Chapter 5 **Appendix B**

Employee Well-being, Productivity, and Firm Performance: Evidence and Case Studies

Case Study 1: Tracking Employee Mood and Training Managers in Real-Time

David Mendlewicz (Butterfly AI)

Butterfly was formed on the premise that 'great managers make great teams' and that people managers require access to employee insight as well as robust support and training to make their teams as delighted, productive, and efficient as possible. To achieve this, Butterfly conducts academically-backed employee pulse surveys that measure overall employee mood and sentiment on key areas of the business. From these surveys, Butterfly provides managers with artificially intelligent training, employee insights on a dynamic dashboard, and trends in employee engagement.

The academically-backed pulse surveys are sent out via e-mail to employees based on a defined cadence specific to each organisation. Most commonly, surveys are sent out either once or twice a month, as time between surveys is important to allow managers to act on the feedback they receive. Butterfly measures overall mood, and what are called engagement drivers: engagement drivers are specific areas within the organisation that managers would like both

qualitative and quantitative information on. Most commonly, we see managers measuring *management*, *teamwork*, *work/life balance*, *work environment*, and *roles and responsibilities* as engagement drivers. Every pulse survey asks a varied question on these drivers and employees rate whether they disagree or agree on a point scale. Employees who take the surveys also have the ability to leave comments, so that clients are receiving robust insight on their employee population.

Butterfly sought to measure whether there is a direct correlation between employees having access to provide continuous feedback and their overall engagement and happiness. A few examples of companies with different profiles which – prior to using Butterfly – did not have a culture of continuous feedback were selected as case studies. Each graph in Figure B1 is measuring the overall mood of employees out of five standard mood faces, ranging from zero ("very unhappy") to five ("very happy").

The first graph (upper left) represents a decentralised media and entertainment company headquartered in London. This company experienced substantial growth in headcount over the time period when this study took place. The time frame of the study was from October 2016 to May 2018, and headcount grew from 770 to over 2,000 employees when the study concluded. We see an overall improvement in survey response participation from 22% to 51%. From the time that the survey ran and concluded, the overall mood increased from a score of 6.2 to 7.

The second graph (upper right) represents a centralised Pakistani workforce in the advertising industry. This company experienced a decrease in headcount over the time period when this study took place. The time frame of the study was from January 2018 to July 2018, and the headcount started at 184 employees and dropped to 134 employees by the end. We see again an overall improvement in survey participation: at the outset, 15% of the employee population completed the survey; at the end, the organisation had a consistent participation at around 53%. From the time that the survey ran and concluded, the overall mood increased from a score of 6.2 to 7.3.

The third graph (lower left) represents a centralised media and entertainment company
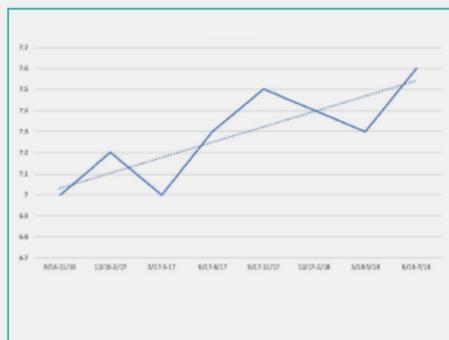
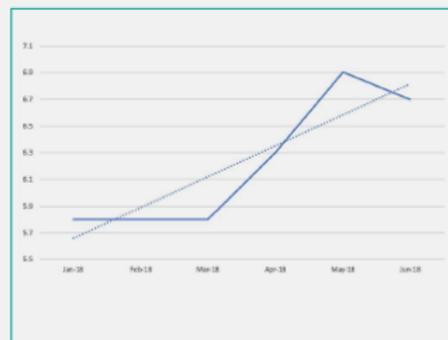## Figure B1. Positive Engagement Over Time (Butterfly AI, Various Years).
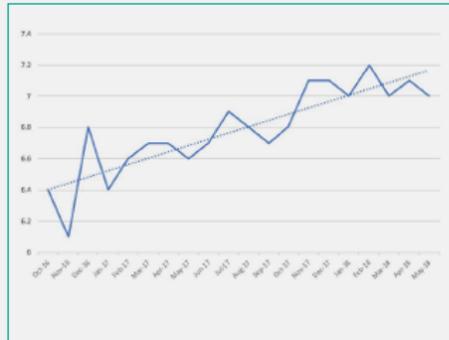
Global Company Based in the UK
10% Engagement increase
Steady Upward Trend
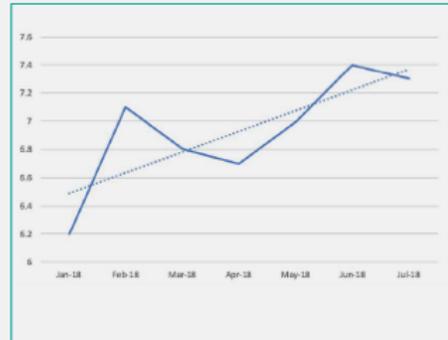
Pakistani Arm of Large Marketing Organization
18% Engagement Increase in 7 Months

