

# 2016 WELL-BEING & ENGAGEMENT REPORT

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# THE INTERSECTION OF WELL-BEING & ENGAGEMENT

New research from Limeade and Quantum Workplace reveals that individual well-being is related to employee engagement — and how your organization supports well-being is a critical part of the equation.

## HERE'S WHAT THE RESEARCH REVEALED AND WHAT YOU'LL READ IN THIS REPORT:

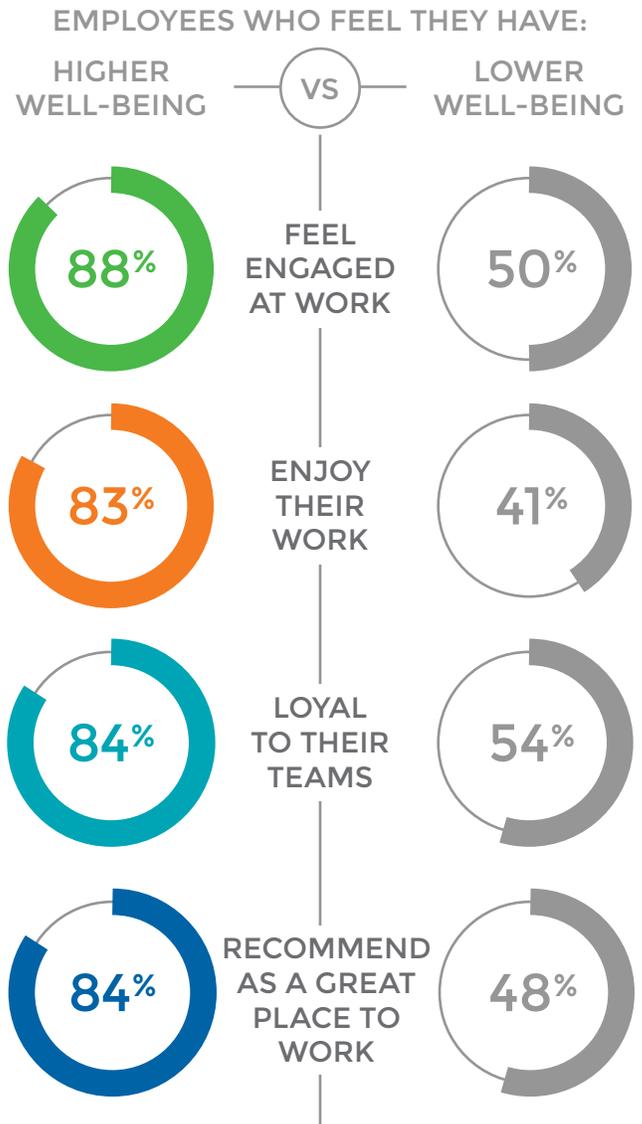
- Well-Being and Engagement Are Related
- Organizational Support Is the Missing Link
- Where Do Employees Find Support Within the Organization?
- Manager Support Matters Most
- What Role Does Culture Play?
- How Does Organizational Support Drive Business Results?
- Be a Great Place to Work

# WHEN YOUR EMPLOYEES FEEL SUPPORTED, ORGANIZATIONS SEE BETTER BUSINESS RESULTS.

The 2016 Well-Being and Engagement Report (building on last year's Workplace Well-Being Report) highlights survey findings from 1,276 employees across 45 U.S. markets:

- When employees feel they have higher well-being, they're more likely to be engaged in their work.
- Employees with higher well-being are more likely to feel supported by their organization.
- The top three ways organizations can inspire well-being improvement:

1. MANAGER SUPPORT
2. WELL-BEING TOOLS & RESOURCES
3. LEADER SUPPORT





## KEY TERMS FROM THE RESEARCH

### CULTURE

The underlying norms, values, and beliefs of an organization that drive employee behavior

### ENGAGEMENT

The strength of the emotional connection employees have with their work, team, company, and higher purpose

### ORGANIZATIONAL SUPPORT

The resources and nudges an organization intentionally provides to encourage well-being improvement

### WELL-BEING

A state of optimal health, happiness, and purpose

### WHOLE-PERSON APPROACH

A holistic, evidence-based perspective that acknowledges the interconnection between seemingly disparate areas of life (e.g., physical health, financial well-being, stress, emotional challenges, and one's life at work)

# WELL-BEING & ENGAGEMENT ARE RELATED

Well-being is a state of optimal health, happiness and purpose. It can be self-reported at an overall level (e.g., “Overall, I have well-being in my life”), or it can be derived by looking at a rich set of statistically valid predictors of well-being in an aggregate index or score (e.g., resilience, exercise, stress, positive relationships, meaning at work, meaning in life, personal growth, nutrition, mindfulness, self-efficacy, etc.).

