

Happiness and employee turnover

Data analysis and interpretation

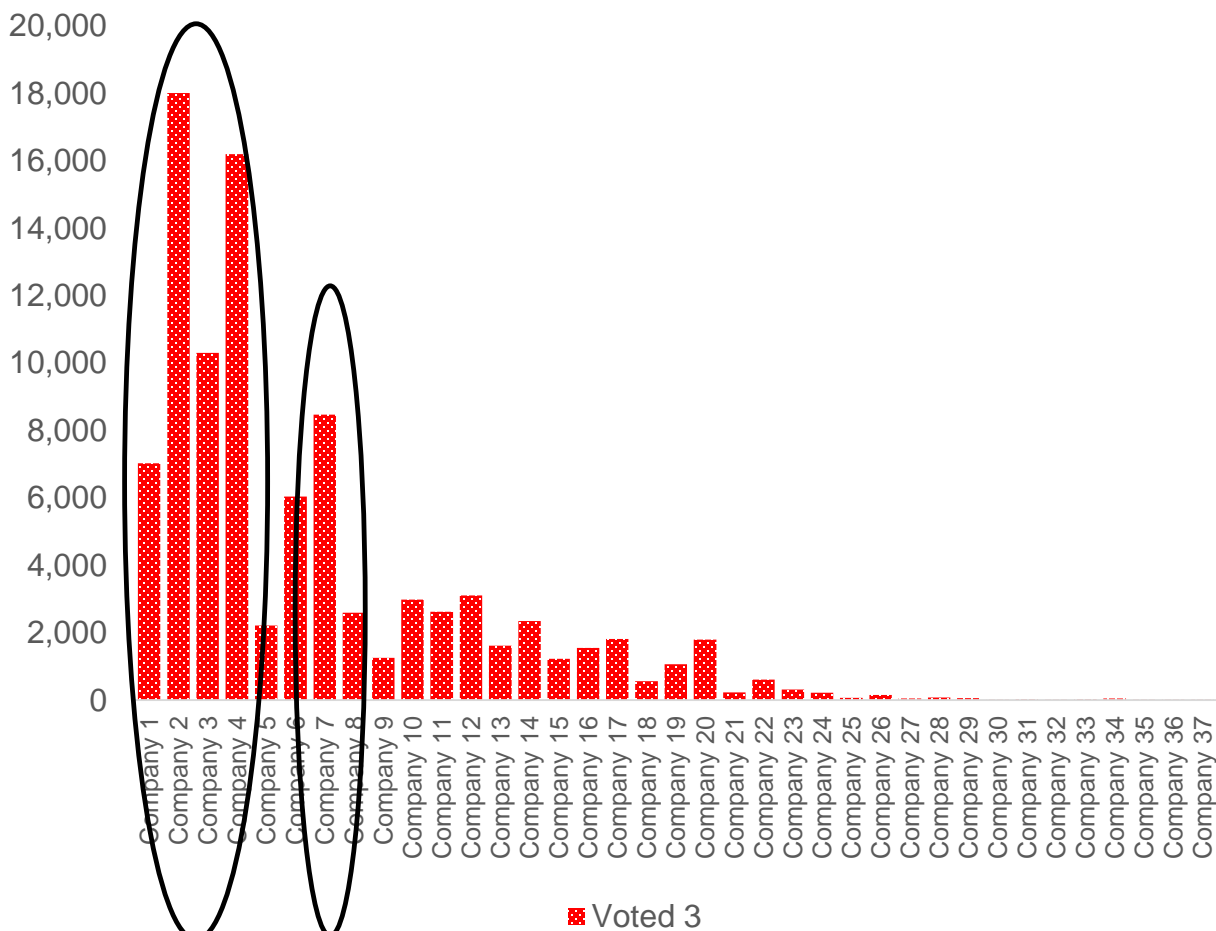
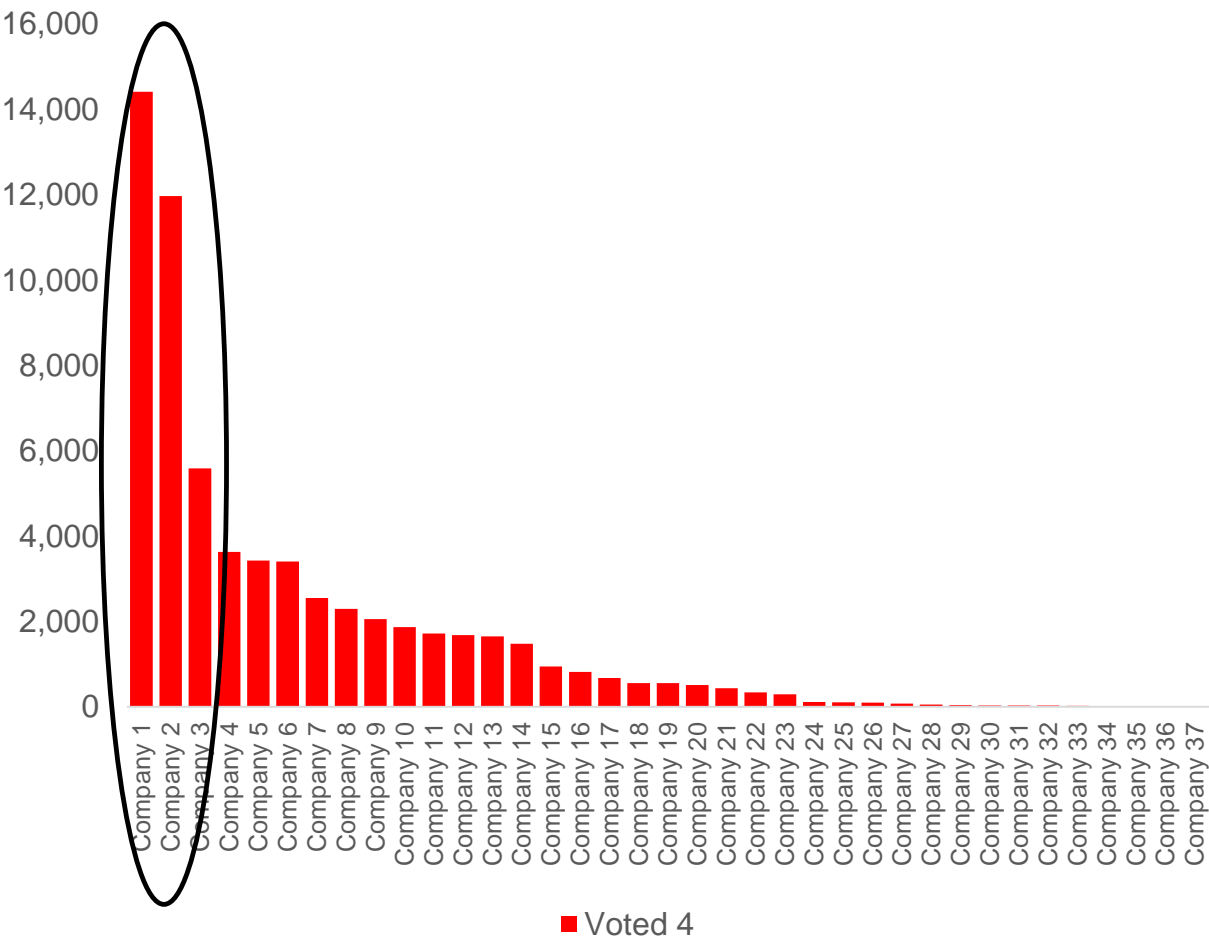
By Amy Birdee

