



Families and Work Institute

2020 EFFECTIVE WORKPLACE INDEX

CREATING A WORKPLACE THAT WORKS
FOR EMPLOYEES AND EMPLOYERS



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DEDICATION

This report is dedicated to the loving memory of James T. (Terry) Bond:

- Our studies have been on target because of the profound research questions you always asked.
- Our studies have been deeper because you never stopped seeking answers.
- Our studies have been compassionate because you cared so much about others.
- Our studies have been respected because of the rigor of your approach.
- Our studies have been newsworthy because you had your fingers on the pulse.

You continue to inspire and enrich our work, every single day!

Photo courtesy of Jan Diamondstone


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INTRODUCTION

All too often, it is assumed that the needs of employers and the needs of employees are at odds. The premise goes like this:

- IF jobs benefit employers by engaging employees to be highly productive and all-in, THEN there's a cost to employees, ranging from burnout to exhaustion.
- Conversely, IF jobs benefit employees, THEN employers lose because employees will put their own needs first, be less committed and won't really be there for employers.

But WHAT IF there was a different premise? What if there was a way of creating a work environment that benefits both employers and employees?

That "what if" has led to a research journey that began in 1997 and has continued for more than 20 years using data from the National Study of the Changing Workforce (NSCW). Building on the U.S. Department of Labor's 1977 Quality of Employment Survey, this study was designed and conducted by Families and Work Institute (FWI) in 1992, 1997, 2002, 2008, and in 2016, becoming a project of the Society for Human Resource Management (SHRM) in December 2016.

INTRODUCTION

The NSCW takes a comprehensive look at employees' lives both on and off the job. Because it tracks emerging trends essential to attracting, engaging, and retaining top talent, we have been able to mine its data to look for aspects of the work environment that “work” for both the employee and the employer. Specifically, we have identified the **components of the work environment** that provide important benefits for employers—such as higher job engagement (which can be a stand-in for productivity), higher job satisfaction, and higher job retention while at the same time, provide important benefits for employees, such as better health, well-being, as well as less conflict in managing their work and family lives.

The resulting data-driven model is the **2020 Effective Workplace Index**. It has evolved over the years. For example, in 2008, in the height of the recession, we found that “Satisfaction with Wages, Benefits, and Opportunities to Advance” was very predictive of the outcomes in our model so we added it and it became one of the most important predictors of employees' health and well-being. In 2020, the model expanded again, perhaps because the economy is shifting from the notion of the single contributor to a team approach to productivity. “Co-worker Support for Job Success” surfaced in our analyses of the 2016 NSCW as a very important predictor and has therefore been added to the model. In addition, in this era of an increasingly diverse workforce, we have added feelings of “belonging” to one's work group to the component of a “Culture of Respect and Trust.”

WHAT IS THE 2020 EFFECTIVE WORKPLACE INDEX?

Below are the **seven components** of the 2020 Effective Workplace Index, and the specific questions from the National Study of the Changing Workforce that constitute each.

TABLE 1. 2020 EFFECTIVE WORKPLACE INDEX



Job Challenge and Learning Opportunities

- My job lets me use my skills and abilities.
- The work I do on my job is meaningful to me.
- My job requires that I be creative.
- I get to do a number of different things on my job.
- My job requires that I keep learning new things.
- My job lets me develop new skills and abilities.



Supervisor Support for Job Success

- My supervisor or manager is supportive when I have a work problem.
- My supervisor or manager recognizes when I do a good job.
- My supervisor or manager keeps me informed of the things I need to know to do my job well.
- My supervisor provides me with feedback that helps me to improve my performance.



Autonomy

- I have a lot of say about what happens on my job.
- I have the freedom to decide what I do on my job.
- I feel I can really be myself on my job.

WHAT IS THE 2020 EFFECTIVE WORKPLACE INDEX?

TABLE 1. 2020 EFFECTIVE WORKPLACE INDEX



Culture of Respect, Trust, and Belonging

- Managers at my workplace actively seek out information and new ideas from employees at all levels of the organization to guide their decision making.
- I can trust what managers say in my organization.
- I can openly share my ideas and opinions with any level of management.
- My supervisor treats me with respect.
- I can trust what the highest level of management in my organization says.
- I can trust what my immediate supervisor says.
- I can trust what my co-workers say.
- I feel I am really a part of the group of people I work with.



Work-Life Fit

- My supervisor or manager really cares about the effects that work demands have on my personal and family life.
- My supervisor or manager is responsive to my needs when I have family or personal business to take care of.
- I have support from co-workers that helps me to manage my work and personal or family life.
- I have the schedule flexibility I need at work to manage my personal and family responsibilities.
- My work schedule or shift meets my needs.
- My job lets me do the things in my personal life that I find meaningful.
- I consider my immediate supervisor a role model for how to manage work and personal life.

WHAT IS THE 2020 EFFECTIVE WORKPLACE INDEX?

TABLE 1. 2020 EFFECTIVE WORKPLACE INDEX



Satisfaction with Wages, Benefits, and Opportunities to Advance

- I am satisfied with how much I earn in my job.
- I am satisfied with the benefits my job provides.
- I am satisfied with my opportunities for advancement.



Co-worker Support for Job Success

- I have the support from co-workers that I need to do a good job.
- My co-workers and I work well together.
- My co-workers and I appropriately share credit for success and responsibility for shortcomings.
- My co-workers and I generally resolve conflicts with respect and attention to everyone's needs.

Source: SHRM 2016 National Study of the Changing Workforce

For a description of the analyses we used to create the 2020 Index and its components, see the Technical Appendix.

WHAT ARE IMPORTANT WORK-RELATED OUTCOMES?

The work-related outcomes we assess are Job Engagement, Job Satisfaction and Job Retention. Organizations with employees who are highly engaged, satisfied, and plan to remain with the organization are in a better position to achieve important business goals and objectives than organizations whose workforce is disengaged, dissatisfied, and likely to look for new jobs elsewhere.

First, we look at how employees in the U.S. fare on these outcomes.

JOB ENGAGEMENT

We use a short form of the Utrecht Job Engagement Scale² that assesses three components of this positive work-related state of fulfillment—vigor, dedication, and absorption.

We find that when it comes to experiencing these three factors “always” or “very often,” 41% to 61% of today’s employees report feeling vigor; 40% to 63% feel dedicated; and 53 to 60% report absorption.

These findings are in contrast to the Gallup report, for example, where only 32% of U.S. workers were engaged in their jobs in 2015³. We suspect this difference relates to the fact that the Utrecht measure directly taps the state of engagement, not its antecedents or consequences.

WHAT ARE IMPORTANT WORK-RELATED OUTCOMES?

TABLE 2. JOB ENGAGEMENT

	Always	Very Often	Often	Sometimes	Rarely	Almost Never	Never
Vigor							
At my work, I feel like I have a lot of energy.	18%	34%	20%	17%	6%	2%	4%
I can continue working for long periods of time.	26%	35%	17%	12%	4%	4%	2%
When I get up in the morning, I feel like going to work.	18%	23%	16%	19%	10%	5%	9%
Dedication							
I am enthusiastic about my job.	21%	26%	17%	16%	8%	7%	5%
My job inspires me.	18%	22%	15%	22%	10%	5%	7%
I am proud of the work that I do.	38%	25%	14%	12%	4%	2%	4%

Continued on page 8

WHAT ARE IMPORTANT WORK-RELATED OUTCOMES?

