



DR. WENDY LYNCH, PH.D.

WHY RESILIENCE MATTERS

Business Implications of the meQ Resilience Score

INTRODUCTION

IN TODAY'S COMPETITIVE WORK ENVIRONMENT, ATTRACTING AND RETAINING TOP TALENT IS PARAMOUNT AND EXPENSIVE. COMPANIES RECRUIT HIGH PERFORMING EMPLOYEES WITH DEEP EXPERIENCE, INVEST IN TRAINING, AND REWARD OUTCOMES. YET WHILE TALENT AND EXPERIENCE ARE CRITICAL, NEW EVIDENCE SUGGESTS THOSE ATTRIBUTES MAY NOT BE ENOUGH. IT'S NOT SIMPLY HOW WELL A PERSON CAN PERFORM IN A TYPICAL SITUATION, BUT HOW QUICKLY THEY CAN RETURN TO HIGH PERFORMANCE AFTER AN INEVITABLE SETBACK.

Resilience is the ability to become strong, healthy or successful again after something bad happens. It includes (learnable) cognitive and emotional skills that reduce the degree and duration of episodes of discouragement, reluctance or defeat that often follow negative events. A resilient worker will quickly put the event in perspective and search for alternative solutions while their less-resilient colleagues experience a letdown or assign blame.

This paper describes how resilience, measured by the meQ Score, corresponds to worker performance and important business outcomes. In addition, it describes the association between resilience and related constructs such as stress, work satisfaction, and job burnout.

ABOUT THIS RESEARCH

THIS VALIDATION STUDY WAS CONDUCTED BY DR. WENDY LYNCH, PHD, SCIENTIST AND FOUNDER OF LYNCH CONSULTING, AT THE REQUEST OF meQ IN ORDER TO PROVIDE INDEPENDENT THIRD-PARTY AND UNBIASED SCIENCE AND RESEARCH. THE STUDY WAS CONDUCTED IN 2015 AGAINST SIX THIRD-PARTY TOOLS WITH A NATIONAL PANEL OF PEOPLE. THE CORRELATIONS WERE DONE USING INDUSTRY ACCEPTED METHODS AND THE OUTCOMES ARE SUPPORTED BY THIRD-PARTY, PEER-REVIEWED AND CLINICALLY-VALIDATED STUDIES.

Dr. Lynch is a renowned behavioral scientist who has applied her skills in research design and evaluation to several pivotal studies in the fields of health management, productivity assessment, and human capital management. A frequent speaker and author of over 50 articles and reports, Dr. Lynch is also an author of two books on the economics of health care and business: *Aligning Incentives, Information and Choice: How to Optimize Health and Human Capital Performance* and *Who Survives? How Benefit Costs are Killing Your Company*. Dr. Lynch was named in Forbes “One of Thirteen to Watch in 2013: Unsung Heroes Changing Healthcare Forever.”

METHODS

OVER 2,000 RESPONDENTS FROM A NATIONAL PANEL COMPLETED A SURVEY THAT INCLUDED ITEMS FROM THE meQ SURVEY AND MANY OTHER INSTRUMENTS, INCLUDING:

- The Psychological Capital Scale^[1]
- Copenhagen Psychosocial Questionnaire^[2]
- Perceived Stress Scale^[3]
- Work Productivity and Activity Impairment Questionnaire (WPAI)^[4]
- Other health-related measures
- Numerous lie-scale questions were embedded in the survey to identify and eliminate unreliable responses.

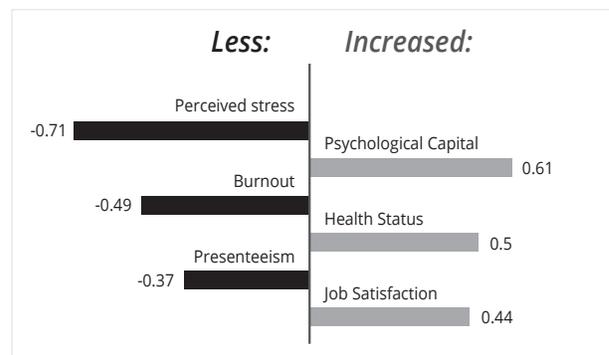
Scores on the meQ scale were tested for their correlation with other measures, and differences in outcomes were compared across levels of meQ Score. In most cases, respondents were divided into four equal groups according to quartiles of their meQ Scores. To translate meQ Scores into meaningful units of other outcomes, multiple regression models were applied, controlling for age and gender.

