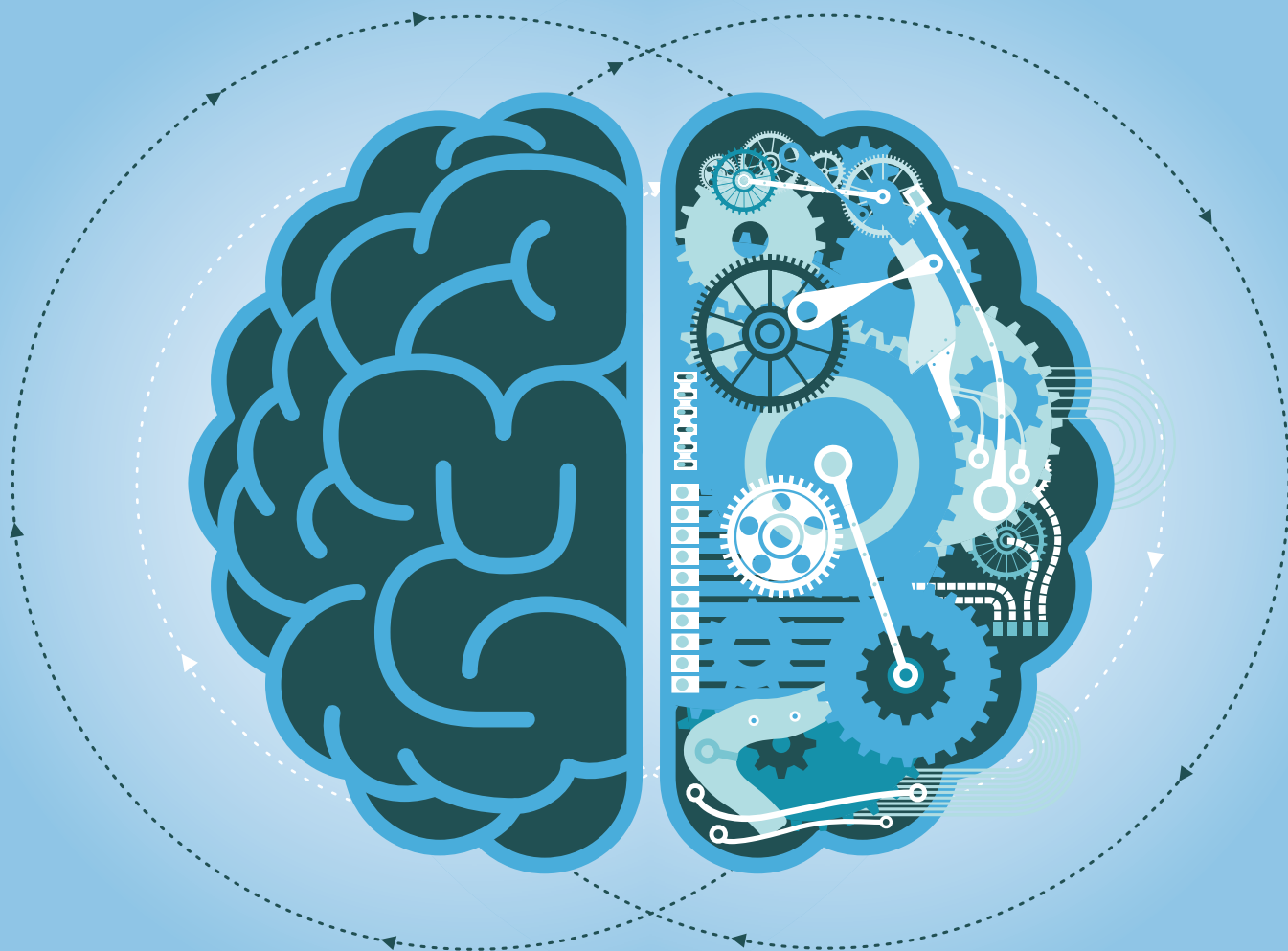


# A Rested Worker is a Productive Worker



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# A Rested Worker is a Productive Worker

How focusing on employee wellbeing promotes creativity, innovation, engagement and a more productive and contented employee

When is the last time in work you sat back and thought ... really thought?

What is the longest you have gone without looking at your email?

In the last 24 hours, how many times have you checked your Facebook page, searched online for something to buy, watched a YouTube video, sent a text message?

