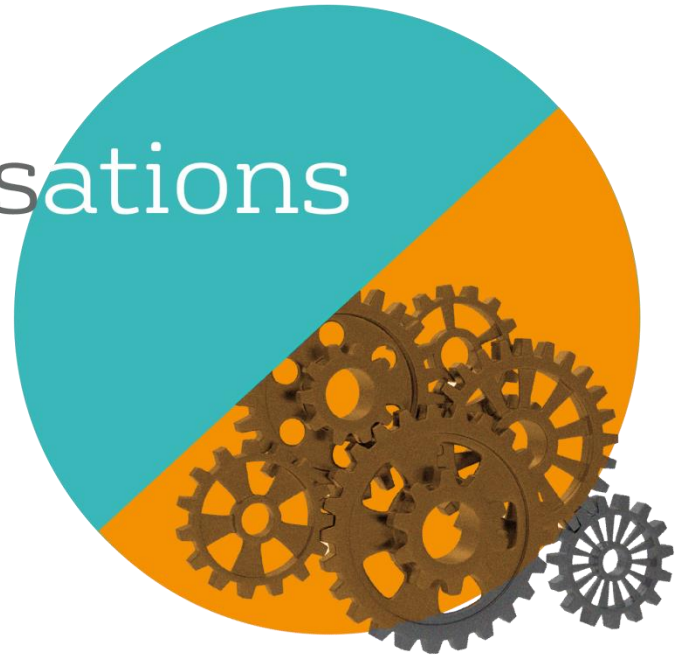


resilient organisations



SENSE OF BELONGING AT WORK, WELLBEING AND PERFORMANCE DURING THE RECESSION

Authors:

Chidiebere Ogbonnaya, Kevin Daniels, University of East Anglia

with

Nik Steffens and Alexander Haslam, University of Queensland.

Acknowledgement: This work is part of the Work, Learning and Wellbeing programme of the What Works Wellbeing Centre (www.whatworkswellbeing.org). We acknowledge the support of our funding partners, administered through Economic and Social Research Council Grant ES/N003586/1.

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KEY MESSAGES

For a thriving country and workforce, we need to understand **what can help organisations maintain economic performance and workplace wellbeing in turbulent times.**

Past evidence shows that a **sense of belonging and identity in the workplace** is associated with higher wellbeing¹. In an experimental study simulating a prison environment, there is evidence that in groups with a strong sense of identity, people are likely to help each other during times of adversity².

This study explores whether a sense of belonging also contributes to organisational resilience. To do so it looks at UK data from before and after the 2008 recession to show that a sense of belonging in the workplace may help maintain wellbeing and organisational performance through adversity.

Workplace belonging is gauged by asking whether employees share the values of the organisation where they work, and how loyal and proud they are of the organisation.

We found that workplaces that had been hit by the recession, but where employees had a strong sense of organisational identity were:

- More than four times more likely to have withstood negative effects of recession on employee wellbeing than workplaces with a weak sense of identity.
- Almost four times more likely to have maintained high levels of organisational performance.

As with any study, there are limitations to these findings: for example we were reliant on managers' reports of organisational performance, and we were not able to follow employees over more than two time points.

¹ Steffens, N. K., Haslam, S. A., Schuh, S. C., Jetten, J., & van Dick, R. (in press). A meta-analytic review of social identification and health in organizational contexts. *Personality and Social Psychology Review*, 1088868316656701

² Haslam, S. A., & Reicher, S. (2006). Stressing the group: social identity and the unfolding dynamics of responses to stress. *Journal of Applied Psychology*, 91, 1037-1052.

However, they are consistent with international evidence showing the importance of workplace belonging for organisational performance and wellbeing. Based on this evidence, we recommend that to improve worker wellbeing and organisational productivity:

- **Organisations and managers use existing evidence** to improve sense of belonging at work. Such actions can be cost effective and easy to implement and can include workshops, mentoring programmes, action planning groups and social events³.
- **Organisations test and develop evidence-based approaches** to improve workplace wellbeing by improving organisational identities.

³ See the What Works Centre for Wellbeing systematic review of what works to improve social relations at work <https://www.whatworkswellbeing.org/product/team-working/>

INTRODUCTION

To survive and thrive, organisations need to be resilient to economic downturns and to be able to make the most of any opportunities created by economic turbulence. Downturns and turbulence may be inevitable, but at the current time, UK businesses face considerable uncertainty over Brexit⁴ in addition to other challenges such as accessing new markets and low cost competition.

