

INCREASING EMPLOYEE HAPPINESS IN A TAKAFUL INSURANCE FIRM





How satisfaction leads to higher performance

This article delves into the relationship between employee happiness and organizational performance within a Takaful insurance company in Dubai. It underscores the importance of the Happiness at Work (HAW) model and the High Performance Organization (HPO) framework. Beyond just compensation, the attractiveness of an organization plays a crucial role in retaining and attracting talent. The case study showcases the tangible benefits of prioritizing workplace happiness. This Quick Insight is essential for business leaders, HR professionals, and researchers interested in the connection between workplace happiness and organizational performance.

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KEY TAKEAWAYS

-  **The HAW Model's Significance:** Employee happiness at work is a multifaceted concept, best measured using the Happiness at Work (HAW) model. This model emphasizes three core factors: emotional connection to work, job satisfaction, and a sense of belonging. Implementing metrics that measure these factors helps to improve workplace contentment.
-  **The HPO Framework's Impact:** Organizations aspiring long-term success should adopt the High Performance Organization (HPO) framework. This framework effectively elevates both performance levels and employee happiness, on the short and long term.
-  **Organizational Appeal Matters:** Beyond salary and job content, organizational attractiveness plays a pivotal role in retaining existing employees and attracting potential new employees. Two crucial components of this appeal are general attractiveness of the company and subsequent intent of candidates to pursue job offerings, yielding insights into how 'magnetic' a company is to potential hires.
-  **Practical Application:** The case company's initiative, the 'One Big Family' program, underlines the real-world impact of prioritizing happiness at work. By creating a 'happiness department' and emphasizing employees' worth to the organization, the case company serves as a practical example for businesses seeking to create a happy and productive workforce.



INTRODUCTION

The concept of happiness at work is not as modern as we might think. Starting in the 1930s, researchers began identifying the positive link between employee well-being and increased productivity. Over time, numerous aspects influencing happiness have come under scrutiny. Here is a brief overview:

- **Cultural Influence** - What makes someone happy in the West might be different in the East. Western ideals often equate happiness with personal freedom and positive circumstances, while Eastern values tie it to social harmony and group unity. Interestingly, the role of wealth, friends, and family in influencing happiness varies across cultures.
- **Gender Dynamics** - The age-old debate: who are happier, men or women? The research is divided. Some studies claim women are happier, some lean towards men, while others see no gender difference in happiness levels.
- **Religious Perspectives** - Religion and happiness often go hand in hand, though interpretations for this vary. For instance, while Eastern religions and Islam emphasize faith as the path to happiness, Protestant beliefs tend to focus on happiness as an end in itself.
- **The Age Factor** - Age influences happiness. As people grow older, their subjective well-being tends to rise.
- **Country Comparisons** - While richer countries typically report higher happiness levels, middle-income nations often base their happiness on factors beyond just GDP, like democratic governance and equal rights advocacy.

Moving beyond these general factors, our study zeroes in on workplace happiness in a specific context. We chose a Takaful insurance company in Dubai and tracked its journey as it transformed into a high-performance entity. Our research tools? The Happiness at Work (HAW) model and the High-Performance Organization (HPO) framework, with which we can establish a direct link between a company's performance level, its workplace happiness quotient, and its appeal to both existing and potential employees. Our central research question: *Can Takaful insurance companies in the UAE use the HPO framework to enhance the workplace happiness of their employees?*



THE HAW MODEL

Happiness at Work is a blend of three distinct factors:

- 1. Emotional Connection to Work** - Utilizing the Utrecht Work Engagement Scale (UWES), we gauge an employee's passion and emotional investment in their tasks. This is broken down further into:
 - *Dedication* - Individuals who take pride in their work and find it invigorating.
 - *Vigor* - Those who exhibit the mental resilience, energy, and willingness to persevere in their roles.
 - *Absorption* - People who get so deeply engrossed in their work, that they find it hard to break away from that work.
- 2. Job Satisfaction** - Using the Schriesheim and Tsui job satisfaction scale, we evaluate how employees perceive various aspects of their job.
- 3. Sense of Belonging** - Leveraging the Allen and Meyer scale, we assess the strength of employees' attachment and loyalty to their organization.