Introduction

- The data on employee happiness come from a self-reporting app in which employees rate how happy they are from 1 to 4, with 1 being less happy and 4 being more happy
- The data span 2.5 years and cover 37 companies
- This project aims to discover if there is a link between employee happiness as reported in the app and employee turnover
- The data analysis has been carried out in SQL

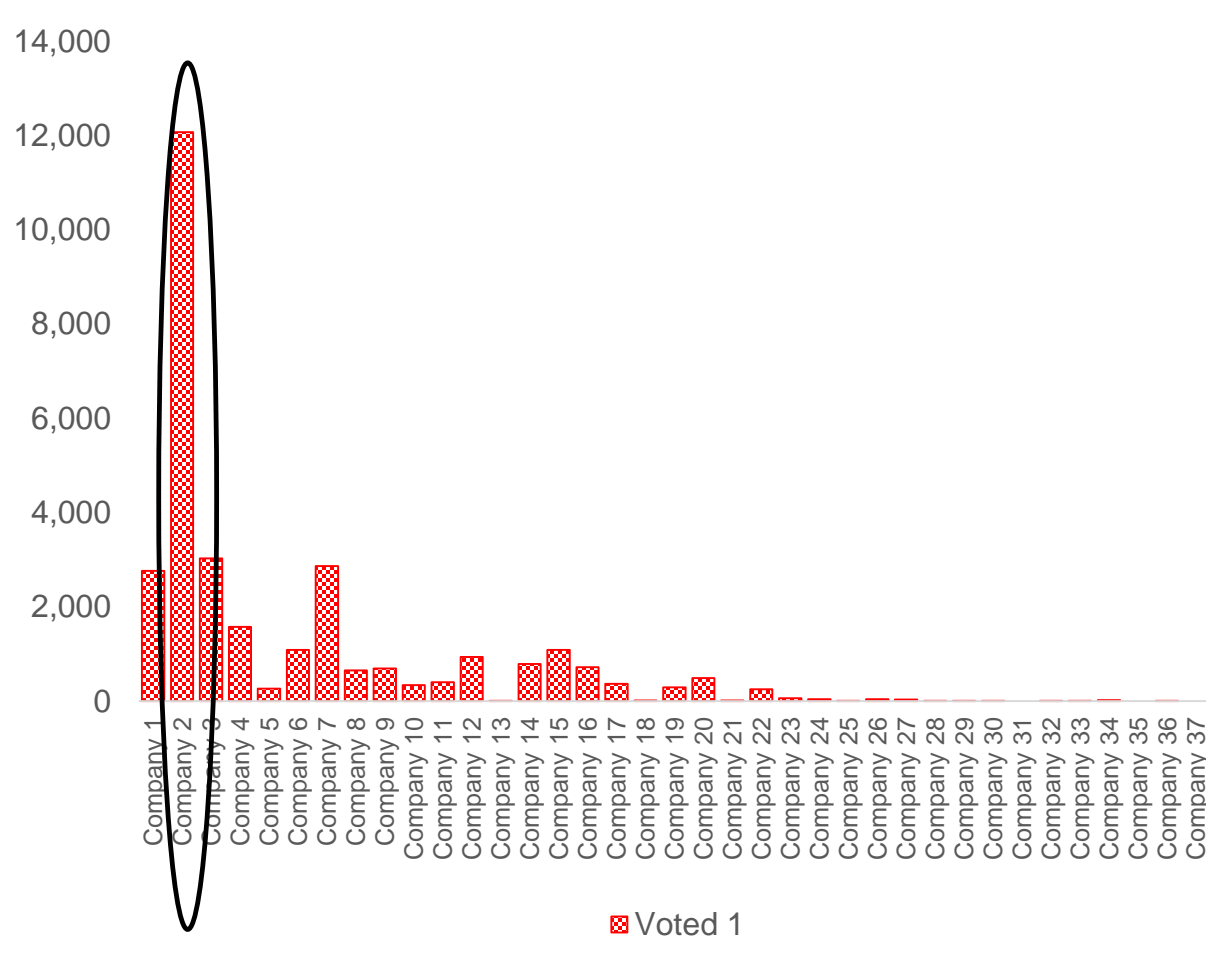
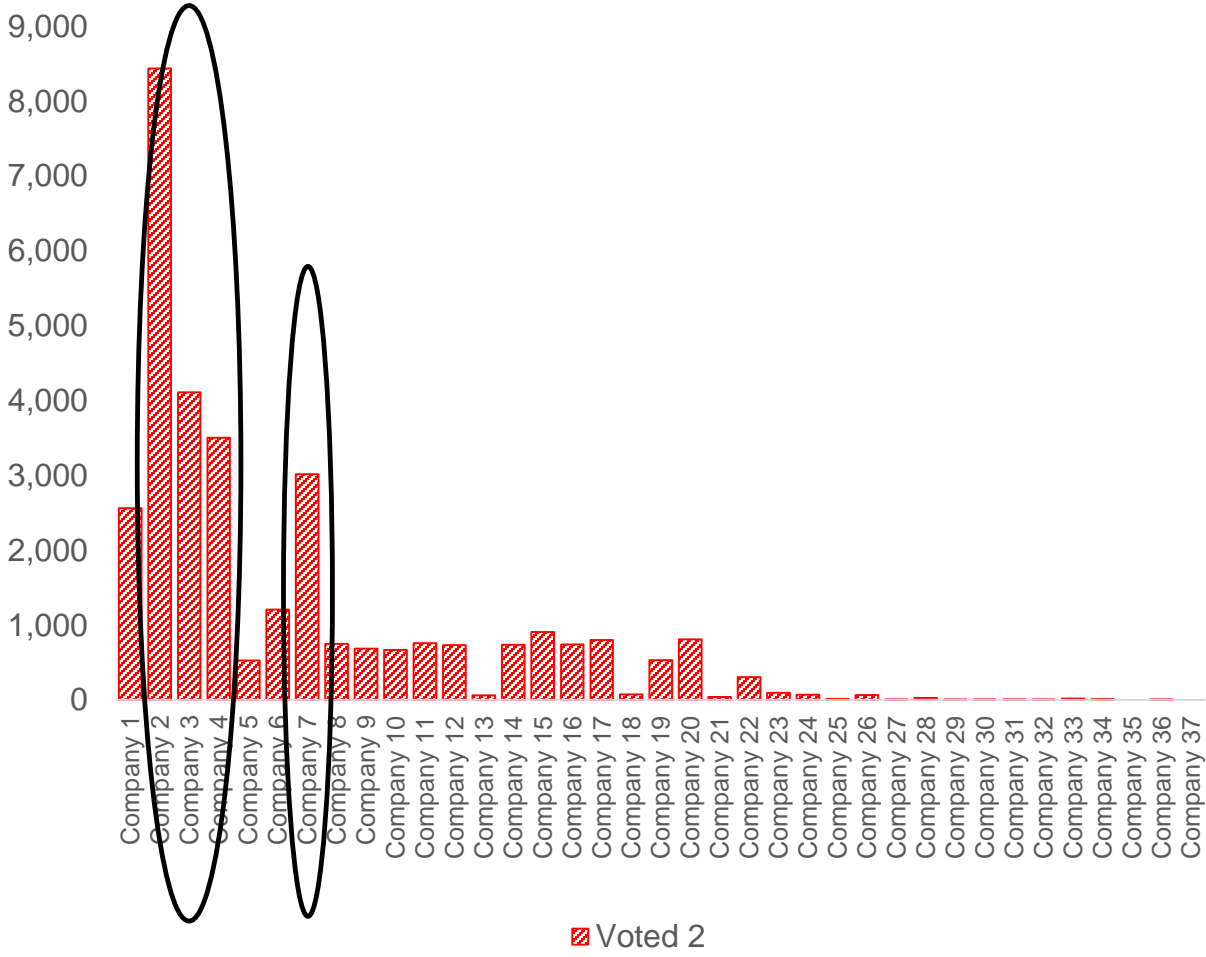
Number of instances an employee voted 3 or 4 by company

At first glance, Companies 1-4 and Company 7 seem to have many happy employees...