And now, we have more definitive data to back up the connection between well-being and employee engagement (see previous research by Gallup (2013) and Quantum Workplace/Limeade (2015)<sup>2</sup>): **OF THOSE WITH HIGHER WELL-BEING, 88 PERCENT ARE FAVORABLE ON EMPLOYEE ENGAGEMENT ITEMS. THOSE WITH LOWER WELL-BEING ARE 50 PERCENT FAVORABLE ON EMPLOYEE ENGAGEMENT ITEMS.**<sup>3</sup>

We also found interesting results on specific engagement-related questions between these higher and lower well-being groups.

According to our survey, those who feel they have higher well-being also:

- **ENJOY THEIR WORK MORE:** 83 percent strongly agree vs. 41 percent of employees with lower well-being
- **ARE MORE LOYAL TO THEIR TEAMS:** 84 percent strongly agree vs. 54 percent of employees with lower well-being
- **ARE MORE LIKELY TO RECOMMEND THEIR ORGANIZATION:** as a great place to work. Eighty four percent strongly agree vs. 48 percent of employees with lower well-being
- **ARE LESS LIKELY TO LEAVE:** 91 percent strongly agree that they intend to stay vs. 55 percent of employees with lower well-being

**TAKEAWAY: EMPLOYEES WHO FEEL THEY HAVE HIGHER WELL-BEING IN THEIR LIVES (VS. LOWER WELL-BEING) ALSO PERCEIVE HIGHER LEVELS OF ENGAGEMENT AT WORK.**

# ORGANIZATIONAL SUPPORT FOR WELL-BEING

## THE MISSING LINK: ORGANIZATIONAL SUPPORT

A person's well-being is related to engagement at work. But well-being is not entirely an individual construct — it needs organizational support.

The data shows that employees are more likely to feel higher levels of well-being when they feel higher levels of organizational support. The opposite is true, too — employees are more likely to feel lower levels of well-being when they perceive lower organizational support.

### SEVENTY-TWO PERCENT OF PEOPLE WHO HAVE HIGH WELL-BEING ALSO REPORTED THAT THEY HAD HIGHER ORGANIZATIONAL SUPPORT.

As perceptions of support decreased, so did perceptions of well-being. Only 7 percent of employees with low well-being reported feeling higher organizational support.

Most employees fell into two camps — feeling higher levels of support and higher levels of well-being or feeling lower levels of support and lower well-being — which reinforces the close relationship between the two. It is unlikely that

## OF EMPLOYEES WITH HIGH WELL-BEING:

**72%** REPORTED HIGH ORGANIZATIONAL SUPPORT

**21%** REPORTED MEDIUM ORGANIZATIONAL SUPPORT

**7%** REPORTED LOW ORGANIZATIONAL SUPPORT

people who report having higher well-being in their lives would also say they work for an unsupportive organization (and vice versa).

This research indicates that organizations should provide the policies, visible manager and leadership support, role modeling, encouragement, and norms to fully support well-being improvement.

**TAKEAWAY: WHEN EMPLOYEES BELIEVE THEY HAVE SUPPORT FROM THEIR ORGANIZATION, THEY'RE MORE LIKELY TO HAVE HIGHER WELL-BEING.**

# WHERE DO EMPLOYEES FIND SUPPORT WITHIN THE ORGANIZATION?

Popular wisdom in the corporate wellness market emphasizes the unique and primary power of executive leadership. But most employees said their **IMMEDIATE MANAGERS MATTER MORE THAN THE C-SUITE** for well-being support.

The data show 76 percent agreed that their managers already support their well-being efforts, while 70 percent said their leadership team cares about their well-being.

The physical work environment (59 percent) and social networks (57 percent) in the organization were less important to employee well-being.

But how are these levels of current satisfaction related to overall perceptions of organizational support? Which aspects of organizational support matter the most?

For example, employees rated the physical work environment toward the bottom of the list with 59 percent favorability — but how important is the environment to their overall perceptions of feeling supported? And manager support rated highest — but does it matter more than leadership support when you're trying to improve your well-being?



We dug deeper to understand the relative importance of each of these areas of organizational support.



## MANAGER SUPPORT MATTERS MOST

Employees might believe they receive support from certain areas — but does that mean they're the most important areas?

