit the person's temperament cannot be easy. Even yoga and meditation would not really help if followed by eight to ten hours of misery at the workplace.

When it comes to occupation, "one man's meat is another man's poison". The importance of pinpointing the work cut out for each person can only be gauged when you see the agony of extreme job misfits or "square pegs in round holes". Only an Albert Einstein can

have the wisdom to reject an offer to become President of Israel because he argued that he did not have enough experience of working with human beings. Only an Alyque Padamsee can have the wherewithal to pursue two careers throughout his life to enable one to fund the other. Although theater was his real passion, it paid a pittance and he had to take up advertising as a full-time profession (Shah, 1991).

At what stage should the aptitude of a person be determined and how? Should it be on the basis of activity or knowledge, or should it be left to the individual to make a choice? Should it be determined proactively after looking at market realities by a vocational psychologist? Or is it the responsibility of educational institutions to determine who has talent for what so that time and effort is not wasted?

In his book *Success at the Speed of Thought*, Bill Gates points out that with the coming of computers and the internet, for the first time in the history of mankind it was possible to give customized education, that is, alter the teaching style to the mode that suits the child most.

A Reader's Digest article titled 'Should you see a career doctor?' implied that leaving a career choice to the individual would be almost as absurd as leaving the choice of treatment to the patient. The article went on to say that the counselor sometimes gives advice that is drastically different from what the parents say because the counselor is able to make a more objective appraisal.

Former Pakistani cricket star Imran Khan used to say that talented cricketers emerged not because of, but in spite of, the cricket system in his country. Our educational institutions are replete with examples where students make right career choices by default rather than by design. Not trying to explore an individual's potential before he enters professional life seems fatalistic. Albert Einstein said: "Imagination is more important than knowledge." So is it the teacher's job to impart knowledge or to detect imagination and potential and direct the student accordingly? (Shah, 1991)

In the age of the Internet, the role of a teacher is reduced to that of a librarian, unless he happens to be good at content development. Rather than being a sage on the stage, he has become a guide on the side. Perhaps then he should be involved in synchronizing the needs of the outside world with the potential of the students and shaping them accordingly. Only then can you avoid the spectacle of a Shekhar Kapoor wasting years in chartered accountancy while he was more suited for movie-making. Or an Amitabh Bachchan who came to know that he wants to be an actor at the age of 26 (he calls it early!) rather than in school or college.

Society gives more attention to the 'knower' as borne out by the following perceptions of a leading HRD consultant firm: "At least in India, no one is surprised at children aspiring to become engineers, doctors, CAs or MBAs. Almost 60 per cent think in terms of engineering or medicine and nearly 15 per cent fancy their skills as CAs but in reality, only 10 per cent become what they dream of becoming. Have you ever wondered why children do not want to be artists, dancers, singers, painters or carpenters and plumbers? The reason is not far to seek. These professions have neither 'class' nor prestige associated with them. When they actually start working, they realize that they don't have the mental make-up for a particular type of job in spite of being suitably qualified."

A person must be first respected for what he is if he has to be encouraged to reach his full potential. If society has false notions about different vocations, how can it view people with the right perspective? Philosopher J. Krishnamurti said that society measures the child in accordance with what it wants him to do for society. "If you dictate the work he should do and mold him for that then you are using and exploiting him. But if you respect him for what he is and help him find his right vocation, you are his friend."

Osho said: "Somebody who could have been a painter is a doctor. Somebody who could have been a good doctor is a businessman. Everybody is displaced. Everybody is doing

something he never wanted to do. Hence unhappiness. Happiness happens when you fit with your life. When you fit so harmoniously that whatever you are doing is your joy." In other words, one should choose the work according to what one is and not what one knows.

### **The significance of procedures for labor selection for life satisfaction**

The perfect work then is one that not only suits your talents, interests, experiences and monetary expectation, but also leaves you free to fashion the life you want. In other words, work that is custom-made to suit your specific needs (Varughese, 1997).