Yes, we're suffering from information overload. We are always 'on'. According to Dan Rose of Facebook, by using multiple screens, we are now consuming seven hours of content in five hours.

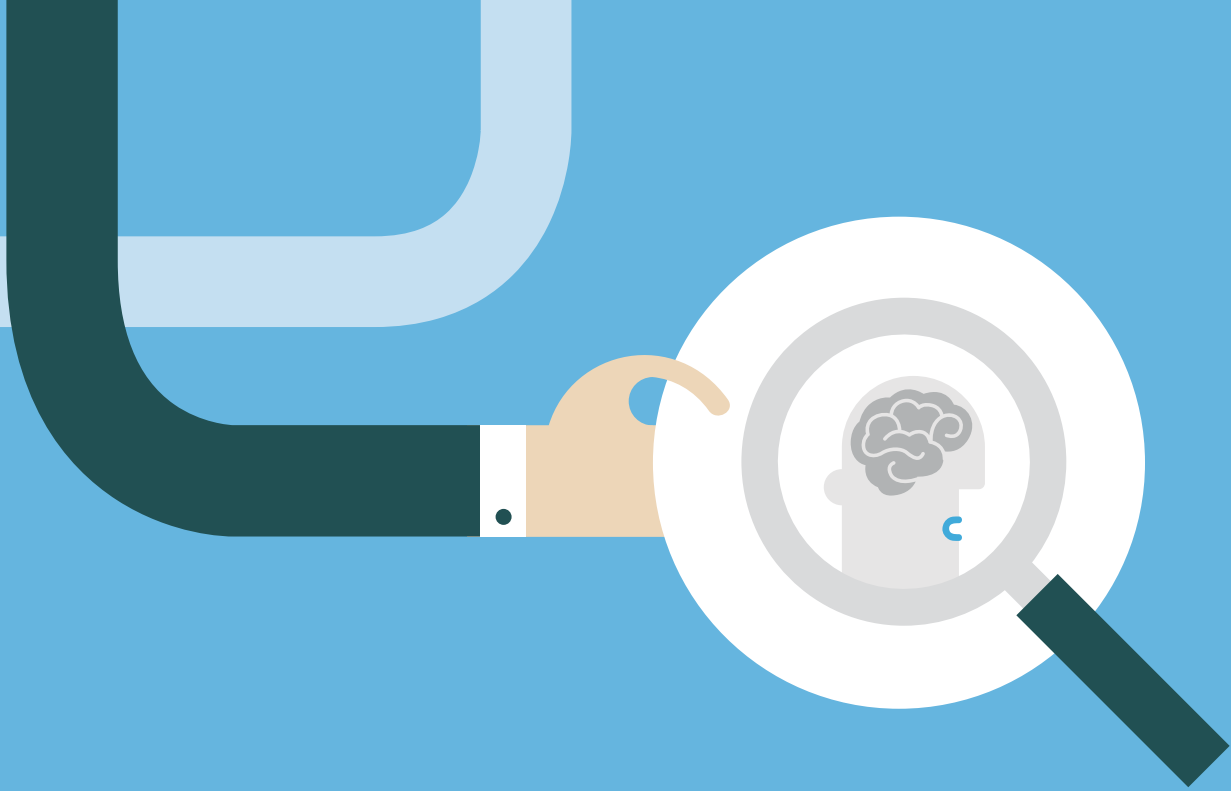
Once upon a time, the only way someone could get to you was to ring your landline and, if you were out, that was it, they would have to try again later.

Words we sometimes associate with work are stress, drudgery and daily grind. To those we can add, more than ever, multitasking and hyper-stress.

This paper highlights the increasing challenge of workers who spend so much time working and so little time switching off, that they can end up stressed, exhausted, disengaged and uncreative.

Innovation is at the centre of many companies' business strategies. Innovation and creativity are unique productivity assets. At a time when the marketplace is constantly being disrupted, we need to remember that companies don't innovate, people do.

In an economic climate where the next market-changing business is just around the corner, companies need to take care of their main competitive asset: their people, their talent.



## Why is there an increased focus on worker wellbeing?

The World Health Organisation defines employee wellbeing as a state in which the individual realises their own potential, can deal with everyday stress, and is able to work productively.

