

Working Well: A Priority for Engaging Employees and Driving Productivity

By Deborah Schroeder-Saulnier



Dr. Deborah Schroeder-Saulnier is Senior Vice President for the Right Management Global Solutions Team with responsibility for overseeing the firm's Organizational Effectiveness and Employee Engagement solutions portfolio—focused on aligning talent management strategy with business strategy.

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Wellness in the workplace is nice to have, but is it an absolute strategic essential? Can an organization's performance and success depend on it? It's hard to imagine that many people would answer in the affirmative. Yet a large-scale Right Management study of organizational effectiveness, and specifically the drivers of employee engagement has found that workplace health and well-being can have a major impact on the engagement, retention, creativity, and productivity of employees and, ultimately, on the financial performance of the organization as a whole.

The Wellness Effect

We asked nearly 30,000 representative employees across 10 sectors in 15 countries worldwide to indicate the extent of their agreement or disagreement with 100 different statements addressing the major building blocks of organizational effectiveness. We then tested for statistically significant (i.e., greater-than-chance) correlations between positive assessments of their organization's use of these building blocks and positive responses to the statement "My organization actively promotes health and well-being."

Our analysis revealed that employees who responded favorably to the proposition that their organization actively promotes health and well-being were:

- ◆ 8 times more likely to indicate that they were engaged than employees who responded unfavorably
- ◆ 4 times less likely to indicate that they planned to leave within the next year than those who responded unfavorably
- ◆ 3.5 times more likely to identify their organization as encouraging innovation and creativity than those who responded unfavorably
- ◆ 3 times more likely to assess their organizations as being productive than those who responded unfavorably

While correlation should never be confused with causality, the existence of a strong correlation provides reasonable grounds for concluding that the elements in question are indeed causally related. The perception that an organization actively promotes health and well-being, in other words, is likely to cause positive assessments of engagement, retention, innovation, and productivity. Perceptions, of course, are only perceptions, but it would be a brave organization that dismissed the views of employees as having no basis in fact.

Our results, in other words, provide reasonable grounds for concluding that an emphasis on health and well-being has a strong positive effect on key determinants of organizational effectiveness. It should come as no surprise, perhaps, those respondents who identified their organization as "one of the best performing organizations in its sector(s)" were 2.5 times more likely to take a favorable view of their organization's commitment to health and well-being than were those who judged their organization to be a "below-average performer." The implication is clear: best-performing organizations tend to promote wellness more than below-average performers do because wellness drives performance.

An Urgent Need

As our study shows, promoting wellness in the workplace is probably wise under any circumstances. But in today’s business environment, it assumes a special urgency. In response to the Great Recession, many organizations worldwide have sought to remain competitive and survive by reducing their workforces and streamlining their operations. Employees remaining in their organizations have inevitably been asked to pick up the slack and do more with less. A recent online poll of almost 700 employees conducted by Right Management found that fully two-thirds of respondents had not taken all of their vacation by the end of 2009. They were simply under too much pressure to get work done and, perhaps, too insecure in their jobs to withstand that pressure and take full advantage of an earned benefit.

Do you plan to pursue new job opportunities as the economy improves in 2010?	
Yes , I intend to leave	60.40%
Maybe , so I’m networking	20.80%
Not likely , but I’ve updated my resume	5.53%
No , I intend to stay	13.27%
Total Responses: 904. Source: Right Management online poll of 904 employees conducted in October 2009.	

Not surprisingly, evidence is mounting that workforces are increasingly discontented and disengaged. The Conference Board recently released a survey of 5,000 US households showing that only 45% of Americans are satisfied with their job. In a recent poll of more than 900 workers across North America, Right Management found that a remarkable 60% of respondents plan “to pursue new job opportunities as the economy improves in 2010.” This result is largely consistent with the findings of the Herman Group, which, in its “Herman Trend Alert: 2010 Workforce/Workplace Forecast,” reports that “54 percent of today’s employees are ready to jump, as soon as the economy improves.”

An unhappy workforce actively planning to seek greener pastures as soon as the opportunity presents itself is unlikely to be engaged. Our study of organizational effectiveness, which was conducted between December 2008 and January 2009, found that only 44% of U.S. employees were willing to describe themselves as engaged. The situation was no better elsewhere: the global average was only 34%.

It is in the context of this developing crisis of retention and engagement that our findings concerning wellness reveal their true significance. Actively promoting health and well-being is one of the most effective means an organization can employ to address this challenge. Yet, it is worth noting, fewer than half of our study’s nearly 30,000 respondents identified their organization as actively promoting health and well-being.

Best-Practice Recommendations

What, then, can an organization do to promote a culture of wellness and drive engagement? Our advice is both general and specific. In general, organizations should take a system-wide approach that begins by making wellness a strategic imperative. A wellness initiative should never be treated as a free-floating desirable whose business benefits may or may not be realizable at some indeterminate point in time. A wellness priority must be aligned with the organization's strategic goals.

To achieve this alignment:

- ◆ Leaders at the highest levels must actively support wellness initiatives. They must recognize wellness as one of the most powerful tools at their disposal for realizing business strategy.
- ◆ Wellness must be a consideration as the organization builds capacity, structures its operations, and assigns roles.
- ◆ Wellness must be incorporated into essential people systems and processes.
- ◆ Wellness must be embraced as a core value defining the organization's culture.

Specific Remedies

Our organizational effectiveness study provides the basis for more specific, concrete advice. In looking for possible drivers of "My organization actively promotes health and well-being" among the other 99 statements making up the study, we found that positive assessments of health and well-being in the workplace depend on a wide variety of factors that may not seem related to health and well-being at all.

For example, safe working conditions drive perceptions of workplace health and well-being, but so too does a senior leader's ability to communicate the organization's strategy to employees. Presumably, employees who have a good understanding of the strategic goals they should be working towards experience less stress and achieve higher levels of wellness.

Our analysis revealed the following 5 top individual drivers of health and well-being. Of all the individual actions an organization could take, these 5 would do the most to contribute to the physical and psychological wellness of employees.

1. Allow employees to maintain a reasonable balance between their family and work life
2. Ensure that there are people ready to move into jobs when positions become available
3. Ensure that the organization becomes involved in supporting the community
4. Attract and retain talent effectively

5. Invest in people's learning and development

In the end, workplace wellness cannot be maximized by any single action or handful of actions alone. It must be approached strategically and comprehensively. When it is, organizations stand to make significant gains in productivity and performance. Actively promoting health and well-being in the workplace is one of the most important measures an organization can take to address the developing engagement and retention crisis.

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Linkage
Burlington, MA
781.402.5555
info@linkageinc.com