Contents

Executive Summary 4
The Valcon Happiness Lab 6
Our Research Methodology 8
The Happiness Development 10
The Main Factors of Happiness 16
  Stress 18
  Social relations 22
  Job satisfaction 26
  Self-esteem 28
What’s next 30

Editorial team, The Happiness Research Institute
Isabella Arendt Vlasman, Alexander Gamerdinger, Alejandro Cencerrado, Anne Henderson, Meik Wiking

About The Happiness Research Institute
The Happiness Research Institute is an independent think tank exploring why some societies are happier than others. The mission is to inform decision makers of the causes and effects of human happiness, make subjective well-being part of the public policy debate, and improve quality of life for citizens across the world.
The F-word in business is feelings. Companies usually don’t talk about feelings or emotions or happiness. However, in August 2018, Valcon and the Happiness Research Institute established the Valcon Happiness Lab. Our mission is to make Valcon the happiest company in the world. In order to achieve this, we have tracked and surveyed happiness levels continuously at the company since August last year, analysing which factors most heavily influence the happiness of the employees, and initiated interventions to reduce the barriers for wellbeing.

Our aim is to understand which factors in the workplace drive, not only job satisfaction, but the overall happiness of the employees, and to elicit from this what kind of measures could be implemented in the future to increase happiness.

Valcon is a global consultancy with employees originating from many different countries. While the headquarter is located in Copenhagen, Denmark, the company has two offices in Sweden and numerous consultants traveling all around the world.

There are some ‘natural’ variances in happiness among the employees that are related to age, gender and civil status. Apart from these natural differences, we found that stress, social relations, work satisfaction and self-esteem are the four factors that most influence whether people are happy at Valcon or not. In total, these four factors explain 40% of the difference in overall happiness levels among all Valcon employees, which is considered to be high in the realm of happiness research.

The Valcon Happiness Lab has focused on implementing interventions targeted on these abovementioned four factors: To combat stress, Valcon focuses on creating a common language about stress allowing the employees to talk more openly about it and understanding the first signs of stress. Additionally, managers at Valcon are now educated in spotting, addressing and reducing stress amongst the employees. In order to encourage social relations, Valcon has initiated Friday lunches for all employees as well as voluntary interest-based clubs that are run by employees themselves.

Our work has really just begun. As the Valcon Happiness Lab continues its work, further interventions will be launched. We are committed to improving happiness at Valcon even more, keeping in mind that the effect of the interventions will take time.
The Valcon Happiness Lab

As the happiness agenda becomes dominating in public policies as well as in corporate life, companies all around the world have begun to see the benefits of having not only effective and highly performing employees, but employees who thrive and feel happy. This more holistic approach to corporate life is not only what will drive a sustainable business in future, but also what the next generation of employees will naturally expect of their working life.

Valcon, a global consulting firm with Nordic roots, has decided to take this insight to the next level: Valcon has the bold ambition to become the company with the happiest employees in the world and to become a pioneer, not only in its own industry, but to companies all over the world.

This bold ambition has led to the establishment of the Valcon Happiness Lab led by researchers at The Happiness Research Institute, which measures and tests happiness in order to understand the drivers and barriers of happiness among the employees in the company in order to share the analysis and insights with companies worldwide.

The Valcon Happiness Lab was initiated in August 2018. Since then, data about the happiness levels of Valcon employees has been gathered on a regular basis through weekly electronic questionnaires, and several interventions have been launched to enhance happiness accordingly. The lab applies a longitudinal research methodology which means that the same people are followed over time, allowing for a better understanding of how to improve happiness levels among the participants.

In this report, The Happiness Research Institute presents the preliminary results of the Valcon Happiness Lab, the interventions that have been implemented so far, as well as the method behind the study.

In the future, more interventions will follow as we keep improving our understanding about what specific factors are important for the happiness of the employees at Valcon.

What is happiness?

