

A man with a beard and a woman are smiling and looking at a tablet together. The man is in the foreground, wearing a light blue shirt, and the woman is behind him, wearing a pink shirt. They are both looking at a tablet held by the woman. The background is a bright, out-of-focus office space.

Employee Happiness Drives Engagement

How investing in your
employees' happiness can
directly affect your results.

KCC

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Happiness Drives Engagement

In today's world, workplace happiness can't be viewed as a nice-to-have for employers. Rather, there's a powerful business case for making employee happiness one of your top organisational priorities.

Employee happiness and wellness are directly linked to overall job performance. Happy employees are more engaged, more creative, and don't experience

burn out as frequently as their unhappy colleagues. Organizations who invest in employees' happiness and wellness attract and retain top talent more than others and get better results.

On average, people spend 90,000 hours at work during their lifetime. So doesn't it serve us to be proactive in making happiness there a priority?

Benefits of Happiness at Work

Happy people are productive people and many organizations that have invested in the well-being of their people agree that things improved significantly. Their profits increased, their customers were more satisfied and they gained the reputation as great places to work for.

Here is an overview of the 4 main benefits:

01

Happier workplaces report less turnover, lower health care costs, fewer mistakes and accidents, more efficiency, greater shareholder value, and quicker rebounds in the wake of adverse events or failures; they also earn higher customer loyalty, commitment, and business growth via word-of-mouth endorsement.

02

People who are happier at work are more authentic, more committed and driven to work, and more willing to contribute beyond their job descriptions; they also find more flow and meaning in their work.

03

In the face of adversity and setbacks, people in happier workplaces tend to see the bigger picture, making them less stressed; better at coping with and recovering from work strain; and also better at reconciling conflict.

04

Socially, people who are happier at work are rated by others as more likable, more trustworthy, more deserving of respect and attention, and more effective leaders; at happier workplaces, people are also more helpful to each other and more supportive of one another during difficult times.

Let's look at some of the research and why it matters so much in today's context.

ROI of Employee Happiness

Today's competitive market demands a continuous drive towards increased efficiency and performance in the workplace. From restructuring to outsourcing and automating, companies are trying to get the most productivity with the least amount of capital. Research suggests that increased productivity might be as simple as providing free snacks and showing our coworkers and employees a little more appreciation each day.

A 2015 study conducted in partnership between CAGE Economic Center and the Social Market Foundation found that just by spending around \$2 per person on drinks and snacks employees treated to a snack were about **10 - 20% more productive** than employees who were not.

Happiness has been proven to increase an individual's creativity, problem solving capabilities, team member relationships, as well as their general health. Happy employees are less absent and are more engaged. They are more committed to the goals of the company they work for and more likely to stay and grow in their role at that company.

The inverse is also true, unhappy employees are more likely to be disengaged and unproductive. Surveys conducted by Gallup determined that unhappy employees **cost their companies about 33% of their annual salaries.**

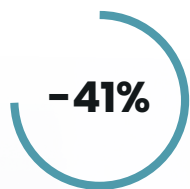


While employee happiness has been on the rise, a Conference Board Survey found that 49% of Americans are either somewhat dissatisfied with their job or highly dissatisfied with their job.

Likely half of the employees working with you today are unhappy at their job. Think of the productivity loss!

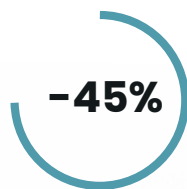
According to Harvard Business Review, improving employee engagement is not simply about improving productivity. In addition, strong employee engagement promotes a variety of outcomes that are good for employees and customers. For instance, highly engaged organizations have **double the rate of success** of lower engaged organizations.

According to a new meta-analysis of 1.4 million employees conducted by the Gallup Organization here are some advantages when companies successfully manage engagement versus those plagued with non-engaged employees:



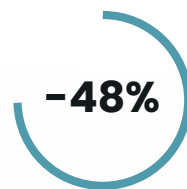
Absenteeism

41% lower



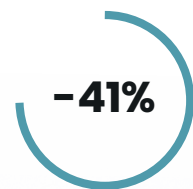
Turnover

45% lower



Safety Incidents

48% fewer



Quality Defects

41% fewer



Productivity

22% higher



Sales

20% higher



Profitability

21% higher

**Companies
with engaged
employees
outperform the
competition by as
much as 202%!**

(Gallup, 2017)

The Cost of Unhappy, Disengaged Employees

Data collected and published by Gallup allows you to actually calculate how much your disengaged employees are costing your company. **Gallup's research shows that about 17.2% of a company's workforce is actively disengaged.** Gallup defines an actively disengaged employee as someone who is "unhappy and unproductive at work and liable to spread negativity to coworkers." Gallup then also calculated the cost of a disengaged employee to their company as **34% of their salary.**

You can estimate the cost of your disengaged workforce by taking the number of employees at your company

and multiplying it by 17.2%. If you have a very small company of only 100 people there is likely about 17 people who are actively disengaged at work. Not very many, really. The average income for an American employee is \$56,500 a year, you can adjust this number for the average salary range at your company. If you multiply that average salary by the **34% cost of a disengaged employee** you will find **each employee costs you \$19,210 annually.** Multiply that by the 17 employees that are disengaged in your company and suddenly you find you are losing \$326,570 annually because just a few of your employees are unhappy and uninterested in their work. For a relatively small company that is a lot of money.

