

PwC's Well-being Learning Project:

A study of the benefits and impact of employee well-being

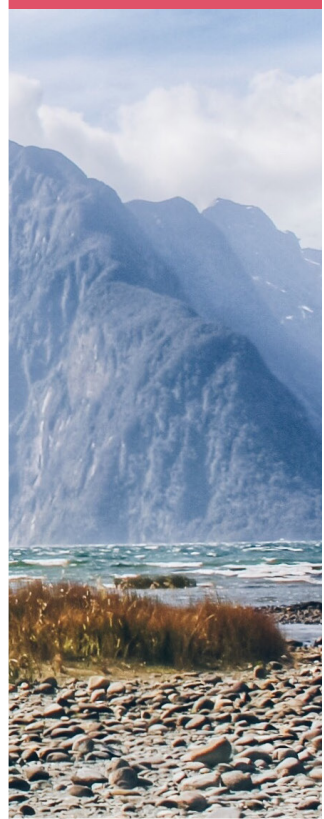
Summary and key findings

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In 2019, PricewaterhouseCoopers LLP (PwC)¹ and the University of Southern California announced the results of one of the largest studies to date of a corporate well-being effort. Measuring the benefits and impact of environmental factors and well-being behaviors on individuals, teams and client relationships, the six-month study encompassed attitudinal, behavioral and performance data.

¹ PwC refers to the US member firm or one of its subsidiaries or affiliates, and may sometimes refer to the PwC network. Each member firm is a separate legal entity.





Foreword: Michael Fenlon, Chief People Officer

How can we design the workplace experience of the 21st century to enable us to be at our best, both inside and outside of work?

We live in a global, networked, “always on, always connected,” 24/7 environment — one where demand often exceeds capacity. It’s easy to talk about the importance of well being — but how do we move from rhetoric to a shift in mindset and new ways of working in the face of real world demands?

At PwC, we’re learning about how we can better support well-being and flexibility from our “Be well, work well” initiative. As the design of jobs and work is evolving through automation and better use of data, we have an opportunity to reimagine the workplace experience in the post-industrial, digital innovation economy. That means paying attention to how we can renew our mental, physical, emotional and spiritual/ purpose-driven sources of energy.

We collaborated with the Center for Effective Organizations at the University of Southern California (USC) to launch the Well-being Learning Project, one of the largest studies of a corporate well-being effort to date. We wanted to back up the strong anecdotal evidence we’ve collected about the personal importance of well-being and explore the impact of well-being on teams and our business. This six-month study collected data from more than 1,400 PwC employees, examining the individual, team and organizational behaviors that make a difference in our people’s well-being and in our business overall. Highlights for leaders include:

Encouraging individuality is critical to driving participation and increased measures of well-being. Give employees the flexibility to select the healthy habits and behaviors that are most meaningful to them

Putting the power in the hands of teams, and building trust, is essential to success. When teams share personal goals, establish team goals, support each other, improve flexibility and engage in healthy behaviors together, trust grows and the benefits multiply.

Creating an inclusive culture is key to well-being. When people feel like they belong and are accepted as unique individuals in their team, their sense of well-being improves.

Combining leader sponsorship with “citizen led” innovation and crowdsourcing drives rapid change at scale. For well-being programs to succeed, organizations must commit to them as a business priority from the top, while empowering all people to contribute their best ideas.

Equipping employees with technology tools makes a difference. The use of well-being technology promotes accountability, interactivity and even friendly competition that drives improved perceptions of team effectiveness.

We hope that wherever you are on your own well-being journey, you find this report a source of insight, inspiration and real-world guidance.

Michael Fenlon
Chief People Officer



“The Well-being Learning Project is the most comprehensive and rigorous study of a corporate well-being effort to date.”

Gerry Ledford, Ph.D.

**Affiliated Senior Research Scientist,
Center for Effective Organizations at USC**

Executive summary

At the end of 2018, PwC collaborated with the Center for Effective Organizations at the University of Southern California to investigate the connections between well-being practices and important business consequences, such as the likelihood of employees staying with the business, the effectiveness of teams and the impact of well-being behaviors on client relationships. The Well-being Learning Project, one of the largest such studies to date, examined the behaviors at the individual, team and organizational level that make a difference in employee well-being and the business overall.