Happiness is a subjective experience or feeling and can be studied by asking people about their individual experience of life. Since 2011, both the United Nations and the OECD have started to emphasize the importance of happiness as a measure for progress alongside economic metrics such as Gross Domestic Product. Their forces are joined by academics from a variety of fields as well as by governments such as the UK, Germany and the Netherlands. According to the OECD Guidelines of Measuring Subjective Well-being, we study happiness in three dimensions:

- **The cognitive dimension of happiness** measures how satisfied people are with their life overall when asked to evaluate it. To measure this, we adopt the Cantril Self-Anchoring Striving Scala - also called Cantril ladder - which is used by the United Nations, Gallup World Poll and Columbia University in the World Happiness Report. The Cantril ladder is based on the following question: “Please imagine a ladder with steps numbered from zero at the bottom to ten at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand right now?”

- **The affective dimension** captures recent experiences of feelings and emotions. Both negative emotions such as shame or distress, and positive emotions such as joy or feeling interested. In this study, we use the Positive And Negative Affect Schedule (PANAS) to measure this dimension. The PANAS is comprised by two mood scales based on 20 different emotions - 10 positive and 10 negative.

- **The eudaimonic dimension of happiness** measures whether or not people find that their life has purpose and whether they think that the things they do in their everyday lives are worthwhile. This dimension is the one which has received the least attention in the study, so far, but will be further explored as the Lab develops it work and focus.
Our Research Methodology

At the beginning of the Valcon Happiness Lab process in August 2018, we designed a baseline survey, the aim of which is to measure the development in happiness and identify main factors explaining the differences in the happiness levels of the participants.

The same questionnaire has since been repeated every fourth time a survey is sent out (see Figure 1). In between the baseline surveys, we conduct specific surveys measuring e.g. assertiveness, loneliness, motivation and other topics that we need to gain a deeper understanding of the issues that the baseline survey does not capture. We call these theme-specific surveys.

For each conducted survey, we follow a specific process (see Figure 2). After the data is analysed in a regression analysis, we discuss results with the management at Valcon and jointly consider interventions or actions. These interventions are then designed and implemented, and their impact is assessed through the surveys that are conducted in the next round.

Our surveys build on and combine survey designs that are developed and validated by existing academic literature (see Figure 3 for examples), but the questions that we ask in the surveys are specific to this study.

To study stress, we have applied the Cohen Perceived Stress Scale. To study affective happiness, we use the Positive And Negative Affect Schedule (PANAS). To assess loneliness, we use the University of California, Los Angeles Loneliness scale, also known as the UCLA Loneliness scale. To study self-esteem we use the Rosenberg Self-Esteem Scale. Lastly, to study job satisfaction, we use the European Working Condition Survey.

By using existing survey designs, it is possible to compare the data from this study with studies done elsewhere. This method is particularly valuable to other companies, that wish to learn from our findings and the methods applied in the Valcon Happiness Lab.
Happy average veils divisions in happiness

The ‘average employee’ at Valcon scores a 7.23 out of the ten step Cantril ladder, which is higher than the average happiness level of a person from Copenhagen, where the company headquarter is based. This average covers both a large group of extremely happy employees and a considerate minority of 19% who are less happy or simply unhappy. Analysing these divisions provides crucial insights into the drivers of happiness and how to address the barriers for wellbeing in the company.

During the time the Happiness Lab has been running, 34% of the participants have become happier while 29% have become less happy. The remaining 37% have stayed equally happy. Overall, as Graph 1 shows, the average cognitive happiness level at Valcon has experienced small fluctuations throughout the months and has stabilised around its starting point in the latest survey from February 2019.

The first interventions to enhance happiness were presented in December, and only implemented accordingly in January and February - just before the latest survey recorded in this paper - which is why their effects are not completely visible yet. The interventions aim at decreasing stress and building friendships among the employees. It will take time before these positive effects are visible for all the employees at Valcon, partly because participating in the interventions is voluntary for the employees. Hence, as the Valcon Happiness Lab continues its work, we expect positive long-term effects to become visible later in the process.

