



EMPLOYEE HAPPINESS 101

HOW TO MAXIMIZE OUTPUT BY
PROVOKING A SMILE

A N Y  P E R K

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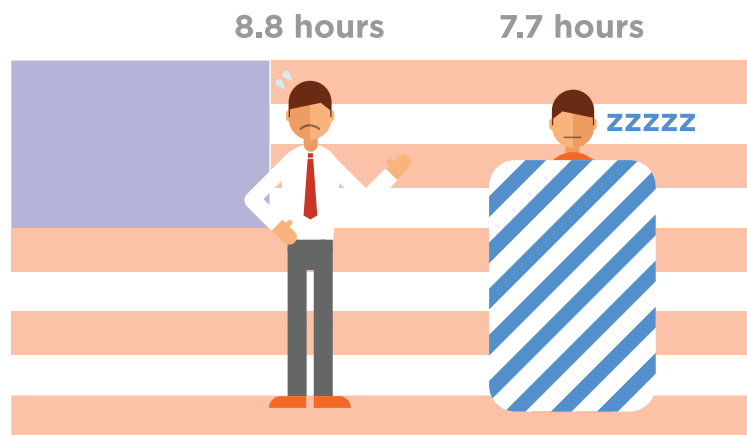
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I. INTRODUCTION

It's happening all across the country, in small towns and bustling metropolises. From blue collar to white collar jobs, few are immune to it. Employee dissatisfaction is sweeping the nation, and it's up to management to stop the spread.

According to a recent Gallup poll, unhappy employees outnumber happy employees by nearly two to one odds.¹

Americans spend an inordinate amount of time at work. On average, employees between the ages of 25 and 54 spend 8.8 hours of their days at work; that's more than



they spend on any other daily task, even sleeping (7.7 hours).²

On top of that, 34% of employees work during weekends (31% for single job holders and 67% for multiple job holders).³ Americans dedicate a huge portion of their time working, so being unhappy at work simply doesn't make sense nor - as will become evident in this book - cents.

Immediately following the economic downturn in the last decade, offering a steady paycheck was enough for companies to attract top talent. Today, the tide is changing and companies are beginning to realize the value of human capital and the amount of skill, knowledge and experience that only comes with having long-term employees.

With a new generation of professionals joining the workforce, the standard tradition of lifelong employment with one company no longer holds true. Most Millennials surveyed today expect to stay at their jobs for less than three years and the national average for time spent at a job is only 4.4 years.⁴ That's not nearly enough time to build strong human capital.

Careerbliss.com recently ranked the happiest places to work in America according to the employees. The results may surprise you; a few companies that made the list are the U.S. Department of Defense, General Electric, Allstate, along with trendy tech companies like Google and Apple. This shows that you don't have to be an edgy tech-based business to have happy employees. The scores were tabulated using factors such as work-life balance, coworker relationships, job resources, compensation, opportunities for growth and company culture.⁵

Thankfully, having happy employees is becoming a priority for more companies as they realize the inherent benefits of having an engaged staff. For the purpose of clarity, the definition of employee happiness here is when employees are not only engaged, but also act as brand champions for their company.

What is a brand champion? An individual that acts as the company's ambassador to the rest of the community. They are armed with knowledge of the company's mission and are naturally passionate about its cultural values.

The enthusiasm that brand champions have about their employers is contagious, and this is what makes them an invaluable asset to your company.



Once word gets out that a company's employees love where they work, the the company's reputation will skyrocket, making it easier to recruit and retain top talent and increase overall productivity.

II. WHY EMPLOYEE HAPPINESS MATTERS

The numbers don't lie; lost productivity due to disengaged employees costs the economy over \$300 billion every year. In fact, companies that have unhappy employees have three percent lower earnings per share than the norm.⁶

Nearly 46% of new hires fail within the first 18 months of employment and 89% of those failures are attributed to poor culture fit. This loss ends up costing the company

turnover costs of between 100%-300% of what used to be the employee's base salary.⁷

Most companies today try to assess whether candidates will fit the culture of the company before hiring.

