

The background features a dark blue field with a white grid. Overlaid on this are various white line-art elements: several interlocking gears of different sizes, some circles, and a jagged, step-like line that resembles a line graph or a stylized mountain range. The overall aesthetic is technical and analytical.

ANALYTICS OF WELL-BEING

HOW WELL-BEING IMPACTS CULTURE AND PERFORMANCE

PURPOSE

How do we quantify well-being in the workplace and measure its impact on culture and performance?


This is the purpose of the E-Book.

As leaders, we know the well-being of our workforce matters. We know from experience the stress and anxiety members of our workforce face at work and at home create distractions and disruptions that impact their performance at work.

We also know the well-being of a workforce impacts our organization's culture, which impacts recruitment, retention, productivity, and morale.

Although we know this, a simple and effective way to quantify the well-being of an organization's workforce is lacking within many organizations.

During the course of this e-book, we will fill in the missing pieces. We will summarize our research-based methodology that empowers leaders with the ability to measure and monitor the well-being of their workforce and identify direct actions leaders can take to move the needle on their well-being and culture in 30 days.



Why is Well-Being Important?

WHY IS WELL-BEING IMPORTANT

Before quantifying well-being, we must first define well-being as it relates to the workplace, culture, and corporate or organizational performance.

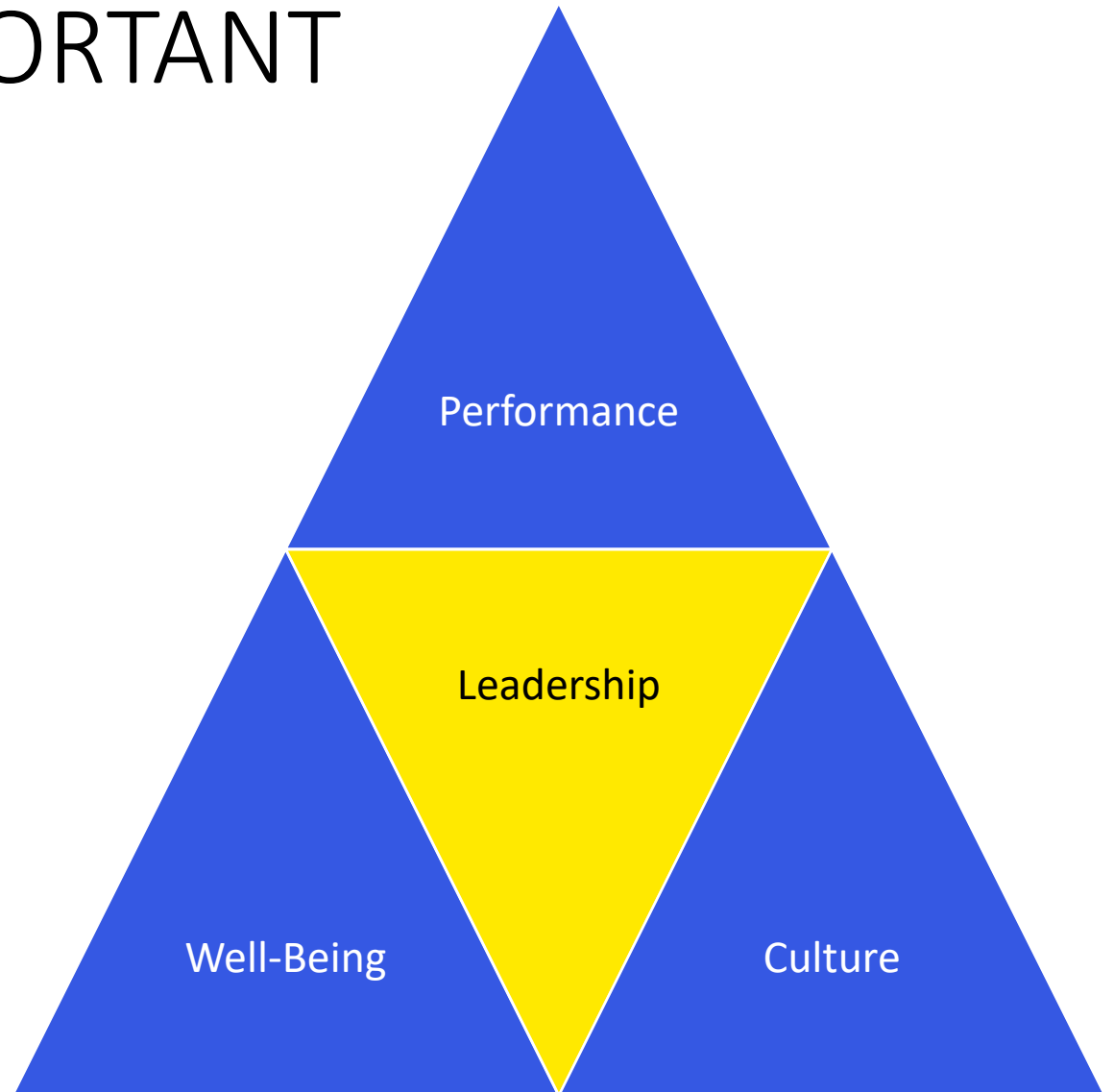
In order to help visualize how well-being impacts corporate or organizational performance, I like to use the Performance Pyramid. The Performance Pyramid is a simple model that addresses the question...

“What drives or supports performance within an organization?”

What I like about this model is it depicts performance as fully supported by an organization’s leadership. I personally believe this to be true.

Leaders set the organization’s vision, create the strategy to achieve the vision, define the objectives and tasks necessary to execute the strategy, assign the organization’s workforce to the objectives and tasks, and manage the workforce’s performance.

The simple reality is leaders carry the burden of driving organizational or corporate performance.



WHY IS WELL-BEING IMPORTANT

Bearing the burden of performance is a challenge for leaders because leaders are in an easily unbalanced position.

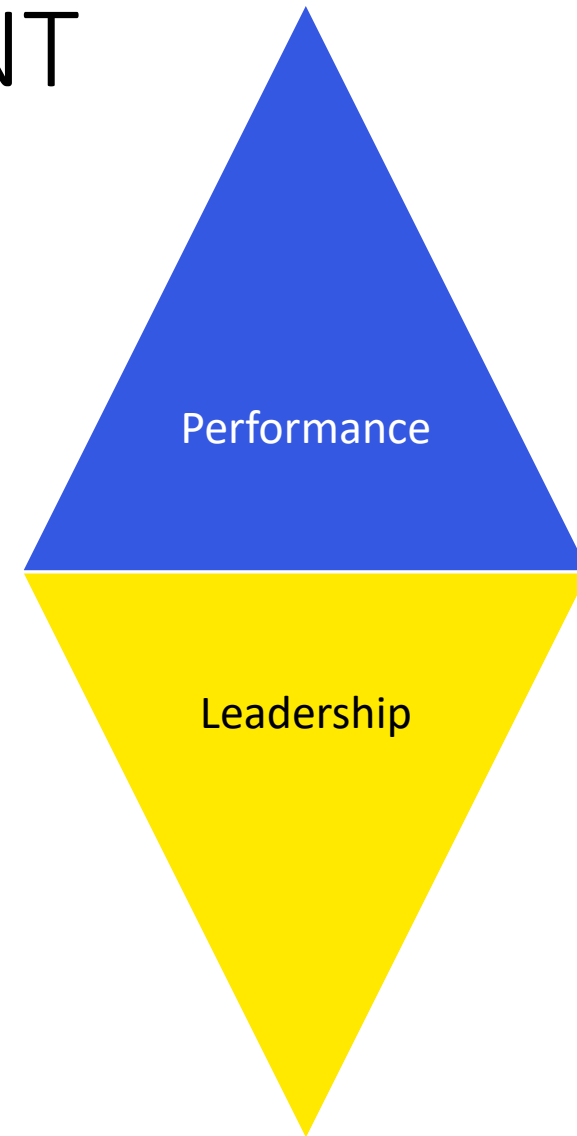
Now, what I like most about the Performance Pyramid is it depicts the precarious position leaders find themselves in everyday without the support of culture and well-being. I believe this point is often overlooked.