Together, these components provide a holistic understanding of what it truly means for employees to be 'happy at work'.

ORGANIZATIONAL EXCELLENCE

The High Performance Organization Framework

To truly determine an organization's caliber, we employed de Waal's HPO framework. Recognized for its conceptual and empirical validation, this framework offers a pragmatic blueprint. It enables organizations to evaluate their performance level and identify areas of improvement, ensuring long-term and consistent organizational excellence.

The HPO framework pinpoints five key factors driving sustainable high performance:

- 1. Management Quality:** Here, emphasis is on managerial ethics, integrity, and relationship-building with employees. High-performing managers inculcate trust and belief within their teams, highlighting their unwavering commitment to the organization. By fostering a culture of support and accountability, these managers exemplify the desired standards for the entire organization.



2. **Openness and Action Orientation:** A hallmark of HPOs is their emphasis on feedback and inclusivity. These organizations value employee insights and promote a culture of risk-taking and learning from mistakes. The aim? Collective growth and knowledge exchange.
3. **Long-term Orientation:** While short-term wins can be gratifying, HPOs focus mainly on enduring success. This not only benefits the organization but also ensures stakeholders maintain lasting, mutually beneficial relationships. Key aspects include promoting internal growth and creating a nurturing work environment.
4. **Continuous Improvement and Renewal:** Distinctiveness is key. HPOs have unique strategies that set them apart, constantly adapting to market dynamics. Through continuous innovation and judicious outsourcing decisions, these organizations maintain a competitive edge.
5. **Employee Quality:** At the heart of any HPO are its employees. Skilled, resilient, and versatile, these individuals are continually trained to deliver exceptional results. Their diversity adds to the organization's strength, paving the way for creative problem-solving and enhancement.

ORGANIZATIONAL APPEAL

Potential employees evaluate organizations beyond mere job roles. An organization's attractiveness encapsulates the myriad benefits and experiences it promises to (potential) employees. In essence, it is about how enticing an organization appears to prospective candidates. Organizational attractiveness is split into:

1. **General Attractiveness:** This delves into instinctive reactions to companies, focusing on one's overall sentiment towards a potential employer.
2. **Intent to Pursue:** A more tangible aspect: this scrutinizes whether candidates are motivated to actively seek employment within an organization.

To measure organizational appeal, we utilized the scale by Highhouse et al., enriching it with elements from other scales to ensure a multifaceted view of an organization's allure to potential employees.



INSIDE A HAPPINESS-CENTRIC ORGANIZATION

For our study, we turned our focus to a Takaful insurance company, named Co. A for confidentiality purposes. Nestled in Dubai's bustling financial sector, this Islamic Insurance company has been championing Shariah-compliant insurance solutions for its clientele across the Emirates since the dawn of this century. Driven by a mission to sculpt a legacy marked by Takaful excellence and a vision to innovate and lead, Co. A aspires to be the go-to for customers seeking Islamic insurance solutions. Their belief is strong: success is a result of teamwork, dedication, and genuine passion.

Our arrangement with Co. A stemmed from its participation in a long-term HPO study set in the UAE. As the organization embarked on its HPO journey, Co. A spearheaded the 'One Big Family' program, an initiative poised to elevate employee happiness. This involved a slew of in-house activities to nurture workplace happiness and foster a sense of belonging to the organization. Integral to this was to spotlight the company's achievements and make every employee feel cherished and integral part of the organization. The establishment of a dedicated Happiness Department aimed to increase happiness levels, fostering a family spirit among Co. A's employees.

THE HAW FACTOR ANALYSIS

To evaluate the validity of the HAW factors at Co. A, we initiated our analysis with a Confirmatory Factor Analysis (CFA). This was pivotal to ascertain if the HAW factors were an accurate representation of our gathered data on happiness at work of the employees. High reliability was observed in the analyzed variables. Before we plunged into modeling the HAW factors, we calculated an overarching organizational attractiveness score.