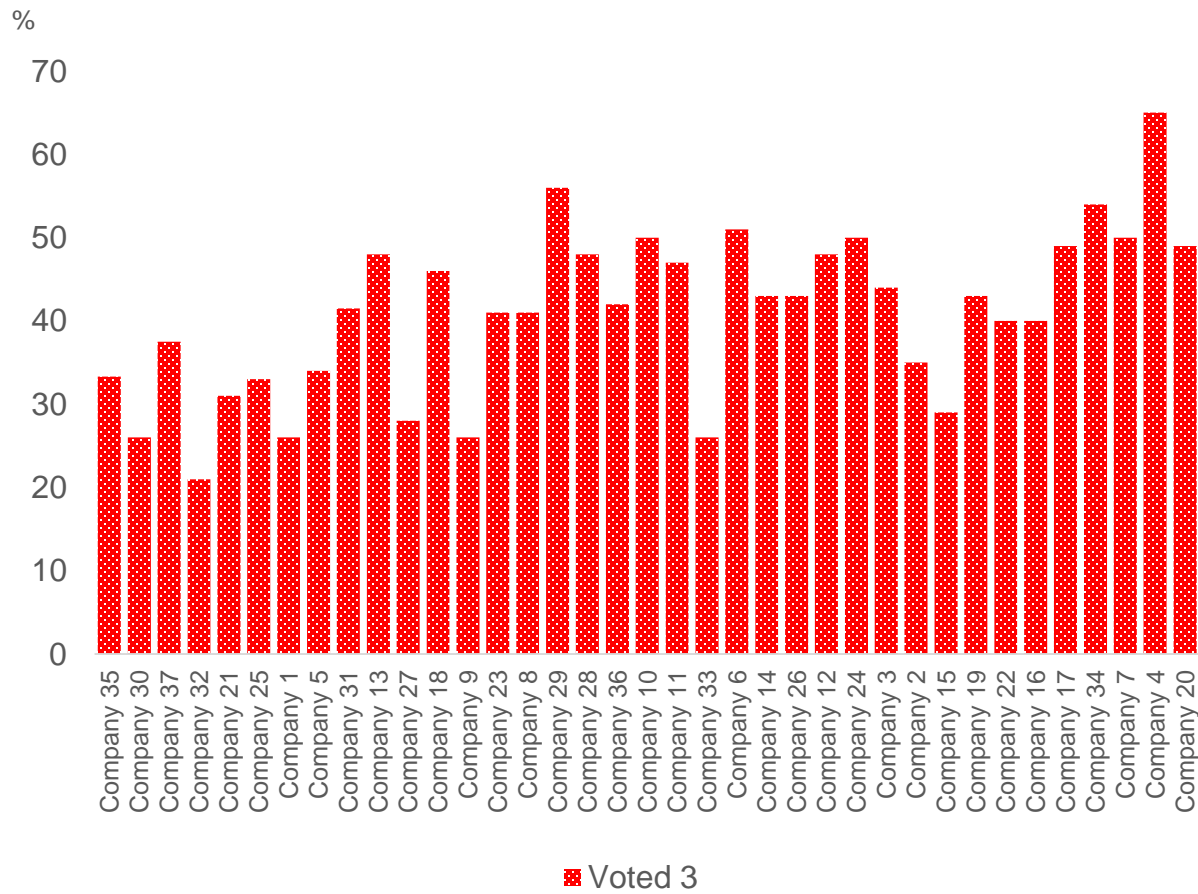
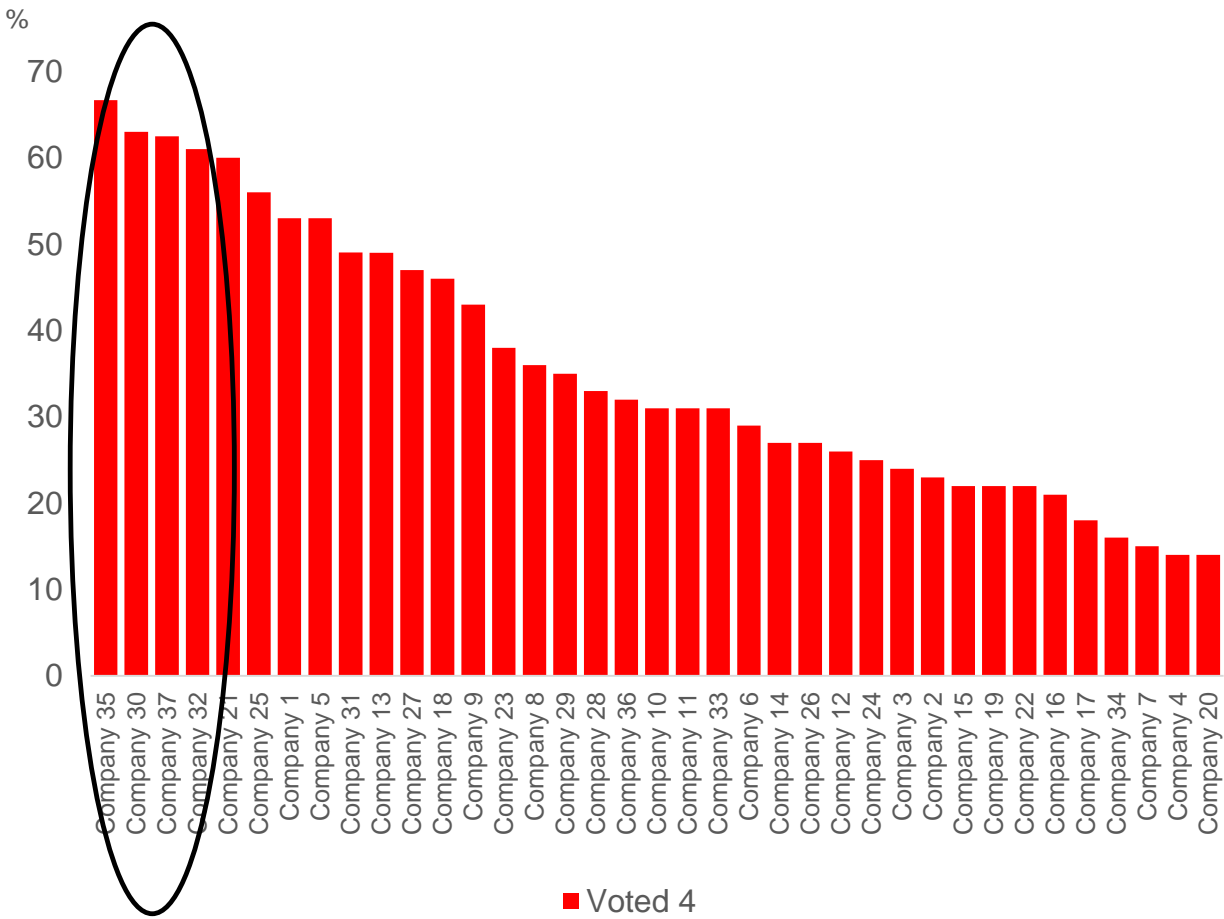
Number of instances an employee voted 1 or 2 by company