Many companies make the mistake of putting all the focus on employee's physical wellbeing. But worker wellness encompasses a lot more than health:

- It means having a sense of purpose and liking what you do every day so that you are motivated to achieve your goals.
- It means feeling supported in your day-to-day tasks and having solid workplace relationships.
- It means financial security.
- And yes, of course, it also means having solid physical health and being able to carry out your tasks each day.

Employees who experience all of the above report fewer sick days, bounce back quicker after an illness, and are less likely to look for a new job than employees whose physical wellbeing is the only element taken care of.

Research has shown direct links between worker wellbeing and increased productivity, innovation and engagement. Engaged employees also experience greater wellbeing across other areas of their lives.

## What are the challenges?

A company's competitive advantage lies with its people. Skills shortages, low retention rates and low engagement are putting pressure on companies to examine how they manage their people.

### Shrinking talent pool

Europe is facing an increasingly greying population. The population in most European countries will decline in the next generation.

The German Federal Statistical Office expects that by 2060 the country's population will have shrunk by up to one-fifth, and the number of working people will fall to 36 million – from 50 million in 2009.

In advanced industrial economies, the birth rate is below 2.1 – the required number of births to keep the population growing. This means that organisations are going to find it harder and harder to fill positions. McKinsey has predicted that employers in advanced economies will face a shortfall of 16m-18m college-educated workers by 2020.

### High staff turnover

It is no longer the case that employees have a 'job for life'. Now the average tenure is under five years, and for millennials, it's just three.

It can cost an organisation twice an employee's salary to find and train a replacement, so companies are having to work twice as hard to keep their staff.

According to Deloitte's Human Capital Trends report 2014, 50% of respondents believed that engagement and retention issues were 'very important', nearly double the proportion in the previous year's survey. These issues have fast become the number 1 challenge for companies worldwide.

### Low engagement

According to a recent Gallup poll, less than 15% of the global workforce is engaged in their work.

The period following the global economic crash altered the fundamental relationship between workers and their employment. Workplace happiness slumped during this time, and has barely recovered since.

Companies are losing their best people because they are not keeping them engaged.

According to the 2014 Kelly Services' *Global Workforce Index*,<sup>1</sup> nearly half of all global employees are unhappy in their jobs. Workers are less engaged, less happy, less optimistic about their career advancement. Nearly half the workforce would not recommend their company to their peers. Companies are losing their best people because they are not keeping them engaged.

Engagement is particularly important for worker wellbeing. Those who are engaged are better equipped to handle stress, are less likely to leave, and are more creative and fulfilled. Companies with high employee engagement have 3.9 times the earnings per share that their competitors have.<sup>2</sup>

## Work as a thing you do, not a place you go to

The workspace – where, when and how we work is rapidly changing, and will be subject to radical transformation in the coming years. These changes are having a profound effect on worker wellbeing.

To inspire innovation and creativity, it is vital that companies take care of their workers and ensure that the changing way we work does not undermine engagement and creativity.



<sup>1</sup> An annual survey of nearly 230,000 respondents across 31 countries.

<sup>2</sup> Gallup poll.

### Flexible working

Increased connectivity is allowing many people to work wherever and whenever they like. This can give workers the freedom to think and work in ways that are more productive than the traditional 9-5 office work.

Remote working allows for better work-life balance, but it is also ushering in a new challenge – the online/offline balance. Now work can invade the home, so that, whether in our kitchen, at the dinner table or in front of the TV, people find it hard to switch off.

Marissa Mayer, CEO of Yahoo, famously banned remote working for all employees, believing that staff needed to be beside each other to collaborate more effectively. A study by sociologist TJ Allen found that, once employees are 200 feet away from each other, the extent of their communication and collaboration fell to almost zero.

Mayer's decision remains controversial, but many companies are focusing on ensuring close interaction between all members of the organisation. Pixar, LinkedIn and Airbnb are examples of companies looking to create novel office layouts to encourage innovation and creativity.

### Connectivity and stress

Increased connectivity gives with one hand but takes away with the other. Four out of five employees respond to emails even when their 'out of office' reply is on.<sup>3</sup>

Such behaviour is making employees more susceptible to stress and burnout.

Employees who say their employer expects them to check emails outside of normal working hours report stress 19% more frequently than those whose employer doesn't expect it.