Absorption

I feel happy when I am working intensely.	28%	25%	18%	14%	8%	3%	4%
I am immersed in my work.	25%	30%	18%	14%	6%	3%	5%
Time flies when I am working.	28%	28%	18%	13%	6%	4%	3%

Source: SHRM 2016 National Study of the Changing Workforce, n = 1461 to 1494

JOB SATISFACTION ⁴

To measure Job Satisfaction, we use questions from the 1977 Quality of Employment Survey. We find that the majority of employees are satisfied with their jobs, ranging from 84% who are somewhat or very satisfied, to 68% who would take the same job again without hesitation and finally to 62% who would strongly recommend their job to a friend who was interested in a job like theirs. Specifically:

- 40% of employees are very satisfied with their jobs;
- 44% are somewhat satisfied with their jobs;
- 12% are not too satisfied with their jobs; and
- 4% are not at all satisfied with their jobs.




WHAT ARE IMPORTANT WORK-RELATED OUTCOMES?

- Additionally, more than two-thirds (68%) say that knowing what they know now, if they had to decide all over again, they would decide without any hesitation to take the same job;
 - 27% would have second thoughts about taking the same job; and
 - 6% would definitely not take the job.
 - Finally, 62% of employees would strongly recommend their job to a good friend who was interested in a job like theirs;
 - 30% would have doubts about recommending a job like theirs; and
 - 9% would advise their friends against taking a similar job.
-
- Finally, 62% of employees would strongly recommend their job to a good friend who was interested in a job like theirs;
 - 30% would have doubts about recommending a job like theirs; and
 - 9% would advise their friends against taking a similar job.

JOB RETENTION⁵

To measure the likelihood of job retention, we use a measure from the 1977 Quality of Employment Survey. We find that slightly over half of all employees rate their job retention as highly likely. Specifically:

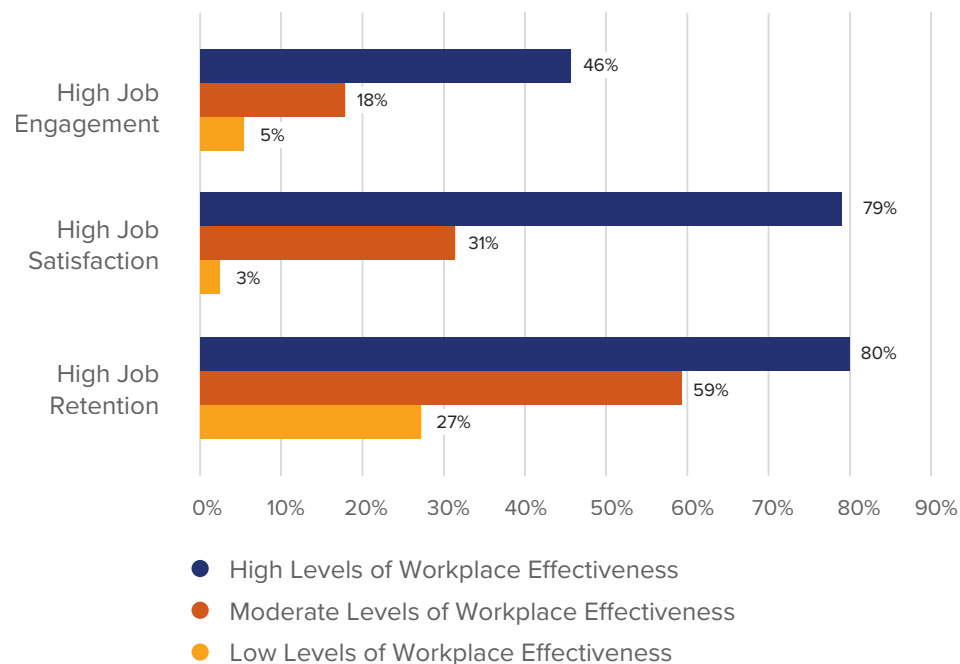
- 55% of employees are not at all likely to make a genuine effort to find a new job within the next year;
 - 25% are somewhat likely to make a genuine effort to find a new job within the next year; and
 - 20% of employees are very likely to do so.
- 

HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT WORK-RELATED OUTCOMES?

To answer the question of how being in an effective workplace affects engagement, satisfaction and retention, we compare the percentages of employees who report positive work-related outcome by three levels of workplace effectiveness: high, moderate and low.⁶

But what if employees who earn higher salaries see their workplaces as more effective than those who earn less or if employees in certain occupations see their workplaces as better than those in other occupations? To guard against these characteristics of employees affecting the results, we statistically control for them and other demographic factors in our analyses (see endnote for a full list of controls). These findings are summarized in Figure 1.⁷

FIGURE 1. PERCENTAGE OF EMPLOYEES REPORTING POSITIVE WORK-RELATED OUTCOMES BY LEVEL OF WORKPLACE EFFECTIVENESS



Source: SHRM 2016 National Study of the Changing Workforce (n =1391 to 1400).

HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT WORK-RELATED OUTCOMES?

Our findings reveal that employees in highly effective workplaces are more than twice as likely to be highly engaged as employees in workplaces with moderate or low levels of effectiveness.

- 46% of employees in highly effective workplaces are highly engaged, compared with 18% of employees in moderately effective workplaces.
- Only 5% of employees are highly engaged in workplaces with low levels of workplace effectiveness.

There are similar striking differences in job satisfaction.

- 79% of employees in highly effective workplaces compared with 31% employees in moderately effective workplaces have high job satisfaction.
- Only 3% of employees have high job satisfaction in workplaces with low levels of effectiveness.

With regard to retention, we find that employees in more effective workplaces have a much higher likelihood of remaining with their employers.

- 80% of employees in highly effective workplaces are not at all likely to leave.
- By comparison, 59% of employees in moderately effective workplaces and 27% of employees in low effective workplaces are not at all likely to leave

Do all of these components of an effective workplace have equal importance in affecting engagement, satisfaction or retention or are some components more important than others?

HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT WORK-RELATED OUTCOMES?


To answer this question, we use a regression analysis, which allows us to see the relationship between each component and outcome, controlling for all the other components. Because the seven components are highly correlated with each other, a regression analysis gives us more confidence about the role of each individual component in predicting a positive outcome. As before, we also control for demographic and socio-economic characteristics that might be related to both outcomes as well as employees' access to (or perception of) effective workplaces.

The top three components, listed in alphabetical order are reported in Table 3.⁸

TABLE 3. IMPORTANT EFFECTIVE WORKPLACE COMPONENTS PREDICTING WORK-RELATED OUTCOMES

JOB ENGAGEMENT	JOB SATISFACTION	JOB RETENTION
Autonomy*	Culture of Respect, Trust, and Belonging*	Less Autonomy*
Co-Worker Task Support**	Satisfaction with Wages, Benefits, and Opportunities to Advance**	Satisfaction with Wages, Benefits, and Opportunities to Advance**
Job Challenge and Learning Opportunity**	Work-Life Fit*	Work-Life Fit*

Source: SHRM 2016 National Study of the Changing Workforce (N = 1214 TO 1221)
Note: We include only up to three statistically significant components (**p<0.01; *p<.05) and list them in alphabetical order as significance level does not necessarily indicate level of importance.



HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT WORK-RELATED OUTCOMES?