US Based Public Entertainment Company
9% Engagement increase

European Based Medium Sized Company
16% Engagement Increase in 7 Months

Notes: The four graphs show the evolution of employee mood over time after starting to track employee mood through Butterfly pulse surveys for a selected sample of organisations with different profiles, locations, industries, and sizes which – prior to using Butterfly – had no culture of feedback nor any continuous managerial coaching.

headquartered in California. This company remained consistent in their headcount during the time period when this study ran (157 employees). The time frame of the study was from September 2016 to July 2018. As before, we see an overall improvement in survey participation: at the outset, 64% of the employee population completed the survey; at the end, the organisation had a consistent participation rate at around 75%. From the time that the survey ran and concluded, the overall mood increased from a score of 7 to 7.6.

The fourth and final graph (lower right) represents a decentralised media and entertainment company

with offices spread throughout the UK. The headcount grew slightly from 200 employees at the start of the study to 232 at the end. The survey ran for a period of about six months from January 2018 to July 2018. We see, once again, an improvement in survey participation: at the outset, 33% of the employee population completed the survey; at the end, the share was around 52%. The organisation saw the overall mood score increase from 5.8 to 6.7.

Although we can only gather suggestive, correlational evidence from such case studies, the fact that they all show similar findings may

point towards some key insights: the act of presenting employees with access to ongoing feedback channels is likely to positively drive employee engagement in terms of survey participation. We observe this relationship in every case study. We also observe the score representing the overall mood of the employee population increase over the course of the survey period, suggesting that the opportunity to provide feedback may lead to a happier, more engaged workforce.

Case Study 2: LinkedIn: The ROI of Social Recognition

A Partnership Between Globoforce and LinkedIn Shows Correlation Between Social Recognition Experience and Retention of Key Employees

Background

LinkedIn is a platform for professional networking, with over 590 million members in over 200 countries and territories. Since its founding in 2002, LinkedIn has prided itself on having a culture of transformation, integrity, collaboration, humor, and results. Despite rapid growth, LinkedIn has maintained a set of core values: members come first, relationships matter, employees

should be open, honest and curious, managers should demand excellence, employees should take intelligent risks, and all employees should act like owners. It was these values that provided stability in the midst of what would soon become a turbulent time for the organization.

New Challenges

Starting in 2013, LinkedIn faced three core challenges as it scaled to meet the market demand. First, the company changed its compensation strategy from ad-hoc grants to compensation ranges to allow for more rapid growth. However, the following year, LinkedIn experienced stock price volatility, leading to employee retention concerns. In 2016, LinkedIn was acquired by Microsoft, a significant corporate transaction which required major change management. The confluence of these three factors posed a significant challenge to maintaining employee engagement while continuing to attract and retain top talent.

A Renewed Focus on Culture

In response to these new challenges, LinkedIn recognized the need to invest in its underlying culture. Knowing that social support is one of the three strongest predictors of long-term success

