



**The wellbeing
debate and the
power of belonging.**



Introduction

In today's competitive world, organizations are constantly in search of a competitive edge. However, all too often such a pursuit proves difficult as companies often underestimate their greatest asset – their people. Indeed, it is humans themselves that act as the ultimate competitive advantage for any corporation, with emerging research unceasingly drawing attention to the link between the wellbeing and happiness of staff and the overall performance of a business.

A plethora of studies have convincingly demonstrated the significant impact exerted by employees in regard to the success of their organizations.¹ In an investigation conducted by James K. Harter and colleagues, it was found that discontented and disengaged staff directly affected profitability and revenue as low job satisfaction prefigured poor bottom-line performance.² Contrarily, happier and more engaged employees proved hugely beneficial to the potency of a company exhibiting approximately 12% greater productivity in the workplace.³ Hence, it is clear that the key differentiator dictating whether or not a business thrives or flounders isn't just the people in the business but ultimately their happiness and wellbeing.

The conspicuous advantages affiliated with enhanced employee happiness has motivated a multitude of businesses to invest heavily into ameliorating the wellbeing of their staff.⁴ Yet, the majority are failing to see the returns they had been led to believe were there. The prospect of such desirable outcomes as increased productivity and profitability, improved staff retention and reduced burnout – to name just

a few – are still proving frustratingly elusive. This is because, in general, our understanding of what it is that produces happier teams is dogged by misconceptions. Knowing that heightened levels of wellbeing equate to heightened levels of performance is important but will ultimately be rendered useless if an organization does not first discern what it is exactly that incites happiness and improves the wellbeing of any given individual.

In order to do this an organization should look unto itself, for it is the strength and quality of its own interpersonal relationships that will make or break workplace wellbeing. Humans are hardwired for connection, possessing an innate desire to form and develop strong rapports with those who surround them. When a company lacks a feeling of interconnectedness and employees find themselves with a scarcity of strong relationships, a toxic workplace culture overrun by unhappy workers will emerge. As a result, organizations will find their overall efficacy compromised. Thus, workplace connections are the most significant albeit often underestimated facet of organizational life.

This white paper will cover some of the most notable challenges which have ensued due to toxic workplace cultures and which are currently acting as barriers to superior company performance. Following this, the paper will address as well as explain why so many of the prior attempts at rectifying wellbeing have been unsuccessful. Finally, this paper will once again emphasise the fundamentality of connection and its role in determining an organization's long-term effectiveness.



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The Happiness Challenge!

The average person will devote more than 90,000 hours of their lifetime to the workplace. Yet, whilst the majority of an adult's waking hours are spent at work, over half of the modern-day workforce are currently unhappy. In turn, such unhappiness has manifested itself into a myriad of formidable problems for organizations across the globe.

For instance, this rise in feelings of despondency directly correlates to the upsurge of mental health issues currently affecting employees. Indeed, the World Health Organization (WHO) estimates that, globally, depression and anxiety currently impinge on the lives of over 300 and 264 million people, respectively.⁵ Moreover, it is marked that the pervasiveness of mental health issues not only has a discernible human impact but also has a significant economic impact in terms of GDP. This is because poor mental wellbeing leads to diminished efficacy

and performance and is predicted to cost the global economy \$1 trillion per year in lost productivity.⁶ In fact, a recent study of 36 of the world's largest countries determined that 12 billion days of lost productivity – tantamount to 50 million years of work – are engendered by mental health difficulties each year.⁷

This notion that workdays are being repeatedly squandered is further corroborated by the notable increase in both absenteeism and presenteeism rates. Most notably, companies ought to be aware that it is presenteeism which is transpiring as the greatest threat to an organization thriving given that it is not only more common but also more costly. In turn, this serves to debunk the conventional yet false idea that work attendance equates to performance.⁸ The effects of unhappiness are therefore all-encompassing as discontented workers are negatively impacting the overall efficiency of their organizations in both their absence as

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well as their attendance. Employees who are physically present but are not actively engaged are actually costlier to a company and should be more worrisome for employers.





The Happiness Challenge! (Cntd.)

Assuredly, engagement or rather the lack thereof is yet another adverse ramification associated with workplace discontent with only a slender 15% of the world's one billion full-time employees being reported as fully engaged at work.⁹ Low employee engagement levels are harmful to the overall success of a business as feelings of detachment undermine commitment and focus meaning employers witness a decrease in both work effort and work quality. Economically, Gallup valued the cost of disengagement to be somewhere between \$450 and \$550 billion in lost productivity annually.¹⁰

However, the repercussions of a disengagement crisis extend beyond a loss in productivity to a loss of employees themselves. Workers exhibiting apathy towards their organizations are increasingly likely to leave their current place of work signifying that unhappiness is also linked to higher voluntary turnover. Again, the economic damage proves immense as staff turnover has the potential to consume resources at a staggering rate given that the cost of

replacing an employee can range up to 250% of that person's yearly salary.¹¹

Notably, issues of retention are exacerbated further by the ever-changing state of the modern workforce as younger generations of employees, in particular the millennials, are more susceptible to the desire to depart from their current place of work. For instance, the majority of millennial workers (60%) have worked at two to four different organizations whilst 24% have worked at five or more.¹²

From this body of evidence, it is patent that the unhappiness of employees is significantly attenuating organizations. Whilst companies are aiming for productivity, motivation and collaboration, they are instead being met with burnout, emotional exhaustion and disengagement. As such, organizations are increasingly recognising the need to focus on the happiness of their workforce as it makes both ethical and economic sense to target and enhance wellbeing.

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Why has a focus on happiness failed thus far?

It is no secret that organizations are looking to alleviate the problems associated with workplace discontent. Indeed, global corporate expenditure on workplace wellbeing programs was valued at approximately \$50 billion in 2018.¹³ Yet, in spite of the enormity of this investment, the adverse impact of such issues as mental health and staff turnover have shown little to no signs of improvement. Moreover, new research conducted by Harvard and University of Chicago scholars has acted to further augment doubts surrounding the efficacy of current wellness schemes. The findings suggest that the Return on Investment (ROI) is meagre as employees working in companies which afforded wellbeing programs failed to exhibit such desired goals as lower absenteeism or increased job performance.¹⁴

Accordingly, a key question has emerged: Why have the current attempts to mitigate unhappiness in the workplace failed to produce veritable results?

The truth is organizations are finding themselves inhibited by their own misconceptions over what actually ameliorates happiness and wellbeing. For instance, 89% of employers maintain the belief that staff who choose to abandon their current place of work do so as a result of financial incentive. In reality, only 12% of people would actually choose to leave a company based on the prospect of more money.¹⁵ Meanwhile, a study conducted by CareerBuilder, which reported that more than 2 in every 5 workers have gained weight due to their current jobs, left employers stunned. Whilst over a quarter of the respondents admitted to having access to employer-sponsored wellness benefits, 63% of those people had neglected to take advantage of them.¹⁶

However, in reality, this is not startling at all. Material perks such as gym reimbursement and the traditional pull of financial enticements are no longer sufficient in inciting contentment from modern-day workers. Attempts to advance happiness by such means are often perceived as superficial given

that incorporating bean bag chairs into conference rooms and offering free lunches at the company café does little in the way of fulfilling the underlying desires and expectations of employees.

Whilst the decision to implement workplace wellness programs testifies to the fact that organizations are actively attempting to foster happiness amongst their employees, it ought to be noted that such schemes are predestined for failure as no single initiative is capable of satisfying the needs of every worker concurrently. Each employee is distinct and a wellbeing initiative that works in igniting happiness for one person will not necessarily procure the same outcome in another.

Thus, current efforts will continue to fall short until organizations recognise and ultimately address the most important contributor to human happiness – the quality of connections they have with their work colleagues and ultimately the sense of belonging this engenders.



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The solution...

If an organization truly wishes to amplify wellbeing, it must first find the common thread which binds all of its workers together.

This common thread can be identified as the fundamental need to belong.

As human beings, we are all biologically programmed with an intrinsic desire to connect. This is why psychologist and theorist Abraham Maslow incorporated belonging into his 'Hierarchy of Needs', identifying this motivation to connect as a potent compulsion in human behaviour.¹⁷ In turn, positive psychology research has concluded that work and the workplace have come to occupy a position of centrality in fulfilling this search for belongingness.¹⁸ This indicates that it is the workplace itself that is of overriding importance in augmenting individual wellbeing. Indeed, studies show that levels of employee happiness are inextricably bound to strong workplace culture.¹⁹

Thus, although employers habitually attempt to impose happiness onto their organizations by implementing such methods as the aforementioned wellness perks and schemes, solving and rectifying workplace discontent must come from within.

It starts with people, or more specifically, with the interpersonal relationships which exist between them. Strong relationships precipitate employee and organizational flourishing because they cultivate a sense of belonging and thereby act as a crucial intrinsic motivator magnifying both happiness and productivity.²⁰ High-quality connections and relationships are the springboard to organizational success because positive social interactions give rise to such beneficial outcomes as engagement, collegiality and innovation.²¹ They also help to surmount the challenges associated with discontent by lowering issues like disengagement, anxiety and presenteeism as loyalty is increased,

stress is buffered and performance is enhanced.

More and more, individuals are finding themselves tied not to their organization but to the people within it. This is exemplified most clearly by the fact that 58% of men and 74% of women would refuse a higher paying job if there was a risk of feeling disconnected from their co-workers.²² Humans prioritise connection above all else and companies need to do the same if they want to heighten wellbeing and reap the rewards.

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Conclusion

In summation, connections are conducive to happiness and happiness is conducive to success.

Hence, for an organization aspiring to harness the full potential of its employees, the defining factor will perpetually be the quality of the connections nurtured within its workplace. The ability to forge resolute connections is of crucial importance in establishing a collective sense of belonging and in creating a strong company culture. In turn, this sense of affinity engenders greater happiness for the workforce and greater performance for the workplace.

Happy employees are the most invaluable asset to any company because high levels of psychological wellbeing (PWB) translate into high levels of retention, engagement and productivity.²³ Furthermore, these benefits also positively impact profitability as outlined by a Harvard study; a healthy culture can increase net income by a huge 756% over a 10-year period.²⁴

The research and indicators speak for themselves; it is people who have the capacity to revolutionise a good organization into a great one. As such, a company will only achieve optimal performance when it has first optimised its working climate for great human connections. Employee happiness hinges upon the ability to form and sustain strong interpersonal relationships within the workplace, whilst the success of an organisation hinges upon the contentment of its employees.

Prioritising wellbeing makes sound business sense and an organization can be the principal architect of its own success by focusing on people, the quality of their connections and the unparalleled feeling of belonging this brings.

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