Another growing priority for employers is employee wellbeing. Like everyone, most managers care about the wellbeing of the people around them, and that of course includes the people they manage. Now there is growing evidence that improving employee wellbeing can also lead to direct benefits for employers. Happier employees are more productive, more creative, and less likely to leave their job^{5 6}.

For a thriving country and workforce, we need to understand what can help organisations become more resilient – and what is important for workplace wellbeing.

This study seeks to understand if sense of identity in a workplace could play a role for organisational economic performance and wellbeing during economic downturns, using data collected in 2011, following the long running recession that began in 2008.

Identity relates to a sense of belonging to and embeddedness in a community – so workers with a strong sense of workplace identity would see themselves as members of an organisational community, rather than merely people who turn up to work. They are therefore loyal to that organisational community, willing to help others in that community, and work for the good of that community⁷.

A sense of belonging and identity with others is an important human need, within and beyond the workplace. In consultations with a range of stakeholders, including business leaders, trades union officials, employment relations and occupational health practitioners and experts, as well as members of the public, the Work and Learning Programme of the

⁴ http://cdn.budgetresponsibility.org.uk/July_2017_Fiscal_risks.pdf

⁵ Bryson, A., Forth, J., & Stokes, L. (2014). Does Worker Well-being Affect Workplace Performance? Department of Business Innovation and Skills.

⁶ Gallup (2013). State of the global workplace: Employee engagement insights for business leaders worldwide. Gallup.

⁷ Haslam, S. A., Eggins, R. A., & Reynolds, K. J. (2003). The ASPIRe model: Actualizing social and personal identity resources to enhance organizational outcomes. *Journal of Occupational and Organizational Psychology*, 76, 83-113.

Steffens, N. K., Haslam, S. A., Schuh, S. C., Jetten, J., & van Dick, R. (in press). A meta-analytic review of social identification and health in organizational contexts. *Personality and Social Psychology Review*, 1088868316656701.

What Works for Wellbeing Centre found a consistent message that a sense of belonging to an organisational community is an important part of wellbeing. There is evidence that sense of belonging and identity in the workplace are beneficial for health, wellbeing and workers' performance⁸. This builds on similar research related to sense of identity and belonging in general.⁹ Importantly, there is evidence that in groups with a strong sense of identity, people are likely to help each other during times of adversity¹⁰.

In this report, we describe research that looked at workplaces that differed on their levels of workplace identity to see if identity had a protective effect against adversity caused by the recession. We used data from the British Workplace Employment Relations Survey. This dataset has data from 600 organisations collected from 7943 workers and 600 senior managers in 2004 before the start of the recession and 7324 workers and 600 senior managers in 2011 after the recession had begun. Workers and managers were asked a variety of questions, and given a numerical score to reflect different answers.

We used workers' answers to three questions to gauge the extent to which workers felt a sense of belonging and identity with their organisation: the extent to which they shared the values of the organisation, the extent to which they felt loyal to the organisation and their sense of pride in the organisation. Each answer was scored on a range from 1 – 5, where high scores indicate stronger workplace identity, and the average of the three scores was taken. On average, workplace identity in the sample was above the midpoint of the scale in both 2004 (average = 3.7) and 2011 (average = 3.8), indicating that people tended to agree with statements expressing sense of belonging.

The precise set of questions used in the British Workplace Employment Relations Survey has not been used in other countries, so we are not able to compare these scores internationally. However, a survey conducted on behalf of the recruitment agency Robert Half in eight countries (the UK, Germany, France, Belgium, the Netherlands, the USA,

⁸ Steffens, N. K., Haslam, S. A., Schuh, S. C., Jetten, J., & van Dick, R. (in press). A meta-analytic review of social identification and health in organizational contexts. *Personality and Social Psychology Review*, 1088868316656701.

Lee, E.S., Park, T.Y., & Koo, B. (2015). Identifying organizational identification as a basis for attitudes and behaviors: A meta-analytic review. *Psychological Bulletin*, 141, 1049-1080.

⁹ Haslam, S.A., Jetten, J., Postmes, T., & Haslam, C. (2009) Social identity, health and well-being: An emerging agenda for applied psychology. *Applied Psychology*, 58, 1-23.