Using Structural Equation Modelling, we constructed a model encompassing HPO, HAW, and organizational attractiveness factors. The resultant model, as depicted in Figure 1 (next page), is revealing.



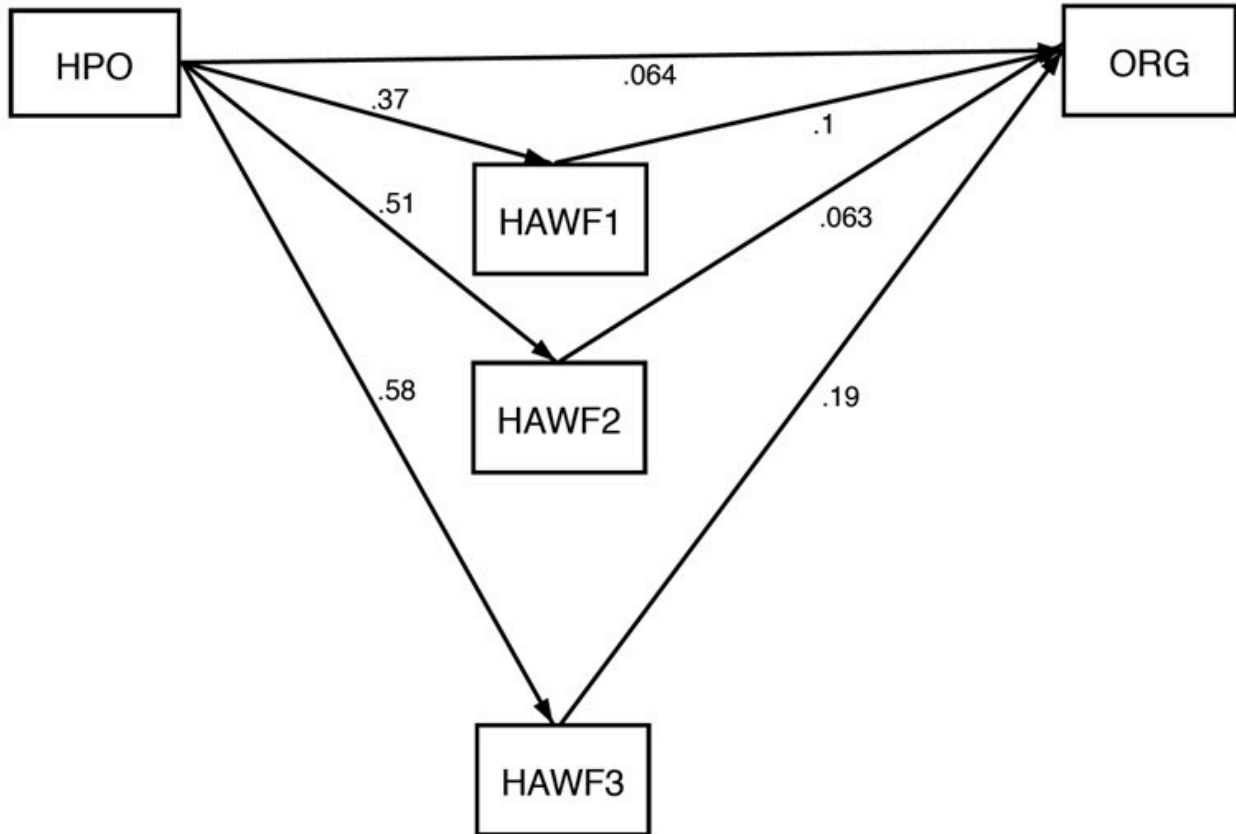


Figure 1: The HAW model

Insights from Figure 1: The HAW Model

The model underscores two pivotal aspects:

1. A direct positive influence of HPO on organizational allure, recorded at 0.64.
2. An indirect positive influence mediated through the HAW elements (HAWF1, HAWF2, HAWF3).