Key findings

The Well-being Learning Project revealed definitive links between well-being and performance. The most significant findings are outlined below and presented in greater detail in the summary report that follows.

A commitment to healthy behaviors is more important than choosing “the right” habits. Each habit studied positively impacted one or more measures of well-being. The specific behavior wasn’t nearly as important as simply engaging in a habit that was personally meaningful to the participant.

Inclusive leadership and teamwork enable well-being to thrive. The work environment must be aligned with healthy behaviors for well-being to flourish. Specific environmental factors, such as inclusion, positive team dynamics and leadership/manager support, have a direct, positive result on employee well-being.

Corporate priority + healthy habits = business benefits. Well-being and flexibility impact business outcomes, such as staff’s intention to stay with the firm and their perception of client relationships and improved team dynamics.

Technology boosts well-being. The use of well-being technology (e.g., tracking apps and wearable devices) improves participants’ perceptions of team effectiveness and client relationships.

Taking action

The research findings suggest actionable guidance for organizations that are committed to supporting well-being in the workplace.

Encourage individuality! Create programs that allow people to embrace well-being on their own terms. Enable employees to select the healthy habits and attitudes that are most meaningful to them. This flexibility is critical to driving participation and increased measures of well-being.

Inclusive teams are essential to success. Put the power in your people’s hands. When leaders create an environment of inclusion and belonging — and teams support one another and engage in healthy behaviors together — the benefits multiply: well-being habits “stick,” citizenship behavior improves and teams believe they are more effective.

Show that well-being matters. Make it a business priority. For well-being programs to succeed, organizations must commit to them as a business priority from the top. This may require making changes to the work environment and team dynamics that create a climate where greater well-being is possible.

Up the engagement. Equip employees with technology that promotes well-being behaviors. Technology acts as energizing, visible support for corporate well-being. It isn’t essential to a well-being initiative, but it promotes accountability, interactivity and even friendly competition that lead to improved perceptions of team effectiveness.

Managing change

The research speaks volumes about the positive impact of promoting well-being in the workplace, but to experience the results, organizations must be successful in driving change.

At PwC, our model of change combines business-led transformation with citizen-led empowerment. We enable this through everyday flexibility, education and upskilling at an individual and team level, crowdsourcing ideas and leveraging a platform to scale ideas with quality.

Well-being is change that we believe in. It is for our people, but it is most successful when it is also led by our people.

Introduction: Why look at well-being

More employers are recognizing the growing importance that employees place on well-being. The Corporate Leadership Council reported in 2019¹ that there are now four times as many corporate well-being programs as there were four years ago. However, most companies are unclear if these programs are meeting their objectives or making an impact on their organizations because they do not measure the results.

While a number of studies have been conducted on well-being and much has been written on the subject, traditional research efforts have differed in depth and breadth. For instance, some only used data from managers (not all staff levels), others did not investigate well-being over a sustained time period, and others took a narrow view of well-being. Together, they provided little actionable data to guide companies and managers on the road to well-being.

Seeing this void, PwC, one of the world's largest professional services networks², stepped forward to collaborate with the Center for Effective Organizations at USC to create the Well-being Learning Project. This initiative examined the individual, team and business impacts of a corporate well-being program. The study explored vital connections between well-being practices and important business consequences, such as the likelihood of retaining employees, the effectiveness of teams and the impact of well-being behaviors on perceptions of client relationships.

The results of this study support a critical new workplace well-being equation: when corporate well-being practices are combined with individual employee commitments to embrace healthy behaviors and attitudes, there is a measurable positive impact not only on the individual but on their teams, as well as perceptions of client relationships and overall organizational success.

6 months

of attitudinal, behavioral and
performance data

10 market teams
and internal
business units

1,425 study
participants

across the US

3 lines of service

Assurance, Advisory and Tax, plus
Internal Firm Services (IFS)

¹ Corporate Leadership Council, 2019. *Corporate Well-being Initiatives: How talent analytics can benefit decision-making*.