¹⁰ Haslam, S. A., & Reicher, S. (2006). Stressing the group: social identity and the unfolding dynamics of responses to stress. *Journal of Applied Psychology*, 91, 1037-1052.

Canada and Australia) found that employees in the UK had the lowest levels of pride in their organisation of all eight countries¹¹.

We examined whether workplace identity could account for changes in wellbeing and organisational performance between 2004 and 2011, as well as examining the effects of the recession on organisations.

We assessed wellbeing by asking about how work made them feel, using six questions that tapped into whether work made them feel anxious and depressed or not. Higher scores on the scale represented better wellbeing. For each organisation, we then created overall scores for that organisation to reflect average levels of wellbeing in 2004 and 2011 and average levels of identity in 2004 and 2011.

We used senior managers' reports of organisational performance in 2004 and 2011 by asking about productivity relative to average performing organisations in their industry. We used questions that asked about productivity and the quality of the products or services provided by the organisation. In 2011, the survey asked managers to rate how the recession had affected the organisation with two questions, on the extent to which the recession had adversely affected their organisation and the extent to which the organisation was weaker because of the recession.

Our analyses also took into account the effect of other potential influences on organisational performance, such as the profile of the workforce (including factors such as gender composition), the size of the organisation and whether the organisation operated in the public or private sector.

¹¹ <https://www.roberthalf.com/its-time-we-all-work-happy>

FINDINGS

We found that:

Workplaces which had been hit by the recession, but where employees had a strong sense of organizational identity were:

- i) More than four times more likely to have withstood negative effects of the recession on employee wellbeing in 2011 than workplaces with a weak sense of identity.
- ii) Almost four times more likely to have maintained high levels of organisational performance in 2011.

Both these findings take into account wellbeing, performance and social identity in 2004, which means we are looking at the change in wellbeing and performance between 2004 and 2011. This is important because results over time take us closer to understanding the real sources of influence on wellbeing and performance. If we only looked at organisational performance and wellbeing at one point in time, we cannot conclude that a link between the two shows that wellbeing is *leading to* improved performance, since there could be a number of other things which are causing this link. For example, human resources or other management practices in an organisation could influence *both* wellbeing *and* performance, without wellbeing and performance causing each other directly.

The full results are illustrated in the two figures. The figures show summaries for organisations in top 50% of the sample for workplaces with a strong sense of identity compared to the 50% with the weakest sense of identity, and further splitting the sample into the 50% that were most adversely affected by the recession and the 50% least affected. This created four categories of organisations – i) those in the bottom half of the sample for identity and top half for impact of recession, ii) those in the bottom half of the sample for identity and impact of recession, iii) those in the top half of the sample for identity and impact of recession, and iv) those bottom top of the sample for identity and bottom half for impact of recession.

The figures show the odds of being in the top half of the distribution for either wellbeing (Figure 1) or performance (Figure 2) in 2011, comparing each category against category i) (i.e. low social identity and high impact of recession). So, for example, compared to employees in organisations with low sense of identity and high impact of recession, those in

organisations that also suffered a large impact of recession but had high sense of identity were over 4 times more likely to have high wellbeing and nearly 4 times more likely to have high levels of performance in 2011, all else being equal¹². In general, those organisations with higher sense of identity had higher wellbeing and better performance. The thin vertical lines are the confidence intervals. For each group, we can be 95% confident that the true odds ratio lies somewhere within the range identified by those values. The fact that, for both figures, the confidence intervals for the high impact of recession, high social identity group do not overlap with the value for the high impact of recession, low social identity group, is another way to confirm that these effects are significant (there are no confidence intervals for the high impact of recession, low social identity group, because the odds ratio for this group, by definition, is 1).