That one cannot always afford to be in the right sub-vocation either can be illustrated by several examples. Among writers, Charles Dickens found no success as a playwright despite great effort. Author of innumerable children's books, Enid Blyton admitted that if she had to write an article she would find it difficult. It is common sense that a potential writer would not succeed at all kinds of writing. It is just like tennis players, some are excellent grass court players but lousy on clay courts. Pete Sampras holds the record for the maximum number of grand slam victories (13) but failed repeatedly at the French Open.

Indian cricketers Sachin Tendulkar and Saurav Ganguly do not open in Test matches despite being recognized as a world class opening pair in one-day international cricket. If you see well-established professionals who cannot perform well in the wrong sub-vocation, the problems faced by a layman in choosing his correct vocation become easier to understand.

Management writers Tom Peters and Peter Drucker have indicated that corporate life is like a relay race and the founder of a company is not always the best person to carry it forward. Daniel Goleman goes further to state that even a person who turns around a sick company is not the best person to carry it forward after it recovers because a new situation calls for a change in leadership. Instead of the popular MBA, we may be better off with a degree called Master of Business Operations (MBO). This will also help determine who has potential for what kind of business since the needs of each industry are different (Shah, 1991).

There are many books written on how most situations can be overcome by cultivating the right attitude. Motivational teachers harp too much on attitude, which is quite out of proportion to the importance it deserves. It seems to suit people to be told that capability is not the prime determinant and most things, if not everything, can be achieved by simply thinking positively. The importance of aptitude is best summed up by the remark: "Attitude and aptitude both determine altitude." Or as Edward de Bono puts it: "Intelligence may be an in-born thing, effectiveness is not."

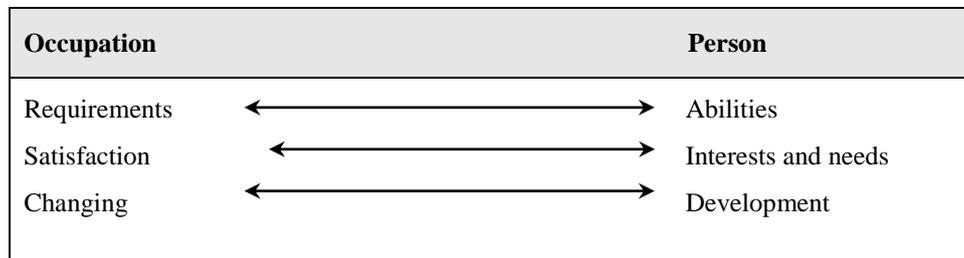
Both Henry Ford and Akio Morita (founder of Sony Electronics) left well-established family businesses to chart their own course and became world famous. It is doubtful that they would have achieved the same level of success in any other profession by just having the right attitude. When aptitude is right, positive attitude comes spontaneously.

In determining one's vocation or career, one should focus on innate potential and common sense rather than on accumulating knowledge. It is a thousand times better to have common sense without education than to have education without common sense. In this era of the Internet and information technology, it would be fitting if the right knowledge came to the right individual with the active participation of the teacher at an early stage. The situation calls for a process-oriented education instead of an input-oriented one. Blindly stuffing in knowledge is as bad as filling diesel in a petrol tank.

An employer should find out what a specialist it needs before the beginning of the staff selection process. This always requires defining the job and staff specifications. Job definition means explicit description of what employee does and circumstances under what employee works. This information could be got from the researches that were done before, asking or watching already working employees during the working process. Staff

specifications define the features that are needed for the job: e.g. individuality, physical fitness, mental abilities, experience and motivation (Rosenstiel, L.; Regnet, E.; Domch, M. *Fugrung von Mitarbeiter*, 1995).

Organization should keep in mind that in the process of relevant staff selection there should be particular conformance between the employee and wishing job (see Figure 11):



References: Rosenstiel, L.; Regnet, E.; Domch, M. *Fugrung von Mitarbeiter*, 1995, p.125

**Figure 11. Relationship between organisation and person in the process of decision**

Expectant for free work place should manage to fulfill the requirements for future work; job satisfaction should fit the interests and requirements; also expectant should manage to react to the changes related to his/her work.