Graph 1: Average happiness of Valcon employees over time

The second graph (Graph 2) illustrates how many employees at Valcon either increased or decreased in happiness or remained equally happy during the time the Happiness Lab has been running. Even though a major part of the participants remained equally happy, 34% became happier and 29% became less happy. These preliminary findings show that we have to focus on the specific reasons for why this happiness divide has occurred. This will be kept in mind when designing future interventions.

Graph 2: happiness development by groups over time

Valcon employees are proud at work

We have further studied the affective dimension of happiness, which highlights the everyday emotions of the employees at Valcon. The most profound emotion among the participants is pride, which is largely present for male employees. Being excited is also a dominant emotion in the workplace. Focusing on the more negative emotions, being nervous is the feeling that is most common. In general, the happiness of female participants is more affected by negative emotions, while for men, the positive emotions dominate.
Figure 4: Happiness of Valcon employees by groups in February 2019

Legend
- **81%** Thriving: people who rate their current lives a ‘7’ or higher on the Cantril Self-Anchoring Striving Scale from 0-10.
- **14%** Struggling: people who rate their current lives between a ‘6’ and ‘5’ on the scale.
- **5%** Suffering: people who rate their current lives a ‘4’ or lower on the scale.
It is necessary for the Valcon Happiness Lab to be aware of the natural happiness differences between gender, family situation and the age of the employees, and our methods have to be adapted to that. Since Valcon is a very diverse company, with employees originating from more than ten different countries, we cannot apply one-size-fits-all methods to increase the happiness of the employees. Hence, different interventions for each group will be needed in order to obtain the same happiness levels for all participants.

Four interesting patterns in the happiness of the Valcon employees:

1. **Men are happier than women.** The main factors explaining the gender happiness difference is that men have a higher sense of self-esteem that is partly supported by feeling acknowledged by the manager. Also, men have lower stress levels and feel less nervous. Contrarily, women more often feel upset than men (one of the reasons is that women do not know what is expected of them at work). On the positive side, women are more satisfied with their social relations. We observe a similar gender happiness gap in Copenhagen. However, the happiness gender gap is larger at Valcon than for people in Copenhagen in general. In our sample, especially the women are less happy than their equivalents in Copenhagen.8

2. **Younger employees are happier than older employees.** One of the main reasons for this variance in happiness is that the younger employees feel that their job offers more prospects for advancements. Furthermore, younger employees have a greater feeling of having someone to talk to compared to the older employees. A third reason for this is that the older employees here being the ones older than 35 often feel that their job prevents them from spending time with their family. This tendency of age and happiness is supported by data on life satisfaction by Denmark’s statistic.9

3. **Employees who are married or with a partner are happier than employees who are single.** This difference in happiness levels is mainly explained by a greater feeling of loneliness among the singles compared with employees with a partner. This relates to the importance of ‘close social relations’ for people, which is the largest positive driver for happiness at Valcon. Aside from feeling less lonely, we also see that the employees with a partner have a high sense of purpose or eudaimonic happiness in their lives. This is due to the fact that employees with a partner also more often have children and that children have proven to be a source of purpose in life10. The observation that people with a partner are happier than those who are single is shared by representative data from the Nordic countries.11

4. **Valconeers are least happy in their third year of employment.** The first year of employment at Valcon is experienced to be the happiest, then happiness drops and hits a low point during the third year. The main explanations we have found for the variance in happiness levels between new and long-term employees is that the long-term employees are more stressed. However, the employees who stay longer than three years at Valcon become happier again.
The main factors of Happiness

When we measure happiness at a company like Valcon, it is important to note that the employees are not representative of the entire population. The happiness drivers at Valcon might thus be different from the ones we would find in other companies - though some might be the same.

