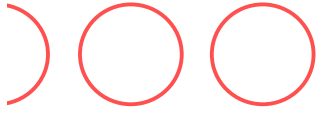




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Denver, Colorado
970.219.0245 phone
720.400.8215 phone

Return on Investment Of Happy Employees

Below you will see conservative annual estimations for the cost of one unhappy employee as well as the value for one happy employee. The valuation of these come from research you will find on the following page.

CONSERVATIVE ANNUAL ESTIMATIONS

For an employee with an annual salary of \$40,000

This chart is based on an employee contributing twice their salary to revenues.

Estimated Possible Cost of ONE Unhappy Employee	
10% less productive than an average employee	-\$8,000
Emotionally contagious negativity (5 emps/1 hour/week @ \$20/hr)	-\$5,200
Bad customer service (25% admit to taking frustration out on customers)	-\$2,500
Turnover - conservative 50% of salary	-\$20,000
More safety incidents	-\$2,000
Harder to recruit (harm employment brand)	-\$1,000
	\$38,700
Estimated Cost of TEN Unhappy Employees	\$387,000

Estimated Possible Value of ONE Happy Employee	
12% more productive than an average employee	\$9,600
Emotionally contagious joy (5 emps/1 hr/wk @ \$20/hr)	\$5,200
14% better customer service and 89% better customer satisfaction	\$2,500
Absent 41% less than unhappy employees	\$1000
Fewer Mistakes - 26% Fewer	\$2,000
Easier to recruit (help employment brand)	\$1,000
	\$21,300
PS - Salespeople 30-37% more successful with sales	
Estimated Value of TEN Happy Employees	\$213,000

Value of ONE Unhappy Employee Becoming a Happy Employee	\$59,519
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The Research: Value of Happy Employees

- 1) The productivity loss of one unhappy employee who makes \$65,000 is \$75 per week or \$3900 per year.** Source: Thomas Wright, Jon Wefald Leadership Chair in Business Administration and Professor of Management at Kansas State University
- 2) Happy workers are 12 percent more productive than average while unhappy workers are 10 percent less productive than average (for a total spread of 22 percent!)**
Source: Andrew Oswald, a Professor of Economics at Warwick Business School
- 3) Employees in highly participative work climates provided 14 percent better customer service, committed 26 percent fewer clinical errors, demonstrated 79 percent lower burnout, and felt 61 percent lower likelihood of leaving the organization than employees in more authoritarian work climates.**
Source: Angermeier, Dunford, Boss & Boss; *Journal of Healthcare Management*
- 4) Higher workplace engagement leads to 41 percent lower absenteeism, 58 percent fewer safety incidents, and 40 percent fewer quality defects.** Source: Gallup "The Relationship Between Engagement at Work and Organizational Outcomes" 2016 Q12® Meta Analysis: Ninth Edition
- 5) Correlation between customer satisfaction and company culture is so strong that the difference in revenue between salespeople in strong and weak company cultures was 30 percent.**
Source: Lindsay McGregor and Neel Doshi, *Primed to Perform: How to Build the Highest Performing Cultures Through the Science of Total Motivation*
- 6) The likelihood of job turnover at an organization with rich company culture is a mere 13.9 percent, whereas the probability of job turnover in poor company cultures is 48.4 percent."**
Source: Elizabeth Medina Columbia University study "Job Satisfaction and Employee Turnover Intention: What does Organizational Culture Have to Do With It?"
- 7) High engagement and enablement improves employee performance by 50 percent, reduces employee turnover by 54 percent, increases customer satisfaction rates by 89 percent and increases five-year revenue growth by 450 percent.**
Source: KornFerry Hay Group "Real World Leadership" Global Study 2015
- 8) Workers who are on the receiving end of incivility decrease their work effort by 48 percent, quality of work by 38 percent, and commitment to the organization by 78 percent. 25 percent admitted to taking their frustration out on customers.** Source, Professors Christine Porath and Christine Pearson "The Price of Incivility" in Harvard Business Review 2013
- 9) Cost of turnover is 6-9 months salary of that employee.**
Source: Society for Human Resource Management
- 10) Your brain at positive is 31 percent more productive than your brain at negative, neutral or stressed. You're 37 percent better at sales.** Source: Shawn Achor, author of *The Happiness Advantage*
- 11) Research has long shown emotions are contagious.** Source: Susan Weinschenk, Ph.D. "Emotions are Contagious" in *Psychology Today* 2016
- 12) The most important recruitment factor is workplace culture.** Source: LinkedIn's Talent Trends 2014 report