Organization performance and happiness in the context of leadership behavior (case study base on psychological well-beings)

Emre Demircioğlu

Universidad Azteca

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Emre Demircioglu¹

Abstract:

Performance and happiness go hand in hand in creating a corporation flourishing. With each associate in nursing acceptable performance management system and a positive approach to influencing those who will increase happiness, associate in nursing organization’s key results will additional probably be achieved and sustained.

Employee performance affects company performance, If you categorical clear expectations to your workers, each you and your company can relish augmented motivation and every one that interprets directly into clearly measurable goals, improved morale, a happier geographical point and better profits. See whether or not your company has all of the objectives of performance management in situ, and whether or not you’re really receiving all of the benefits!

Business outcome measures are assessed as well as client satisfaction, worker performance and worker happiness. Each applied mathematics (regression analysis/p-values) and analysis are used retrospectively on knowledge collected over 3 years.

The research paper explore the link between happiness and performance victimization a longtime leadership development program designed to extend the amount of happy – high performers in a company inside an outsized international corporation.

There are, however, implications for leadership, future analysis regarding happy – high performance and teaching. Leaders recognized their impact on worker happiness and

¹ Universidad Azteca / Mexico, E-mail: edemircioglu@hotmail.de
performance and learned however happiness are often evaluated in reference to a lot of ancient business measures. The everyday method of educational theory preceding field application is reversed during this field study. The observations from the sector might interest practitioners and stimulate academics to any study happy – high performance in workplace settings.

Trends within the applied mathematics knowledge, leadership feedback and responses from a “Happiness Index” establish many themes including: (1) happiness and performance tend to maneuver within the same direction, (2) high play acting staff manufacture glad customers, and (3) happy staff end in glad customers. the tiny sample size, retrospective nature of the analysis and lack of a longitudinal approach cause the results and conclusions to be strained.

**KeyWords:** organization performance, organization happiness, workplace, psychological well-beings, leadership

**Introduction**

It is time for structure practitioners and researchers to additional absolutely explore the link between happiness and performance within the workplace. Whereas there’s substantial treatment of performance in work settings, athletics, and liberal arts (Hays, 2009) the exploration of happiness or psychological well-being in organizations is distributed. Even additional scarce are investigations connecting happiness with performance at workplace. (The indicators happiness and psychological well-being are used interchangeably during this paper.)

This situation will be remedied by having researchers and practitioners explore the findings yielded from positive science and happiness studies over the past decade and relate this work to what we all know regarding performance in structure settings. (Monarch Locke, 2000) has conjointly advised that professional driven models and methodologies will inform theory/framework development and inquiry. His
encouragement to reverse the everyday pattern of educational theory influencing applied analysis and exploration helped inspire the present alpha work. His words appear acceptable and fitting in exploring however happiness and performance go along in work settings. Additional specifically (Locke, 2000) wrote:

“Theory building ought to be an inductive method. You must begin by gathering facts pertinent to the difficulty you would like to review from observation of reality. Such facts don't essentially have to be compelled to be supported quantitative measuring. they will be primarily based conjointly on qualitative knowledge and may replicate info gained from all on the market sources, as well as subject in viewing.” (Locke, 2000)

Using a tested model developed and applied in various structure settings on a consultation basis (Kerns, 2005), a retrospective assessment of the effect of this approach on many business outcome measures was explored during this field study. This work can hopefully encourage others to look at the link between happiness and performance in workplace settings. By doing thus, others will ride the helpful however restricted work that has checked out happiness and structure outcomes (Robertson, 2009). This work might facilitate through empirical observation support the practice-oriented perspective that to sustain high performance, a “threshold level” of happiness must be present in people, work teams and throughout a complete organization. Also, extra work that examines the connection between happiness and performance at work might facilitate valuable professional influenced theory-building as antecedently noted by philosopher.

This article provides relevant background data close the corporate and consultation approach accustomed explore the connection of happiness and performance. Ways used, together with measures moreover as applied math and chemical analysis, square measure offered. Results square measure provided within the context of the studies’
background and also are used as a springboard for discussion of this field study’s limitations. Extra observations (themes and take aways) that were gleaned from the analysis are offered. Implications for leadership apply, analysis and teaching are enclosed beside some targeted conclusions and proposals.