When you look at the Performance Pyramid and isolate just leadership and performance, you find leadership is balanced on a single point. To sustain performance, the Performance Pyramid highlights the fact leaders must maintain perfect balance or risk disrupting performance.

This, of course, is nearly impossible to sustain. There are simply too many variables for leaders to anticipate and overcome.

- Economic disruptions
- Industry disruptions
- Technology advancements
- Pandemic out-breaks

These are just a few of the factors that can upset the balance and impair performance.



WHY IS WELL-BEING IMPORTANT

Culture and Well-Being help overcome market disruptions and sustain performance by supporting organizational leaders.

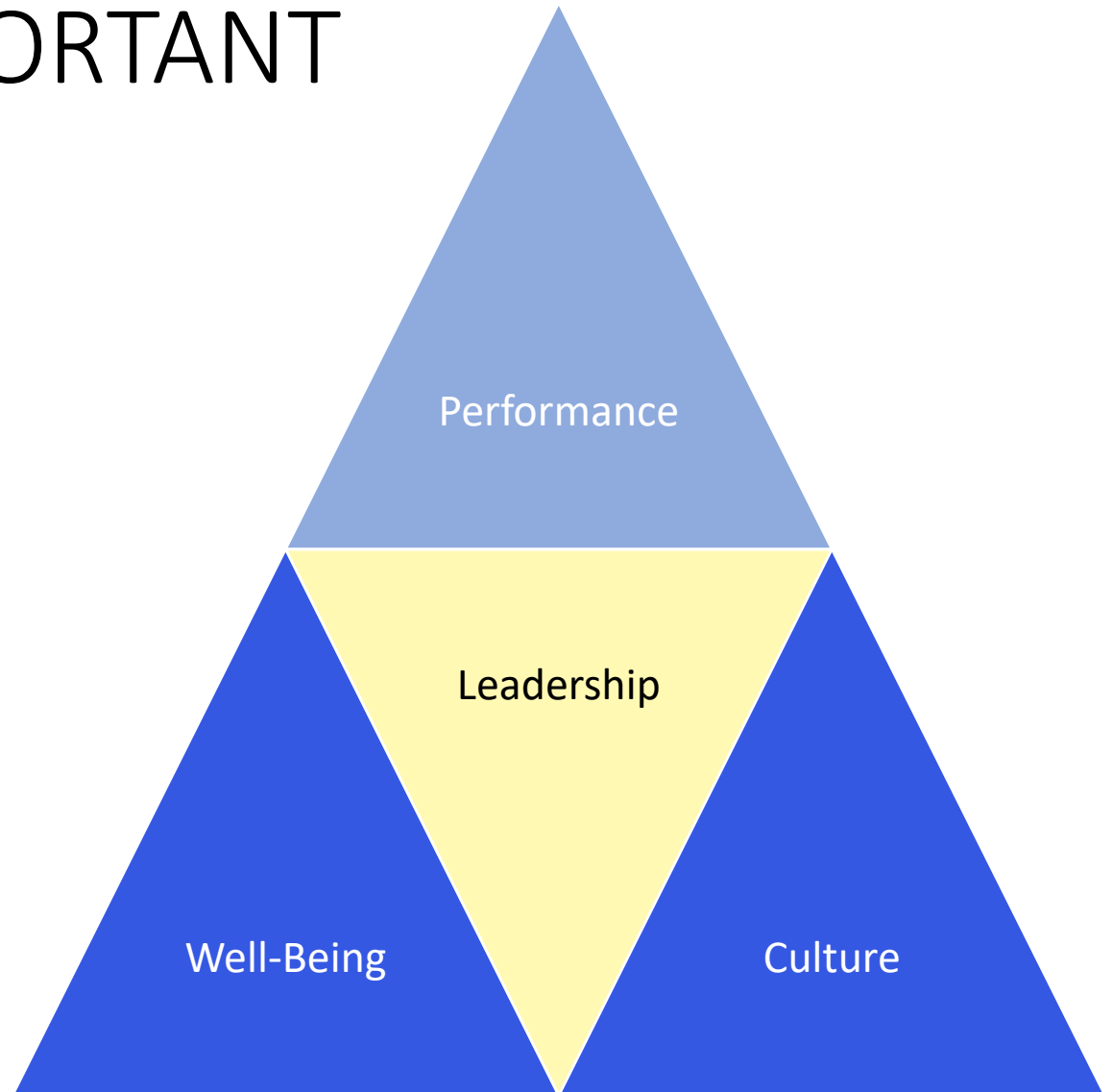
Although leaders carry the responsibility of performance, leaders are not without help or support. The culture of an organization and the well-being of its workforce provide leaders the support they need to stay balanced and sustain performance.

This is the fundamental point of the Performance Pyramid:

Culture and Well-Being are foundational pillars of success that support leaders and empower leaders with the ability to drive and sustain performance, especially during times of crisis.

This is why organizations with a strong culture and a dedicated workforce often survive and thrive during difficult times: Its workforce believes in the organization and its leadership and rises to the challenge, providing leaders the support they need to maintain performance.

Without the support of culture and well-being, leaders and the organizations they manage often fail to perform.



Quantifying well-being?

QUANTIFYING WELL-BEING

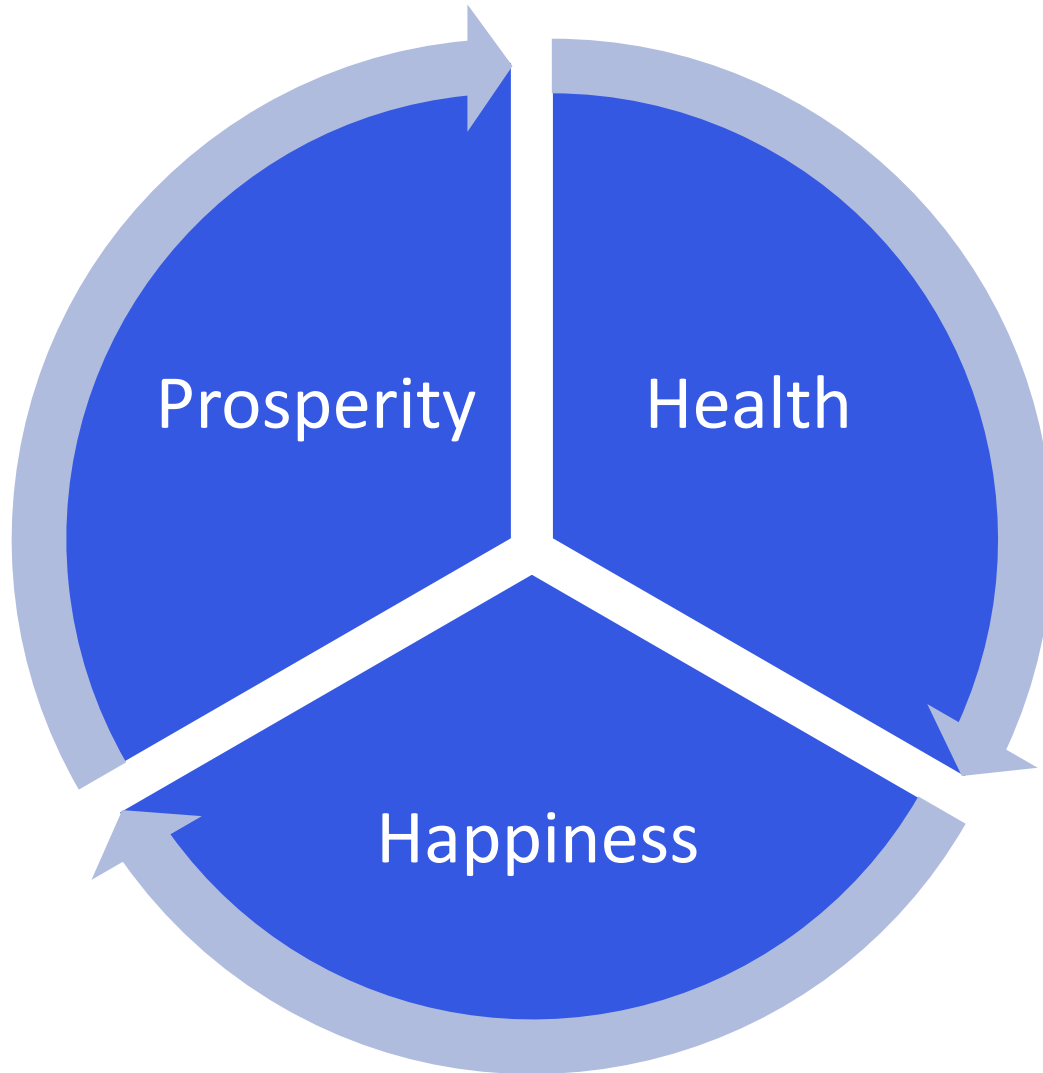
Now that we established a foundation for how well-being supports performance, we can discuss how to define and quantify well-being.