...but Companies 2, 3, 4 and 7 also seem to have many unhappy employees



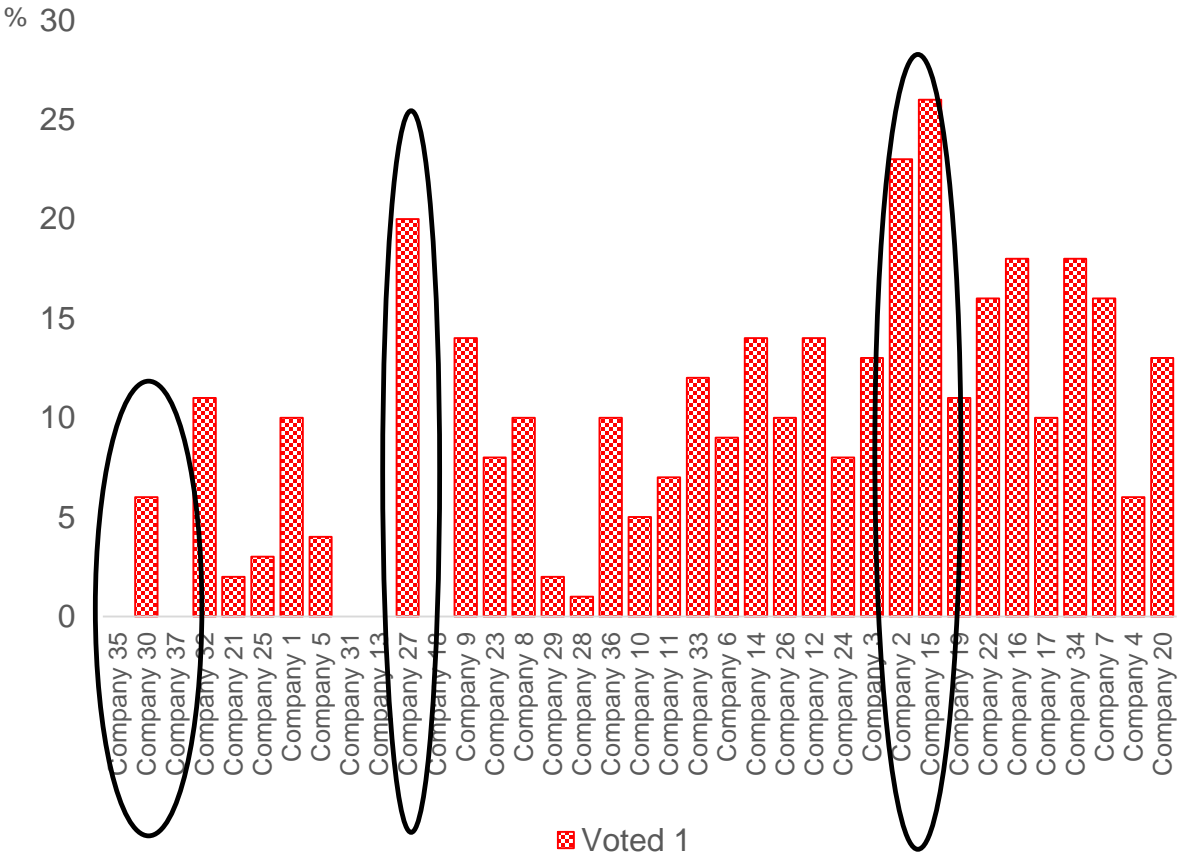
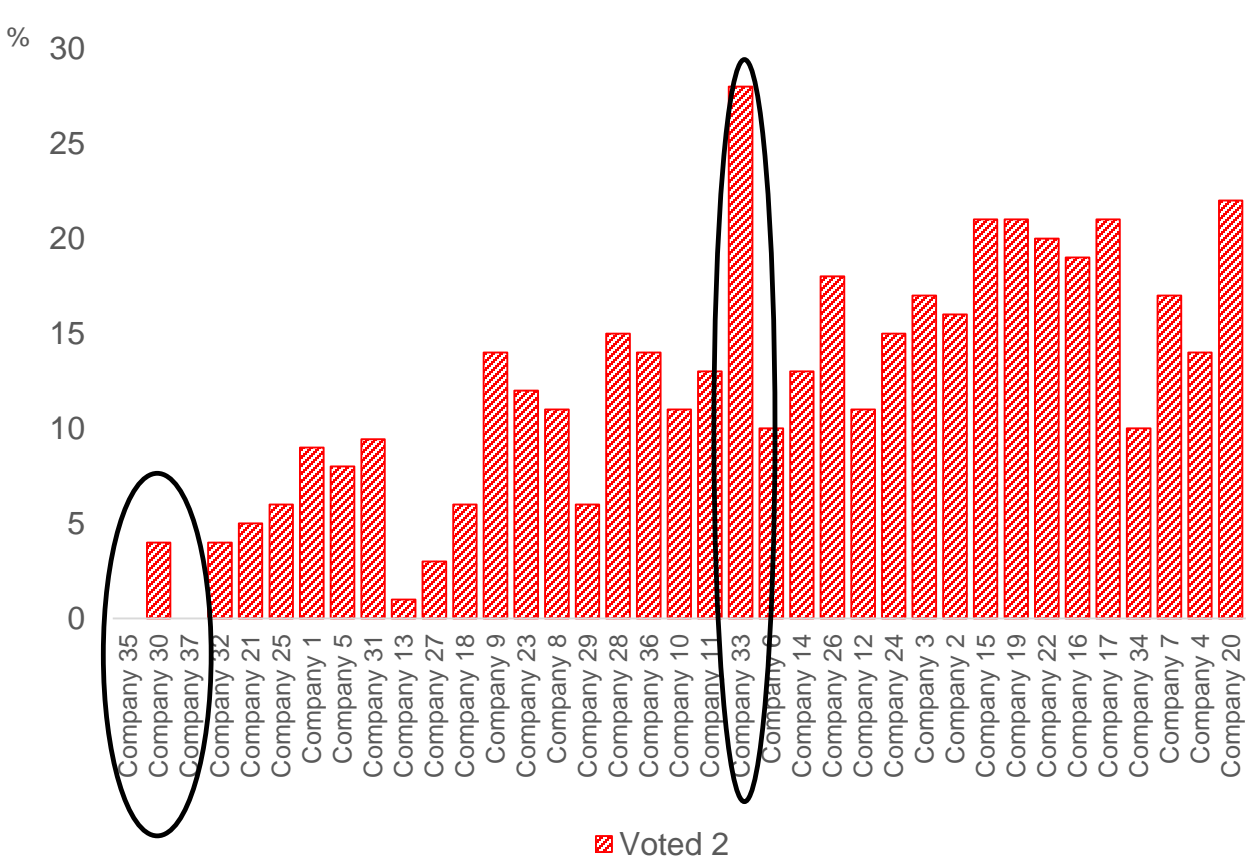
Percentage of instances an employee voted 3 or 4 by company