Background

Based on 3 years research tenure, a leadership driven system to boost happiness and performance was enforced during a company among a four-billion dollar world corporation. The corporate Presidents in consultation with the primary worked closely along to confirm that the system known as “Corporate-performance” was consistently applied among these companies. These companies are answerable for selling and industrial merchandise to massive technology homeward corporations within the Turkey.

These Top 8 Companies are
1- Tüpraş
2- Ford Otomotiv
3- Oyak Renault
4- Arçelik
5- Turkish state power company EÜAŞ
6- Tofaş
7- İskenderun Iron and Steel Co.
8- Ereğli Iron and Steel Co.

There are so one thousands staff operating following these companies and an
government cluster consisting of approximately more than 10 people and their report back to the Presidents. This leadership cluster beneath the direction of the Presidents and in consultation with the advisors were answerable for implementing the system to boost happiness and performance among this companies

The leadership and structure development system that was used concerned the implementation of diverse performance management tools and interventions to reinforce happiness and performance.

**Segment targeted were as follows:**

1. Setting and implementing a stimulating strategic direction (Director Role)
2. Focusing operations on key result areas (Focuser Role)
3. Linking and Coordinative resources, particularly target group (Linker Role)
4. Influencing others to be directed, targeted and effectively connected (Influencer Role)
5. Increasing the quantity of positive experiences that people and teams have at work.

It is not the intention to debate the particular performance management tools and interventions used. These targeted are connected social control action roles are reviewed additional extensively elsewhere (Kerns 2005, 2008). These targeted areas and therefore the associated social control leadership practices and tools were designed to drive the subsequent outcome measures:

- Sales
- Profitability
- Customer service
- Happiness
Specific tools to drive these measures enclosed the planning and development of useful purpose statements, performance based mostly job descriptions and performance feedback huddles for people and work teams among the corporate.

In an endeavor to capture the impact of those practices and tools on happiness and numerous performance measures, a retrospective analysis of outcome knowledge over a 3 year period was incepted. The plan of this analysis was to emphasize however happiness and performance associated with one another during this work. It's hypothetical belief that for performance to be sustained in a company, people and teams among that organization have to be compelled to expertise a strength of happiness. It's tough for unhappy people and work teams to continue working at high levels while not applicable leadership intervention.

**Methods**
The methods was used to assess the effect of the happiness-performance enhancement program are narrated below. It consisted of both quantitative and qualitative analysis.

**Measures**
The organizational outcome measures were reviewed within this company are explained by following:

- **Sales** – 2 years of sales results were received. These data was supplied by the President and the Controller in this company.
- **Customer Service** – The ratings from a 7 item customer satisfaction survey
• Profitability – 2 years of profit results were assessed. Data was obtained by reviewing the P/L statements with the Presidents. That was given to all external customers was used as the appraising for customer satisfaction. Data was available for one year. A total of 409 external customers responded to this question.

• Employee Performance Ratings – Annual performance evaluation ratings were achieved for a 3 year period. Each employee’s whole performance rating obtained from a result of several key result areas was used to measure performance. These evaluations were consisted on a behavioral review of specified key result areas and related key actions that was completed by every employee’s supervisor partial of the performance management system that was incepted in the company as part of the consultation.

• Employee Happiness Survey – A “Happiness Index” was developed to measure each employee’s perception of their individual happiness. The measure consisted of a single item and studies as follow, “My full level of happiness at work is:” Employees were asked to rate their happiness on a 5 point Likert scale as follows:

  o Extremely unhappy
  o Very unhappy
  o Moderately happy
  o Very happy
  o Extremely happy
Instructions: “Please check one of the numbers in the “Happiness Index” below that reflects your happiness level at the company. When giving rate your happiness level do consider such things as your relationships at work, your job, and your work environment.”

The “Happiness Index” also included the following open-ended question for employees to respond to, “Do you have any suggestions that would make things more positive and rewarding?”