### Presenteeism not productivity

Presenteeism refers to the workplace culture where employees feel pressured to be present in the office when they could be more productive elsewhere.

Companies with high employee engagement have 3.9 times the earnings per share that their competitors have.

One-third of employers cite presenteeism as a key health concern.<sup>4</sup> But company culture is still focused on hours worked versus the work produced. Staying later than everyone else is generally taken to mean that the employee is dedicated and engaged.

However, such a lifestyle, maintained on a continual basis, undermines workers' ability to effectively carry out their tasks at 100%. This culture brings with it a multitude of problems, from high stress to demotivation.

We are working longer hours than ever before. Our workload is increasing, and the information we have to absorb is multiplying. Staff are having to work increased hours to cope with all this.

A total of 70% of Irish professionals work longer hours than contracted, while two-thirds feel obliged to do so, with few benefits.

Downtime is often seen as wasted time. Many people neglect breaks, and even sickdays, to get through the workload. Lunch at the desk has become commonplace.

### The story of the unfortunate locksmith who mastered his craft

A locksmith would take hours to work on a project during his apprenticeship. His customers would see him pouring his heart and soul working into opening a lock and many would tip him for the hard work.

The locksmith became exceptional at his job, being able to master a lock in record time.

### Why the tips dried up

As he got quicker, the tips stopped and customers got annoyed. Even though he got them back into their house in record time, they felt they were paying too much, given how little time it took him.

The perception was that the locksmith was not working hard. But he had achieved mastery.

In other words, don't be fooled by the effort trap. Economic value lies not in the work itself, but in the product of the work.



<sup>3</sup> Survey by ZixCorp.

<sup>4</sup> Aviva Workplace Health Index.

# Why worker wellbeing is good for business

## It's good for innovation

In a recent PwC study, 97% of CEOs said one of their biggest challenges was innovation. Rita Gunther McGrath, author of *The End of Competitive Advantage*, argues that competitive advantages that once lasted forty years now only last five.

To innovate, companies need to prioritise worker wellbeing so that they get the best out of their best people.

Writing about Charles Darwin and his theory of evolution, Dr Leon Megginson stated: "It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change." This applies to modern day business more than ever.

Companies need to adapt and innovate if they want to survive. To innovate, they need to prioritise worker wellbeing so that they get the best out of their best people.

In 2011 organisational psychologist Matthew Davis reviewed more than a hundred studies about the office environment. He found that, though open plan fostered a sense of organisational mission, it also reduced people's attention span, productivity and creative thinking.

Ask people where they get their best ideas. They may mention in the shower, when driving, out walking or on holidays. They rarely say the office. Why? Because in the office there are myriad distractions: noisy co-workers, the ceaseless ping of emails, impromptu meetings, and so on.

And that's not to mention the stress, sleep deprivation and other work related issues that many workers face.

## It's good for engagement

There is a clear link between worker wellbeing and engagement, according to Gallup research.

Employees who are engaged at work are almost three times as likely to be enthusiastic, cheerful, optimistic, calm and relaxed at work.

If one in four of your computers had a virus, it would be a top priority for the IT department. However the same importance does not seem to be paid to the damage a disengaged employee can cause throughout an organisation.

Wellbeing is contagious. Staff who are not happy affect those they work with. According to Gallup research, individuals with thriving wellbeing were 20% more likely to have thriving team members six months later.

## Engaged employees take fewer absence days – over 50% less than a disengaged worker

Management in particular has a major impact on the wellbeing of those reporting directly to them. For team morale and collaboration, it's important to ensure your managers are responsive across the organisation.

Marks & Spencer believe that wellbeing is at the heart of worker engagement. They've built a committed workforce through an employee wellbeing programme focusing on physical, social and mental health.



## It's good for productivity

Good psychological wellbeing leads to more commitment and morale, which in turn leads to improvements in company performance indicators such as productivity and customer satisfaction, and lower staff turnover and sick days.

High turnover is costly. Replacing leavers can cost up to 200% of the departing employee's salary. Engaged employees also take fewer absence days – over 50% less than a disengaged worker.

A company is more productive when it looks after its talent.

## It's good for time management

Over 70% of Irish employees work longer than their contracted hours. Add in an inability to switch off after finally pushing in the office chair for the evening, and you have the perfect recipe for burnout.