Figure B2a. New Challenges
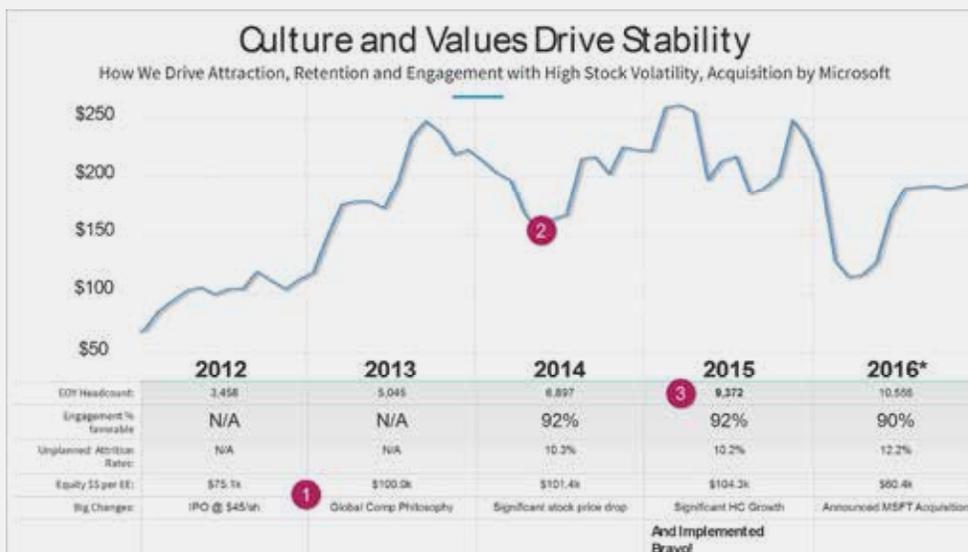
Source: Own illustration

and happiness for employees, LinkedIn designed an intervention to boost employee morale and strengthen internal social connections. In July 2015, LinkedIn partnered with Globoforce, a leading provider of human applications, to launch a global employee recognition program called Bravo! Through the new program, any employee could recognize a colleague who exhibited great performance or efforts at work and demonstrated LinkedIn's core values. Recognized employees were offered a variety of award levels and personalized rewards, including gift cards and merchandise across all countries where employees reside. LinkedIn worked closely with Globoforce to ensure Bravo! has clear ties to LinkedIn's corporate values and is efficient, consistent, and timely.

Utilization Data

In the first 18 months of the Bravo! program, 24% of employees actively recognized another employee. There was a healthy distribution of awards given across all levels of the company, including peer-to-peer awards and manager-to-employee awards. 71% of all awards occurred at Grades 7-9, which represents a majority of individual contributors and early career managers.

Figure B2b. Utilization

Global Grade	Below	Same	Above	# Awards Given
12	97%	2%	1%	1220
11	95%	3%	2%	2776
10	91%	7%	2%	4849
9	75%	20%	5%	12784
8	45%	35%	20%	12757
7	25%	30%	45%	7266
6	6%	35%	59%	3858
5	3%	17%	80%	581
4	7%	12%	81%	151
3	0%	7%	93%	262

Source: Own illustration

Results

Six months after the launch of the Bravo! program, initial data indicated positive results on employee retention for both new hires and overall employees. These results were confirmed 18 months after launch through in-depth research correlating the number of Bravo! awards and the impact on retention rates. Findings from the research were first presented to a group of senior business leaders at Globoforce's WorkHuman 2017 conference, an annual event dedicated to harnessing the transformative power of people for the next generation of human resources.

Figure B2c. Correlation Between Awards and Retention
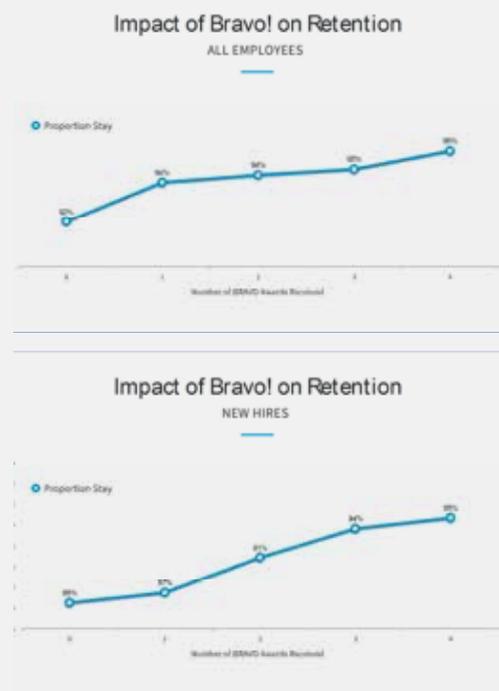
Source: Own illustration

The Bravo! program created a positive impact on year-over-year performance, particularly for high-performing employees who received more frequent recognition.