**Statistical Analysis**

Means and standard deviations were computed for all individuals on all measures. Also a series of regression analyses were completed for the following dependent and independent variables:

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>Independent Variables</th>
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<tbody>
<tr>
<td>EMPLOYEE PERFORMANCE RATING</td>
<td>--</td>
</tr>
<tr>
<td>CUSTOMER SATISFACTION SCORE</td>
<td>--</td>
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<tr>
<td>CUSTOMER SATISFACTION SCORE</td>
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</tbody>
</table>

For the regression analyses correlation coefficients and p-values were examined to calculate the strength of the relationship between the variables. (Note:See the “Quantitative Results” section)
Qualitative Analysis and Observations

The data that was employed in the applied mathematics analysis was additionally reviewed for trends and themes. Additionally, the “write-in” responses to the one open-ended question on the “Happiness Index” were additionally reviewed to reap helpful insights relating to worker happiness and performance. Members of the manager team together with the Presidents were interviewed to work out their perceptions relating to the effectiveness of the happiness – performance sweetening program and its impact on psychological well-being and performance within their company on the far side what was unconcealed in the statistical analysis.

Results

The results from the analysis will be reviewed in two parts. First, the results from the statistical analysis with emphasis on sharing the outcome of the regression analysis will be offered. Second, the various themes and observations from the qualitative methods will be provided.

Quantitative Results

Employee “Happiness Index” scores and performance ratings were obtained from 87 people. Calculations of the means and standard deviations on these two measures yielded the following results:

<table>
<thead>
<tr>
<th></th>
<th>&quot;Happiness Index&quot; Score</th>
<th>Performance Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean</strong></td>
<td>3.82</td>
<td>3.45</td>
</tr>
<tr>
<td><strong>Standard Deviation</strong></td>
<td>0.62</td>
<td>0.40</td>
</tr>
</tbody>
</table>
In doing a regression analysis with performance rating dependent variable quantity and "happiness index" score because the experimental variable, the coefficient of correlation was 0.13 and also the p-value was 0.21. There's no statistically important relationship between performance rating and "happiness index" score from our information. The correlation between happiness and work performance from our information is less than the benchmark correlation of between 0.3 and 0.4 advised by others (Robertson, 2009). If we tend to were to mention that the correlation between psychological well-being and performance is 0.3, then with a one variance increase in happiness, we might expect about a 0.3 standard deviation increase in performance. This highlights the importance of however increasing the extent of happiness of staff can have an immediate impact on improved performance.

Furthermore, from our information we are able to say that the "happy employee" (those about happiness score gained 3.5 or greater) typically performed higher than the "non-happy employees" (happiness score less than 3.5). There have been 64 "happy employees" and that they had a mean performance rating of 3.51. In distinction, there have been 23 "non-happy employees" and that they had a mean performance rating of 3.31. Similar results we tend to re found with another consumer that we do preliminary work with around assessing and analyzing the connections between happiness and performance and connected measures in their organization. Our work is adjuvant of the concept that a "threshold level" of happiness is required so as to own high performance.

We conjointly checked out the connection between customer satisfaction scores and
“happiness index” scores, Moreover because the relationship between client satisfaction scores and performance scaling, and found some useful results. Customers were asked to rate their level of satisfaction for:

- Inside Sales
- On-Time Delivery\Outside Sales Price
- Quality of Products Technical Service Overall Satisfaction

Employees were grouped into the appropriate customer satisfaction category. For example, inside sales representatives were put in the inside sales category and the technical service representative was put in the technical service category. Some of the employees did, however, not fit into one of the first six categories like the people working in the finance function. Because of this, not every employee was put into the first six categories. However, all the employees were included in the overall customer satisfaction category. The mean customer satisfaction, “Happiness Index” scale scores and average employee performance ratings across the six customer satisfaction categories along with overall satisfaction are depicted in below Table I.