² As used in this summary, PwC refers to the PwC network and/or one or more of its member firms each of which is a separate legal entity. Please see [www.pwc.com/structure](http://pwc.com/structure) (<http://pwc.com/structure>) for further details.

About the study

In 2018, PwC collaborated with the Center for Effective Organizations at USC to understand the actions and activities at the individual, team, and organizational levels that make a difference in well-being and, in turn, the impact of well-being on employees, the firm and perceptions of client relationships.

Our study, the Well-being Learning Project, was conducted over six months in 2018 and 2019, featuring data collected from 1,425 PwC employees who volunteered to participate in this study. The study analyzed four measures of well-being and explored a wide range of behaviors and environmental and contextual variables, as detailed below. Attitudinal, behavioral and performance data was collected across 10 market and internal business unit teams. Technology (i.e., wearable devices and a tracking app) was leveraged throughout the study to determine if it played a role in well-being.

What did the Well-being Learning Project study?

*See appendix for more detail on each of the measures and variables studied

Four measures of well-being

Happiness
Burnout
Engagement
Passion

Five outcomes of well-being

Citizenship behavior
Intent to stay
Team effectiveness
Team engagement
Client relationships

Eight healthy habits and attitudes (or well-being behaviors)

Physical behaviors

- Sleep
- Hydration

Emotional behaviors

- Gratitude
- Sense of appreciation

Mental behaviors

- Work in sprints
- Meditation

Spiritual behaviors

- Me time
- Activity that recharges

Fifteen contextual and environmental factors

Individual

- Gender
- Efficacy
- Job characteristics
- Recovery
- Inclusion

Team

- Civility
- Trustworthiness
- Relational leadership
- Team resilience
- Team self-monitoring
- Team reinforcement

Organizational

- Climate for well-being
- Charismatic leadership

Technology

- Usage
- Utility

Key findings

Three healthy habits had the greatest impact on well-being:

- Appreciating your personal accomplishments at work and life
- Remembering the ways one has been fortunate in work and life
- Engaging in an activity that renews or recharges

Four environmental factors were moderate to strong predictors of several measures of well-being:

Inclusion: Strong predictor of engagement¹ and moderate predictor of the other three well-being measures

Job characteristics: moderate to strong predictor of all four measures of well-being

Civility of project team members: Strong predictor of happiness

Climate for well-being: Moderate predictor of burnout, engagement¹ and passion

1 A commitment to healthy behaviors is more important than choosing “the right” habits.

Researchers discovered that each of the healthy habits PwC employees adopted in the study positively impacted one or more measures of their well-being. While there are many possible components of a corporate well-being effort — from hydration and meditation, to taking frequent breaks and encouraging employees to find ways to recharge — the specific behavior an employee chooses to embrace isn’t nearly as important as the act of simply committing to engage in a healthy habit that is personally meaningful.

That said, the study revealed three healthy habits that rise to the top and deliver the greatest impact on well-being. PwC employees who made a point to: 1) Appreciate their personal accomplishments at work, 2) Remember the ways they had been fortunate in work and life and/or 3) Engage in activities that renewed or recharged them were most likely to report higher levels of happiness and passion for their work, an increased PwC People Engagement Index and lower levels of burnout.

2 Inclusive leadership and teamwork enable well-being to thrive.

The study showed that the work environment must be aligned with healthy behaviors for well-being to flourish. Specifically, individual well-being is affected by a handful of key contextual factors, such as team inclusion (i.e., whether a person feels like they belong and are accepted as a unique individual in their team), job characteristics (i.e., the significance of their work and feedback they are receiving from managers), civility on their project team (i.e., respectful behaviors among team members) and the climate for well-being set by leadership and managers.

This link between healthy habits and the surrounding work environment is critically important. Previous well-being efforts do not include these important contextual and environmental factors and focus solely on instilling healthy habits in their employees — which may not lead to long-term success.

¹ Engagement is measured via the PwC People Engagement Index.

“The most critical factor was team inclusion, reflecting the degree to which employees felt comfortable and able to be open with their team.”

– Ledford, G., 2019; Causes and Effects of Employee Well-being: PwC’s Well-being Learning Project

Employees participating in the study reported:

- A perception of **better client relationships**
- A belief in **improved dynamics**
- A stronger **intention to remain with the firm**

Teams that leveraged technology during the study (a wearable and/or tracking app) reported more positive perceptions of team collaboration and client relationships.