This is not to exclude those who don't "fit in;" it's an attempt to ensure the company will be able to provide the environment the candidate needs for maximal satisfaction.

Some companies believe that happiness doesn't immediately pay the bills and therefore isn't worth investing in. What management must realize is how much a happy employee can net their business. So let's consider the returns that employee happiness brings to businesses that choose to invest in human capital. Companies that have engaged employees outpace their competition by up to 202%. Happy employees have 37% higher sales numbers; are 31% more productive; and clock in with three times the creative thinking than their unhappy counterparts.⁸ Those are numbers that management can't afford to ignore.

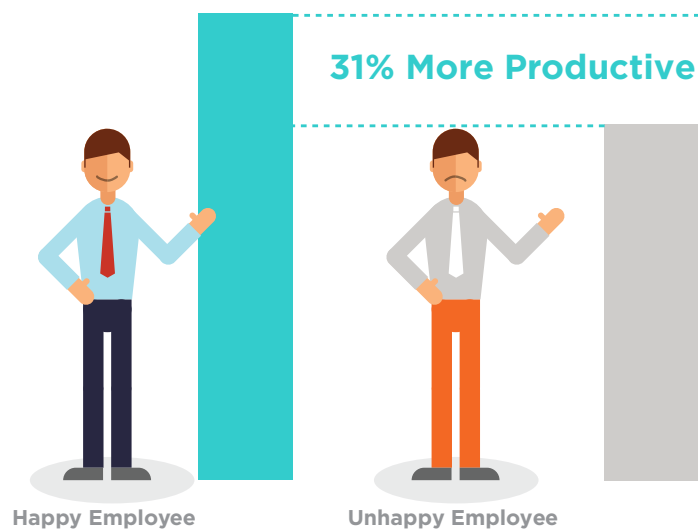
The concept of happiness is far more abstract than the bottom line depicted in quarterly reports. So what are some ways that employees can find happiness at work? What are some ways that businesses can incorporate employee well-being into everyday culture?

III. BASIC TIPS FOR NURTURING A HAPPY WORKFORCE

A. THE COMPANY'S ROLE

The fact is, what makes one person truly happy may produce the opposite response in another. So how can one possibly define happiness for an entire workforce?

Gallup and Healthways partnered to do just that. They have been performing ongoing survey analysis of the important factors for well-being in the workplace for the last several years and have come up with five different areas where employees can find well-being. In fact, it is the standard for government, individuals and companies seeking insight into the overall health of employees.



I. EMPOWER EMPLOYEES WITH A PURPOSE

Most people are driven by purpose. Individuals who wake up every morning feeling like they're on their way to a job with meaning motivates them to produce great work.

There is no better way to give employees a sense of purpose than to empower them in the workplace. This means offering trust, acknowledgment, and listening.

Here are a few simple steps to take to empower employees:

Emphasize Final Goals & Encourage Innovative Thinking: The final outcome is what matters, so offer your employees the freedom to do things their way. List the final goals and trust them to find a creative way to hit them.

Expect Greatness: Don't limit employees with a menial workload. Set ambitious goals and expect top-notch performance. Most times, they will not disappoint.

Stop Hearing and Start Listening: Employees often offer daily bits of feedback - both critical and complimentary - that are incredibly valuable for the company to hear. If employees don't feel heard, their faith in the company drops. An environment in which



employees' requests are processed and responded to - publicly or privately - motivates employees to work hard to make a difference. It shows that upper level management is working hard to affect change in the lives of their staff.

2. BE THEIR PERSONAL CHEERLEADERS

Having managers and coworkers who care about them and their goals means the difference between a happy

employee and a disgruntled loner ticking away the minutes.

Have Their backs: It's easy to follow the, "the customer is always right" mentality, but consider the human capital losses when a company doesn't stand up for its employees. Support the people who will ultimately make them more money as a happy employee.

Try New Things: A company that's hung up on procedure and routine is a breeding ground for employee dissatisfaction. Actively encourage departments to develop new processes and try new methods of accomplishing tasks.