The regression analysis with client satisfaction scores because the dependent variable and worker performance ratings because the independent variable yielded a correlation coefficient of 0.49 indicating a rather sturdy relationship between worker performance and client satisfaction. This after all is smart as a result of staff who are playacting well probably turn out a lot of happiest customers. The regression analysis with customer satisfaction scores because the dependent variable and “happiness index” scores because the independent variable yielded a parametric statistic of 0.28. This indicates that there’s some correlation between happy staff and full satisfied customers. These consequences do, however, narrate that worker performance may be a a lot of vital issue for client satisfaction than worker happiness.
As noted earlier, profitableness and sales knowledge were conjointly obtained with the intent of analyzing these 2 factors with the opposite variables ("Happiness Index" scores scale, worker performance ratings, and customer satisfaction rating scores). However, this wildcat field study didn't lend itself to finishing this analysis. Further knowledge is required within the context of a longitudinal study so as to check these kinds of relationships.
Qualitative Results

A review of the trends within the applied math knowledge (even where results weren’t statistically important or significant), responses to top team members’ feedback and “write-in” responses achieved from the “Happiness Index” discovered many themes. **every of those themes are highlighted below.**

**Theme #1:** Happiness and performance tend to maneuver within the same direction. though statistical significance from the regression analysis wasn’t achieved, the information shows a trend where happiness and performance are connected. In reviewing the paired comparison between happiness and performance these 2 dimensions associated with one another. As noted antecedently, “happy” staff performed higher on the average than “non-happy” staff.

**Theme #2:** The notion that an intensity of happiness is required to sustain performance appears to own a minimum of “face validity” with this cluster of executive leaders. Every leader once interviewed supported the observation that their individuals wouldn’t be working at their best unless they’d a clear performance infrastructure (e.g. clear key results, performance based mostly job descriptions and performance feedback) and a comfortable level of happiness. Many leaders declared that they clearly see however happiness and performance go along in their workplace. They conjointly noted that while not a comfortable quantity of happiness at work their performance and therefore the efforts of their individuals “suffer”.

**Theme #3:** Executives and employees appreciate and resonate to tools and practices that they’ll use to drive happiness and performance within the workplace. This theme is
closely related to theme #2 on top of. Specific sensible tools like performance based mostly job descriptions, allied functional statements and learning specific steps to providing performance feedback facilitate to “Operationalize” the happiness – performance affiliation which could have otherwise been left as an imprecise and abstract idea for workers to speculate. Many staff and executives created statements similar, “these multi frameworks and tools facilitate us to truly concentrate on our performance and our positive experiences at work.”

Theme #4: High playacting staff turn out extremely pleased customers. This theme agrees with our intuition and was supported by the quantitative results. With this in mind, if corporations wish to own higher glad customers they ought to take action to assist their staff to perform in addition as they'll.

Theme #5: Happy staff lead to extremely satisfied customers. As noted within the “Quantitative Results” portions, worker happiness isn't as significant an element as worker performance in relationship to client satisfaction. However, our quantitative results do indicate that there actually may be a relationship between happy staff and happy customers. As a client we have a lot of probably to be satisfied after we are being served by a cheerful, smiling worker that a tragic, grumpy one.

These themes if taken along highlight some necessary linkages. The primary link is that the happy worker. Leaders ought to do what they'll to extend the happiness of their staff. The happy worker then influences the worker performance linkage, leading to a high playacting worker. In turn, the high playacting worker influences client satisfaction which ends up in a very glad client. Finally, satisfied customers influence business results, leading to higher sales and profitableness.
Discussion and further suggestions

There are variety of distinctive aspects to the current work. First, the everyday method of getting tutorial theory precede application is reversed during this study. This effort shows however a professional person familiarized model will result in the analysis and discussion of a very important topic that is of interest to practitioners further on “academics”. Second, this effort reflects knowledge domain collaboration between 2 areas that don’t seem to be continually connected. The pairing of structure behavior as mirrored by the primary perspective with call analysis/quantitative ways contributed by the second offers a broader read purpose from that to look at the association of happiness with performance within the work place. Third, this work demonstrates however a bunch of active executives integrated linkage and analysis into their apply of leadership to assist them higher perceive the impact that they were having on 2 necessary structure outcomes. In fact, the retrospective analyses of impacts of their actions on some key business measures helped them higher perceive however a “softer” topic (happiness) can be evaluated in reference to a “harder” bailiwick (performance).