So, what is well-being?

There is nothing complex about well-being. ***Well-being is the experience of health, happiness, and prosperity.***

Health, happiness, and prosperity are the factors that define or consummate well-being. However, these factors are not easily measured or monitored within an organization nor are they tied to corporate or organizational performance.

To measure and monitor well-being within the workplace, we need a means to quickly and easily capture someone's sense of well-being and then transform the response into a quantifiable metric that can be used to monitor progress and drive performance.



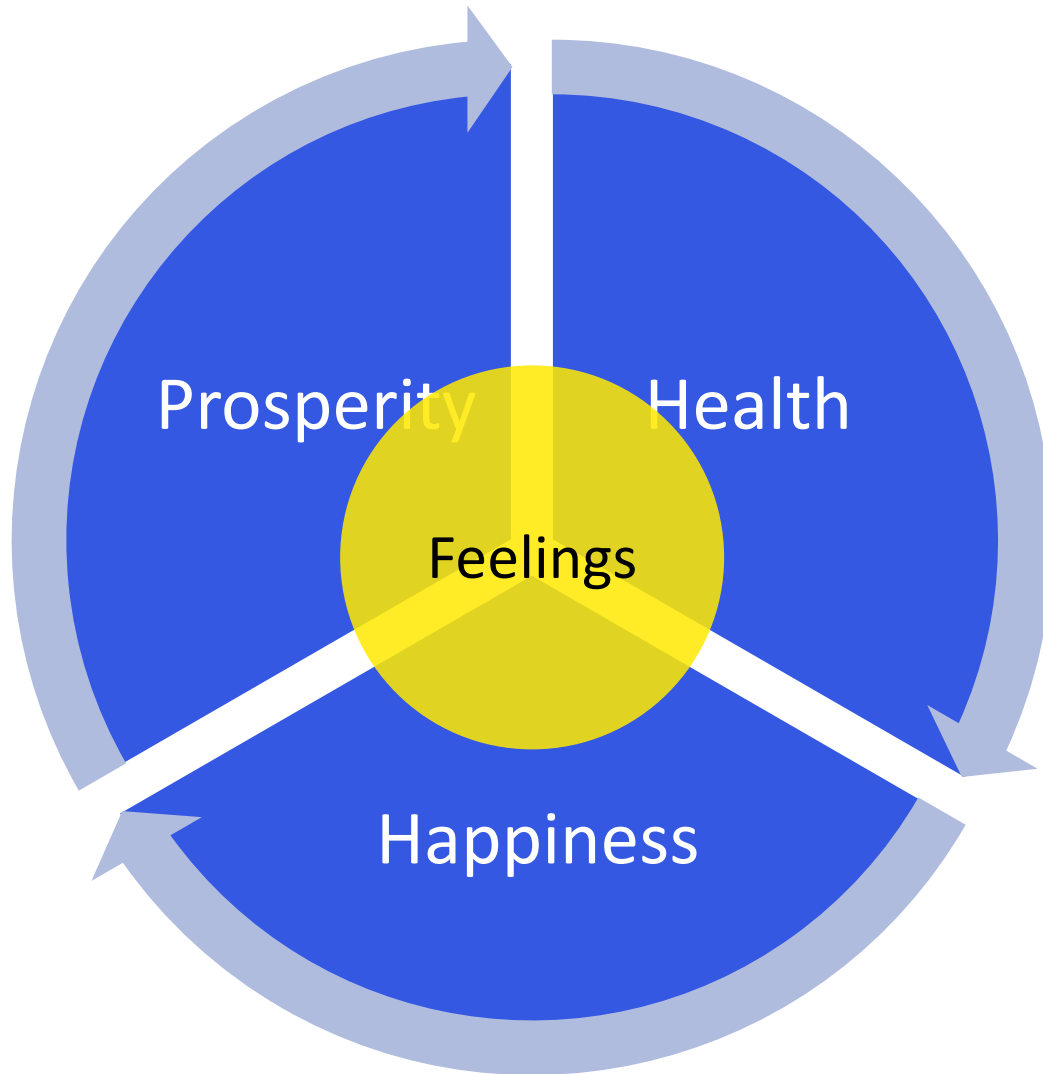
QUANTIFYING WELL-BEING

Based upon our research, we found the most effective way to capture and monitor well-being within the workplace is through feelings.

The advantage of quantifying well-being based on feelings is feelings are a primary way a workforce, and humans, in general, communicate their sense of well-being. Most physicians begin an annual exam by asking how the patient is feeling. This is no different.

Feelings are also a reflection or representation of well-being. A simple example is anxious. If someone is feeling anxious, they are dealing with anxiety, which is a State of Well-Being.

An additional advantage is the range of feelings people express are the same for most people, making cross-organization comparisons possible. Executives and organizational leaders desire the ability to compare metrics overtime and against peers. They want to know how they are doing overall, which is achieved through comparison.



QUANTIFYING WELL-BEING

Although feelings create a common baseline, not all feelings are the same.