Get Feedback: Make evaluations and reviews an important part of the company's quarterly activities. Ensure that the staff has time to receive feedback from their managers and to offer suggestions to management.

3. OFFER COMPETITIVE COMPENSATION AND BENEFITS

Increasing security and reducing stress by allowing employees to manage their finances responsibly plays a huge role in overall happiness.

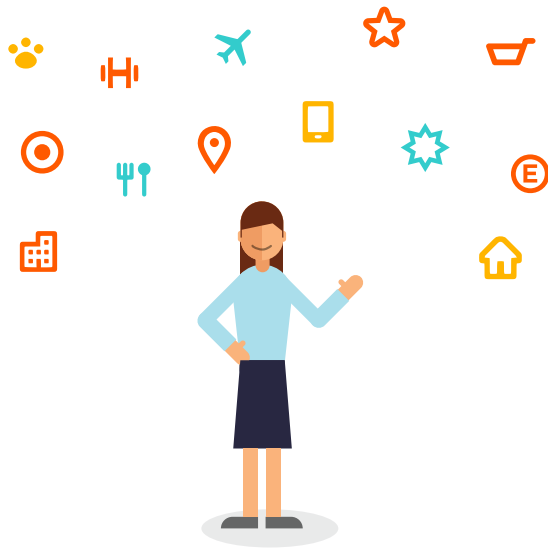
This means paying employees what they're worth. With sites like Glassdoor and Indeed giving job seekers access to salary averages, candidates come to interviews armed with this information.

Always keep in mind that benefit programs go beyond medical and dental insurance. They cover everything from investment opportunities to access to money-saving discounts or even shares of company stock. These types of programs also reward loyalty and build human capital. Many companies have vesting schedules for 401K programs or company share dividends. These programs help employees manage their finances easily and, in return, your company gains loyal brand champions.

Here are other options for additional benefits that a company can offer to employees:

Free Transportation Options: Commuting can be a costly expense for staff members. Start brainstorming ways employees can start saving while traveling.

» Bus or Train Passes: Some cities offer discounted or free bus passes to companies for their employees. Otherwise, consider giving commuters a break and foot the bill for their bus passes.



» Carpool: Simply organizing a schedule for multiple coworkers to commute together saves everyone gas *and* offers them time to get to know one another outside of the office.

Professional Training and Education: Whether it's quarterly training from outside experts or monthly training on new changes to processes or software, offering employees avenues for professional development further engages them with their work resulting in a higher degree of job satisfaction.

Flexible Vacation Policies: Nothing says, "We care about your wellness and happiness" than a vacation

policy that promotes a healthy work-life balance for its employees. This can mean unlimited paid time off, or even offering to pay for employees' trips.

Family-related Benefits: Companies have begun offering on-site childcare services; extending gym memberships to employees' family members; vacation days on parent-teacher conferences days; and more.

4. NURTURE A POSITIVE COMPANY CULTURE

This is where that oft-used term "culture" comes into play. Understanding how company culture can boost employee happiness can be the key driver of employee retention and recruitment at your company.

But it doesn't happen overnight. It takes dedication and focus on the part of the company to ensure that every hire is a personality that will thrive in that environment.

Clarify the company's mission. Set transparent expectations for employees and management by offering clear goals. How can companies begin clarifying and strengthening their corporate culture? Here are some ideas.

Define the Company's Mission, Purpose and Vision:

What is the company doing and for whom (Mission)? Why (Purpose)? What is the ultimate aspiration that drives the company toward its mission (Vision)? Every employee should be familiar with these fundamental elements of the company. Ideally, they will believe in them. If the employees and company's vision don't align, it's time for the company to start at the drawing board.

Emphasize Interoffice Communication: This is best executed from the top down. When management prioritizes clear internal communication, employees follow suit. Before worrying about communication with customers, make sure everyone in the company is on the same page.

Accessible Corporate Structure: Most businesses have a type of corporate hierarchy: C-Suite level executives followed by managers and team leaders. The key is never to give off the impression that upper management is "untouchable," or else rifts develop between within the organization. A positive corporate culture means building a bridge so that employees feel comfortable trusting management with their ideas. Likewise, upper level executives place faith in their employees' abilities to accomplish great things.