The research is piled high to support the argument that long hours backfire.

A 2014 study by Dr John Pencavel of Stanford University found that factory output at 70 hours of work differed little from output at 56 hours. That extra 14 hours was a waste of time.

This indicates that reducing working hours can actually improve productivity.

In service sector professions, the results are likely to be even more pronounced. If your work is largely self-directed and requires intellectual engagement, you will achieve more in an hour of hard work than in a day's worth of unfocused work.

Where creativity is concerned, it's not the time required to create that matters, but the quality of the results.



## Burnout is not good for business.

Working consistently long hours can be counter-productive. Helping your employees to manage stress, make the most of their time at work and work smarter, not harder, will bring numerous benefits.

Companies need to implement preventative strategies to counteract this culture of long hours and burnout.

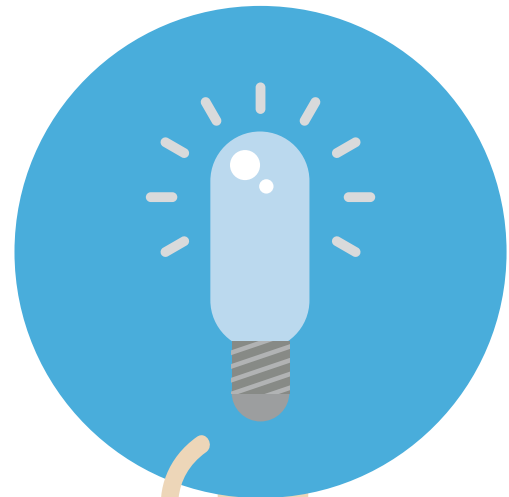
Look at your culture to see who is more respected: the person working every hour of the day, or the one who gets the most done regardless of where and when they work.

## Why emptying your mind now and again is good for you... and your work

Volkswagen in Germany famously announced that it turns off access to email thirty minutes after shifts end, and turns it on thirty minutes before the work day starts.

Daimler sends a "this email will be destroyed" response to those who send emails to employees who are on holiday.

The importance of letting employees enjoy their holiday (and not return to an overflowing inbox) is highlighted by neuroscientist David Levitin who stresses that, in addition to occasional naps and daydreaming, taking "true vacations without work" is essential for optimum mental functioning.





### Rebooting the brain

Research has shown that long vacations reboot cognitive energy. The brain is like a muscle: repeated stress exhausts it.

Accountancy firm EY found, through year-end reviews, that their employees scored 8% better for each additional 10 hours of vacation time they had taken during the year.

Technology is changing how we think and relate to the world. Even the leaders behind our technological advances recognise the drawbacks of being hyper-connected. Ariana Huffington regularly turns off her phone for an hour. Twitter's VP of Data Strategy – Chris Moody leaves his phone behind when he snowboards.

### Give yourself a break ...

It's also important to take frequent breaks. It's good for productivity, focus and creativity.

The Draugiem Group, using the time-tracking productivity app DeskTime, investigated what habits set their most productive employees apart. What they found was that the 10% of employees with the highest productivity did not put in longer hours. Indeed, they didn't even work full eight hour days. What they did do was take regular breaks: an average of a 17 minute break for every 52 minutes of work.

During those breaks, they did not check their email, or watch YouTube. They took a walk, chatted with co-workers (not about work), or read a book.

The Dutch have found that offering employees flexible work schedules makes them more productive.

### Reduce the work week, increase productivity

A radical solution – introducing a shorter work week – has been proposed as a solution. For example, Sweden, a country famous for its work-life balance, is trialling the six hour working day so as to increase productivity.

The Netherlands has made flexible and part-time working a key priority. It has become a powerful tool to attract and retain talent in the competitive Dutch labour market. One in three men is now either working part-time or squeezing a full-time job into four days.

Germany and France both have a 35-hour working week, and above-average GDP. Both countries encourage fewer work hours and more rest and they reap the rewards in terms of productivity.

According to OECD data<sup>5</sup>, the most productive country in the world is Germany, followed by France. The USA comes third.

Researchers have been saying for years: our brains are not designed to focus for eight full hours a day.



<sup>5</sup> Put together by collaboration tech company Pgi in 2014: <http://blog.pgi.com/2014/07/winding-work-week-infographic/>

# Conclusion

Yes, of course, there is nothing wrong with working long hours, if it's on something that rewards and engages you, or if you're working on a specific project.