However, this work will have many limitations. First, the sample size caused the results and therefore the conclusions that may be drawn from them to be affected. Second, whereas the retrospective analysis of the happiness-performance program offers an expensive springboard for review and discussion, It cannot replace a proactive analysis style effort wherever mensuration methodology and applied math analysis are pre-planned. Third, this work represents a “snapshot” from the sphere and it's seemingly that a additional longitudinal perspective is required to extra totally examine the affiliation between happiness and performance in
work settings. For instance, theme #2 that indicates that a intensity level of happiness is required to sustain performance are a few things that may solely be statistically verified through more knowledge assortment and analysis. We have a tendency to notice that our knowledge analysis is at the pilot stage. However, we have a tendency are to inspired by the initial results and appearance forward to increasing our sample size still as embarking on a longitudinal study.

There are, however, variety of helpful “take aways” that a review of this work suggests. First, golf shot the applied math significance question aside, there will seem to be indications that happiness and performance are connected during this work place. It'll be vital to more examine the hypothesis that a intensity level of happiness is required to sustain performance. Happy high performers, just like the company Presidents, are required to assist organizations succeed over time. Second, the “Happiness Index” wont to live psychological well being during this work setting seems to be sensible and helpful. Input from the sphere regarding the mensuration and assessment of happiness within the geographical point is required to advance our data during this space since this work is just in its infancy (Lopez 2003 and guard 2009). There's a requirement for the look and development of extra assessment instruments that live psychological well-being in the workplace.

These efforts won't solely profit leadership practitioners however also will facilitate applied researchers study the affiliation between happiness and performance in geographical point settings. Third, this vital space of structure well-being are often more advanced by knowledge base collaboration and through practitioners operating with members of the tutorial community. These efforts can contribute to tutorial and observe excellence by creating business colleges additional relevant and accessible to executives
Implications for Leadership observe, analysis and teaching

Managerial leaders will profit by having their practices and tools examined additional strictly. This can be very true once watching the link between happiness and performance within the geographical point. Whereas there's a growing body of analysis from the sector of positive psychological science about happiness outside the geographical point (Diener 2008 and Lyubomirsky 2007), practitioners may benefit from knowing that frameworks and tools from this field are going to be helpful within the structure setting. Once it involves watching the affiliation of psychological well-being and performance within the geographical point we'd like additional work that bridges observe with empirical study in such areas as activity happiness, evaluating the impact of happy high performance practices (interventions) on business outcomes, and examining the qualities of leaders that appear to form for “happy high-performers”. On the far side this current field study there's rising proof that ought to encourage others to more examine the influence of leadership on happiness and structure outcomes (Robertson, 2009). While these efforts are in their infancy they hold nice promise of conducive to the observe of leadership and structure development because it relates to happiness and performance at work.

There are variety of implications that this work offers for future analysis. Within the space of assessment and measuring there's the chance to develop and validate each existing and new instruments for assessing happiness at work. The “Happiness Index” that was introduced during this program might as an example be employed in different organizations and additional strictly tested for reliability and validity. Also, a number of
the social control leadership practices like strength-based management may benefit by having additional specialised instruments developed which will be additional appropriate for administration to structure leaders and their workers.

Further analysis that isolates specific happiness – performance interventions that are delivered by structure leaders is additionally required. It'd be of interest to grasp, as an example, that interventions that have evidenced to achieve success in non-business settings can be effective in geographical point environments. The primary author, as an example, has found that the writing of an in depth feeling letter to indicate appreciation to key reports isn't a sensible tool for busy executives. Instead having them count and acknowledge the “good” things that have happened over variable periods of your time at work is additional sensible and effective. It's going to probably be that key dimensions of executives’ personalities act considerably with varied social control leadership interventions designed to spice up happiness and performance. Indeed, this has evidenced to be the case within the application of happiness sweetening interventions in non-work settings (Lyubomirsky, 2007).