3 Corporate priority + healthy habits = big business benefits.

The study confirmed that investing in well-being and flexibility impacts important business outcomes, such as employee intent to remain with the organization and their perception of team effectiveness. Each of the eight healthy habits significantly impacted at least half of the well-being outcomes studied. Employees who engaged in healthy habits reported a perception of better client relationships, a belief in improved team dynamics, lower levels of burnout and a stronger intention to remain with the firm.

The relationship between healthy habits and intent to stay with the firm was particularly noteworthy. Prior research has shown that intent to stay is a key predictor of actual future turnover. One study found that half of those at high risk of leaving, based on a survey response, actually quit their job within three years.¹ And today, turnover comes with a hefty price tag for employers. While there is no standard to accurately measure the cost of employee turnover, estimates indicate it can cost 20-33% of a worker’s annual salary to replace them.²

4 Technology boosts well-being.

The study looked at two key aspects of technology as it relates to well-being: first, how frequently technology was used by employees to track well-being (e.g., via a wearable device or tracking app) and secondly, whether that technology was useful in encouraging healthy habits.

Researchers found that while participants did not believe that technology was important to improve well-being, participants who actually used well-being technology reported improved perceptions of team effectiveness and enhanced client relationships.

With no shortage of health and well-being technology in the market today, from wearables to virtual fitness classes and meditation apps, organizations have a plethora of dynamic technologies to consider incorporating into their well-being initiatives.

¹ Ledford, G., & Lucy, M. (2003). *The rewards of work: The employment deal in a changing economy*. New York: Sibson Consulting, The Segal Company.

² Catalyst, May 23, 2018, “Quick Take: Turnover and Retention” <https://www.catalyst.org/research/turnover-and-retention/>

Taking well-being to the next level

The Well-being Learning Project provided meaningful insights for PwC that filled in some gaps left unexplored by previous well-being research. The results offer actionable guidance to organizations who are committed to supporting well-being in the workplace and identify four pivotal areas of focus for any successful corporate well-being effort:

Encourage individuality! Create programs that allow people to embrace well-being on their own terms.

Each employee's vision for a healthy and happy life is uniquely their own, so the goals and necessary behaviors to reach those goals must be determined at an individual level. While corporate wellness programs and a supportive company culture are critical drivers of well-being, simply taking the action to personally commit to embrace healthy behaviors and attitudes — no matter which ones are selected — is critical. In fact, the study revealed nearly all of the healthy habits and attitudes investigated positively impacted well-being. Encouraging employees to mindfully select the healthy habits and attitudes that are most meaningful to them will help them take the most important step toward well-being.



Inclusive teams are essential to success. Put the power in your people's hands.

Well-being initiatives often focus solely on the habits and attitudes of the individual employee. But this research clearly showed the positive impact well-being behaviors have on a much broader business landscape, including project teams and client relationships. Throughout the study, when leaders helped foster an environment of inclusion and belonging — and teams supported one another, created team plans and engaged in healthy behaviors together — the benefits were evident to those involved, particularly when it came to helping the well-being behaviors “stick.” The added bonus of working toward this collaborative cultural shift? Doing so will likely lead to improvements in citizenship behavior (i.e., helping others), a perception of better team effectiveness and greater beliefs that the team is providing more effective

Show that well-being matters. Make it a business priority.

Employees can engage in healthy habits, but the work environment around them must be primed to support their efforts, encourage their success and deliver results for the organization. Unfortunately, other corporate well-being efforts can overlook these important contextual and environmental factors.

While building and sustaining an environment that supports well-being often represents a cultural shift, employers can kickstart their well-being journeys by making healthy habits and behaviors a business priority from the top – then assessing and adjusting team dynamics and behaviors. As shown in the study, these team-focused factors have a strong impact on overall and individual well-being.



“I love this Well-being Learning Project ... with the team holding me accountable, I’ve been going to the gym, sleeping better and I feel great. It’s been great for the team.”

– PwC partner



Up the engagement. Equip employees with technology that promotes well-being behaviors.