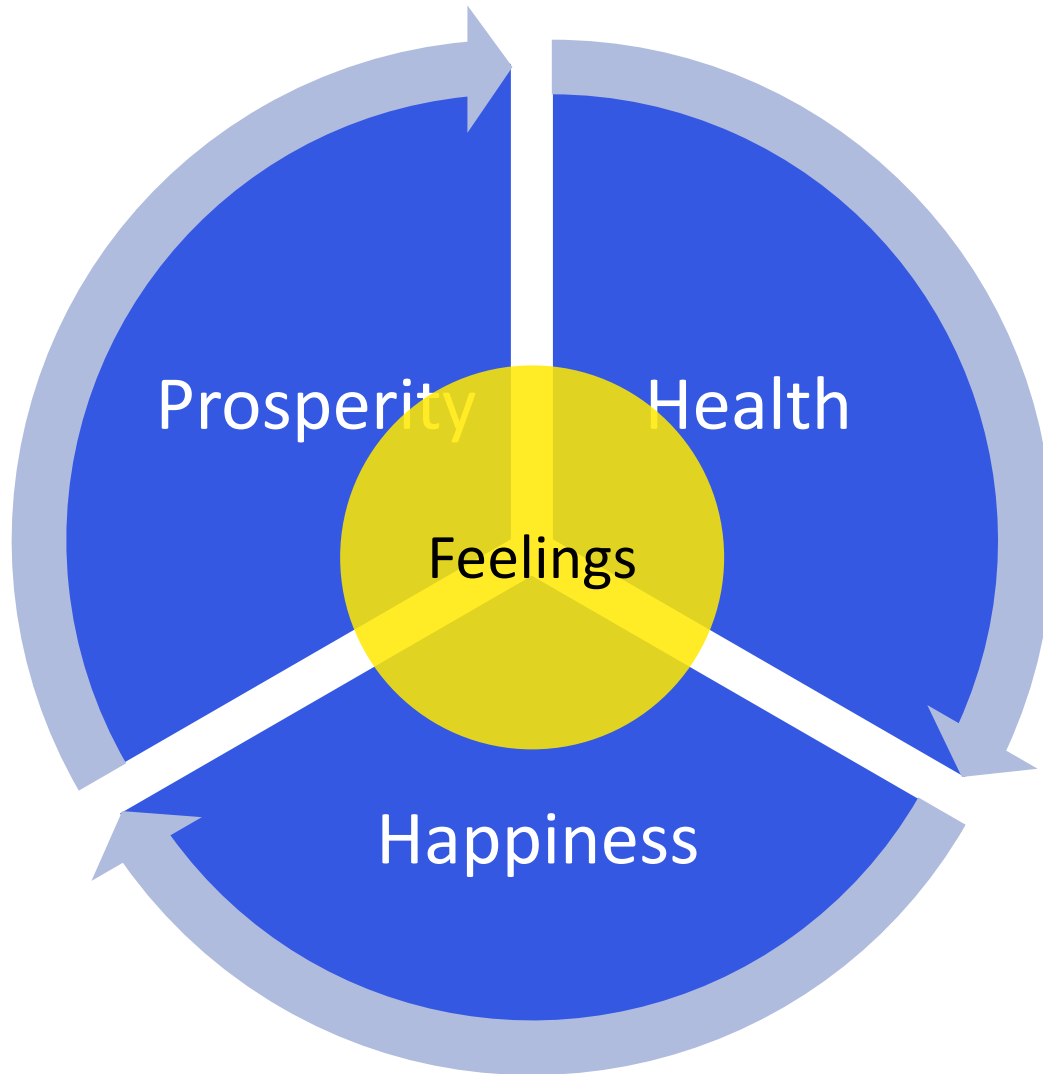
The key to quantifying well-being is translating the comparable spectrum of feelings into a numeric value that can be aggregated and used to calculate a numeric score for an organization. However, when dealing with feelings, you need to consider that not all feelings are equal.

Take for example, uneasy, stressed, and anxious. These are three common feelings people express in the workplace. Although similar, the level of impact or the degree of impact each feeling has on an individual's well-being varies.

If you think in terms of a negative score, anxious or anxiety has a greater negative score than stressed; and stressed has a greater negative score than uneasy. So, to quantify well-being, the impact or degree of impact each feeling has on an individual's sense of well-being needs to be taken into account.

At the conclusion of our research, we determined our model needs to translate feelings into a well-being score that:

1. Groups feelings into common categories
2. Adjusts the significance of a feeling based upon the level of positive or negative impact the feeling has on an individual's State of Well-Being



THE WELL-BEING INDEX

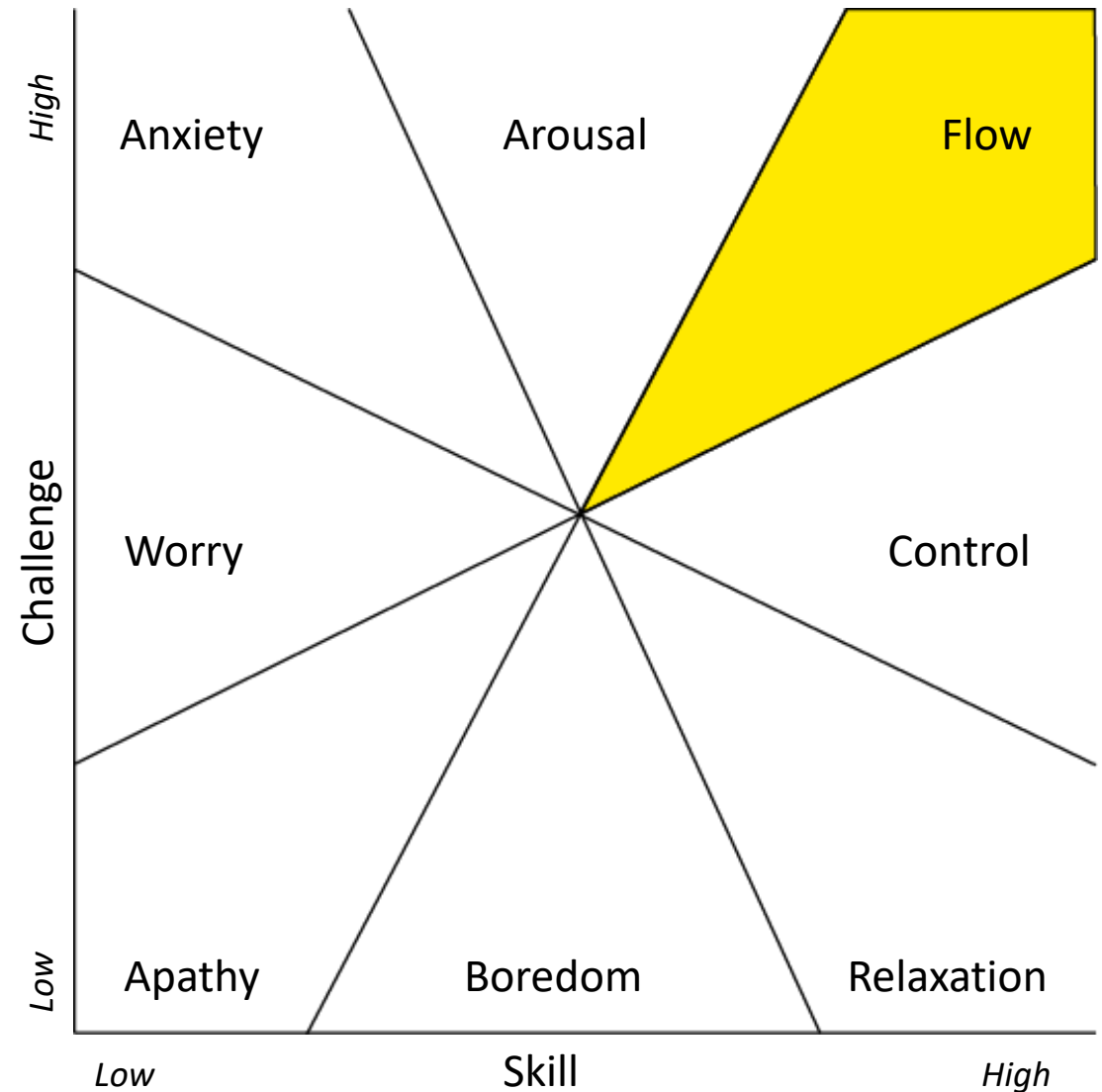
After establishing feelings as a means to quantify well-being, we are ready to review our model for calculating an organization's Well-Being Index.

The Well-Being Index calculates an organization's well-being score and derives a set of actions leaders can take to improve the well-being of their organization.