Beyond exploring temperament dimensions and different doubtless relevant characteristics of social control leaders, the mensuration of executives relating to that practices, assessment tools and outcome analysis methodologies appear most acceptable once addressing the affiliation between happiness and performance in geographical point settings is required. Additionally to morel rigorous analysis of those areas, it appears useful to get social control leaders perception of the utility and “face validity” of assorted frameworks and tools as potential candidates to be used by executives. One criterion for any happy – high performance framework or tool is that
it'll got to pass the “practicality test” of active leaders.

Research on the dynamics and relationship between psychological well-being and performance across cultures and international borders has to be studied. As an example, the measurements wont to assess the happiness – performance affiliation in addition because the interventions applied to reinforce happy – high performance got to be investigated globally exploitation a world perspective (Park et al. 2009).

In terms of implications, this work points to the ability in knowledge base effort and bridging the gap between academe and real-world observe. Several coaching sessions were integrated into this happiness – performance sweetening program in conjunction with a daily schedule of government coaching job sessions for the President and his key reports. Above all it appears fruitful for lecturers of business students to develop learning modules which will facilitate their students perceive the happy – high performance framework and connected assessment tools, whereas obtaining exposure to potential sweetening practices. Also, learning a way to live the impacts of leadership and structure development programs during this space on business outcomes are going to be valuable.

The authors are, in fact, developing associate degree knowledge base teaching approach which will integrate positive structure behavior, call sciences/quantitative ways and leadership. This learning module can expose students to relevant frameworks and tools from these 2 tutorial disciplines and supply for interaction with senior executives World Health Organization not solely believe increasing the quantity of happy – high performers in their organizations however World Health Organization have expertise in taking action to supply this outcome.
Taken along this work offers opportunities for leaders to extend their skills in enhancing happy – high performance in their organizations. It can also function a springboard for researchers to more explore the subject of happiness – performance in geographical point settings across the world. Lecturers and company trainers also are inspired to develop learning modules to show and train others during this vital space.

Conclusions and Recommendations
The following 5 conclusions and 5 recommendations from this work appear relevant and vital to highlight:

Conclusions:
1. Happiness and performance are connected in vital ways in which within the geographic point.
2. For maximum learning associated impact an knowledge domain approach beside professional person involvement within the study and teaching of happy – high performance is inspired.
3. Sensible frameworks that are with success applied within the field of positive psychological science will facilitate instruct and facilitate additional empirical investigation and theorizing on a subject of mutual interest to practitioners and applied researchers like happiness and performance.
4. Once it involves increasing the amount of happy – high performers, social control leaders are craving for frameworks and tools that a minimum of, from their perspective, have “face validity”.
5. Multivariate analysis beside alternative non-quantitative approaches are promising ways to explore once examining the impact of happiness on business
outcomes. These ways helped indicate that happy staff are typically high acting, and happy – high performers end in additional glad customers. A multi-faceted approach to measure and analysis appears appropriate for this space of study.

Recommendations:

1. Produce coaching, learning modules and development programs for Business Administration students and structure leaders that:
   • Introduce the thought of happy – high performance.
   • Teach assessment associated measure exploitation an knowledge domain approach.
   • Provide exposure to leadership practices that enhance happiness and performance at work employing a international perspective.

2. Develop new assessment instruments that are reliable and valid measures to be used in geographic point settings.

3. Survey social control leaders to see that happy – high acting sweetening frameworks and tools hold promise for application in work settings. Assess, among alternative things, these executives’ perceptions concerning the “face validity” of varied frameworks and tools.

4. Encourage business practitioners and consultants to succeed in intent on grad school college to additional explore the connection between happiness – performance in structure environments. These efforts will facilitate expand the amount of frameworks and tools that may be applied to assist structure leaders enhance happy – high performance in their organizations. With recommendation #3 in mind, extrapolate the findings from psychological well-being analysis within the field of positive psychological science to see if and the way they’ll be employed in geographic point
settings by busy executives. Associate examination of happiness enhancing interventions that are valid outside of structure settings would be an honest place to start out.

5. Extend this alpha field study and also the connected observations to the look of longitudinal investigations of psychological well-being in structure settings employing a global/cross-cultural perspective (Fave, 2009). This work ought to embrace examining the affectivity of structure development initiatives meant to reinforce happy - high performance for people, work teams and a whole organization.

References:


