

Slideshow

*What Happy Companies Know:
How the New Science of Happiness Can Change Your Company for the Better*
by Dan Baker, Cathy Greenberg, and Collins Hemingway (2006)

(Part 3 of 3)

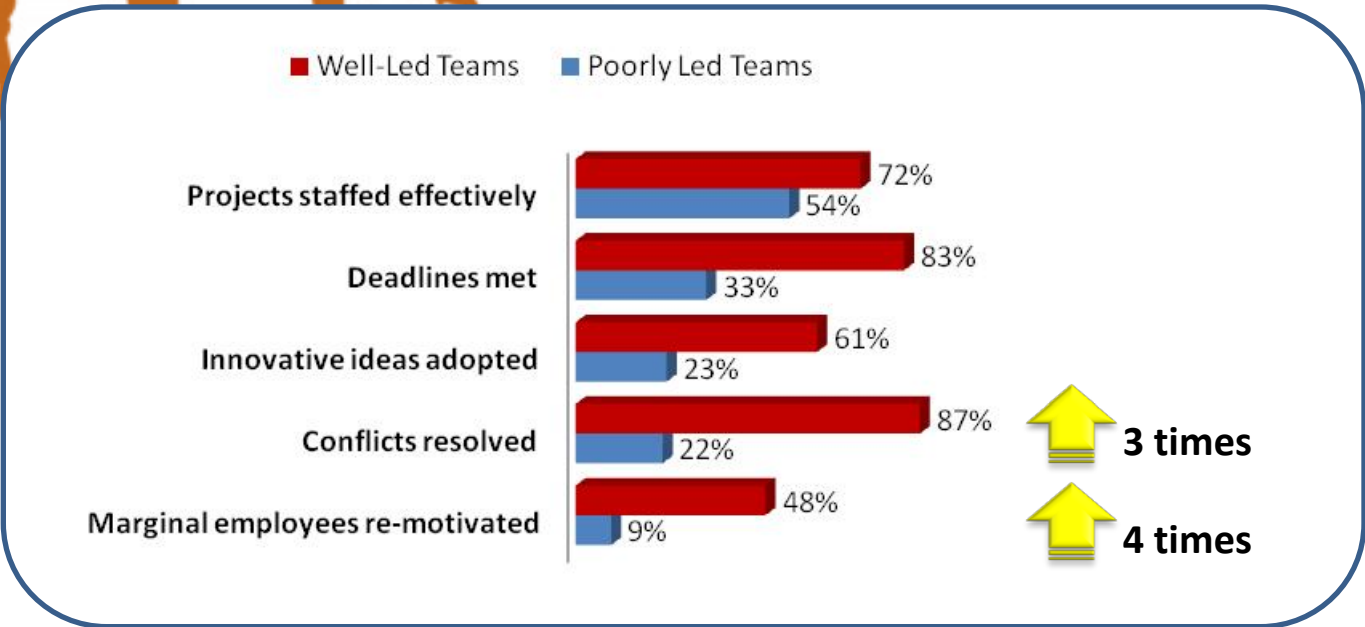




“**Happiness** is an attitude rather than emotion, a prevailing way of life, an overriding outlook composed of qualities such as optimism, courage, love, and fulfillment. **Corporate happiness has the same composition at the organizational and social level.**”



Teams that operate with a culture of collaboration show substantial improvements in performance.



Return On People (ROP)

Total number of employees	1,000
Turnover (20% ^{Note 1})	-200
• People-related departures and terminations (70% ^{Note 2})	-140
• Other reasons	-60

Assumption 1

Most estimates put replacement costs for employees at between one third a person's salary to two times salary, depending on position. At \$100,000 per employee, the direct cost of having emotionally immature employees is \$14 million p.a.

Assumption 2

By investing \$1 million annually to improve the emotional intelligence of its employees, the example company was able to reduce people-related departures and terminations from 140 to 100 people.

Conclusion

This roughly 30 percent drop in turnover would reduce direct costs by \$4 million and would reflect lower total costs of at least \$9 million. The program would offer a 4:1 direct return and 9:1 total return.

Notes:

1. A figure that would be average or low in many fields.
2. The proportion of people who leave because of a lack of emotional intelligence by boss or employee is close to 70 percent overall.

Tools for Building Constructive Culture

Individuals

1. **Congruence analysis.** Degree to which the values of the team align with the leader and with each other
2. **Values analysis.** Understanding of leadership's values and how values underscore success
3. **Energy assessment.** Understanding of stress points and anticipated trouble spots for transitions

Groups / Systems

4. **Cultural assessment.** Leadership profiling and feedback of cultural awareness
5. **Co-definition of future (check-in sessions).** Validation of operating principles and shared definition of the team's future
6. **Leadership development.** Creation of programs to improve capabilities of the leadership team, in conjunction with the recruitment of new talent as needed

Qualities of Happy Companies

Integrating vision

Encouragement
of risk taking

Unquestioned
integrity

Constructive
language

Active philanthropy

Energizing spirit

All-around respect

Trust

A climate of
appreciation

Primary focus
on opportunities

Humanizing
mission

Lifelong
learning

Balance between
competitiveness
and cooperation

Humor

Willingness to
extend beyond
job description

Supportive
relationships

This slideshow is inspired by:

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