Working long hours and sacrificing your personal life is expected when starting a business. Working long hours can be gratifying when done for the right reasons. Intrinsic motivation is a powerful force and is often underestimated in business.

However, working without let-up for too long can jeopardise both health and the business itself. The evidence is overwhelming that exhausted, burnt-out employees who work overly long hours are less productive, less creative, and much more likely to quit or be fired.

Rested workers are more engaged, creative and productive.

It is also indisputable that a rested worker is a more engaged worker, who will feel more positive about the organisation he or she works for. Having engaged and positive brand ambassadors will not only improve your brand but also your ability to attract the best people.

The bottom line is: focusing on your workers' wellbeing is good for your business.

How then do you ensure that, in your organisation, work is defined by challenge, meaningfulness, fun and passion?

Focus less on the hours being put in by your workforce, and more on excellent work and great ideas. One great idea might well revolutionise your business.

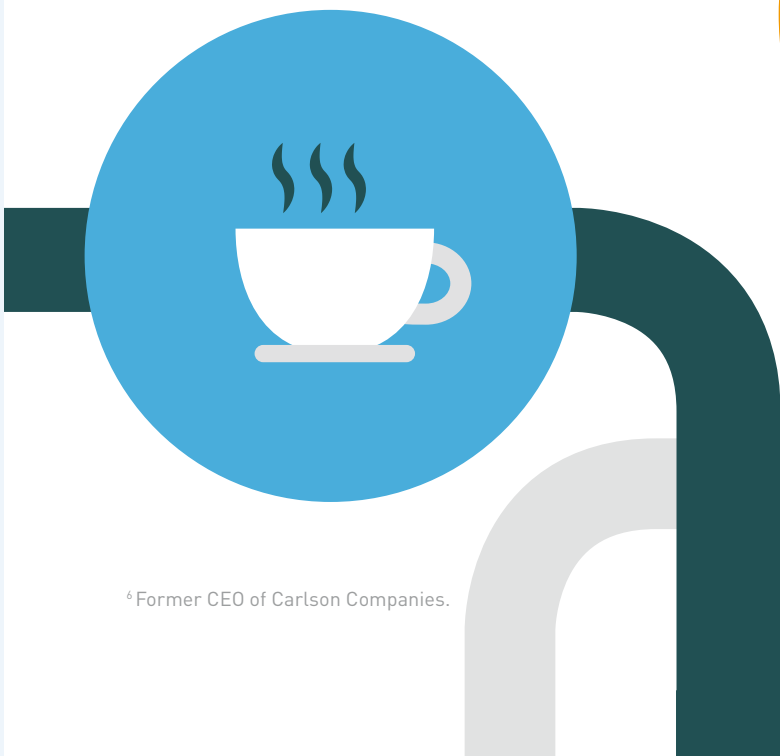
Give people time to think, let them take their holidays and their breaks, encourage them to disconnect when away from work.

Develop a highly motivated and positive workforce who are enthusiastic about achieving their and your goals.

In the past, if you put an emphasis on company culture, you were often seen as being 'soft' in a 'dog eat dog' world. Nowadays, smart employers are creating the kind of culture that Marilyn Carlson<sup>6</sup> referred to when she said that high-performing companies should strive to create:

"a great place for great people to do great work".

<sup>6</sup> Former CEO of Carlson Companies.



# Six ways to improve the wellbeing of your employees

1

Lead by example. If you're sending emails at 11pm at night, your employees may well feel that they're expected to do the same.

2

Understand that being busy all the time reduces the amount of time available to think. Focus needs a rested mind. Creativity requires time out. So ensure that managers in particular have time to think, not just do.

3

Worry less about where employees are. A great employee can work from anywhere, while a disengaged employee can pretend to work while right under your nose in the office.

4

Shorten meetings and ban laptop and phone surfing during meetings. This can turn a 60-minute meeting into a 20-minute one at which everyone's focused on one thing rather than trying to do three things at once.

5

Value the work done and not the time it took to do it. Let people leave guilt-free when they want. Focus on productivity not presenteeism.

6

Use online tools such as RescueTime and DeskTime to monitor how long staff spend on email and other tools, so you can support them to improve their productivity.