Converting the data to percentages tells a different story – here Companies 35, 30, 37, 32 have the higher proportion of happy employees. They were unnoticed in the previous charts because they employ fewer employees and/or fewer employees are participating in the app

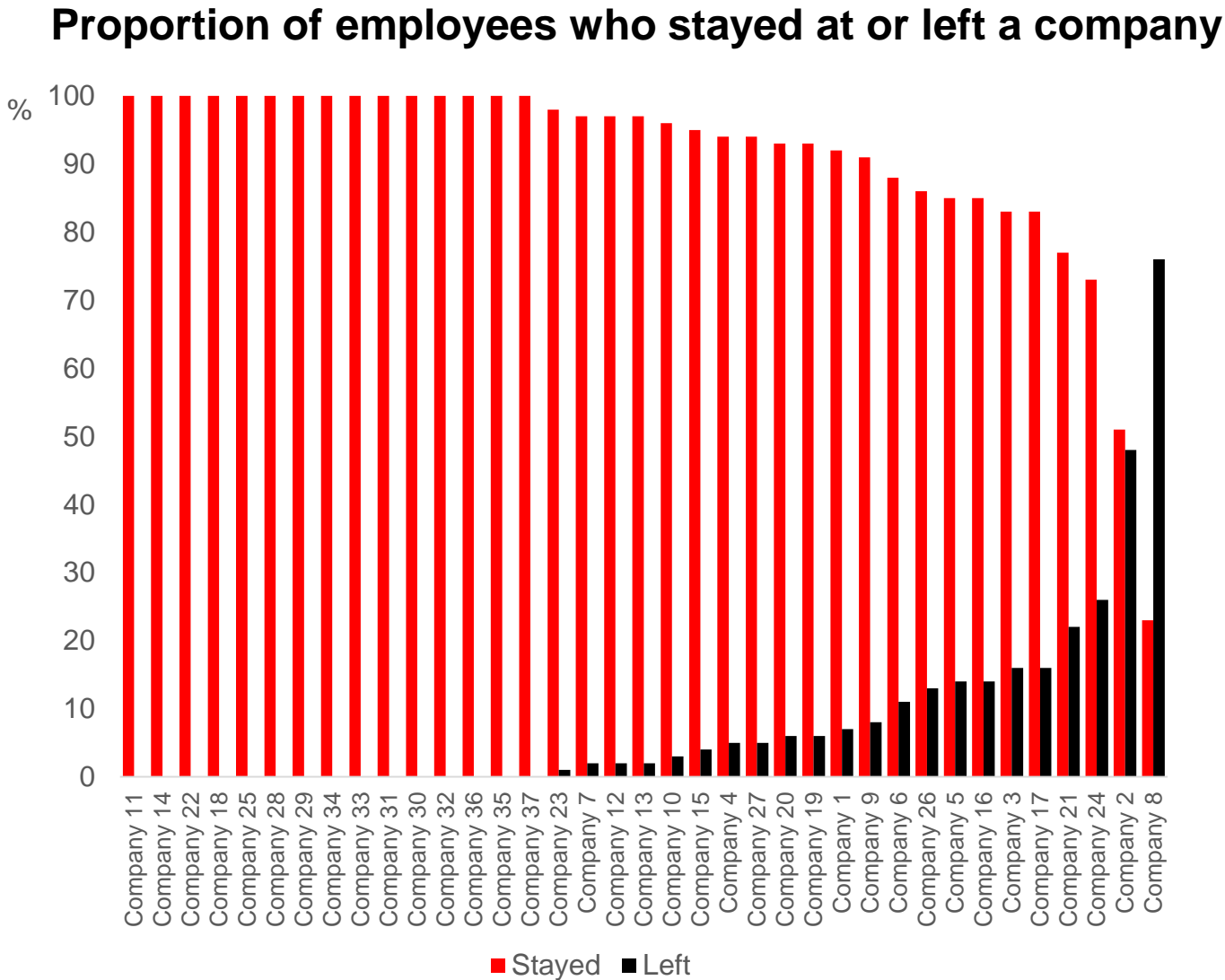


Percentage of instances an employee voted 1 or 2 by company

Companies 35, 30 and 37 also have a lower share of unhappy employees. However Companies 33, 27, 2 and 15 stand out as having a higher share of unhappy employees



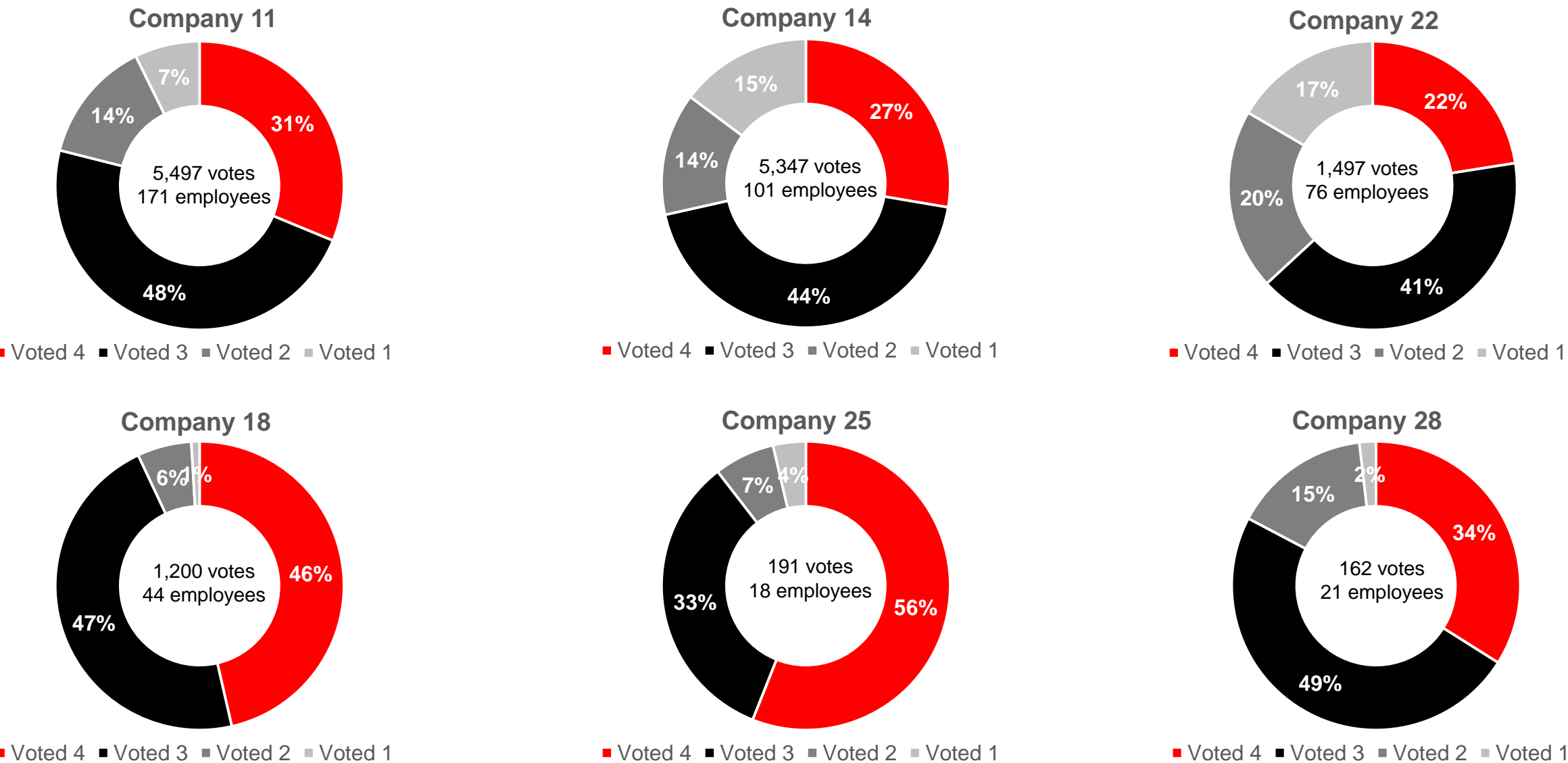
Did the unhappy employees leave the company?