Staff selection in organization is organized between stages of staff recruitment and adaptation (socialization).

Staff selection is relevant for both organization and person searching for a job. Organisation's main task is to find an employee that will not only perfectly work but also feel self-satisfaction at work. To put into the nutshell, organisation achieving its goals for profit maximizing should seek that its employees work not only for material welfare but also feel self-satisfaction at work.

The selection process includes double decision: on one hand, the organization decides if propose the job or not to a person and how pleasantly to do this. On the other hand, an expectant employee decides if the company and a job itself suits his/her requirements and purposes (Rosenstie, Regnet, Domch, 1995).

## Conclusions and recommendations

On the basis of analysis conducted above the following conclusions can drawn:

1. The results illustrate the importance of the quality of working life, rather than just having a job, and some evidence on the influence of various job attributes on wellbeing can be noticed;
2. According to set-point theories of subjective well-being, people react to events, but then return to initial levels of happiness and satisfaction over time.
3. Happiness not only produces a quantitative improvement, by increasing efficiency, but also a qualitative one by making a better product by virtue of pride, belief and commitment to one's job. Motivation in work has also significant impact on happiness, productivity and satisfaction.
4. Wage satisfaction depends not so much on how people earn, but on how much people earn in comparison with others.
5. According to the surveys made in the US and South Africa, money is the main motive at work. But money themselves and separately from other factors do not create happiness and self-satisfaction.

6. The perfect work then is one that not only suits person's talents, interests, experiences and monetary expectation, but also leaves him/her free to fashion the life he/she wants. In other words, work that is custom-made to suit individual specific needs.
7. A person must be first respected for what he is if he has to be encouraged to reach his full potential. Happiness happens when people fits with their life. If they fit harmoniously than whatever they are doing is their joy. In other words, one should choose the work according to what one is and not what one knows.
8. There are many books written on how most situations can be overcome by cultivating the right attitude. Motivational teachers harp too much on attitude, which is quite out of proportion to the importance it deserves. It seems to suit people to be told that capability is not the prime determinant and most things, if not everything, can be achieved by simply thinking positively.
9. In determining one's vocation or career, one should focus on innate potential and common sense rather than on accumulating knowledge. It is a thousand times better to have common sense without education than to have education without common sense.
10. Staff selection is relevant for both organisation and person searching for a job. Organisation's main task is to find an employee that will not only perfectly work but also feel self-satisfaction at work. To put into the nutshell, organisation achieving its goals for profit maximizing should seek that its employees work not only for material welfare but also feel self-satisfaction at work.
11. The results of studies conducted in US and other developed countries can be applied in Lithuanian organizations seeking to increase their competitiveness in international and world markets because happiness is tightly related with job satisfaction and the latter can have very positive impact on successful operation and profitability of each organization implementing ideas and principles described in the article in every day management.
12. The main ideas presented in this article can be used as initial step for the implementation of social management systems in enterprises which are not popular in Lithuania yet. SA8000, or "Social Accountability 8000", was developed to promote socially responsible business in all sectors around the globe. Rather than being a "sweatshop code" for customers to enforce upon their suppliers, SA8000 was developed to help socially responsible companies to measure and differentiate themselves from other companies operating with less than acceptable labor conditions. It sets out expectations regarding health and safety, child labor, forced labor, freedom of association, discrimination, disciplinary practices, working hours and compensation together with the management systems to deliver them. SA8000 covers all the major labor rights issues contained in International Labor Organization (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child.
13. Today ethics institutionalization still hasn't reached desirable levels and is not used adequately to improve human capital in Lithuanian organizations. Neither is it viewed as a means that increases company profits. On the contrary to beliefs in Western organizations human resources are still not considered as the most valuable assets. Technological, information, financial resources are viewed as the most important ones, and human resources – emotional, social, intellectual capital are not employed to build company culture and reputation, optimize performance and achieve competitive position in the market. However new tendencies are arising in Lithuania because business companies are forced to change their attitudes towards implementation of ethical standards seeking to compete efficiently on internal EU markets..

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