Technology alone cannot make or break a well-being initiative. But it can serve as an energizing, visible and impactful supporting pillar for corporate well-being. Specifically, wearable technology that easily tracks healthy behaviors can inspire friendly competition among teams and even with clients, leading to improved perceptions of team collaboration and client relationships.

“We’ve definitely been noticing that our people have been asking more and more about well-being and flexibility. It’s really inspiring to hear about how PwC has gone after these topics. We plan to learn from their work.”

– PwC client

Managing change: Creating a culture of well-being

All businesses face the challenge of driving rapid change at scale. But how?

Our model of change at PwC combines business-led transformation with citizen-led empowerment. This means that while our leadership has committed to investing in well-being initiatives, we enable citizen-led change through everyday flexibility, education on incorporating well-being habits at an individual and team level, crowdsourcing ideas from our people and using a platform to scale ideas with quality.

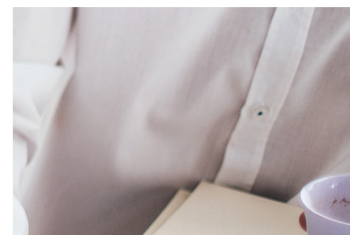
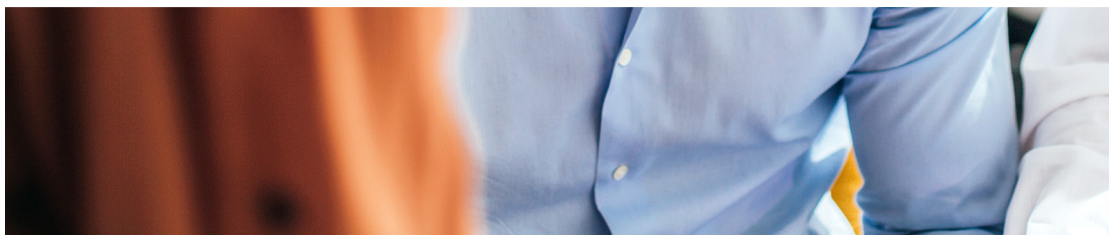
- **Everyday flexibility** encourages individuals and teams to find ways to accommodate each other's priorities in and outside of work, building more flexibility into the way we work, our career paths, our formal work arrangements and the career opportunities we offer our people.
- **Education and upskilling** are delivered through a variety of channels: podcasts, well-being toolkits and apps, a Habit Bank full of ready-to-apply well-being behaviors, an energy assessment to evaluate and enhance our people's energy levels, facilitated workshops and leadership development events, such as the Discover program which promotes personal development and leadership in well-being behaviors.
- The Well, our **platform for all things well-being and flexibility**, provides a single place to share content from our Be well, work well initiative, crowdsource ideas from our people, promote successes and deliver new learning.
- Finally, **team plans** help our people take greater responsibility for driving the change around well-being. They build individual and team accountability. They foster a culture of trust where individuals can share — and gain support for — their personal goals. And they encourage collaboration and regular communication about well-being, as team plans and progress are integrated into standing agendas, work planning, success metrics and “team shares.”

Well-being is change that we believe in. It is **for** our people, but it is also **by** our people. That shift — from well-being as a “corporate initiative” to well-being as a cultural norm — along with new ways of working is key to greater adoption and results across the firm.

Conclusion

Well-being is not a simple topic to study, nor are well-being programs straightforward to design. The results of the Well-being Learning Project help to provide an invaluable blueprint for organizations that are building or evolving their well-being programs. The key findings detailed in this report showcase proven practices for effectively blending organizational policies, team dynamics, individual motivations and modern technologies to create successful well-being programs.

The encouraging news is that more employers are recognizing the importance of addressing and promoting employee well-being. This recognition and the growing investments organizations like PwC are making in corporate well-being programs are accelerating this essential journey for employers and employees alike. As the Well-being Learning Project revealed, these investments have the power to spur important cultural shifts that equip organizations to be better employers, competitors and corporate citizens.



“PwC’s commitment to promoting well-being through its Be well, work well initiative has resulted in improved business outcomes, such as employee happiness, retention and team effectiveness. Be well, work well can serve as a standard for other companies striving to build well-being programs that positively affect their employees, teams and collective organizations.”