- Of the 37 companies included in the study, 22 saw employee turnover over the two and a half year period
- This means that 15 companies saw no employee turnover at all
- Were the employees who left less happy? Were those that stayed at their company more happy? The next section aims to find out

Happiness ratings where there was no turnover*

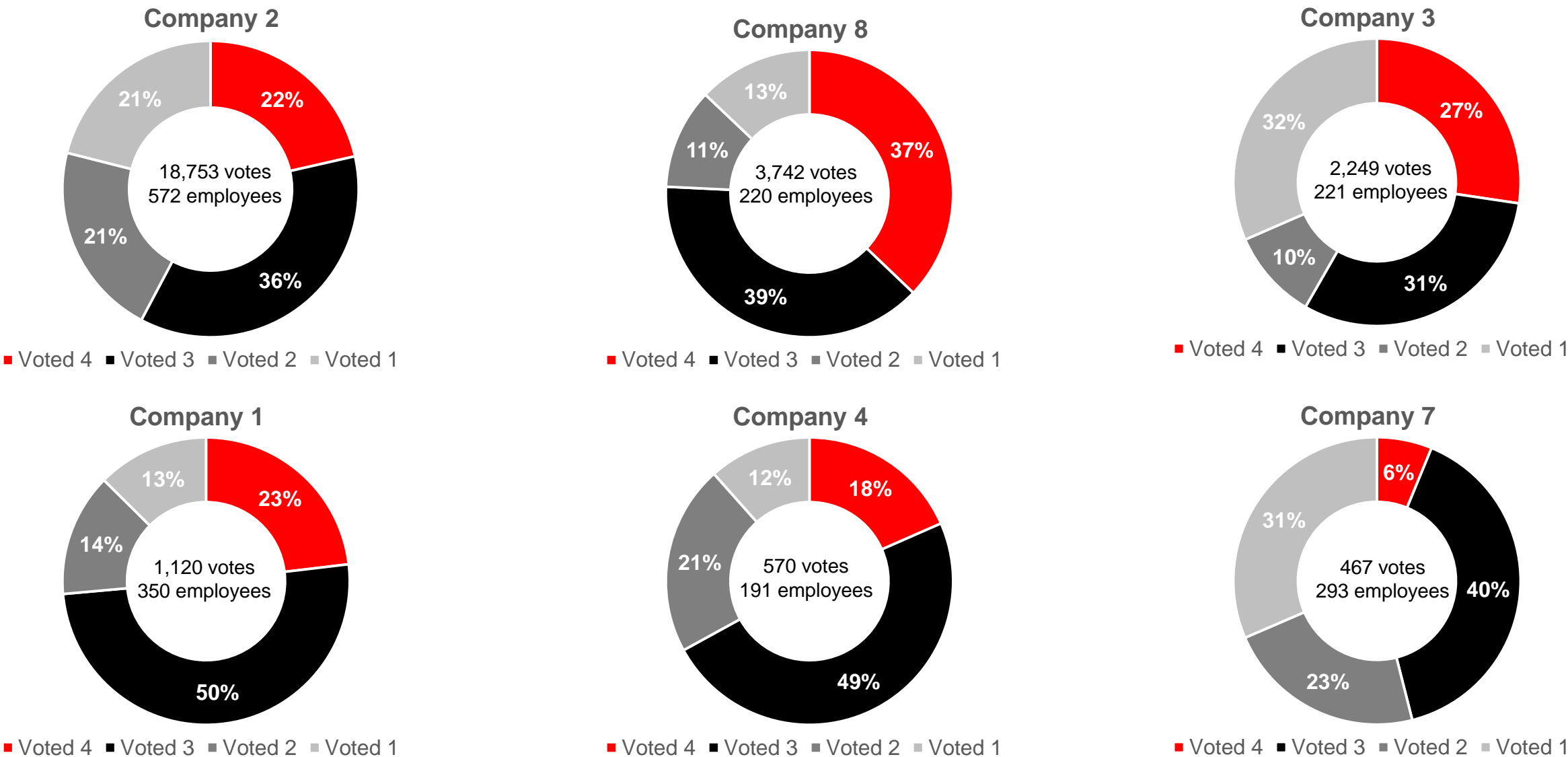
At companies where there was no turnover, over 50% of employees gave a high happiness rating of 3 or 4...