The foundation of our model is Mihaly Csikszentmihalyi's Model of Flow. Mihaly's Model of Flow was first published in 1990. His model was developed as a means to determine an individual's happiness, which Mihaly determined to be a function of Challenge and Skill.

Based upon an individual's skill level and assigned challenge (or degree of difficulty when faced with a task), an individual's sense of happiness falls into one of eight states. In Mihaly's Model of Flow, an individual's optimal point of happiness (Flow) occurs when an individual undertakes a task with a high degree of challenge and has the skill necessary to meet the challenge.

At the opposite end of the spectrum, Anxiety occurs when an individual undertakes a task with a high degree of challenge but lacks the skills to meet the challenge.

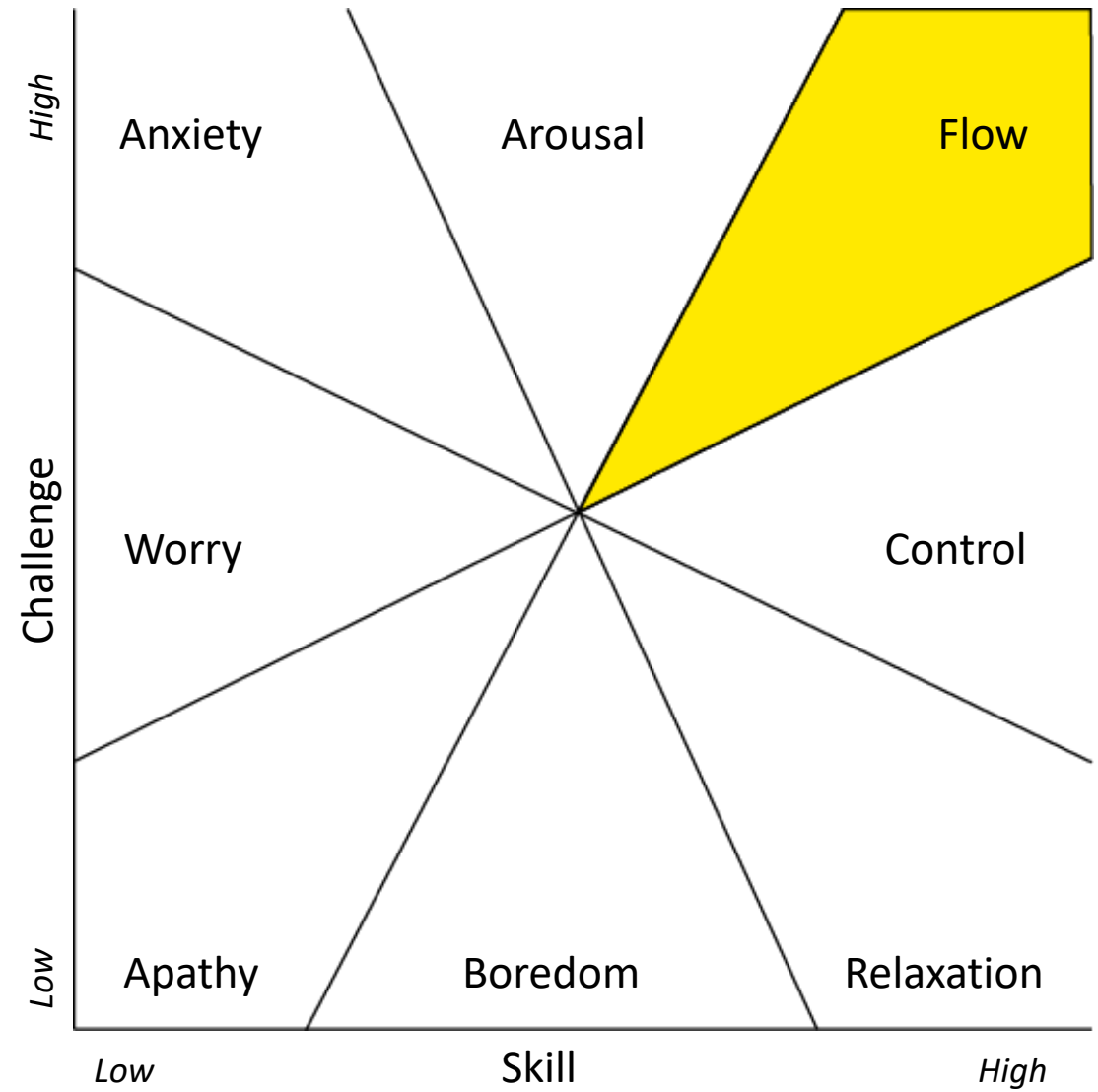


THE WELL-BEING INDEX

Mihaly's Model of Flow provides a framework to derive a Well-Being Index that is correlated to corporate or organizational performance.

We selected Mihaly's model for four reasons:

- 1. Emphasis on Performance:** Mihaly's use of Challenge and Skill (or degree of difficulty) to measure happiness was an ideal fit as Challenge and Skill encapsulate an individual's ability to perform their duties at work. Utilizing Mihaly's model, we are able to tie well-being to performance within the workplace.
- 2. Standardized States of Being:** Mihaly's organization of an individual's happiness into eight (8) States of Happiness provided a baseline set of measures we could leverage to define a standard set of States for Well-Being.
- 3. Weighted Relevance:** Mihaly's orientation of the States of Happiness into degrees of significance provides a relative framework we can use to apply a numeric score. Anxiety has a greater significance than Worry for example.
- 4. Categorization of Feelings:** We can use Mihaly's Model of Flow to assign and categorize each feeling communicated by employees within the workplace to one of eight possible states, providing us the ability to score every common feeling expressed by employees within the workplace.



THE WELL-BEING INDEX

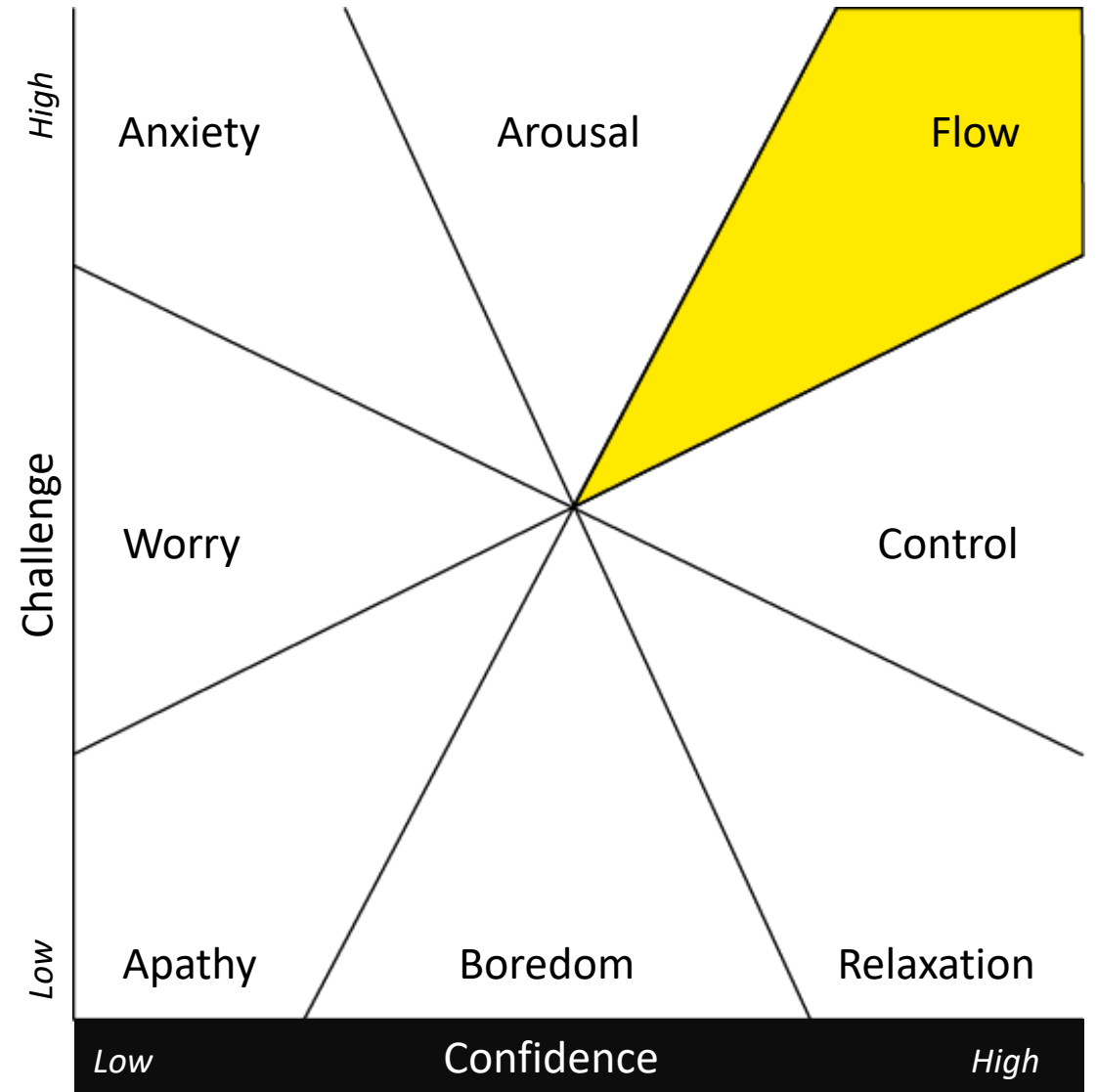
Although providing a good framework, the model needed two modifications to measure well-being within the workplace and align well-being to performance.

We made two adjustments to Mihaly's Model of Flow to create our Modified Model of Flow.

The first modification was converting the measurement of skill into confidence. Based upon our findings, confidence was a better input for measuring and categorizing feelings individuals have within the workplace.

During any given day, individuals will leverage multiple skills to accomplish and fulfill their responsibilities. In addition, individuals across an organization will leverage a different mix of skills to fulfill their responsibilities. Attempting to isolate and score skill levels across a workforce was not practical nor reasonably feasible.

Confidence is an easier metric to capture and measure. It is a standard metric across an organization and can be scored against an individual feeling. Asking individuals within a workforce, "how confident are you in accomplishing your duties today?", is a straightforward question everyone can understand and answer.



THE WELL-BEING INDEX

Expanding the model from a discrete focus on “Your Skill-Level” to a focus on “The Confidence You Have in Your Skills to Perform Your Duties” expands the scope of the model from happiness to well-being.

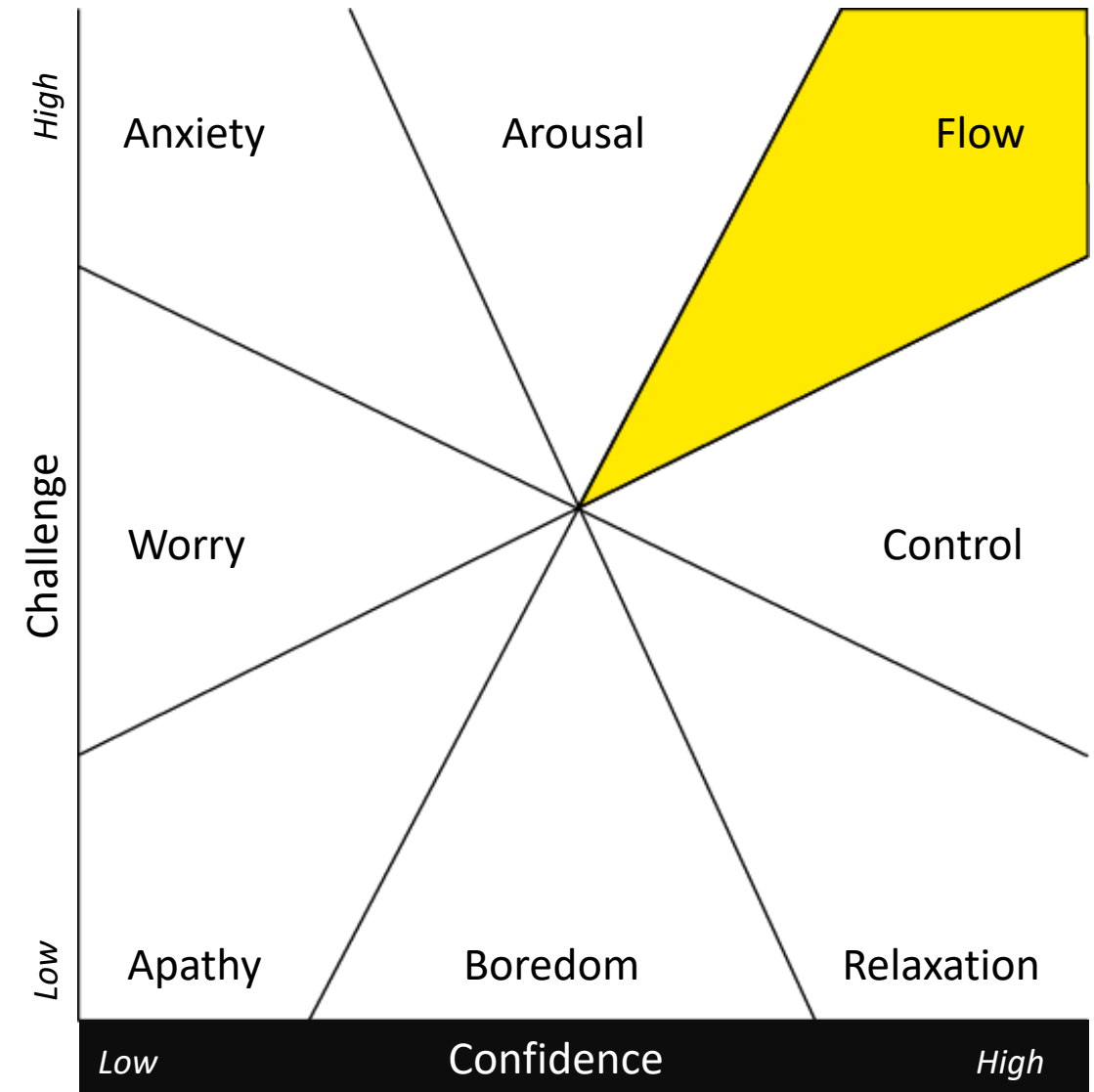
In addition to being a straightforward and standard metric, confidence is related to an individual’s perception of skill-level. Using confidence in place of skill maintains integrity with Mihaly’s model, while also incorporating the full definition of well-being within the workplace:

Well-being is the experience of health, happiness, and prosperity.

When a workforce feels confident in their abilities to perform within the workplace and feels appropriately challenged, they typically have a positive sense of well-being:

- They have a sense of worth within the organization, which encompasses both happiness and prosperity
- They have a belief in the organization’s leadership, which encompasses both health and happiness

A NOTE ON HEALTH IN THE WORKPLACE: Health, as it relates to the workplace, is not about physical health but rather about leadership and how leadership inspires an environment of Trust and Safety. Trust and Safety are core to Health in the workplace.



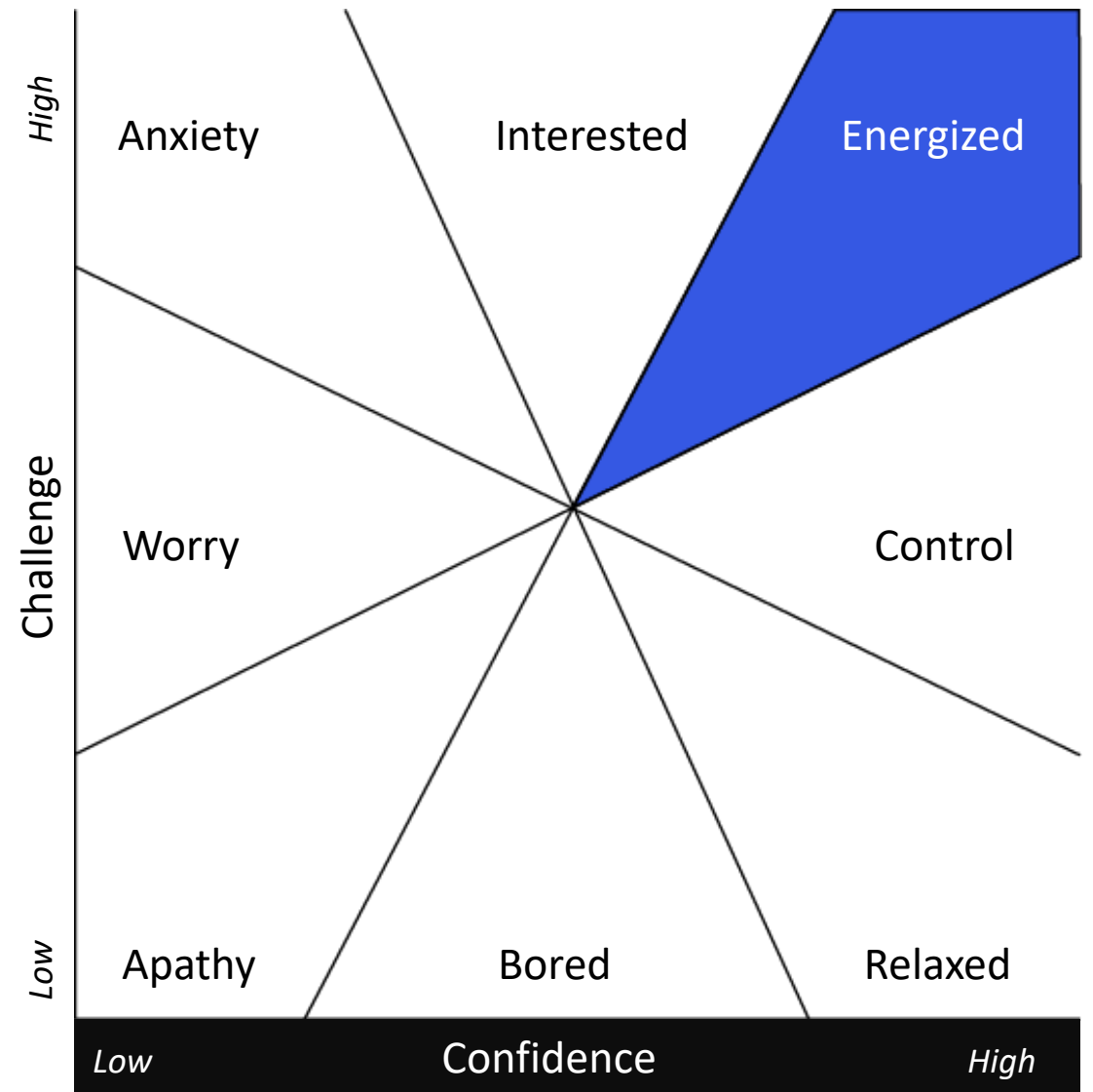
THE WELL-BEING INDEX

By expanding the focus from “Skill-Level” to “Confidence in One’s Skills”, we were able to transform the States of Happiness into States of Well-Being.

The second modification made to Mihaly’s Model of Flow was adjusting the States of Happiness within Mihaly’s Model of Flow to define the States of Well-Being for an organization. The States of Well-Being were defined as a function of how challenging a workforce finds their assigned duties and how confident individuals within the workforce feel in their abilities to complete their assigned duties.

The Modified Model of Flow adjusts the language used within Mihaly’s model to better align to well-being in the workplace. Arousal was updated to Interested and Flow was updated to Energized.

The remaining States of Happiness were slightly adapted to create the States of Well-Being to more accurately reflect language used in today’s workplace.



Calculating a Score

CALCULATING A SCORE

With the model defined, the last step was to calculate a score for each State of Well-Being.

Applying a score to the Modified Model of Flow was accomplished by defining a numeric range of 1 to 3 for each axis, Challenge and Confidence. The assigned numeric value created a degree of significance but did not address the positive or negative impact a State of Well-Being has on an individual.

To address the positive or negative impact, an impact score was defined. An impact score of -2 was applied to the States of Well-Being that negatively impact an individual: Anxiety and Worry. An impact score of 1 was applied to the remaining States of Well-Being.

Calculating the well-being score for a state of well-being is achieved by applying the following formula.

$$\text{(Challenge Score x Impact Score + Confidence Score x Impact Score) / 2}$$

Applying the formula generates a Well-Being Index score for each state of well-being.

With a value defined for each State of Well-Being, the Modified Model of Flow provides the framework needed to derive a numeric score to measure and monitor well-being for a given organization or community.



CALCULATING A SCORE

When calculating a score for each State of Well-Being our greatest challenges was defining the positive and negative impact score for well-being.

The Modified Model of Flow applies an impact rating for each State of Well-Being. The impact rating for a negative State of Well-Being is -2 and the impact rating for a positive State of Well-Being is +1.

The impact rating was applied to the Modified Model of Flow to address the relative difference between a negative and positive sense of well-being.

The body of research on negative and positive factors impacting people demonstrate negativity has a greater impact on individuals and groups of individuals than positive factors. This is a function of how our minds work.

It takes 3 to 4 seconds for the human brain to process and store negative information. It takes 12 seconds for the human brain to process and store positive information. If a person is interrupted or distracted before the 12 seconds are up, the potential impact of the positive information is lost.



CALCULATING A SCORE

We found the impact of negativity surprising and its potential for overpowering positivity within the workplace concerning.

Recognizing humans natural bias towards negativity, the impact a negative State of Well-Being has on individuals and the collective whole of an organization or community are not equal. Negativity trumps positivity, but at what rate of difference?

Determining the rate of difference was a bit more difficult. Looking at the general body of research and consensus, negativity was deemed to outweigh positivity by a significant factor. In some examples, negativity outweighed positivity 4 to 1.

Based upon our findings, we set the impact ratings at -2 for negative States of Well-Being and +1 for positive States of Well-Being.

When developing the Well-Being Index, we did conclude there is a limited understanding of the impact negativity has on corporate or organizational performance. We believe this is an area where additional research is required.



CALCULATING A SCORE

With a score calculated for each State of Well-Being, we now can derive a Well-Being Index score for an organization by mapping each feeling to a State of Well-Being.

The final step in calculating a Well-Being Index score for an organization was mapping the feelings expressed within the workplace to a State of Well-Being. The collection of feelings was a simple matter of asking the following question:

From a work and life perspective, how are you feeling right now in ONE word?

The challenge we initially faced in mapping feelings to a State of Well-Being was the variety of responses we collected. In our initial case study, we collected over 150 different responses to the feeling question.

Recognizing we needed to streamline and automate the scoring process, we normalized the sample set of responses down to 30 commonly feelings expressed within the workplace. The net result was exciting:

KEY POINT:

With one question and a normalized list of 30 feelings, our model can calculate a Well-Being Index score for any organization in less than a minute.



MOVING THE NEEDLE

So, What? What is the benefit of a Well-Being Index score?

To provide context and comparative benefit that can be used to monitor and drive performance, we derived a range for four Organizational States of Well-Being. The ranges fell on a scale of -4 to +3 and represent that States of Well-Being the whole of a workforce feel for a given organization. The four Organizational States of Well-Being we derived were: Strained, Concerned, Stable, and Positive.

The ranges for each Organizational State of Well-Being were defined utilizing the foundation of data we began collecting on our member organizations since 2015. Both empirical data collected through our suite of Culture and Performance Analytic Tools and non-empirical data collected through interviews and consultative assessment were used to define the Organizational States of Well-Being and the corresponding ranges.

Organizational States of Well-Being	Range
Strained	-4 to -1.5
Concerned	-1.5 to 0.0
Stable	0.0 to 2.0
Energized	2.0 to 3.0

- **Strained:** An organization with a Strained State of Well-Being is an organization whose workforce feels a high degree of anxiety and uncertainty. There is typically a lack of Trust with the organization's leadership and a feeling that "something bad is about to happen". A Strained State of Well-Being is common among organizations undergoing or about to undergo a sale or a significant leadership transition.
- **Concerned:** An organization with a Concerned State of Well-Being is an organization whose workforce feels stressed and overwhelmed. There is typically a lack of Alignment and Accountability. A Strained State of Well-Being is common among organizations going through rapid growth or facing a reduction in workforce due to resignations or staff optimization.
- **Stable:** An organization with a Stable State of Well-Being is an organization whose workforce feels comfortable and in-control. There is typically a sense of harmony. A Stable State of Well-Being is common among organizations with consistent growth and leadership.
- **Energized:** An organization with an Energized State of Well-Being is an organization whose workforce feels enthusiastic and positive. An Energized State of Well-Being is often short-lived and returns to a Stable State of Well-Being. An Energized State of Well-Being is common among organizations who achieve a significant win, such as completing a major project or launching a new product.

MOVING THE NEEDLE

So, Now What? How to You Proactively and Predicatively Move the Needle on Well-Being?

By using the Modified Model of Flow and applying the Organizational States of Well-Being, the approach makes it possible to derive an Organization's Well-Being Score with one question:

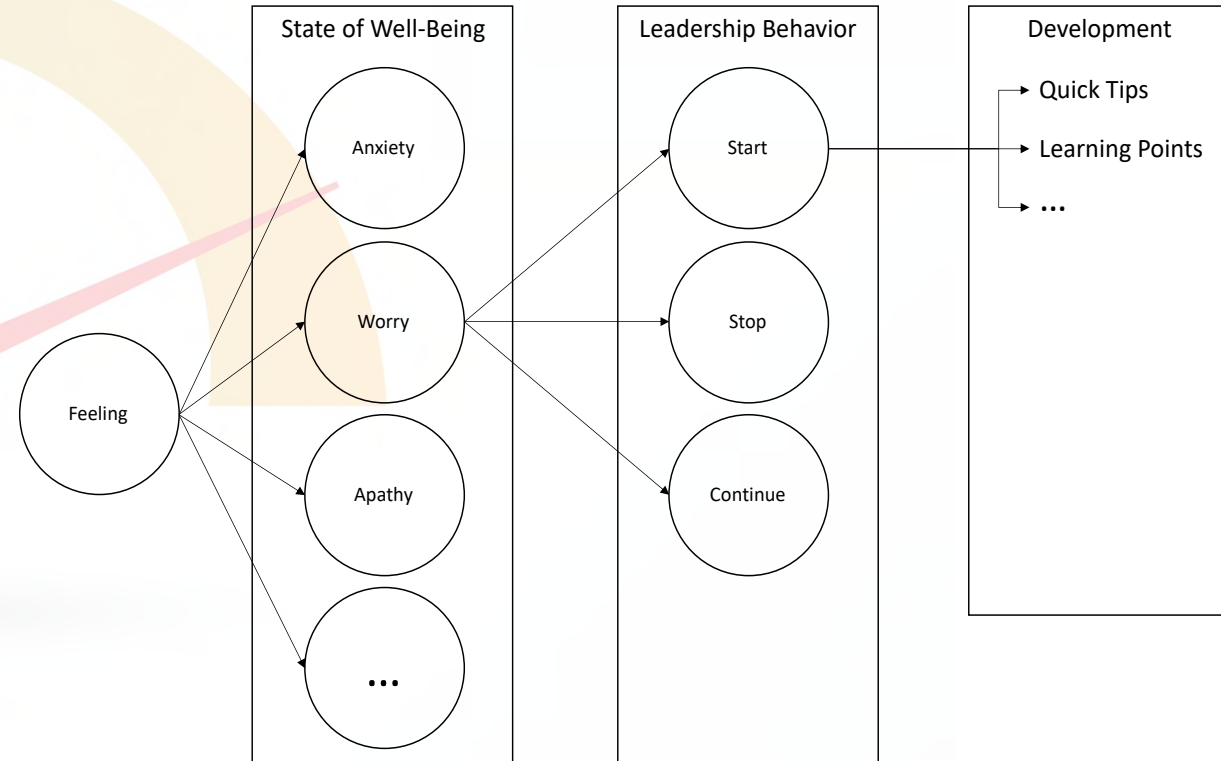
From a work and life perspective, how are you feeling right now in ONE word?

Although the approach provides a simple and elegant way to measure an organization's well-being, it does not address the need for action or prioritize next steps. The addition of three questions of need provides the ability to generate an action plan and predict the impact the recommended actions will likely have on an Organization's State of Well-Being. The three questions are:

- What is the one thing you wish your boss would START doing to help you?***
- What is the one thing you want your boss to CONTINUE doing that helps you?***
- What is the one thing you want your boss to STOP doing that will help you?***

The additional questions allows each feeling to be correlated to the needs of the workforce. Each need is defined as a leadership behavior, which is mapped to the development materials leaders can reference to learn how to Start, Continue, and Stop the behaviors that impact well-being and performance.

Through the Leadership Action Plan and Well-Being Index, executives and organizational leaders are provided the metrics to proactively measure, monitor, compare, and improve the well-being of the employees within their organization and predicatively drive performance.



Wrapping It Up

WRAPPING IT UP

With metrics to measure and monitor Well-Being and actionable steps, leaders are empowered with the information they need to drive performance.

The capability to measure well-being was deployed in 2020 along with a dynamically generated action plan. After a year of monitoring progress, the **member organizations of The Culture Think Tank improved their overall Culture Score and Well-Being Index by an average of 28.6% in 90 days**. The improvement exceeded our expectations and reinforced the impact monthly efforts have on Culture, Well-Being, and Performance.

To learn more about The Culture Think Tank and our approach to driving workplace performance, please feel free to download one of our E-Books:

28.6%



CULTURE TIME: A PRACTICAL GUIDE TO A HIGH PERFORMING COMPANY CULTURE & ENGAGED WORKFORCE



RETURN ON COMPANY CULTURE: A PRACTICAL GUIDE TO STRENGTHENING YOUR COMPANY'S CULTURE IN 90 DAYS



ANALYTICS OF WELL-BEING: HOW WELL-BEING IMPACTS CULTURE & PERFORMANCE



ANXIETY AT WORK: HOW TO TRANSFORM ANXIETY INTO PERFORMANCE THROUGH METRICS

About the Culture Think Tank



The Culture Think Tank designs programs and tools executives and senior leaders need to move the needle and drive workplace performance.

The Analytics of Well-Being E-Book was written by William Lindstrom, Co-Founder & CEO



To Learn More About The Culture Think Tank please visit us at:

<https://www.theculturethinktank.com/>

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