Figure B2d. Correlation Between Awards and Performance

Frequency of Recognition Received is positively related to YoY increase in Performance

Source: Own illustration

Furthermore, data revealed that the more employees offered praise, the more praise they received in return, creating a virtuous circle of positivity and success.

Figure B2e. Correlation Between Awards Received and Awards Given

Praise Leads to More Praise
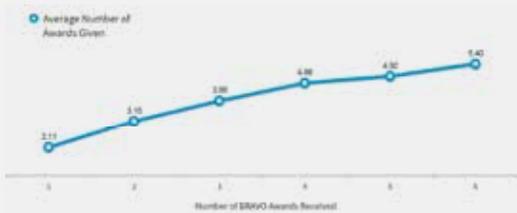
Source: Own illustration

Figure B2f. Social Recognition: Mechanisms

Social Recognition: The Virtuous Circle
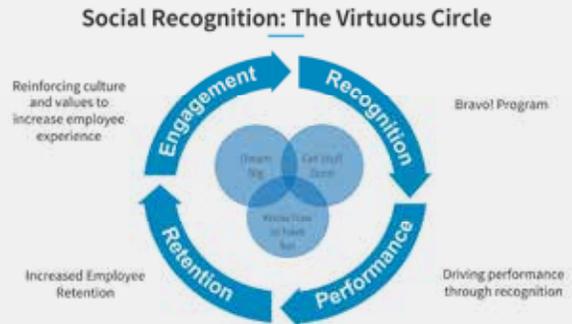
Source: Own illustration

Conclusion

Through the Bravo! program and the partnership with Globoforce, LinkedIn discovered just how vital culture was to boosting employee retention and performance. LinkedIn learned that whatever was recognized was repeated and was careful to align its communication strategy at launch to desired behaviors within the company.

Case Study 3: Delivering Happiness in Practice
Jenn Lim (Delivering Happiness)

Canpa (Industry: Construction)

Canpa is a construction materials distribution company based in Turkey, a family business, and had a 31-year presence in the market before its culture transformation. In 2015, it was facing challenges from declining profitability, a 30% employee turnover rate, and low company morale. Unless they could solve their pain points, Canpa would have had to consider downsizing or closing its doors. In the search for solutions, Canpa's Vice President joined *Delivering Happiness* for a Masterclass on company culture and employee engagement. Since implementing a values-and-purpose-based culture into their employee experience, hiring procedures, and brand, Canpa has achieved record historical sales, dramatically reduced their turnover rate to almost zero, and was awarded first place in Turkey's 2018 "Great Place to Work" assessment.

Northwell Health (Industry: Healthcare)

Northwell Health's Office of Patient and Customer Experience sought to roll out its Culture of C.A.R.E [Connectedness, Awareness, Respect, Empathy] to all of Northwell's 61,000 employees and 21 locations. For this project, *Delivering Happiness* (along with Vynamic) co-created and aligned a roll-out strategy, implementation program, and internal frameworks to maintain C.A.R.E through the organisation's culture leaders. Of these initiatives came Northwell's Coach-The-Coach programme, in which their culture leaders were trained and certified to champion and drive C.A.R.E across the organisation. Northwell Health also wove their core values into the set of competencies for which an employee is evaluated by. After their culture transformation, Northwell Health saw significant improvements in their patient satisfaction scores, employee engagement numbers, and the ways culture was lived out every day. Over a period of two years or less, some outcomes were: *(i)* an increase from 45% to 85% in employee engagement rates, *(ii)* 20% of ambulatory locations already reaching the 90th percentile in patient experience, and *(iii)* significant improvements in HCAHPS, a widely-used patient-experience scoring survey.

Zappos (Industry: eCommerce)

In a span of ten years, Zappos grew to $1 billion in gross revenue largely due to their employee-centric corporate culture. Tony Hsieh and his team believed that with the right culture, building a brand known for customer service would be a natural result. To commit to the "right culture", the leadership team defined their core values and made it so that living up to them was part of the job expectation. They also implemented practices from the science of happiness and positive psychology into the employee experience – leading to more workplace happiness. Zappos' culture set itself apart from their competitors through customer loyalty so much that even in 2008 when the e-commerce industry went down for the holiday season, the company still grew in sales and achieved its market of $1 billion in gross revenue. Just a year after, Zappos was acquired by Amazon at a deal valued at over $1.2 billion on the day of closing. For seven years, the company has ranked on Fortune's "100 Best Companies to Work For" list.