* Only those companies where total votes exceeded 100 are shown

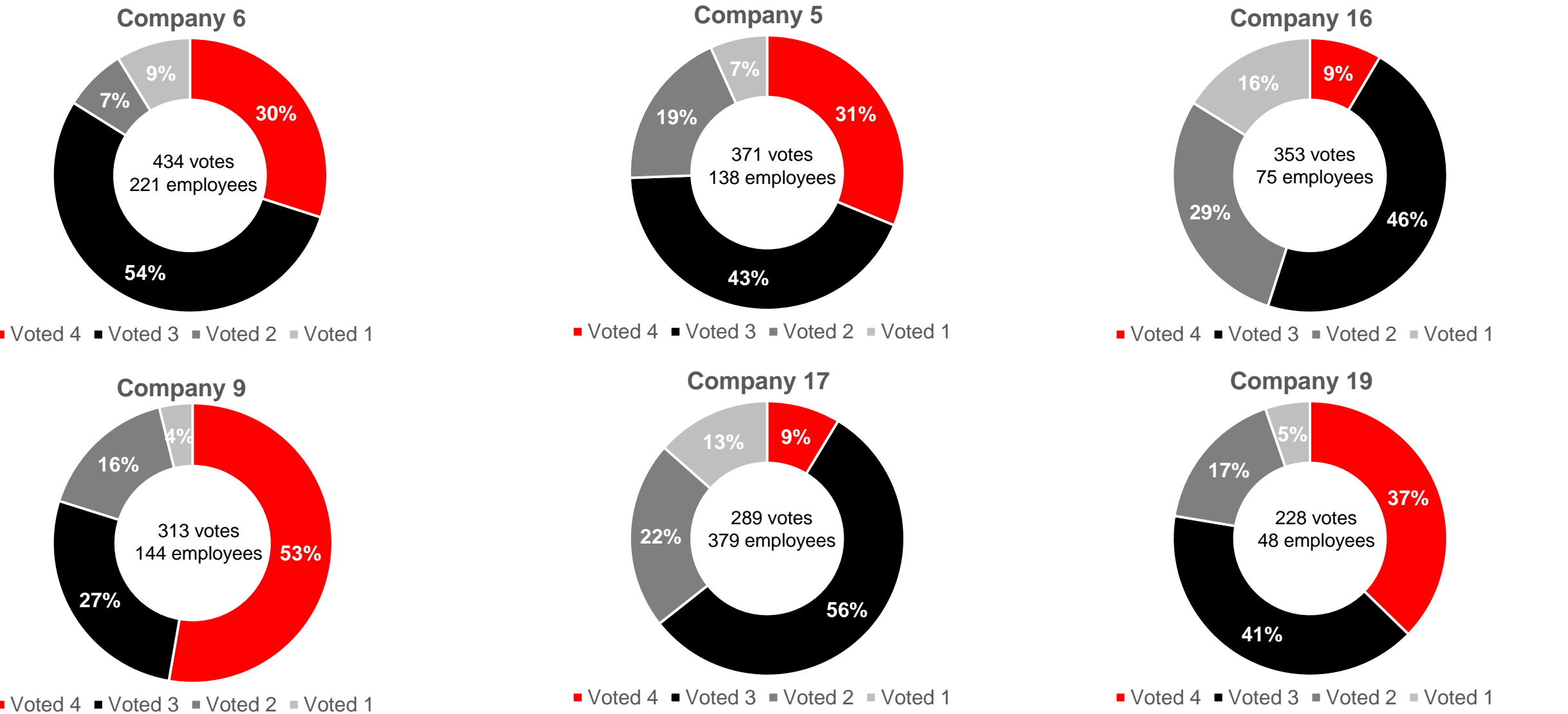
Happiness ratings for employees who left the company*

...But this was also the case where companies did experience turnover



*Only those companies where total votes exceeded 100 are shown. Employee totals refer to total employees employed during the experiment period regardless of whether they left the company or not

Happiness ratings for employees who left the company contd*



*Only those companies where total votes exceeded 100 are shown. Employee totals refer to total employees employed during the experiment period regardless of whether they left the company or not

Analysis on the previous three slides

- At companies where there was no turnover, over 50% of employees gave a high happiness rating of 3 or 4...but this was also the case for employees who did leave their company
- Where there was no turnover, employee numbers tended to be smaller. Perhaps there is more of a 'family feel' within these companies which promotes happiness and so employees are less likely to leave
- Looking at average voting numbers between those companies where there was turnover and where there was not, there is a telling difference...

Analysis on the previous three slides contd

Employees were happier at companies where there was no turnover

High votes

- At companies where there was no turnover:

76% of total votes were 3s or 4s on average

- At companies where there was turnover:

62% of total votes amongst employees who left the company were 3s or 4s on average

Low votes

- At companies where there was no turnover:

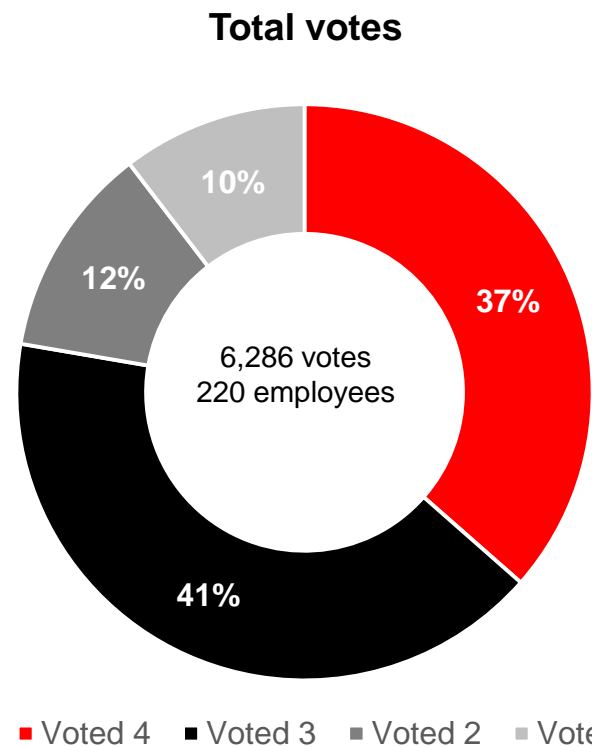
24% of total votes were 1s or 2s on average

- At companies where there was turnover:

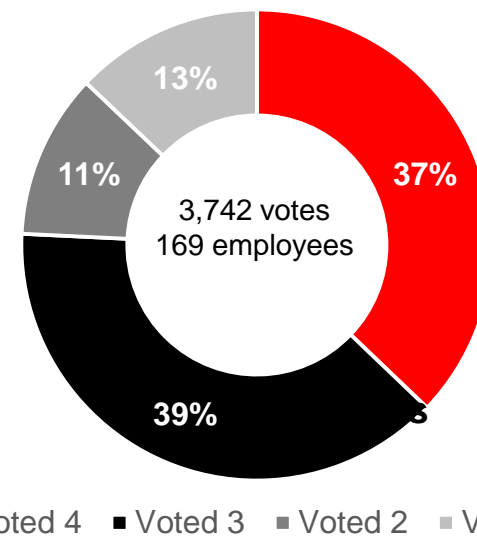
38% of total votes amongst employees who left the company were 1s or 2s on average

Case study : Company 8

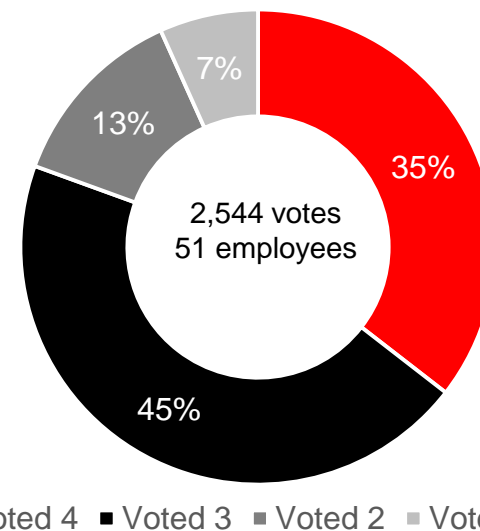
76% of employees employed during the experiment period left Company 8
– the highest proportion of any other company...