New Hires: Beyond assessing a candidate's qualifications on paper, consider how well she or he seems to match up with the company's vision. Is this someone who is likely to be a brand champion for the company? Do their priorities match those of the company and other team members? Some companies hire prospective candidates for a trial period to see if they fit well with the team.⁹

5. ENCOURAGE PHYSICAL WELLNESS

Companies today are realizing the positive effect of employee health on their bottom lines. Healthier

employees mean much better health insurance premiums for the company, but even more importantly, they mean increased productivity across the board.¹⁰

Giving employees access to healthy food options and gym memberships helps increase the physical well-being of staff and their overall happiness.

Gym Memberships: Nothing feels better than free fitness, and by giving employees a membership to a gym they get the opportunity to work out how they want, when they want.

Personal Trainer: Take it a step further and offer employees the ability to set up a certain number of sessions with a personal trainer who will help them develop a workout plan to meet their goals.

Health Coach: Offer something more than just a gym visit. Give employees access to a specialist in holistic wellness and not just physical fitness.

Massages: Having a massage therapist come into the office once a month will send your staff into a state of pure bliss and relaxation. Once relaxed, they're free to focus, unfettered on the tasks at hand.

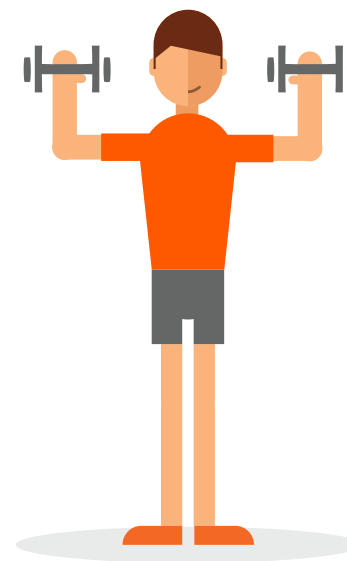
A healthy employee is a happy employee. Several studies have proven the negative effects of inactivity and unhealthy

eating habits on productive behavior and general happiness.

6. PROMOTE A HEALTHY WORK-LIFE BALANCE

Offering employees flexible schedules gives them space to tend to other aspects of their lives. Whether it's taking care of family, taking classes, or doing laundry, knowing your company respects your down-time outside the office is enough to boost employee loyalty. Here are just a few of the ways management can help:

Telecommuting: Yes, working from home means being able to work in pajamas. More importantly, it frees up extra time to manage household tasks that simply can't get done in the evening or on weekends.



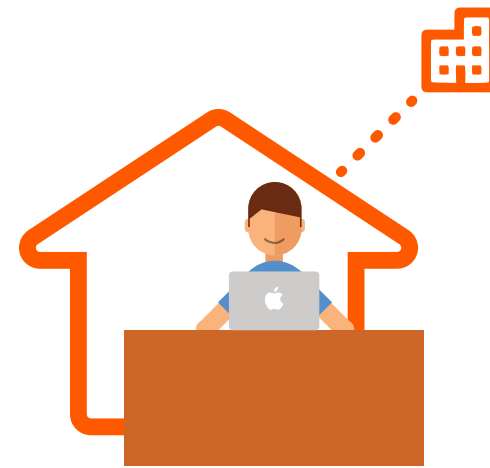
Flexible Work Schedules: Companies can set core business hours – usually 9 a.m. to 3 p.m. – to schedule meetings, phone calls, webinars and presentations. Outside of those hours, consider letting employees come in or leave at their convenience as long as they log eight hours per day.

Compressed Work Weeks: Otherwise known as the “four 10s,” this allows staff members to work four 10-hour days instead of five 8-hour days. This gives employees more time to rest and spend time with friends and family.¹³

B. THREE THINGS EVERY MANAGER SHOULD DO

Keeping a workforce engaged doesn’t have to break the bank. While some companies can afford extravagant perks, a hefty expense account doesn’t always equate to employee happiness.