Case Study 4: Psychological Technologies in Practice
George MacKerron (Psychological Technologies)

Psychological Technologies (PSYT Ltd) was founded by Nick Begley, former Head of Research for leading mindfulness app *Headspace*, and Dr. George MacKerron, creator of the *Mappiness* research study into hedonic well-being at LSE. Drawing on their expertise, PSYT's award-winning *me@mybest* app aims to help employees and employers to both understand and drive well-being and productivity.

App

The app delivers pulse surveys that include questions on instantaneous happiness, stress, and self-reported productivity, and over time also cover a wide range of potential drivers of these states in terms of the user's behaviour and the organisational environment and culture. Users receive in-app insights based on their answers.

The app also includes a library of tools, including breathing exercises, interactive and audio mindfulness practices, self-assessments, and workplace tips. Employees can dip into these at any time,

Figure B3. Change in Happiness During Use of App

Change in reported happiness:
3 – 5% improvement

Change in reported productivity:
5 – 10% improvement

and appropriate tools can also be signposted in reaction to related survey responses. For example, a person who says they slept badly may be signposted to a sleep hygiene checklist or a mindfulness practice focused on better sleep.

In one client organisation, employees reported becoming on average 3 – 5 percentage points happier (which is in line with findings from the original *Mappiness* study), and 5 – 10 percentage points more productive over the period that they used the app, as seen in the line charts above.

Dashboard

Aggregated data from the app are also analysed and fed back to the employer, anonymously, via an interactive dashboard. First, the dashboard provides employers with a descriptive overview of the data, including trends over time and heatmaps across both different slices of the organisation and different aspects of well-being.

Second, the dashboard's analytics engine identifies priority drivers, defined as those that are both high impact — that is, strongly related to happiness and productivity — and below target. Conversely, it identifies strengths, where an item is both high impact and *above* target. Finally, it estimates the potential return on

investment (ROI) of improvements in well-being, using linear and logistic regression to connect happiness self-ratings to monetisable outcomes.

The *me@mybest* dashboard shows that employees are happiest on Friday and least happy on Tuesday. This mirrors the original *Mappiness* results. Interestingly, however, Friday also sees employees reporting relatively higher stress and lower productivity.

High-impact predictors of happiness and productivity at client include autonomy ("I have a choice in deciding how I do my work"), psychological safety ("at work, I often try new out things as I have little fear of making mistakes"), confidence in talking to a line manager about a mental health problem, and effectiveness of IT systems. Employees who rate these items favourably are 2.5 - 4 times more likely to rank above the median for happiness and productivity than others, and these differences are significant at the 5% level or better.

Finally, the *me@mybest* dashboard estimates that a 1 percentage point improvement in employee happiness at client could be worth approximately £600 per employee per year as shown.

Case Study 5: An Ecosystem Approach to Staff Well-being in the Education Sector

David Whiteside (Plasticity Labs), Vanessa Buote (University of Waterloo), Rodrigo Araujo (Plasticity Labs), and Anne Wilson (Wilfrid Laurier University)

There are 84.3 million teachers in the world (see Figure B4a) and yet 80% of teachers are considering leaving the profession. Not only is it challenging for students when teachers leave the profession, but schools lose between $1 billion and $2.2 billion in attrition costs yearly from teachers switching schools or leaving the profession altogether. Although it appears recruitment numbers for this sector has increased, employers (predominantly the government) suffer from retention issues. The data show that over the next five years, almost half of those teachers will either transfer to a new school or give it up completely. The teacher shortage is such a massive global employment issue that UNESCO claims the world must recruit 69 million **new** teachers to reach the 2030 education goals. Although there are myriad complex issues related to the teacher shortage, one of the most cited reasons in the OECD countries is the lack of ability to recruit young people to the profession and burnout of current teachers. In developing countries, teacher status and lack of training is the most highly cited reason for attrition.

Plasticity Labs, a Canadian-based research and consulting company, began working with The Waterloo Region District School Board (WRDSB). Comprised of over 8,000 staff serving 63,000 students across 120 schools, the WRDSB is one of the largest school boards in the province and the first in Canada to take on such a wide-spread, evidence-based, research-driven approach to integrate staff and student well-being into their strategic objectives. Their strategy established a critical importance of **productive working relationships** and **positive interconnectedness** between student and staff well-being. For their efforts, more fully detailed below in the case study, the board was listed in the Forbes 100 Top Canadian Employers in 2017.