We tested this idea — and found that **MANAGER SUPPORT WINS OUT AGAIN.**

Below are the most important drivers of organizational support (or in other words, the factors that best explain variability within overall organizational support):

1. Manager support
2. Well-being tools and resources that make well-being come to life
3. Leadership support

Leaders play a big role in organizational support for well-being, but other factors matter more. In fact, well-being tools and resources (things like wellness technology and goal-tracking programs) ranked second-highest — but only 68 percent of employees feel like they get this kind of support.

# WHAT ROLE DOES CULTURE PLAY IN ORGANIZATIONAL SUPPORT?

We can't talk about organizational support without having a deeper conversation about corporate culture. The culture of the organization impacts everything that happens. It sets the tone for how employees behave and for what's acceptable in the workplace.

Organizations need to understand cultural strengths and obstacles to well-being improvement, and they need an intentional culture built around attributes where well-being and engagement can thrive. Cultural attributes (like flexibility and transparency) can inhibit or solidify an employee's ability to feel support from the organization.

According to the report research, organizations that support well-being tend to have cultures that:

- Are **TRUSTWORTHY** (and trust their employees)
- Value the **WHOLE PERSON**
- Invest in employees with **WELL-BEING TOOLS AND RESOURCES**



**THROUGH 10 SURVEY QUESTIONS, WE DETERMINED THE CULTURAL ATTRIBUTES THAT SUPPORT WELL-BEING IMPROVEMENT\***

To what extent would you describe your organization as...	Our culture supports my health and well-being.	Overall, my organization supports me in living a healthier life.
...one that values the whole employee (acknowledging the broader needs, interests, and issues employees face inside and outside of work)? [Q8]	20%	14%
...trustworthy? [Q2]	16%	11%
...one that invests in its employees? [Q9]	12%	13%
...one that trusts employees? [Q1]	10%	11%
...transparent? [Q3]	7%	7%
...resilient? [Q4]	7%	7%
...optimistic? [Q5]	7%	8%
...flexible? [Q6]	7%	10%
...one that focuses on learning and development? [Q7]	7%	8%
...one that has a long-term focus (not just focused on short-term goals)? [Q10]	7%	10%

*\*These 10 cultural attributes were part of two regression models using relative weights analysis. The first model used these 10 attributes to explain the variance in "Our culture supports my health and well-being"; the second model used these same attributes to explain the variance in "Overall, my organization supports me in living a healthier life." The percentages represent the relative percentages that each attribute explains out of 100% of the variance for each of these two outcome items.*



These are the four cultural attributes that matter most in driving a culture that supports well-being:

**20%** **VALUE THE WHOLE PERSON**  
(physical, emotional, financial and work well-being)

**16%** **TRUSTWORTHY**

**12%** **INVEST IN THEIR EMPLOYEES**  
with well-being tools & resources

**10%** **TRUST THEIR EMPLOYEES**

It's noteworthy that trust appears twice in this list, which shows that well-being improvement involves buy-in from both the organization and the employee. In many ways, this should be obvious — trust is a two-way street. Employees need to know they won't be punished if they take care of important personal priorities at work and that the organization has their best interests in mind. And employers need to know their staff won't take advantage of flexible well-being policies.

**TAKEAWAY: THE BEST WELL-BEING CULTURES INSPIRE WHOLE-PERSON IMPROVEMENT, ARE TRUSTWORTHY AND TRUSTING, AND INVEST IN EMPLOYEE WELL-BEING WITH TOOLS AND RESOURCES.**

# HOW DOES ORGANIZATIONAL SUPPORT DRIVE BUSINESS RESULTS?

You've heard it before: It's more expensive to replace an employee than to retain one. A 2015 study states that costs associated with a person leaving unexpectedly are usually 2.5 times greater than that person's salary.<sup>6</sup>

So why not invest those dollars back in the people who already work for you to help retain them?

Employees who feel they have higher well-being *and* who feel they have higher organizational support are more likely to want to stay in an organization (compared to those with lower well-being and low organizational support).

About 98 percent of those who feel they have higher well-being *and* higher organizational support answered favorably to the statement, "I would like to be working at this organization one year from now." That number dropped to approximately 79 percent for people who feel they have lower well-being and lower organizational support.

The gap between the two groups widened when employees were asked to consider what it would take to leave their current company.