One example of diversions in what drives happiness in different companies is that, on a global scale, salary and income differences are important for happiness. Looking at employees at Valcon only, we do not find that the salary level is one of the important factors explaining variances in happiness levels. This is simply because the differences in salaries amongst the employees are not big enough. Instead, factors like stress and social satisfaction become relatively more important due to the fact that we here find that the differences amongst the employees are larger. There are other drivers of overall happiness in the world and in Denmark, which are not a part of this study because they are taken for granted as a natural part of the employee’s life. Some examples are income, safety, freedom and low levels of pollution in Copenhagen, compared to other cities.

Our preliminary results of the Valcon Happiness Lab show that the main factors explaining the happiness variance among the participants are 1. Stress, 2. Social relations, 3. Job satisfaction and 4. Self-esteem. (Figure 5).

These four factors of happiness at Valcon explain 40% of the variance in happiness levels between the unhappiest and the happiest employees at Valcon.

The subsequent sections will focus on these four factors, one by one, and provide an overview of which interventions have been implemented to improve happiness. In the future, further drivers might arise once the interventions start to show positive effects and these four drivers becomes less prevalent. The dynamic work of the Valcon Happiness Lab will allow for the interventions to progress alongside the happiness development of the employees.
Stress is dangerous for happiness

Stress is found to be the largest negative factor reducing happiness in our study. When looking at the participants who are the least happy in the surveys (a score of 6 or below), 22% of them report high levels of stress. This is slightly more than the general Danish population, where around 19% report experiencing high levels of stress.

Stress at the Valcon Happiness Lab is not measured by a clinical diagnosis, but by the subjective experience of feeling stressed quantified using the Cohens Perceived Stress Scale. The experience of feeling stressed might lead to sick leave at some point, but it does not have to. We are most interested in the employees’ own experience than whether they have a clinical diagnose or not, simply because this is what will affect their happiness.

Figure 6 shows the six main factors related to working conditions that explain 56% of the variance in stress amongst the participants. Most prominently, participants with high stress levels report the feeling of not having enough time to finish their work or the feeling of not being good at their job. Also, they often feel upset because they do not know what is expected of them at work. So far, we do not know what causes what and thus we cannot yet make any conclusions on causation.

Figure 6: The six main drivers of stress at Valcon

The values on the right of each factor represent the increase in stress (on a scale of 0 to 40) for each point increase in each variable, according to the multivariable linear regression.
Stress is something that all companies are facing and that has been rising in Denmark\(^{14}\). At Valcon, primary importance is given to mitigate stress since it has the most negative influence on happiness. We have designed two major interventions to be implemented at Valcon:

1. **Development of a common language about stress.** Often, misunderstandings or communication problems are the cause of stress for Valcon employees. A common language about stress will allow the employees to talk more openly about stress and to be able to understand and react to the signs of stress for themselves and their colleagues.

   - **Initiative:** workshop on stress and access to a coach. The workshop provided tools for employees to deal with stress. Furthermore, they have access to a professional, in case they need some personal assistance.

2. **Education of managers.** As we have shown, stress also arises because it is difficult for employees to refuse requests made by managers. In turn, managers might not even be aware of problems regarding stress as they are not communicated to them adequately.

   - **Initiative:** educating managers in spotting, addressing and reducing stress. Managers have been educated to be aware that stress exists and how to recognise it. This might reduce situations that cause stress in the first place.

It should be kept in mind that the interventions are designed for the long term and that the effects of them will show over time.

---

**Interventions for stress**

- **Development of a common language about stress.**
- **Education of managers.**

**Understanding this gender gap and also the causes of stress is what will make it easier to prevent it in the future. This is what the interventions for happiness are aimed at.**

---

**As a part of understanding the drivers of stress among the participants, we studied assertiveness. Being assertive is the ability to communicate with others without feeling distressed or discomforted. We found a strong correlation with low assertiveness and high stress: where employees experiencing high levels of stress also felt more discomfort in all situations measured in the assertiveness-study.**