In fact, most drivers of employee satisfaction exist between the employee and her or his manager. Let’s take a look at some methods of leveraging that relationship for maximal satisfaction.



I. ENGAGE, ENGAGE, ENGAGE

An engaged employee is a productive employee.¹¹ Every company dreams of having an employee who is thoroughly ensconced in their projects and takes personal pride and responsibility in the project’s performance. So how can management inspire their employees to be just that? The answer is quite simple.

Employees report that having good, open relationships with their coworkers and managers greatly increases their engagement.¹² There are several ways to maintain positive relationships between management and the staff.

Give Employees Autonomy: Focus on the larger goals and let them map out their own paths to the finish line. When managers trust their teams, team members learn to work with one another, boost communication levels, and can get work done faster.

Offer Mentorship: Especially for new and rising talent, professional development is considered almost as important - if not more - as compensation and benefits. A manager should always be open to questions and encourage one-on-one time with their team. Establishing a respectful relationship between manager and employee is an effective way to boost retention rates.

Deliver Immediate Feedback: Managers should regularly meet one-on-one with employees to offer and solicit feedback on projects, goals and accomplishments. This helps build an open, honest relationship and makes it easier to gauge the level of employee engagement on their teams.

2. OFFER NEW, EXCITING CHALLENGES

Without any challenges to overcome in their jobs, many employees quickly become disheartened and lose all motivation to continue excelling. Management must challenge employees to take on new types of projects

and solve complex problems on their own. There are easy ways that employees can be challenged without even opening a wallet.

Opportunities to Use and Develop Skills: Because who doesn't like showing off? Take the time to understand the unique strengths and professional aspirations of each team member. Challenge them to utilize their skills to help the team and they will feel a greater purpose in their position.

Clearly Defined Goals: A challenge isn't fun unless there is a clear finish line. What good is difficult work without the catharsis of meeting or exceeding a goal, whether that's a deadline or a sales number?

It's important to set goals that are difficult, but not unattainable. Astute managers quickly realize the difference between pushing hard and pushing too far.

3. REWARD GOOD WORK

Rewards are the final component for management to make employee happiness a part of a company's culture. They are a way to recognize all of the hard work, enthusiasm and positive spirit that teams bring to work. What types of rewards can companies offer their employees to keep them happy and healthy?



Catered Lunches: Have a taco bar or get some sandwiches delivered and gather in the break room or a large conference room. The simple act of getting away from the desk at lunchtime is beneficial to employee productivity and promotes social interactions.

Happy Hours: A happy hour after work every once in a while is a great way for everyone to kick back and let off some steam.

Teambuilding: Take the time to do something truly momentous once in a while. Here are some ways to really have some fun with employees.

» Go-Kart Racing: Not the typical kiddie go-karts, these go up to 50 mph and require full safety gear. This outing is perfect for highly competitive

members of the group with a need for speed.

» Bowling: This is the perfect mixture of sport and socialization. Employees can relax with other coworkers while waiting for their turn and then try to get the best score in the company.

» Indoor Skydiving: Here's another activity to get the blood pumping. It's all of the sensations of flying without the actual falling. Employees are sure to get a kick out of watching management attempt to keep themselves steady.

Performance-Based Rewards: Everyone enjoys being recognized for a job well done. Oftentimes, a pat on the back or a congratulatory email can do the trick, but when employees really go above and beyond, it's important to recognize that achievement.

» Gift Cards: Nothing like treating an employee to the gift of their choice by using a gift card as a reward for excellent performance. Be sure to choose cards that fit with the employee's lifestyle: sporting goods gift cards for an athlete; pampering gift certificates for the employee who deserves some relaxation; or an Amazon gift card when the sky is the limit.

» Gadgets and Toys: Keep the office fun by rewarding teams with cool new gadgets. Go with the ever-popular iPad or iPod or shake things up by purchasing an authentic full-sized Pac Man arcade game for the break room.