## I WOULD LIKE TO BE WORKING AT THIS ORGANIZATION ONE YEAR FROM NOW.

% FAV = AGREE + STRONGLY AGREE

	LOW WELL-BEING	HIGH WELL-BEING
LOW ORG SUPPORT	78.6% FAV (N=173)	95.7% FAV (N=23)
HIGH ORG SUPPORT	93.6% FAV (N=15)	98.2% FAV (N=218)

## IT WOULD TAKE A LOT TO GET ME TO LEAVE THIS ORGANIZATION.

% FAV = AGREE + STRONGLY AGREE

	LOW WELL-BEING	HIGH WELL-BEING
LOW ORG SUPPORT	59.7% FAV (N=226)	73.4% FAV (N=30)
HIGH ORG SUPPORT	86.9% FAV (N=23)	96.2% FAV (N=316)

**TAKEAWAY: HEALTHY, HAPPY, HIGH-PERFORMING EMPLOYEES WHO FEEL HIGHER ORGANIZATIONAL SUPPORT ARE MORE LIKELY TO STAY PUT.**

# BE A GREAT PLACE TO WORK

The research shows 99 percent of employees who feel they have higher well-being and organizational support recommend their company as a great place to work.

## I RECOMMEND THIS ORGANIZATION AS A GREAT PLACE TO WORK.

	LOW WELL-BEING	HIGH WELL-BEING
LOW ORG SUPPORT	65.1% FAV (N=172)	91.3% FAV (N=23)
HIGH ORG SUPPORT	93.3% FAV (N=15)	99.0% FAV (N=218)

If a company wants to be a great place to work, it should focus on employee well-being. Well-being is tied to engagement at work — and it isn't just personal. It relies on a commitment from the organization to support well-being through these key factors:

- Manager support
- Well-being tools and resources
- Leadership support
- An intentional culture that supports well-being



# ABOUT THE 2016 WELL-BEING AND ENGAGEMENT REPORT

Limeade and Quantum Workplace designed a survey to capture employee perceptions on workplace engagement, well-being and organizational support, then collected self-reported data from 1,276 employees across 45 U.S. markets between March 30 – April 12, 2016. All survey respondents volunteered to participate through Quantum Workplace's Best Places to Work program.

## ABOUT QUANTUM WORKPLACE

Quantum Workplace is an employee feedback software company that helps organizations retain top talent, motivate performance, understand turnover, and build magnetic cultures. Serving 8,700+ organizations annually, the company's all-in-one platform powers the entire employee experience with employee surveys, peer-to-peer recognition, goal management, 360 feedback, and performance conversations. As the survey partner for America's Best Places to Work, Quantum Workplace has honored top workplaces for more than a decade. Above all, Quantum Workplace is passionate about making work better every day. For more information, visit [quantumworkplace.com](http://quantumworkplace.com).

## ABOUT LIMEADE

Limeade is a corporate wellness technology company that drives real employee engagement. The Limeade Institute, led by managing director Laura Hamill, Ph.D., conducts evidence-based research to help employers create a better employee experience and improve well-being in the world. Learn more at [limeade.com](http://limeade.com).

## SOURCES

<sup>1</sup> Higher well-being, higher organizational support group n = 271

<sup>2</sup> Quantum Workplace and Limeade. (2015) Workplace Well-Being: Provide Meaningful Benefits to Energize Employee Health, Engagement, and Performance. Gallup. (2013) The American Workplace: Employee Engagement Insights for U.S. Business Leaders. Gallup. <http://www.gallup.com/services/178514/state-american-workplace.aspx>

<sup>3</sup> Group sizes for the above finding: higher well-being n = 440; lower well-being n = 311; one-way analysis of variance, indicated significant differences in engagement between groups; higher and lower well-being groups were defined based on responses to the item "Overall, I have well-being in my life." Because responses were quite favorable overall with a small number of respondents disagreeing to this item, we created two groups to compare — a higher well-being group and a lower well-being group. The higher well-being group was composed of respondents who answered "strongly agree" to this item. The lower well-being group was composed of respondents who answered neutrally to negatively to this item. Those who answered "agree" to this item were considered the mid-point.

<sup>4</sup> These numbers are based on looking at the responses to the following questions:

1. I enjoy doing my work (lower well-being n = 232; higher well-being n = 305)
  2. I would like to be working at this organization one year from today (lower well-being n = 232; higher well-being n = 304)
  3. I feel loyal to my immediate team or work group (lower well-being n = 232; higher well-being n = 305)
  4. I recommend this organization as a great place to work (lower well-being n = 231; higher well-being n = 305)
- One-way analysis of variance indicated significant differences between these two groups on all four questions.

<sup>5</sup> Employees selected ratings based on how they would describe their organization. We then asked them two questions about overall culture and to determine which cultural attributes were predisposed to support employee well-being.

<sup>6</sup> Haider, M., et al. "The impact of human resource practices on employee retention in the telecom sector." International Journal of Economics and Financial Issues Vol 5 Special Issue (2015): n. pag. Web. 22 July, 2016.