7 Common Signs of Unhappy, Disengaged Employees:

01 Frequently absent from work.

02 A tendency to be late to work and to want to leave early.

03 Bored or depressed body language.

04 A lack of personal engagement with coworkers.

05 Limited participation in company activities and work events.

06 Reluctance to generate ideas or actively contribute to discussions.

07 Other employees or customers complaining about their lack of work ethic or their attitude.

Why Employees Leave



A common misconception regarding employee happiness is equating high pay to high levels of happiness. In his book *The 7 Hidden Reasons Employees Leave*, Leigh Branham shows that 89% of employers believe that their employees left to pursue higher paying jobs while actually **only 12% of employees leave their job due to financial incentives**. Instead employees disengage and eventually leave their jobs because they feel undervalued and unhappy.

It isn't uncommon for a cycle of disengagement to self perpetuate. As an employee begins to under perform or exhibit a poor attitude in the work environment managers begin to reprimand and threaten dismissal. This is the exact opposite of the encouragement that unhappy employees may need. Although this is a natural human reaction, it is one that managers will need to outgrow. A system of firing low performing employees won't solve a company culture of disengagement. Turnovers are expensive. From job listings, to interviews, to training costs, and the decreased productivity while you are onboarding a new employee it is far cheaper to help an existing employee become happier at work than it is to hire a new employee who may or may not be more engaged.



Some experts estimate that if an employee leaves, it costs about 3 times an employee's salary to replace the person. Retention, retention, retention...that is the key!

6 Ways to Engage Your Employees

There are many strategies to help your employees become more engaged. Here are just a few.



Talk with your employees

The first step in understanding your employees is to have open and frequent conversations with them. Ask them what is going well and allow them to feel safe in sharing what they feel could be improved. There should be no fear of reprimand for opening up and being honest with you.



Give your employees a sense of purpose

Many employees feel disengaged at work because they don't understand how their contributions help their team or the company as a whole. Show them that their work is relevant and important. According to Happify, 94% of people who volunteer say it improves their mood. When we feel like we are part of the greater good, we start to feel more valued, which in turn can create that sense of purpose and feeling of happiness.



Encourage career growth and development

Training, coaching and development is a great way to keep current employees engaged and growing in their positions as well as offering future employees an attractive feature. If your company has a lower budget consider low cost solutions like cross training, online learning, mentoring or lunch and learns



Nurture social connections

Create opportunities for employees to connect and bond with their coworkers and managers. This can be a simple weekly team lunch, social activities at work as well as outside of work. Make sure to be genuinely interested in them and show that you care! Employees whose managers show interest in their personal life show **three times more engagement** than average. (Dale Carnegie)



Thank and praise your employees

Employees want to feel appreciated and when they are, they are willing to contribute more. Don't take your employees for granted. If you want your employees to stay, show them you are happy to have them on your team. Express your recognition on a regular basis. As long as you are sincere you can't go wrong with praise!



Invest in a happiness work culture

A Harvard Business School case study of Whole Foods CEO John Mackey showed that after Mackey took a five-month sabbatical to hike the Appalachian Trail, he returned focused on creating a company manifesting love, joy, and happiness and **sales-per-square foot rose by \$690.**

Here are a few examples of what you can do:

- ✓ Allowing your employees to bring their pet, child, grandma or game console to work on a designated day.
- ✓ Providing workstations designed to improve employees' health - a standing desk, a balance board or a slow-moving treadmill.
- ✓ Paying for development courses. Many companies have embraced this perk, and employees love it.
- ✓ Injecting fun at work.





Investing in a Happiness Program

Starting an employee happiness program in your workplace doesn't have to be a complicated process.

KCC Positive Business Psychology now offers a science based online eLearning program **21 DAYS TO HAPPINESS: Increase your Happiness, Energy and Productivity where *your employees learn how to be happier in just 10 minutes a day!***

This leading edge interactive happiness program was developed by Ingrid Kelada, business psychologist and happiness expert. She is the president of KCC Positive Business Psychology as well as the author of the Amazon bestseller *21 Days to Happiness*.

The online program can be done on any computer or mobile device and provides a step-by-step guide to help your employees increase their personal happiness and feel more engaged at work.

The approach used is highly interactive and fast paced including simple exercises, best practices, examples, videos, quizzes and resources like APPS and tools. Each lesson in the 21-day journey focuses on one key area of their life, including: time management, using their strengths and talents at work, stress management, demonstrating a positive mindset and attitude, health and wellness, relationships and more.

The tips and best practices that are shared are based on 10 years of research in the field of positive psychology.

It is our belief that organizations must invest in employee happiness and wellness to attract and retain top talent.



About KCC Inc.

At KCC Positive Business Psychology we strive to help companies build happier, and more productive teams. We are passionate about **talent attraction, development and retention**.



ATTRACT

Attract talent with our online personality tests.



DEVELOP






Develop talent with our coaching packages.



RETAIN

Retain talent with our leading edge "Online Happiness Program" for teams & employees.

Reach out to us for more information on how you can implement the 21 DAYS TO HAPPINESS eLearning program in your organization and become an employer of choice.

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If you don't take care of your employees' happiness, someone else will!

Ingrid Kelada