Gerry Ledford, Ph.D.
Affiliated Senior Research Scientist,
Center for Effective Organizations at USC



Thank you

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We appreciate the Center for Effective Organizations at USC for their collaboration with this study.

This document reflects only a small portion of the learnings and insights we uncovered together through the Well-being Learning Project study. For further information, please contact any of the individuals listed below.

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Appendix

The following measures and variables were studied in the Well-being Learning Project.

Measures of well-being

1. Happiness: The extent to which a person feels certain positive emotions such as being happy, pleasant or positive
2. Burnout: The degree to which a person feels emotionally drained or depleted at the end of the day
3. Engagement: A measure of pride, satisfaction, advocacy and intent to stay with the firm (as measured through the PwC People Engagement Index)
4. Passion: The level of excitement a person has about how their work contributes to PwC's success and if they feel energized by their job

Healthy habits & attitudes (or well-being behaviors)

Two well-being behaviors from each of the four dimensions of energy were selected, for a total of eight behaviors monitored via a behavior checklist that was administered three times over the course of the study. Of note, all behaviors were actions that a person had to do, versus things that others could do for them.

Physical

1. Sleep: Had at least 7-8 hours of sleep per night
2. Hydration: Drank at least 64 oz of water per day

Emotional

3. Gratitude: Thought of the many ways they had been fortunate in work and life
4. Sense of appreciation: Being appreciative of what they had accomplished at work

Mental

5. Work in sprints: Took an intentional break every 90 minutes during the workday
6. Meditation: Meditated that day

Spiritual

7. Me time: Took time for themselves throughout the day (e.g., called a loved one, read, took a walk)
8. Activity that recharges: Did an activity that renewed or recharged them during the course of the work day

Outcomes of well-being¹

1. Citizenship behavior: Measures whether a person helped others or acted on others' behalf, regardless of whether personal rewards were associated with the action(s)
2. Intent to stay: Measures whether a person intends to remain employed at PwC
3. Team effectiveness: Measures team effectiveness in meeting deadlines, working within budget, obtaining client feedback, finding better ways to do the work, etc.
4. Team engagement: Measures whether a person is engaged with the work and with others
5. Client relationships: Measures perceptions of the contribution of well-being behaviors to client relationships

Contextual and environmental factors

Individual

1. Gender²: Degree to which a person's gender has an effect on the impact of well-being behaviors
2. Efficacy: Degree to which a person feels they are able to accomplish their well-being goals
3. Job characteristics: Whether the job has variety, significance and feedback, which impact motivation, performance and work satisfaction
4. Recovery: Extent to which team members are taking time for after-work recuperation
5. Inclusion: Extent to which a team member feels like they belong and are accepted as a unique individual in their team

Team

6. Civility: Extent to which respectful behaviors and norms exist among team members
7. Trustworthiness: Extent to which a person perceives trust in team members and has confidence in a team's competence
8. Relational leadership: Quality of the relationship between team leaders and team members
9. Team resilience: How well a team bounces back from challenges and is able to cope with difficult situations
10. Team self-monitoring: Degree to which team members discuss and encourage each other to engage in well-being behaviors
11. Team reinforcement: Degree to which team members support one another in performing the Healthy Habits & Attitudes (or Well-Being Behaviors; see above)

Organizational

12. Climate for well-being: Degree to which an organizational climate encourages well-being and everyday flexibility through open communication about firm values, the implementation of well-being solutions and its commitment of well-being resources
13. Charismatic leadership: Degree to which team leaders are transformational in how they communicate a clear vision, support team members and motivate through example

Technology

14. Usage: How frequently a person uses technology to track well-being behaviors (via a wearable device or tracking app)
15. Utility: Whether technology (wearable device or tracking app) is useful in encouraging well-being behaviors

1 Only five outcomes are reported on in this paper, as two additional outcomes -- project realization/margin and employee turnover -- require additional time-lagged data.

2 The study revealed that gender did not have an effect on the measures of well-being or the impact of well-being behaviors. As a result, it was not further considered in subsequent analyses and reports.