Case study

Phase 0:
Baseline measures were gathered. Surveys gathered data on; engagement, sense of community, inspiration, satisfaction, predicted satisfaction, culture, trust, recognition, communication, upward feedback, stress, well-being, hope, efficacy, resilience, optimism, gratitude, performance, citizenship behaviours, and net promoter score (NPS). Data provided key insight as to the areas for improvement most notably **communication**, **recognition**, and **upward feedback** - or key drivers of culture.

Within a school board environment, where staff are decentralized, widely dispersed across hundreds of locations, and fill a wide range of roles and responsibilities, it was determined that benchmarking tools would be developed to identify "At Risk", "Average", and "Healthy" scores for each survey response.

After seeing the first round of data, there was a swift response to engage training and programming to address these areas for improvement. Budgets and resources directed at well-being were increased 300%, with a commitment to ongoing data collection at both the department and school level.

Over the four years since working with the WRDSB, interventions varied in size and intensification across 125 schools and eight support departments measured. Groups were identified by schools across three cities; the Education Center (board office), broken out by departments (e.g. HR, Finance, Executive, IT); and parents were also considered a distinct group.

Phase 1:
2014 began with a goal to educate the senior leadership about the benefits of seven social-emotional skills that have been empirically shown to increase happiness and performance; **Hope**, **Efficacy**, **Resilience**, **Optimism**, **Gratitude**, **Empathy**, and **Mindfulness**. The goal was to incorporate these seven traits as the new values framework for well-being across all staff, then expand to students, and eventually outwards, to parents and the broader community.

The interventions began methodically with an aim to create a shared language with the seven traits at the core of all interventions. Education consisted of one-hour talks at annual events,

full-day training and workshops at regional and provincial conferences and speaking with staff during mandatory professional development days. After one year of pure education at the leadership level, phase two was engaged.

Phase 2:

The ecosystem theory was engaged. Teachers, and all staff including custodial, part-time, ECE's, leadership and administrative, plus students and parents were invited to employ the HERO GEM traits in their language at work and at home. The goal was focused on improving workplace culture amongst staff, to subsequently improve conditions for learning for students. These schools, aptly named HERO Generation schools, were provided an exploratory framework for staff and students to utilize. Interventions included, student and staff cocreated mantras read aloud daily, mindful minutes, curated music focused on one of the seven traits, monthly student-led, public assemblies, and priming (gratitude walls, hope trees, HERO-focused art, mantras at all entrances of the school, posters with three intervention examples related to each trait, written in multiple languages located in staff lunch rooms and in all school bathrooms (staff and student). Online employee portals were cocreated with staff, education consultants and Plasticity Labs internal teams for digital collaboration and curriculum guidance. None of the framework was programmatic, it was tool and resource agnostic and showed up differently in each group/school. Most notably, teachers would get three hours every month of Paid Time Off (PTO) for professional development in positive psychology. Lead HERO teaching staff would gather monthly to learn and ideate plans, then return to their individual schools and train other staff. Researchers from Plasticity Labs, Wilfrid Laurier University and WRDSB worked together to measure at three times points throughout the year to identify outcomes.

Simultaneously, interventions were ongoing with corporate staff at the education centre. The research and consulting team worked with departments to understand their daily experiences and personas and target specific programming. Custodial staff, Finance, Marketing, HR, union groups, parent councils, focused on a variety of well-being programs that included; improving physical health, using empathy in communication, building resiliency for front line staff, a well-being

portal was created, and programming resources were propped up with an exponential budget increase. Pride flags were raised at over 120 schools for the entire month of June (Pride Month) surrounding conversations of empathy and inclusion related to the LGBTQ+ community, and March focused on IDOH with a community-wide gratitude installation in the city's core.

Phase three expanded the research to 11 schools and two control schools – these in-sights were cross referenced with the entire school board's data and a full report was developed to capture the outcomes from Phase 0 data gathering, Phase 1 pilot project, and the Phase 2 expansion.