Employees who left



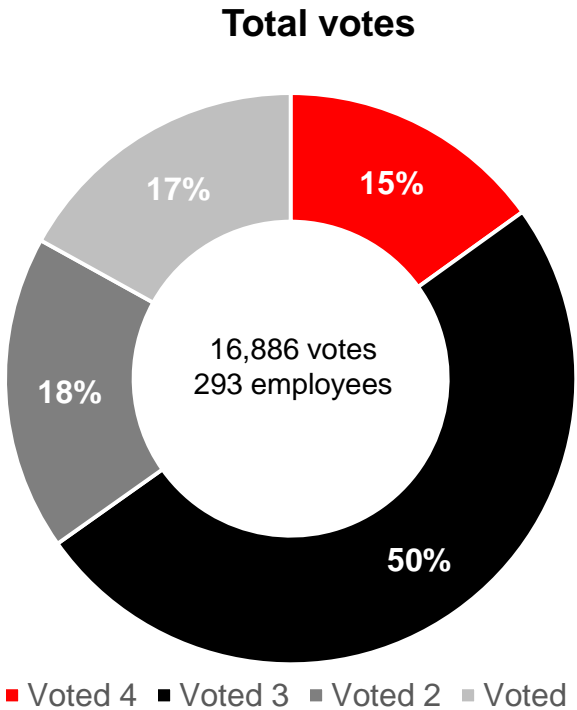
Employees who stayed



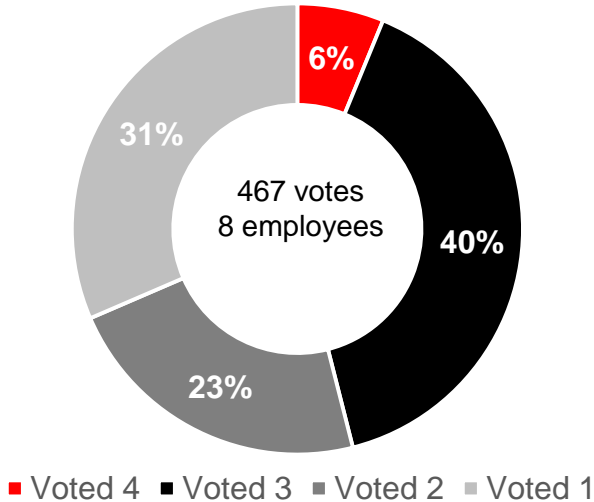
...but they still seem pretty happy with 76% giving a high score of 3 or 4

Case study : Company 7

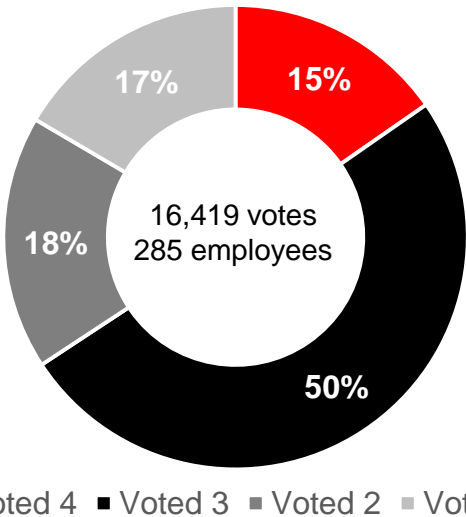
54% of votes at Company 7 were 1s and 2s amongst employees who left the company...



Employees who left



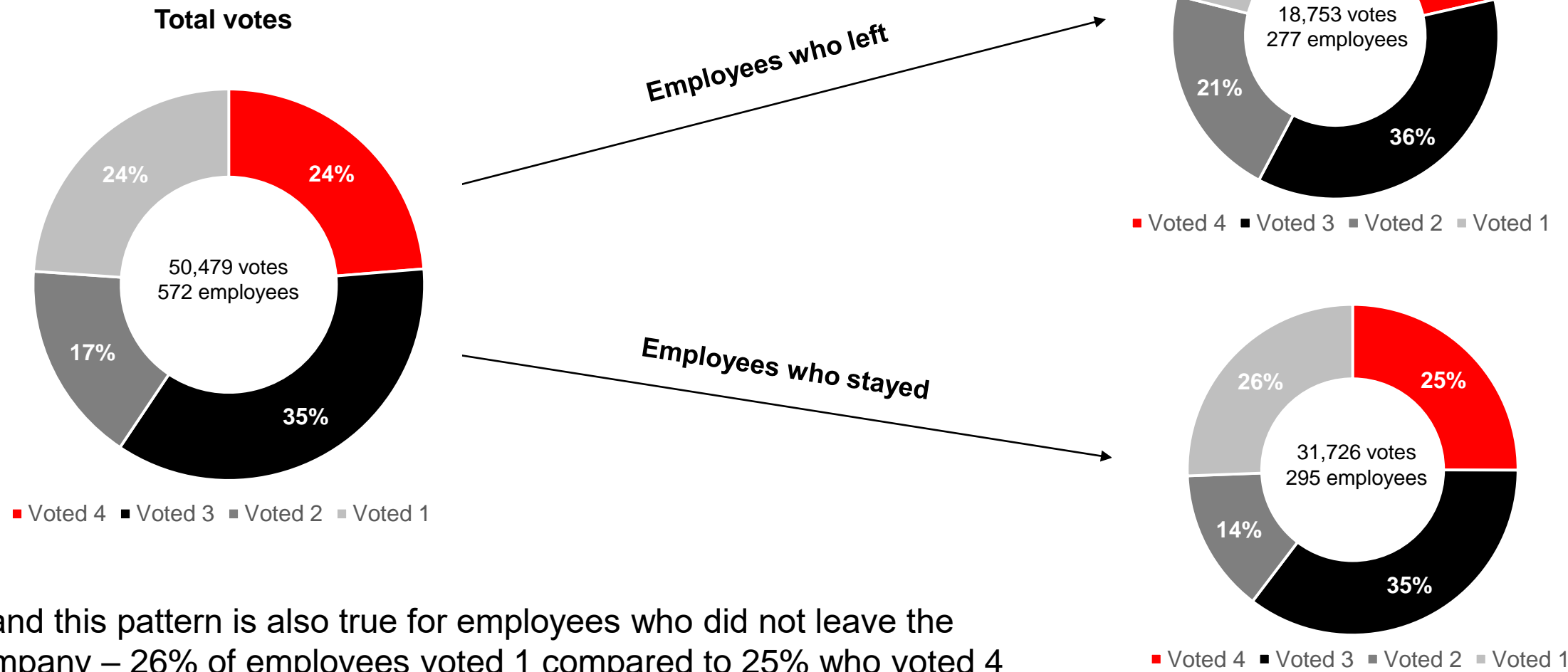
Employees who stayed



...but this figure was made up of just 8 employees – the remaining 16,419 employees seemed happy with 65% giving a vote of 3 or 4

Case study : Company 2

At company 2 the share of votes for 4 (happy employees) is equal to the share of votes for 1 (unhappy employees)...



...and this pattern is also true for employees who did not leave the company – 26% of employees voted 1 compared to 25% who voted 4

Conclusion

- Looking at average figures across all companies, there does appear to be a link between employee happiness and turnover but this trend is not always evident when looking at companies in isolation
- At companies where there was no turnover, employee numbers tended to be smaller. This may have created a 'family feel' which reduced the tendency to leave
- At companies where there was turnover, over 50% of employees still gave a high happiness rating of 3 or 4 – Company 8 is a good example of where employees appeared to be happy but turnover as a percentage of total employees was the highest amongst all companies
- At companies with a high proportion of low happiness ratings of 1 or 2, turnover varied by company – at Company 7, the most unhappy employees did leave the company but consisted of just 8 individuals. At Company 2 a higher proportion of employees gave a rating of 1 compared to 4 but they still remain at the company
- There is not enough evidence to say that unhappiness leads to turnover. Whilst it is a factor, other things also need to be taken into consideration, e.g. are there other reasons for an employee to leave aside from their level of happiness? Why do some of those who are unhappy continue to stay at a company?
- Whilst there is some evidence to suggest that unhappy employees will leave a company, more research is needed to form a solid conclusion about whether this is the driving factor

Thank you

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