From our findings, it is evident that Co. A can significantly amplify its organizational appeal, both to its existing team and prospective recruits, by adopting the HPO framework. Therefore, our research query – whether Takaful insurance firms in the UAE can harness the HPO framework to bolster employee happiness – receives an affirmative nod.

Our investigative results accentuate the potential of the HPO factors in augmenting Co. A's appeal for the existing workforce and for potential new recruits by catalyzing happiness at work. These insights arm this Takaful organization with a blueprint to gauge employee



happiness levels, laying the groundwork for a well-rounded happiness strategy. This, in essence, empowers the leadership and managers at Co. A to orchestrate initiatives that elevate happiness metrics across its departments.

CONCLUSION


Within the vibrant insurance landscape of Dubai, our exploration of Co. A, a Takaful company, unveils the significant impact of integrating high-performance strategies to bolster workplace happiness. Our study reveals that the HPO framework directly increases organizational appeal and enhances employee satisfaction. As the UAE forges ahead on its national happiness mission, Co. A emerges as a beacon, exemplifying the union of performance excellence with employee well-being. This study provides a succinct guide for businesses aiming to cultivate a motivated, content, and high-performing workforce.





ARE YOU READY TO TRANSFORM YOUR ORGANIZATION INTO AN HPO?

It all starts with insight, obtained through an **HPO diagnosis**. This diagnosis shows you how your organization—or even just a specific department—scores on the success factors of High Performance Organizations. You will receive development points/improvement themes that can be tackled by managers and employees together. The HPO diagnosis acts as a mirror, in which you honestly look at your organization (or part of it) and yourself: how far are we on the path to becoming an HPO? It helps you identify the 'hard nuts to crack': the focus areas that need to be addressed to realize your strategy and become an HPO. You determine your current level (the starting point) and use this as a basis to measure the effectiveness of the HPO transition. It also strengthens the 'sense of unity' within your organization: by identifying and addressing shared, supported improvement themes.

Achieving or maintaining the status of an HPO comes with a range of financial and strategic benefits for everyone involved: the organization, the customers, and the employees.

 **Customer Focus:** An HPO is invaluable to its customers. The primary goal is to boost customer value and satisfaction.

 **Employee Engagement:** Aiming for high performance re-energizes your team. It leads to increased job satisfaction as HPOs concentrate on what genuinely drives organizational success. It's not a new project; it's a new mindset and approach to work.

 **Adaptability:** An HPO is designed to evolve. It thrives in our ever-changing, competitive world, making your organization more resilient and future-proof. This is achieved through ongoing adjustments, learning, and improvements.

Our Offer

- ✓ Customized **HPO Diagnoses**
- ✓ Interactive **Lectures and Workshops** on the HPO Framework
- ✓ Comprehensive Interviews, **Articles, Books**, and Networking Opportunities
- ✓ Guidance in Implementation Led by our **HPO Experts**



Why choose the HPO Center?



Experience & Credibility

With over 15 years of practical experience combined with rigorous scientific research, the HPO Center is at the global forefront of organizational improvement advice.



Global Knowledge Center

Based in the Netherlands, the HPO Center collaborates with partners, including in emerging markets, with the aim of fulfilling its mission to improve organizations worldwide.



Unmatched Expertise

HPO doesn't stop at diagnosing organizations. We also explore, investigate, and delve deeply into related topics such as High Performance Leadership, Silo-busting, Futurizing, Social Value Creation, and High Performance Business Ecosystems—evidence of our commitment to continually expand the HPO universe.



More than Just an Organization

With a passion for inspiring, stimulating, and networking, the HPO Center is not just an organization; it's a movement. Through scientific and professional publications (all freely available at hpocenter.com and www.hpocenter.nl), books, seminars, and roundtables, we continually disseminate the knowledge of the HPO Framework and unite professionals interested in continuous improvement and excellence.

Considering an HPO transformation?

The HPO Center is ready to support and guide you on your journey toward high performance. Contact us today for an inspiring conversation or to experience an HPO workshop. Together, we'll redefine your performance.



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