Outcomes

There were several major outcomes that stood out to the research team. One was the "proximity to purpose" as defined by Dr. Whiteside in his white paper that argues the pros and cons of engagement and refers to it as an incomplete measure when it comes to the mission-driven workforce. With the WRDSB, engagement is not a strong predictor of health and happiness because engagement scores are high across almost all schools due to their purpose. The real driver of well-being is the school's culture - particularly recognition, communication, and feedback. This is why interventions such as the HERO Gen that positive influence these areas are so important. On the flipside, the groups at the education centre that are farthest from students (IT, finance, etc.) did not have strong engage-ment scores, despite having similar culture issues. Because their "proximity to purpose" is significantly lower, it pales in comparison to the engagement of teaching. On average, HERO schools score about 10-14 points higher than non-HERO schools on Recognition, Communication, and Feedback. Employee Net Promoter Score (eNPS) is based on a 0-to-10 rating of how likely an employee is to recommend the organization as a place to work, with 0 not at all likely and 10 extremely likely. Net Promoter Scores for HERO staff were consistently higher than non-HERO staff. Dr. Whiteside suggests that this is because through teaching the importance of traits such as gratitude, empathy, and optimism, staff are cultivating the strengths required to foster and build strong cultures.

It is important to note, in these workplaces, proximity to purpose can also be a leading
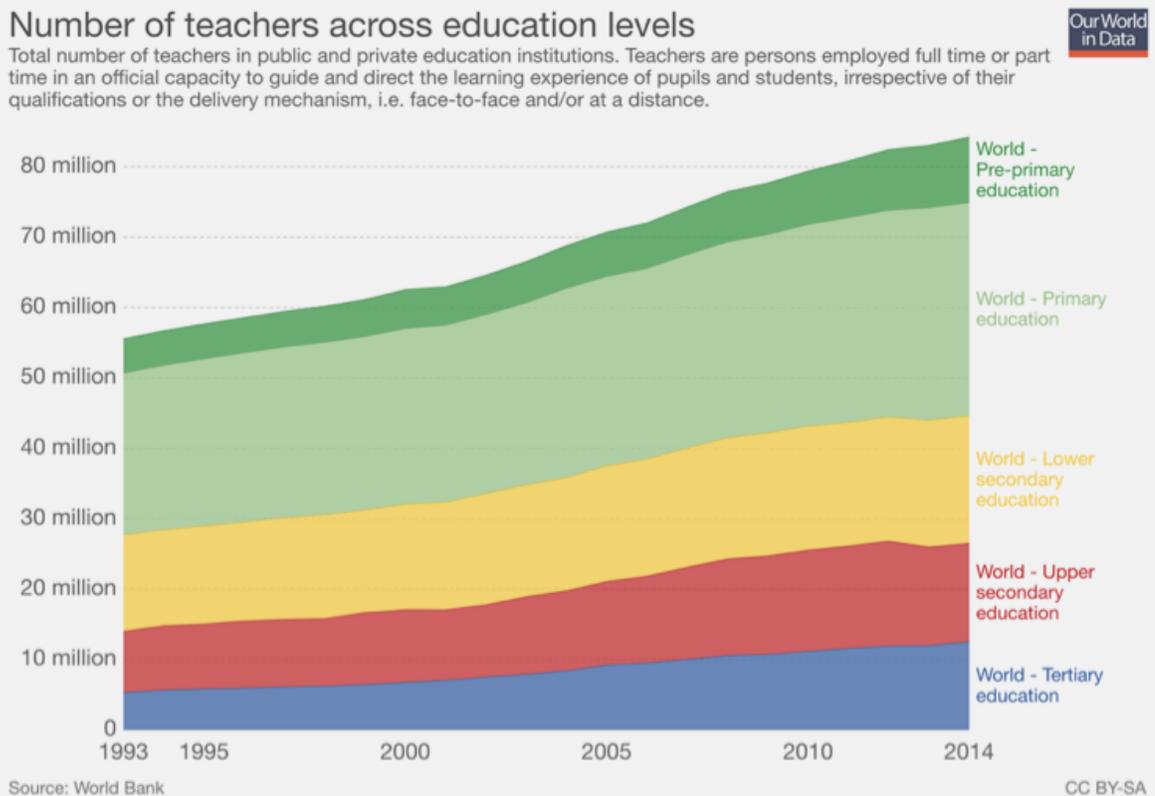
cause of depletion and burnout. Employees in purpose-driven organizations will often do whatever they can to contribute to their mission – and this can often come in the form of over-exertion and de-prioritizing their own well-being. The WRDSB and Plasticity Labs are working to identify warning signals and prevention measures going into Phase 3.
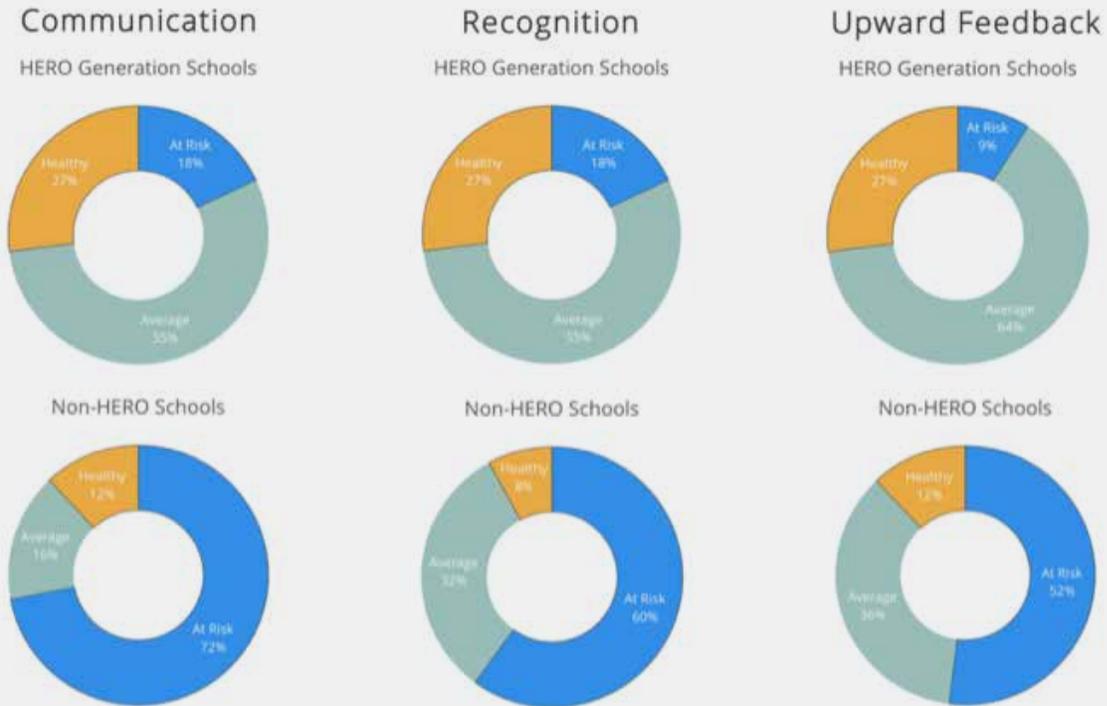
Phase 3:

The project is now in 21 schools in WRDSB with a critical focus on building a core team at the board level that works together on well-being. No longer is there a separate group designed to look at student well-being and another team working on staff well-being – they are working congruently. There is a community focus where social media plays a large role in sharing the work going on with the schools to the public. Analyzing the impact on the network effect will be phase four as Plasticity Labs, WRDSB, and

Children's Planning Table combine efforts to win the Smart City Canada bid after being short-listed to the top five cities in Canada to be selected.

Figure B4a. Number of Teachers over Time

Number of teachers across education levels

Total number of teachers in public and private education institutions. Teachers are persons employed full time or part time in an official capacity to guide and direct the learning experience of pupils and students, irrespective of their qualifications or the delivery mechanism, i.e. face-to-face and/or at a distance.

Our World in Data

- World - Pre-primary education
- World - Primary education
- World - Lower secondary education
- World - Upper secondary education
- World - Tertiary education

Source: World Bank

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Figure B4b. Selected Outcomes in HERO Generation Schools Compared to Control Schools

Source: Own illustration

Endnotes

i   Why Teachers are Lining Up to Leave (The Guardian, 2018) (https://www.theguardian.com/education/2018/apr/10/lesson-battle-why-teachers-lining-up-leave).

ii   https://thejournal.com/articles/2014/07/17/the-problem-isnt-teacher-recruiting-its-retention.aspx

iii http://unesdoc.unesco.org/images/0024/002461/246124e.pdf