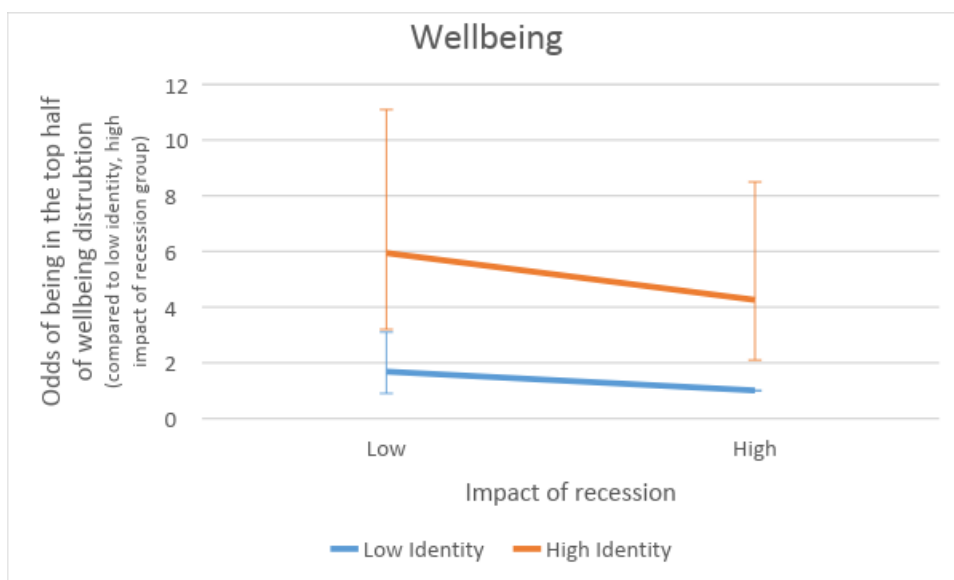


Figure 1: Odds of being in the top half of wellbeing distribution for each group (compared to low identity, high impact of recession group), error bars for 95% confidence intervals.

¹² We calculated these probabilities by splitting the samples into two even parts representing the top 50% of wellbeing scores and the bottom 50% of wellbeing scores. The analyses also adjust for other factors such as workforce composition and industry, as well as the following variables in 2004: employee wellbeing, organisational performance, and identity, using logistic regression.

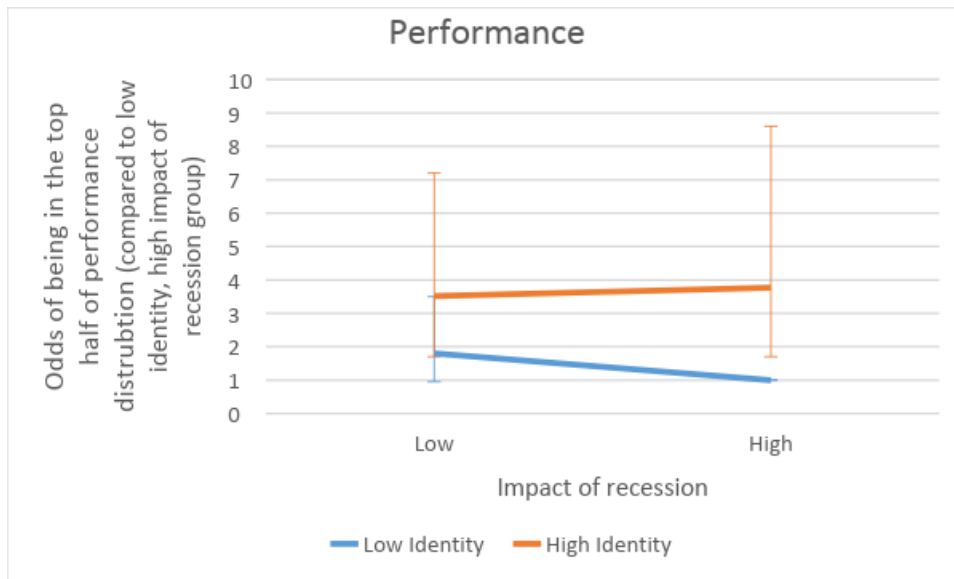


Figure 2: Odds of being in the top half of performance distribution for each group (compared to low identity, high impact of recession group), error bars for 95% confidence intervals.