The circumstances that give the most discomfort for the participants are all situations where the participants have to communicate something negative to a colleague or a manager. The three situations that on average give the most discomfort at Valcon are all related to not being able to set boundaries at the work place:

- Telling someone that they think s(he) treated them unfairly
- Refusing a request made by a person with authority
- Telling a person to stop doing something that annoys them

For each of the three situations, we see a clear gender difference. On average women feel more discomfort in all the measured situations than men. Most noticeably, we see that:

- 55% of the women find it hard to tell someone when they think s(he) treated them unfairly. Only 17% of the men feel the same way.
- 44% of the women find it hard to refuse a request made by a person with authority, where only 17% of the men experience this emotion.
- 22% of the women find it hard to tell a person to stop doing something that annoys them, which is only the case for 12% of the men.

We see a similar gender difference in stress levels within Denmark: here 17% of employed men and 23% of women report perceived stress.\(^{13}\) Understanding this gender gap and also the causes of stress is what will make it easier to prevent it in the future. This is what the interventions for happiness are aimed at.
One good friend is more important than ten acquaintances

Satisfaction with social relations is the most influential positive factor that explains why some participants in our study are happier than others. Especially the feeling of having someone to talk to about personal matters is very important for the employees. Hence, we find that the quality of social relations is more important than the frequency of meeting with friends and family. In other words, having two close friends has a larger positive impact on happiness than meeting often with ten acquaintances.

As we become older, it is common that we meet with friends less often as obligations such the job, the family and children will take up more of our time than it did earlier. This is also the case in our study. Here, employees that are younger than 25 meet their friends more often than employees between 25-54. This could be one explanation of why younger employees are happier than older employees at Valcon.

Another factor that impacts social satisfaction in a negative way is the feeling of loneliness. Loneliness can be defined by the subjective perception of feeling lonely as well as by the objective number of people the employee is in contact with. Both types of loneliness are present in our surveys.

On a global scale, loneliness is a rising problem in Western countries, including Denmark where loneliness has increased by almost one percentage point (from 3.2% to 4%) from 2013 to 2017. The consequences of loneliness on well-being are severe: the impact of loneliness on mortality can be compared to smoking 15 cigarettes a day, making it more dangerous than obesity.\(^\text{15}\)

Although only a minority of employees feel lonely at Valcon, the company takes social satisfaction seriously and has launched interventions to create stronger social bonds amongst the employees.
Interventions for social satisfaction

The interventions to improve social satisfaction seek to help the employees who feel lonely and to enhance the general feeling of social satisfaction at Valcon. They have been designed to foster a feeling of community at the company and allow for friendships to develop over time. We have designed two major interventions to be implemented at Valcon:

1. Creating more company gatherings. It is difficult to improve social satisfaction between employees if there is no chance of getting to know each other. Hence, emphasis should be placed on creating regular meetings where all employees can meet each other.

   - Initiative: Having Friday lunch together. By inviting all employees to a common Friday lunch, Valcon has enabled different working groups to get to know each other better in a casual setting. Additionally, this has also proven an opportunity for managers to give status updates concerning the company.

2. Encouraging employees to find common interests: Many social relations are initiated because people are interested in similar things. Even though it is likely that all employees are interested in the work they do at Valcon, they might also share other interests apart from work. Finding those shared interests might lead to increased social satisfaction.

   - Initiative: Interest-based clubs. Valcon has encouraged employees to create clubs based on their shared interests. So far, employees have started three clubs: 1) an outdoor running club with a coach 2) a breathing and mediation club 3) a gym club where employees work out together to get ready for the company’s skiing trip in the spring.
Job Satisfaction is linked with happiness

Job satisfaction is important for the employees at Valcon and for people in Denmark in general. On the Cantril ladder ranging from 0-10, the happiness difference between employees being satisfied or unsatisfied with their job is 1.7 points. At Valcon, 87% of the employees are satisfied with their job compared to 91% in Denmark and 85% in Sweden.