Specifically, we find:

- Work-Life Fit and Satisfaction with Wages, Benefits, and Opportunities to Advance are both strong predictors of Job Satisfaction and Job Retention.
- Autonomy is important for both Job Engagement and Job Retention. Interestingly, however, while having more say in one's job is related to Job Engagement, having less say in one's job is related positively to Job Retention. It could be that having more autonomy brings with it more responsibilities that edge toward being burdensome.
- Co-worker Task Support is an important predictor of Job Engagement, while Culture of Respect, Trust, and Belonging is important for Job Satisfaction. These suggest that employees truly value supportive relationships in their workplaces.

WHAT ARE IMPORTANT HEALTH AND WELL- BEING OUTCOMES?

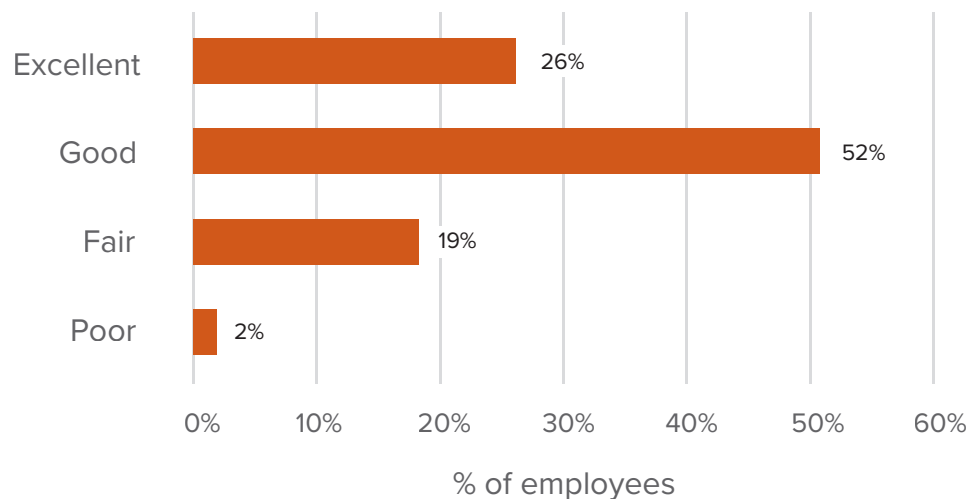
Next, we look at health and well-being outcomes, beginning with employees' general health.

OVERALL HEALTH

To measure overall health, we use a question that directly asks employees to rate their health status. Also referred to as the “self-reported health status,” it is a widely used measure of overall health in surveys and an established predictor of objective health status, well-being and longevity.⁹ We find that:

- 26% of employees report excellent overall health;
- 52% report good health;
- 19% report fair health; and
- 2% report poor health.

FIGURE 2. OVERALL HEALTH



Source: SHRM 2016 National Study of the Changing Workforce. (N = 1448).

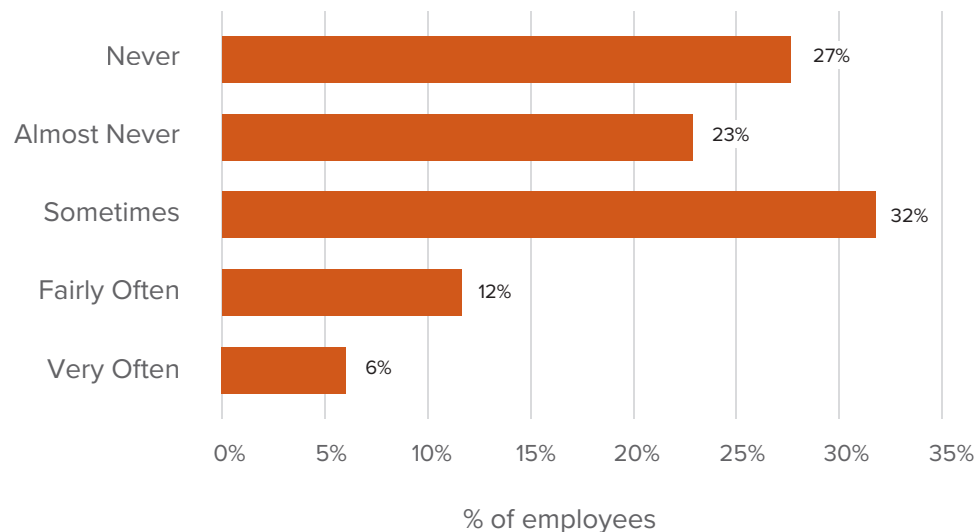
WHAT ARE IMPORTANT HEALTH AND WELL-BEING OUTCOMES?

MINOR HEALTH PROBLEMS

In this study, employees were asked how often in the past month, they had been bothered with minor health problems, such as headaches, insomnia, or stomach upsets. Similar to the 21% who report that their health is fair or poor, we find that 18% report that they experience minor health problems regularly. Overall:

- Half of all employees (50%) are free from minor health problems and report never or almost never experiencing them in the past month;
- Another 32% report experiencing them sometimes; and
- 18% experience minor health issues very often or fairly often.

FIGURE 3. MINOR HEALTH PROBLEMS IN THE PAST MONTH



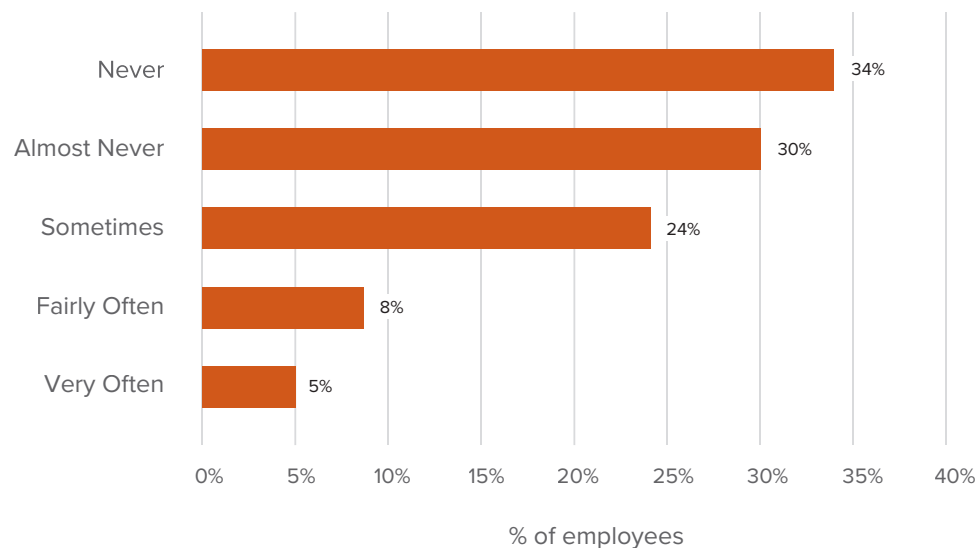
Source: SHRM 2016 National Study of the Changing Workforce, n=1436.

WHAT ARE IMPORTANT HEALTH AND WELL-BEING OUTCOMES?

SLEEP PROBLEMS AFFECTING PERFORMANCE ON AND OFF THE JOB

Given the restorative importance of sleep as well as the fact that technology allows us to work all of the time/anywhere, we specifically asked about sleep problems in this study. We find that a high proportion of U.S. employees—more than a third (37%) experience sleep problems that affect their performance on and off the job, with 24% reporting it sometimes, 8% reporting it fairly often and 5% reporting it very often.

FIGURE 4. SLEEP PROBLEMS IN THE PAST MONTH AFFECTING PERFORMANCE ON AND OFF THE JOB



Source: SHRM 2016 National Study of the Changing Workforce, n=1424.

WHAT ARE IMPORTANT HEALTH AND WELL-BEING OUTCOMES?

PERCEIVED STRESS

The standardized measure of stress that we use—the Perceived Stress Scale¹⁰—has been correlated with health problems in other studies. Our findings are shown in Table 4.

TABLE 4. STRESS INDICATORS: IN THE LAST MONTH, HOW OFTEN HAVE YOU FELT THE FOLLOWING?

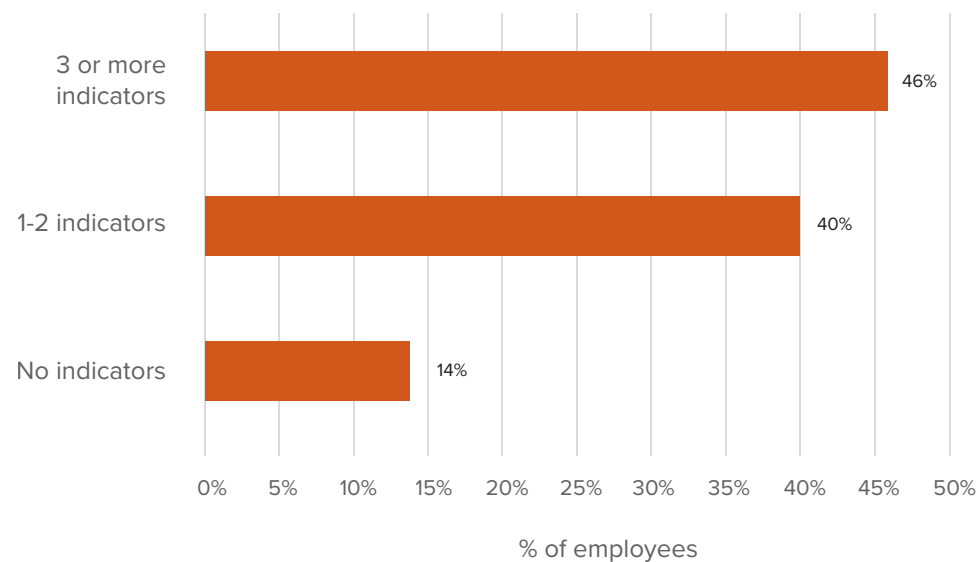
	Never	Almost Never	Sometimes	Fairly Often	Very Often
Felt nervous and stressed	18%	22%	36%	15%	9%
Felt unable to control the important things in life	28%	27%	31%	10%	4%
Felt that things were piling	31%	30%	28%	7%	5%
Felt confident about your ability to handle personal problems	11%	10%	26%	31%	21%
Felt that things were going your way	8%	10%	40%	29%	13%

Source: SHRM 2016 National Study of the Changing Workforce, (N=1404 to 1431)

WHAT ARE IMPORTANT HEALTH AND WELL-BEING OUTCOMES?

While some stress can be motivating, too much stress can be enervating. As shown in Table 5 below, 46% of employees report experiencing three or more indicators of stress sometimes, fairly often, or very often, 40% experience one to two indicators and thus remain at risk for stress-related health and productivity issues while only 14% report never or almost never experiencing any of the indicators of stress.

FIGURE 5. NUMBER OF STRESS INDICATORS IN THE PAST MONTH



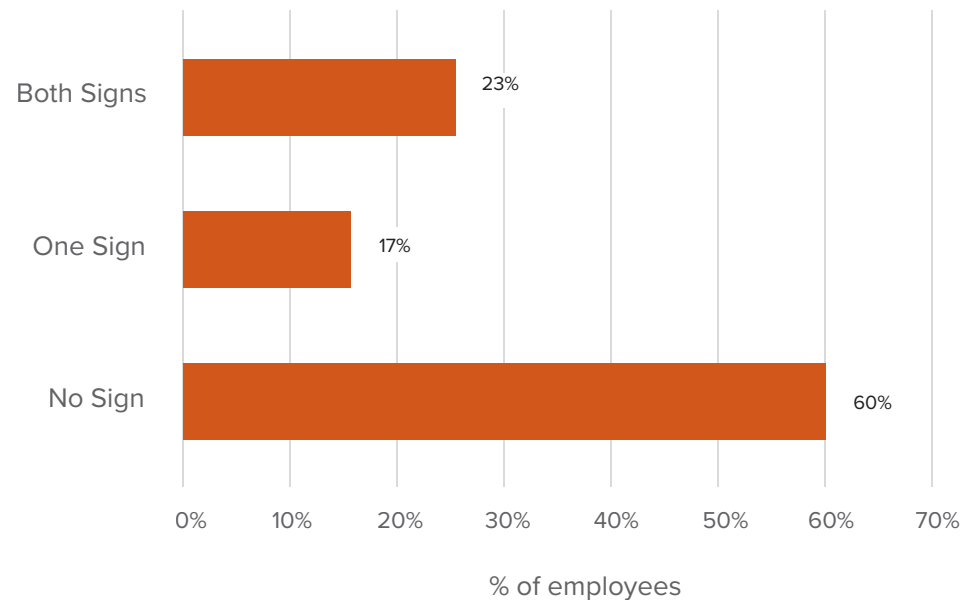
Source: SHRM 2016 National Study of the Changing Workforce, n=1346.

WHAT ARE IMPORTANT HEALTH AND WELL-BEING OUTCOMES?

DEPRESSION

To measure depression, we use a standardized depression screening tool based on the Center for Epidemiological Studies Depression Scale.¹¹ We find that almost a quarter of employees in the US (23%) show both signs of clinical depression; in other words, have been bothered by feeling down, depressed, or hopeless and have been bothered by little interest or pleasure in doing things.

FIGURE 6. SIGNS OF DEPRESSION



Source: SHRM 2016 National Study of the Changing Workforce, n=1433.

WHAT ARE IMPORTANT HEALTH AND WELL- BEING OUTCOMES?

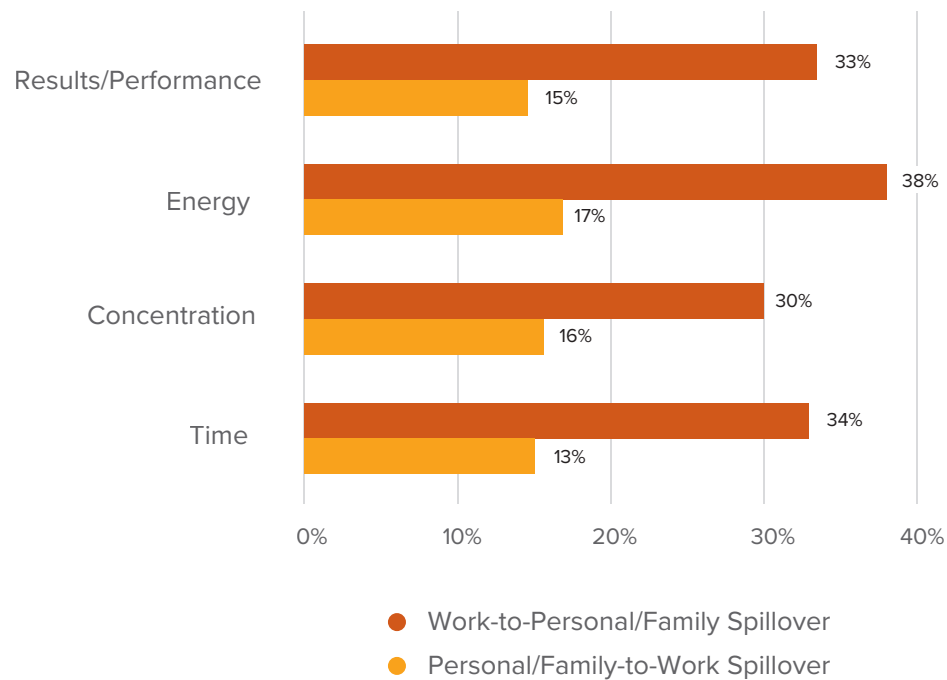
WORK-LIFE SPILLOVER¹²

Families and Work Institute developed a measure of work-personal/family spillover to assess how work affects personal or family life and how family or personal life affects work in both positive and negative ways. Below we report on the negative results because they have been a strong focus in other research and in the media.

When we first developed this measure in the 1990s, it was generally assumed that family or personal life would have negative repercussions at work. Strikingly we find now—as we have found in the past—that the reverse is true; that is, work has a far more negative impact on employees' family and personal lives than the reverse. For example, at least a third of employees experience negative spillover from work to their personal or family lives affecting their energy, time, ability to concentrate, or do a good job at home. On the other hand, most employees (60% or higher) report never or rarely experiencing such problems at work because of family or personal lives.

WHAT ARE IMPORTANT HEALTH AND WELL-BEING OUTCOMES?

FIGURE 7. OFTEN OR VERY OFTEN EXPERIENCING NEGATIVE PERSONAL/FAMILY-TO-WORK AND WORK-TO-PERSONAL/FAMILY SPIOVERS



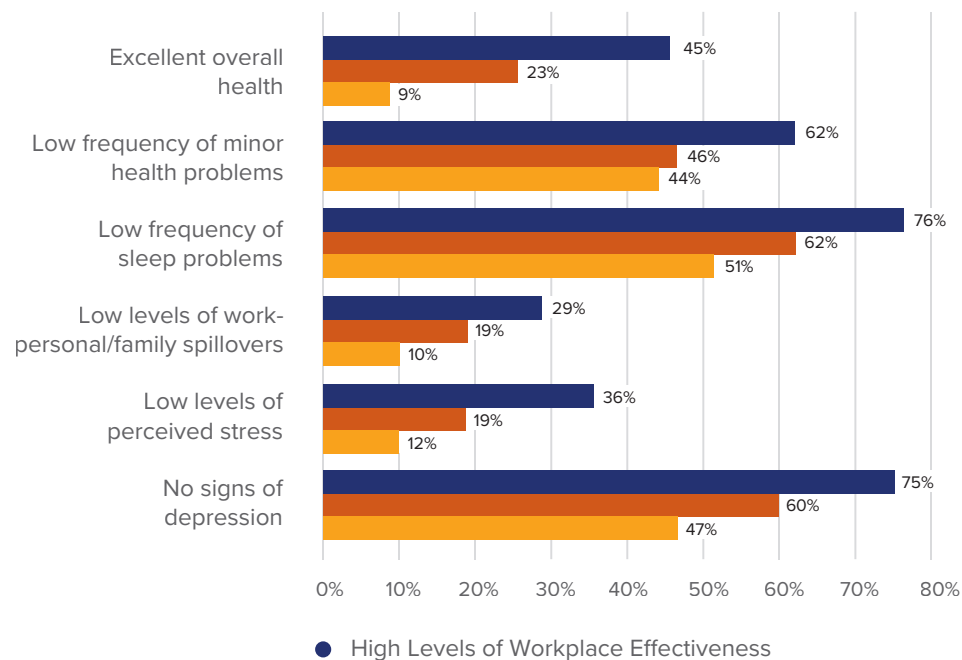
Source: SHRM 2016 National Study of the Changing Workforce, n=1416 to 1430.

HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT HEALTH AND WELL-BEING OUTCOMES?

To answer this question, we compare the percentages of employees who report the positive health and well-being outcomes by level of workplace effectiveness.¹³

Figure 8 summarizes the relationship of various employee health and well-being related outcomes with levels of workplace effectiveness. We find that employees in highly effective workplaces are significantly more likely to have excellent health status, low frequency of minor health problems, low frequency of sleep problems, low levels of work-family conflict, low levels of perceived stress, and no signs of depression.¹⁴

FIGURE 8. PERCENTAGE OF EMPLOYEES REPORTING POSITIVE HEALTH AND WELL-BEING OUTCOMES BY LEVELS OF WORKPLACE EFFECTIVENESS



Source: SHRM 2016 National Study of the Changing Workforce, n =1332 to 1376

HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT HEALTH AND WELL-BEING OUTCOMES?

Specifically, we find the following relationships:

- *Excellent Overall Health:* 45% of employees in highly effective workplaces report excellent health, compared with 23% in moderately effective workplaces and only 9% in the least effective workplaces.
- *Low Frequency of Minor Health Problems:* The majority (62%) of employees in highly effective workplaces experience low frequency of minor health problems. By comparison, less than half (46% and 44% respectively) of employees in workplaces with moderate or low levels of effectiveness, experience low frequency of minor health problems.
- *Low Frequency of Sleep Problems:* Three quarters (76%) of employees in highly effective workplaces report low frequency of sleep problems. By comparison, 62% in moderately effective workplaces and less than half of employees (51%) in the least effective workplaces report low frequency of sleep problems.
- *Low Levels of Work-Personal/Family Spillover:* We find the same pattern for work-personal/family spillover even though the overall prevalence of work-personal/family spillover is quite high across the board: 29% of employees in highly effective workplaces experience low levels of work-personal/family spillover, whereas 19% of employees in moderately effective workplaces and only 10% of employees in the least effective workplaces experience low levels of work-personal/family spillover.

HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT HEALTH AND WELL-BEING OUTCOMES?

- *Low Levels of Perceived Stress:* As with work-personal/family spillover, the overall levels of stress are quite high across the board. However, there are significant differences depending on the level of workplace effectiveness: 36% of employees in highly effective workplaces experience low levels of stress. In moderately effective workplaces, 19% of employees experience low levels of stress, while in the least effective workplaces, only 12% of employees experience low levels of stress.
- *No Signs of Depression:* Finally, when we look at reported symptoms of clinical depression relative to workplace effectiveness, we find that three quarters (75%) of employees in highly effective workplaces report no signs of depression, a sign of positive mental health. By comparison, 60% of employees in moderately effective workplaces and 47% of employees in the least effective workplaces report positive mental health.


As we found when we looked at the relative importance of the components of an Effective Workplace on job outcomes, we also find differences for health and well-being. Table 5 summarizes the top three workplace components in predicting each of the positive health and well-being outcomes, listed in alphabetical order.¹⁵

HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT HEALTH AND WELL-BEING OUTCOMES?

TABLE 5. IMPORTANT WORKPLACE EFFECTIVENESS COMPONENTS PREDICTING HEALTH AND WELL-BEING OUTCOMES

BETTER OVERALL HEALTH	Coworker Task Support**	Satisfaction with Wages, Benefits, and Opportunities to Advance**	
LESS MINOR HEALTH PROBLEMS	Work-Life Fit**		
LESS SLEEP PROBLEMS	Less Autonomy*	Satisfaction with Wages, Benefits, and Opportunities to Advance**	Work-Life Fit*
LESS PERCEIVED STRESS	Culture of Respect, Trust, and Belonging**	Less Supervisor Task Support*	Work-Life Fit**
NO DEPRESSION	Satisfaction with Wages, Benefits, and Opportunities to Advance**	Work-Life Fit**	
LESS WORK-PERSONAL/FAMILY SPILLOVER	Less Job Challenges and Learning Opportunities		

Source: SHRM 2016 National Study of the Changing Workforce (N=1199 to 1220)
 Note: We include only up to three statistically significant components (**p<0.01; *p<0.05) and list them in alphabetical order as significance level does not necessarily indicate level of importance.



HOW DOES BEING IN AN EFFECTIVE WORKPLACE AFFECT HEALTH AND WELL- BEING OUTCOMES?

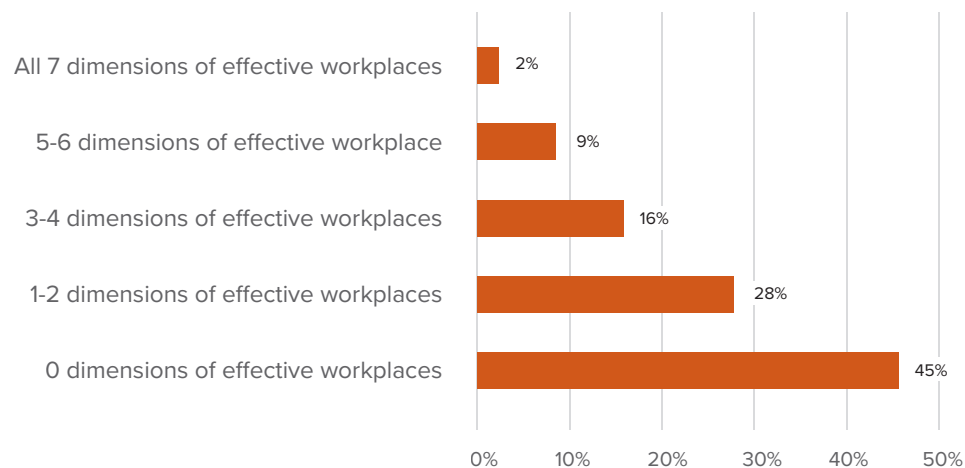
- Work-Life Fit is most often an important component for health and well-being—a strong predictor for four of the six health outcomes.
- Satisfaction with Wages, Benefits, and Opportunities to Advance is an important predictor for three of the six health outcomes.
- Coworker Task Support is a strong predictor of overall health while Culture of Respect, Trust, and Belonging is a strong predictor of lower stress. This suggests that supportive relationships at work can serve as a buffer outside of work.
- Interestingly, having more Autonomy is associated with more sleep problems, having less supervisor support is related to more perceived stress, and more job challenges and learning opportunities are associated with more spillover between home and work. This suggests that having more autonomy, less supervisor support and more challenging work can also bring with them more responsibility, which might, in turn, have negative outcomes.

WHAT PERCENTAGE OF THE U.S. WORKFORCE WORKS IN EFFECTIVE WORKPLACES?

Although we have divided the workforce into thirds—those who experience high, moderate and low levels of workplace effectiveness—for the purpose of the analyses we have just discussed, we wondered how many U.S. employees actually work in truly effective workplaces. To find out, we assessed the proportion of employees experiencing high levels of workplace effectiveness on all to none of the 7 components of an Effective Workplace. Our findings, reported in Figure 9, reveal that unfortunately, very few do!

- Only 2% of employees work in organizations where all 7 components of effective workplaces are successfully implemented, while 9% are in workplaces with 5-6 components.
- Another 28% of employees face workplaces where only 1 or 2 components of effective workplaces are present.
- Perhaps not surprisingly, almost half of employees (45%) are in workplaces that show none of the effective workplace components

FIGURE 9. PERCENTAGE OF EMPLOYEES IN HIGHLY EFFECTIVE WORKPLACES



Source: SHRM 2016 National Study of the Changing Workforce, n =1240

SIX TIPS FOR HOW TO CREATE A MORE EFFECTIVE WORKPLACE

To start the journey toward a more effective workplace, employers—organizational leaders and HR professionals—can begin by asking themselves the following questions:

Creating a Vision

1. What is your vision of a more effective workplace? Which of these components seem most important? Is something else missing?

Identifying obstacles that can be overcome

2. What is standing in the way of your achieving this vision? Select something that you can actually change. Develop an if/then scenario—(If that obstacle occurs, then I will ____?)

Making a business case

3. What are the business reasons that your vision would make improvements for the organization and for employees? For instance, is a goal to improve employee retention? It is important to be able to clearly state and assess what you expect to achieve.

Finding partners to begin to work on implementing the vision

4. Who are the leaders in your organization who have the authority and credibility to begin to bring about change? How can they be involved in creating a vision with you? How then can you work together to make this happen?

Designing a pilot to test and make improvements

5. What pilot can you design with clear results to test how well this change is working for the organization and for employees? What metrics will you use? What time frame? How will you make improvements where they are needed?

Presenting your plan to decision-makers

6. What process will you use to present your pilot proposal to decision makers? What is the most effective way to make this presentation and get buy-in for the pilot?

The background of the slide is a solid orange color. On the left side, there is a partial view of a white computer keyboard with black keys. Above the keyboard, a pair of round, thin-framed glasses is visible. Below the keyboard, a silver pen lies diagonally. In the bottom right corner, there is a spiral-bound notebook with lined pages. The text 'IMPLICATIONS AND CONCLUSION' is written in a bold, white, sans-serif font, positioned over the orange background and partially overlapping the keyboard area.

IMPLICATIONS AND CONCLUSION

Many of the components of the 2020 Effective Workplace Index are no-cost or low-cost and involve improving relationships among employees and their supervisors and among co-workers, creating a Culture of Respect, Trust, Belonging and a culture of flexibility. To promote more Effective Workplaces, employers can:

1. Provide learning opportunities as a part of the everyday work environment

As one component of employees' appraisal process, supervisors can ask them to set a learning goal—something they want to learn to improve their and their team's effectiveness at work. Help employees find ways to obtain that knowledge or gain those skills through mentoring, through stretch assignments, through cross training, or through reading or courses. The employee can become the go-to resource on that knowledge for the rest of the team, ensuring that the learning benefits everyone.

It is important, however, to recognize that giving more challenging work and opportunities to grow may also create a burden or pressures on life outside of work. Making sure that other effective workplace components, such as work-life fit is critical.

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2. Create a culture where supervisors truly support the job success of their teams.

Ensuring supervisors' success extends beyond their technical competence to include supporting the success of those who report to them. You can create a culture where supervisors see managing others as an essential part of their jobs. This involves:

- Being available to help others when work problems arise
- Neither fixing the problem for employees nor over-burdening them to go it alone—but delivering the right amount of assistance and support to solve problems together.
- Communicating well with employees, letting them know the information they need to do their jobs well, giving them constructive feedback, and recognizing them for jobs well done.

This kind of culture is asset-informed, meaning these supervisors focus on the strengths of their employees and respond to weaknesses in terms of what employees are already doing right and could do more of. In order to create this kind of culture, organizational leaders can call attention to examples of supportive supervisors in speeches, in written materials and even with incentives, recognition awards, and compensation. These examples can serve as role models for other supervisors.

3. Be mindful of the positive and negative repercussions of autonomy

Autonomy is critically important for employees. Studies have found that people—from children to adults—are more likely to thrive if they have some say about their own lives and their work. However, studies have also found that there can be negative repercussions of *too much autonomy* when employees work in highly demanding jobs and don't

IMPLICATIONS AND CONCLUSION

have sufficient support from others.¹⁷ Under these circumstances, employees' health and well-being can suffer, ultimately affecting job retention. Thus, employers should ensure that employees have enough autonomy to feel a genuine sense of ownership in their work and their success, but not so much that they feel that they are alone in ensuring the success of their organization.