IMPLICATIONS

As with any study, there are limitations to these findings (see the section on further research). However, they are consistent with international evidence showing the importance of workplace belonging for organisational performance and wellbeing. Based on this evidence, we recommend that to improve worker wellbeing and organisational productivity:

- **Organisations and managers use existing evidence** to improve sense of belonging at work. Such actions can be cost effective and easy to implement and can include workshops, mentoring programmes, action planning groups and social events¹³.
- **Organisations test and develop evidence-based approaches** to improve workplace wellbeing by improving organisational identities.
- **Trade Unions, professional groups and business groups** use their influence to inform and help managers improve wellbeing and performance in their organisations. To do so, they should ensure they have a rounded picture of the evidence by considering further evidence reviews on how to improve employee wellbeing¹⁴.
- **Policy makers** should also consider evidence reviews on how to improve wellbeing and social relations in the workplace, as well as understand the patterns of high and low job quality in the UK¹⁵. They should look to the evidence on how to improve sense of belonging at work and use it to inform:
 - Practice in the public sector
 - Commissioning decisions, by purchasing goods and services from suppliers that can demonstrate a commitment to developing workplace sense of belonging
 - Initiatives to educate managers on how to improve employee wellbeing

¹³ See the What Works Centre for Wellbeing systematic review of what works to improve social relations at work <https://www.whatworkswellbeing.org/product/team-working/>

¹⁴ <https://www.whatworkswellbeing.org/product-category/work/>

¹⁵ <https://www.whatworkswellbeing.org/product-category/work/>

FUTURE RESEARCH NEEDS

This study has added to knowledge because it is the first study to look at collective workplace identities and to relate the strength of identity to changes associated with average levels of wellbeing in organisations and to organisational performance over time. There is a long line of robust research on group identities and benefits for health, wellbeing and workers' performance. This research shows that research on the benefits of strong group identities for individuals generalises to benefits for entire organisations. The study also benefited from being able to use a good dataset combining data from managers and workers, with wide coverage of UK organisations and that had tracked those organisations over time.

The data are limited in that we were reliant on managers' reports of organisational performance rather than being able to track performance using company records or financial data. It is possible that managers' reports of organisational performance are biased, which would introduce unwanted noise into the data.

The data are also limited in that our key measures of identity, recessionary pressures, performance and wellbeing were all assessed in the same year. We did not have the data to test whether changes in identity between 2004 and 2011 predicted subsequent changes in wellbeing or performance from 2011 onwards. Being able to make such predictions considerably enhances the robustness of the results and our confidence in the conclusions.

Lastly, it is important to note that this study looks at the wellbeing of employees in a given organisation in 2011. We know nothing about the wellbeing of any employees that left their job (either voluntarily or involuntarily) between 2004 and 2011, or indeed about the turnover rate in that period. Strong workplace identity may have served to reduce turnover, or protect an organisation against redundancies. Or it may be the case that high levels of redundancies may have had an impact on the wellbeing or performance of remaining employees.

Despite these limitations, we believe this study adds to the evidence of an effect of workplace identity on wellbeing and organisational performance. The findings of our study are consistent with evidence from other studies that improving identity could improve

wellbeing¹⁶, and there is also consistent evidence across multiple research studies that worker wellbeing is also associated with better organisational performance.¹⁷

That said, there remain significant research gaps. Further research using more waves of data collection could help improve the robustness of the findings further. Research is needed to identify which actions are most effective for improving workers' wellbeing and organisational performance through enhancing workers' sense of belonging to and identity with an organisation. It is also likely that workers' sense of identity is not the only means through which such actions could improve wellbeing and performance, as such actions might also improve group cohesion and supportive relationships at work¹⁸. Therefore, there is a need for detailed studies of deliberate attempts to improve workers' sense of workplace belonging and identity and to map out the processes that translate these actions into improvements in wellbeing and performance, to understand what really *is* important for improving performance and wellbeing. Evaluating the cost effectiveness of these efforts is also important, because it is plausible that such actions could be cheaper and have wider scale effects than alternatives such as provision of workplace wellbeing programmes, counselling and therapy services.

¹⁶ Steffens, N. K., Haslam, S. A., Schuh, S. C., Jetten, J., & van Dick, R. (in press). A meta-analytic review of social identification and health in organizational contexts. *Personality and Social Psychology Review*, 1088868316656701.s

¹⁷ Bryson, A., Forth, J., & Stokes, L. (2014). Does Worker Well-being Affect Workplace Performance? Department of Business Innovation and Skills.

Whitman, D.S., Van Rooy, D.L., & Viswesvaran, C. (2010). Satisfaction, citizenship behaviors, and performance in work units: A meta-analysis of collective construct relations. *Personnel Psychology*, 63, 41-81.

¹⁸ <https://www.whatworkswellbeing.org/product/team-working/>