Benefits and compensation are the third-most important factor that job seekers consider when looking for a new job, and not much changes once they're employed.¹⁴

Whether it's a handwritten congratulatory note, a donation card to an employee's favorite charity or a company-wide trip to Las Vegas, make sure every employee knows their hard work is appreciated.



IV. Measuring the Impact of Employee Happiness

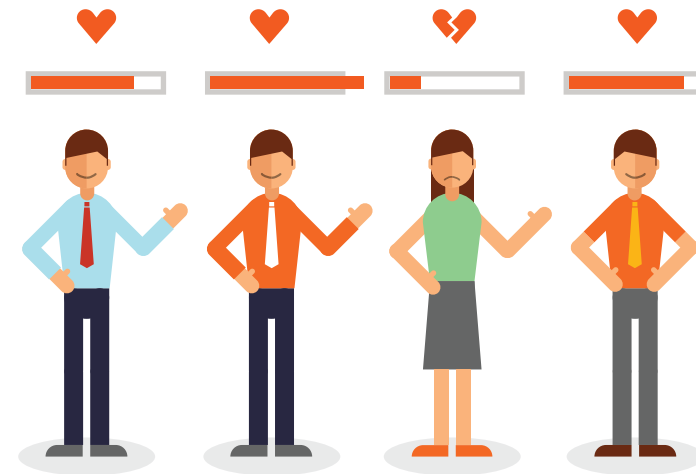
Of course, this being business, companies must find a way to measure their employees' happiness to ensure that they are making the right decisions. One way of measuring happiness that's gaining traction in the corporate world is employee Net Promoter Score (eNPS).¹⁵

The system that produces eNPS polls employees in an ongoing cycle to ensure that their happiness is not waning. Many companies, such as Apple, ask one primary

question: “On a scale of one to 10, how likely is it that you would recommend this company as a place to work?” They follow it up with one more question: “What is the primary reason you gave that score?” The second question enables employers to understand the key themes and drivers of engagement.

Employees are then broken down into three categories depending on their responses: Promoters, Passives and Detractors. The very basic equation that helps companies determine their score is to take the percentage of total respondents who are Promoters and subtract the percentage who are Detractors.

It’s so simple that it’s a wonder businesses haven’t used this as a core of their business model for decades; yet it’s only recently becoming a common tool to measure and improve employee happiness. It has the numbers to back up the hype: companies that are eNPS leaders grow—on average—twice as fast as their competitors.¹⁶



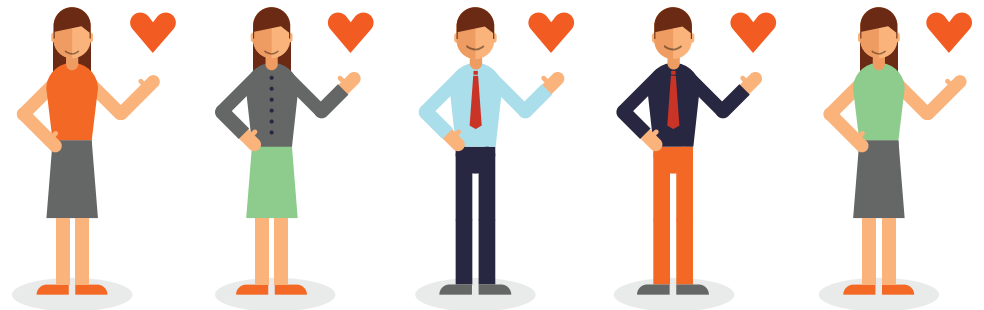
V. CONCLUSION

So is employee happiness really worth it? Absolutely. When one considers the figures regarding how much the economy is losing simply because of unhappy or dissatisfied employees, it can almost come as a shock that so many companies still discard employee happiness.

Remember, over \$300 billion is lost due to employee unhappiness each year. But if management takes the time to make employees happy, companies have the potential to cream the competition by over 200% and see sales numbers that are more than 30% higher than the norm.¹⁷

Plus, happy employees are measurably more productive and three-times more creative in their thought processes than their discouraged, unhappy counterparts.

Now, which employee would you rather have working for you?



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About AnyPerk

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