Although job satisfaction consists of many different factors, there are three that are able to explain almost 37% of the differences in job satisfaction amongst the Valcon employees. These three factors are shown in Figure 7.

There is a strong correlation between high job satisfaction and other subjective working conditions. Employees who feel they can influence important decisions also often feel that they get the recognition they deserve and that they know what is expected from them at work. Moreover, people who feel that the work at Valcon motivates them, often also feel full of energy and enthusiasm at work. Interestingly, we also found that feeling motivated correlates with trusting the managers. If the employees feel that their job offers prospects for advancement, they most likely also feel that they receive the recognition that they deserve.

The Valcon Happiness Lab shows a correlation between the different variables, but this does not yet conclude any causation. Further investigation is needed in order to design interventions on job satisfaction. For now, interventions have only focused on stress and social satisfaction as those are the most important factors explaining the variance of happiness among the participants.
Male employees have higher self-esteem than female ones

A high sense of high self-esteem seems to be more important for the employees' happiness than their job satisfaction. One central finding is that feeling good at one's job and being recognised by the manager will drive up self-esteem.

Generally, self-esteem can be derived from work as well as from spending time with family and friends and having validation as a person. As a company, Valcon is of course limited by how much it can influence the private life of its employees. However, we believe there to be a spill-over effect from the working to the private life, meaning that if we manage to increase self-esteem at work, it will have a positive effect in the private life of the employees as well.

The four main factors that are promote a high level of self-esteem for Valcon employees at work can be seen in Figure 8. Most importantly, feeling good at one’s job and being recognised by the manager will drive up self-esteem.

As those factors highlight, the subjective experience of the workplace, the behavior of managers and kind of tasks play an important role for the well-being of the employees. However, in order to design interventions for this factor, it requires further investigation.

![Figure 8: The four main factors of self-esteem at Valcon](Image)

The values on the right of each factor represent the increase in self-esteem for each point increase in each variable, according to the multivariable linear regression.
Next steps: a continued pursuit of happiness at Valcon

So far, the Valcon happiness Lab has given insights into the happiness of the employees and the key factors that are able to explain why some are happier than others. To this point, we have worked to develop a language about stress to deal with the most prominent factor to explain unhappiness. Further, we have implemented different kinds of social activities to study which types of events at the workplace will have the best effect on social relations and happiness in general. Lastly, the surveys have given us more data to work on related to self-esteem, assertiveness and job satisfaction, which will be used to create more interventions in the future.

The Valcon Happiness Lab will continue its work in the future. Valcon is determined to remain a happiness Lab and to aspire to become the happiest company in the world. We will continue to monitor different interventions and gather further evidence on what will increase happiness among the employees, while keeping an eye on the negative drivers of happiness as well. Our mission is to increase happiness at Valcon and to be an inspiration for other companies who want to commit to creating a happier workplace.

Conclusions

- Surveys have highlighted that the four main factors influencing who are happiest and who are less so for the participants in the study are stress, social relations, job satisfaction and self-esteem.

- Several interventions have been implemented with the aim of reducing stress and increasing social satisfaction.

- The Valcon Happiness Lab will continue to measure progress and learn which interventions will bring the greatest results.

Endnotes

1. Several international companies have employed ‘Chief Happiness Officers’ such as Google, McDonald’s or French clothing company Kiabi (The Guardian, 2015)
2. The United Nations adopted a resolution on happiness in 2011
3. As a first step to improving the measures of quality of life, the OECD has produced guidelines on how to measure subjective well-being in 2011
10. See for example: The Dynamics of Eudaimonic Well-Being in the Transition to Parenthood: Differences Between Fathers and Mothers (2018) by Brandel, Melchiorri and Ruini.
11. The Shadows of Happiness report, Nordic Council of Ministers and Happiness Research Institute, 2018
12. Numbers based on Danskers Sundhed 2017, survey amongst employed people
13. Numbers based on Danskers Sundhed 2017, stress levels for employed people
15. CIGA U.S. Loneliness Index, 2018