4. Foster workplace belongingness

We have renamed the Effective Workplace component from past iterations of this Index from Culture of Respect and Trust to Culture of Respect, Trust, and Belonging, a deliberate move to underscore our assessment that a culture of belonging is an important and distinct aspect within the broader notion of an organizational culture of respect and trust.

Fostering a sense of belonging can entail anything from emphasizing a mutual set of values to encouraging more shared experiences outside of work. Asking employees about what bonds them to the workplace and to the people there, and then reinforcing those experiences can be a good place to begin. If there are in-groups and out-groups, you can address those divisions by providing opportunities for employees to get to know each other as individuals, all the while developing the skill of perspective taking, where people understand that it is positive to understand what others think and feel and that teams can be more productive if they bring together people with different life experiences and perspectives.



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5. Support Work-Life Fit

To some, work-life may be synonymous with offering flexibility programs and policies. While that's very important—necessary but not sufficient—our studies have found that *a culture of flexibility* has the most positive impact on employee and organizational well-being. In fact, as the findings above reveal, Work-Life Fit—as measured to include access to programs AND a supportive work culture—is an important predictor of job satisfaction, retention, fewer minor health problems, less frequent sleep problems, lower perceived stress and work-personal/family spillover!

In order to promote Work-Life Fit, you can:

- Understand that family and personal life is not a distraction from work, but these can enhance work.
- Engage in simple acts of kindness, such as asking employees about their personal or family life in caring ways. One study found this act improved employee health.¹⁸
- See yourselves as a role model for how to manage work and personal/family life.
- Help employees address personal/family needs when they arise, ensuring a win/win approach where the employees' and the organizational needs are both met.

6. Promote Improved Wages, Benefits, and Opportunities to Advance

Satisfaction with Wages, Benefits, and Opportunities to Advance is a significant predictor of retention, overall health, and fewer signs of depression. In addition to competitive wages and benefits packages, employers can focus on improving advancement systems, ensuring that employees can discuss their career plans with mentors or others and are supported in taking steps to achieve their goals.



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7. Recognize the importance of supportive co-worker relationships

Working in teams—that is, collaborating with a diverse set of colleagues, including with geographically dispersed colleagues—has become a growing reality for many workplaces. At the same time, most rewards and recognitions are still oriented toward individual performance. We hope that our findings prompt employers to rethink rewards and recognition systems to focus on the team. This includes:

- supporting team members to do a good job;
- sharing credit for success and responsibility for shortcomings; and
- resolving conflicts with respect and attention to everyone's needs.

Some companies have changed the paradigm—rather than setting up competition among co-workers, they emphasize helping co-workers succeed as an aspect of their rewards and recognition systems.

Effective workplaces do more than “talk” about the fact that employees are an organization’s greatest resource and make a critical difference in the organization’s ability to not merely *survive*, *but* thrive. To be truly effective, a workplace—its design, practices and policies—must walk the talk in ways that benefit both the organization, and its employees. By identifying the factors that make work “work” for employers and employees alike, it is our hope that the 2020 Effective Workplace Index provides employers with a blueprint for action and thus for success!






TECHNICAL APPENDIX

Revisions to the 2020 Effective Workplace Index

In order to construct the 2020 Effective Workplaces Index, we start with the 2008 six-component measure of effective workplaces and test the effect of adding and removing various items and dimensions using confirmatory factor analysis and reliability analysis.¹⁹ More specifically, we employ the principles:

- New items are considered for inclusion only if doing so was justified conceptually and based on a review of the research.
 - New items are only added if doing so improved the reliability of the measure.
 - Where empirical differences are minimal between original and revised measures, items are removed in favor of parsimony, particularly when the component already included more than 4 items. Further, in such a situation, the new item is only added if there is a strong theoretical case for its inclusion.
 - Items are reverse scaled as necessary to ensure that all responses are coded 1=low to 4=high in relation to effectiveness.
 - For each respondent, existing items within the component are averaged only if more than half of the number of items for that component are not missing. In other words, if there are 6 items for one component and the respondent has non-missing values for 4 of the items, those 4 items are averaged. On the other hand, if they have 3 non-missing (and therefore, 50% missing), they are not included in the aggregation.
 - Similarly, for the overall index, existing component scores are averaged as long as half (or at least 4) of the 7 are not missing.
 - Each the components in the overall index were awarded the same weight.
 - We convert the index and component scores into a 3-category variable in which the low group represents the bottom quartile, the moderate group represents the middle two quartiles, and the high represents the top quartile.²⁰
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ENDNOTES

- 1 Part of this study was conducted while the author was a fellow of the Columbia Population Research Center at Columbia University.
- 2 Schaufeli, W., & Bakker, A. (2003). UWES Utrecht Work Engagement Scale. Utrecht University: Occupational Health Psychology Unit; Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The measurement of work engagement with a short questionnaire. A cross-national study. *Educational and Psychological Measurement*, 66, 701–716. Seppälä, P., Mauno, S., Feldt, T., Hakanen, J., Kinnunen, U., Tolvanen, A. and Schaufeli, W., 2009. The construct validity of the Utrecht Work Engagement Scale: Multisample and longitudinal evidence. *Journal of Happiness Studies*, 10(4), pp.459-481.

Updated **Employee Engagement** in order to base it on the Utrecht Work Engagement Scale but with the language slightly modified to be more relevant to American employees. Before creating and implementing the 2016 NSCW, we tested the language modifications in the 2014 employee survey used for the When Work Works award and found that our modifications correlated very strongly with the original language. We use the UWES-9 version of the employee engagement measure that includes the following items in an additive index:

1. At my work, I feel like I have a lot of energy
2. I can continue working for long periods of time
3. When I get up in the morning, I feel like going to work
4. I am enthusiastic about my job
5. My job inspires me
6. I am proud of the work that I do
7. I feel happy when I am working intensely
8. I am immersed in my work
9. Time flies when I am working

All items are standardized using the population mean and standard deviation. Cronbach's alpha for this measure is 0.95, a very high score on reliability, compared to 0.65 for the older (2008) measure. We therefore use UWES-9 measure in our analyses going forward.

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To create the Job Engagement score, we average all existing items as long as more than half are answered. We divide this measure of engagement into a three-category variable, such that low engagement represents the bottom quartile, the moderate group represents the middle two quartiles, and the high represents the top quartile. Cutoffs are based on weighted data. The high and low groups include the highest and the lowest response at a minimum, and then any additional responses up until but not including 25%.

3 <http://www.gallup.com/poll/188144/employee-engagement-stagnant-2015.aspx>. Along with the differences in concept and measurement of engagement, it is also worth noting that there are key differences in the two samples. While both results are based on large samples of US adults 18 or older who are working full or part time for an employer, Gallup's data are collected through random sampling and telephone interviews. Their sample size is also significantly larger (over 80,000). The NSCW data are collected through probability sampling with surveys filled out by respondents online.

4 **Job Satisfaction** in the NSCW is a three-item composite index that includes the following: "All in all, how satisfied are you with your job?" (four-point scale from 1=not satisfied at all to 4=very satisfied), "Knowing what you know now, if you had to decide all over again to take the job you now have, what would you decide?" (1=definitely NOT take job, 2=have second thoughts, 3=take same job again without hesitation) and "If a good friend of yours told you that he or she was interested in working in a job like yours for your employer, what would you tell your friend?" (1=advise against it, 2=have some doubts about recommending it, 3=strongly recommend it). All items are standardized and averaged as long as more than half are answered to create a composite measure. Cronbach's alpha is 0.82. Consistent with prior work on the NSCW, we convert job satisfaction into a 3-point scale in which the low group represents the bottom quartile, the moderate group represents the middle two quartiles, and the high represents the top quartile. Cutoffs are based on weighted data. The high and low groups include the highest and the lowest response at a minimum, and then any additional responses up until but not including 25%.

5 Retention is measured in the NSCW with a single item "Taking everything into consideration, how likely is it that you will make a genuine effort to find a new job with another employer within the next year?" (1=not at all likely, 2=somewhat likely, 3=very likely).

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- 6 See Technical Appendix and endnotes 2, 4, and 5 above for how we measure job engagement, job satisfaction and job retention respectively. From these variables, we create the positive outcomes of interest as follows. **High Engagement** is a dichotomous variable with a value of 1 if engagement is high and 0 if it is moderate or low. **High Job Satisfaction** is a dichotomous variable with a value of 1 if job satisfaction is high and 0 if it is moderate or low. **High Retention** refers to the response “not at all likely”.
- 7 All percentages are based on predicted probabilities from logistic regression models, controlling for demographic and socio-economic characteristics (sex, age, income level, relationship status, parental status, race, ethnicity and education level) or occupational characteristics (occupation, industry and fulltime or part-time status). All regressions are weighted by the sampling weight. Difference in predicted probabilities are tested using Wald tests. All differences between any two levels of effective workplaces are statistically significant at $p < 0.01$ or better.
- 8 Results are obtained by comparing the strength of coefficients in multiple regression models where each positive outcome is regressed on the set of seven 2020 Effective Workplace Index components as well as several demographic variables (sex, age, income level, relationship status, parental status, race and ethnicity, and education level).
- 9 Idler, Ellen L., and Yael Benyamini. “Self-rated health and mortality: a review of twenty-seven community studies.” *Journal of health and social behavior* (1997): 21-37.; McGee, Daniel L., Youlian Liao, Guichan Cao, and Richard S. Cooper. “Self-reported health status and mortality in a multiethnic US cohort.” *American journal of epidemiology* 149, no. 1 (1999): 41-46.; Jylhä, Marja. “What is self-rated health and why does it predict mortality? Towards a unified conceptual model.” *Social science & medicine* 69, no. 3. (2009): 307-316.
- 10 Cohen, S., Kamarck, T. & Mermelstein, R. (1983). A global measure of perceived stress. *Journal of Health and Social Behavior*, 24, 385-396; Cohen, S. & Williamson, G (1988). Perceived stress in a probability sample of the United States. In S. Spacapan & S. Oskamp (Eds.) *The social psychology of health: Claremont Symposium on applied social psychology*. Newbury Park, CA: Sage; Cohen, Sheldon, David A. Tyrrell, and Andrew P. Smith. “Negative life events, perceived stress, negative affect, and susceptibility to the common cold.” *Journal of personality and social psychology* 64, no. 1 (1993): 131.;

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11 Radloff, Lenore Sawyer. "The CES-D scale: A self-report depression scale for research in the general population." Applied psychological measurement 1, no. 3 (1977): 385-401. ; Whooley, Mary A., Andrew L. Avins, Jeanne Miranda, and Warren S. Browner. "Case-finding instruments for depression: Two questions are as good as many." Journal of general internal medicine 12, no. 7 (1997): 439-445

12 Negative Family-to-Work spillover is assessed in the NSCW through the following questions.

In the past three months...

- ✓ How often has your family or personal life kept you from doing as good a job at work as you could?
- ✓ How often has your family or personal life drained you of the energy you needed to do your job?
- ✓ How often has your family or personal life kept you from concentrating on your job?
- ✓ How often have you not had enough time for your job because of your family or personal life?

The opposite direction of negative spillovers, i.e. from work-to-family, is assessed in the NSCW using the following parallel questions.

In the past three months...

- ✓ How often has work kept you from doing as good a job at home as you could?
- ✓ How often have you NOT had the energy to do things with your family or other important people in your life because of your job?
- ✓ How often has your job kept you from concentrating on important things in your family or personal life?
- ✓ How often have you NOT had enough time for your family or other important people in your life because of your job?

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- 13** See Technical Appendix and endnote 7 above. Almost all differences between any two levels of effective workplaces are statistically significant at $p < 0.05$ or better.
- 14** **Excellent overall health** is defined as a response of “excellent” to the perceived current state of overall health. **Low frequency of minor health problems** is defined as a response of “almost never” or “never” to the question about how often the respondent had experienced minor health problems, such as headaches, upset stomach or insomnia, in the last month. **Low frequency of sleep problems** is similarly defined as a response of “almost never” or “never” to the question on how often the respondent “had trouble sleeping to the point that it affected your performance on and off the job” in the past month. **Perceived Stress** is an aggregated measure based on the measured stress indicators (see Table 4). We reverse coded the positive items and standardized them for comparability before aggregating them. **Low Levels of Perceived Stress** is then defined as the lowest 25% of z scores. **Low levels of work-life spillover** similarly include the bottom 25% of scores on an 8-item aggregate measure of work-life spillover (see endnote 12). Finally, **No signs of depression** refers to a “no” answer to both depression screening questions in the NSCW, “During the past month, have you been bothered by feeling down, depressed, or hopeless” and “During the past month, have you been bothered by little interest or pleasure in doing things”.
- 15** See endnote 8 above. We conduct a similar analysis for health and well-being outcomes.
- 16** In the first round of the award, worksites qualify by ranking in the top 20 percent of the country based on a nationally representative sample of employers, the National Study of Employers. In the second round, employees at qualifying organizations are surveyed and their responses are compared to data from the National Study of the Changing Workforce along the components of the Effective Workplace Index. Two-thirds of the winning score is based on these surveys of employees.
- 17** Schnall PL, Landsbergis PA, Baker D. Job Strain and Cardiovascular Disease. Annual Review of Public Health; 15:381-411,1994. Schnall PL, Landsbergis PA, Schwartz JE, Pickering TG. Job Strain and Hypertension; Karasek RA, Theorell T. 1990. Healthy Work. New York: Basic Books.

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- 18** Kelly, E. L., Moen, P., Oakes, J. M., Fan, W., Okechukwu, C., Davis, K. D., Hammer, L., Kossek, E., King, R.B., Hanson, G., Mierzwa, F., & Casper L (2014). Changing work and work-family conflict: Evidence from the work, family, and health network. *American Sociological Review*, 79(3), 485-516; Kossek, E. E., Hammer, L. B., Kelly, E. L., & Moen, P. (2014). Designing work, family & health organizational change initiatives. *Organizational dynamics*, 43(1), 53-63; Moen, P., Kelly, E. L., Fan, W., Lee, S. R., Almeida, D., Kossek, E. E., & Buxton, O. M. (2016). Does a flexibility/support organizational initiative improve high-tech employees' well-being? Evidence from the work, family, and health network. *American Sociological Review*, 81(1), 134-164.
- 19** Cronbach's alpha for the 35 items is 0.95 and that for the 7 components is 0.85. Principal Components Analysis with the 7 components extracts one principal component.
- 20** Cutoffs are based on weighted data. The high and low groups include the highest and the lowest response at a minimum, and then any additional responses up until but not including 25%.