HOW meQ RESILIENCE RELATES TO OTHER IMPORTANT MEASURES

The overall meQ Score correlates significantly with other measures of importance to business (see table). It has a strong negative correlation with perceived stress, meaning that a higher meQ Score relates to lower perceptions of stress. Its correlation with a validated measure of Psychological Capital (the extensively researched developmental state characterized by high self-efficacy, optimism, hope, and resilience) indicates that it is strongly associated with other known indicators of resilience. As shown, the meQ Score is positively associated with both general health status and job satisfaction. It is negatively associated with reported burnout^[2] and presenteeism. All are significant at p.01.

meQ SCORE TOP LINE CORRELATIONS

The relationship between meQ Scores and validated measures of related outcomes gives the meQ Score a credible platform on which to measure its relationship to business measures. Higher meQ Scores reflect lower levels of stress and more skills in managing stress. These translate into being happier at work, performing better, and feeling better physically and emotionally.



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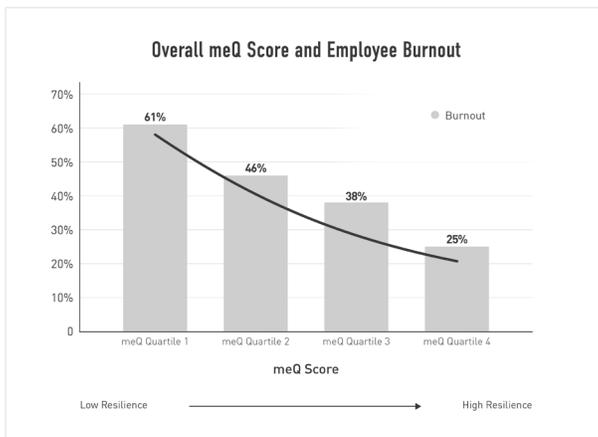
THE MAGNITUDE OF THE RESILIENCE EFFECT

The implications of these relationships can be quantified by comparing outcomes across quartiles of meQ Score. The Perceived Stress Scale (PSS)—the most common and respected psychological method for measuring the perception of stress—identifies the degree to which situations in one’s life are evaluated as stressful. When matching up responses to PSS against the meQ Score, there is a strong negative relationship—higher resilience scores correspond to lower perceptions of stress.



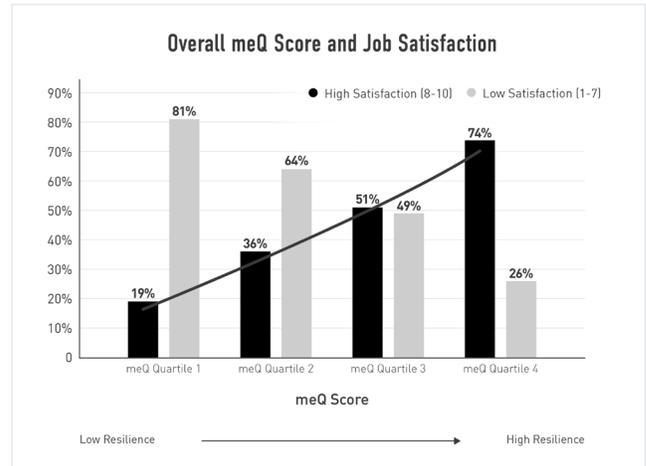
BURNOUT SCORES ARE MORE THAN TWICE AS HIGH FOR THOSE IN THE LOWEST meQ QUARTILE COMPARED TO THOSE IN THE HIGHEST QUARTILE.

Burnout is an indication that workers have less motivation to work and are less effective in their jobs.



ALMOST FOUR TIMES AS MANY OF THOSE IN THE TOP QUARTILE (74%) ARE HIGHLY SATISFIED WITH THEIR JOBS COMPARED TO THOSE IN THE BOTTOM QUARTILE (19%).

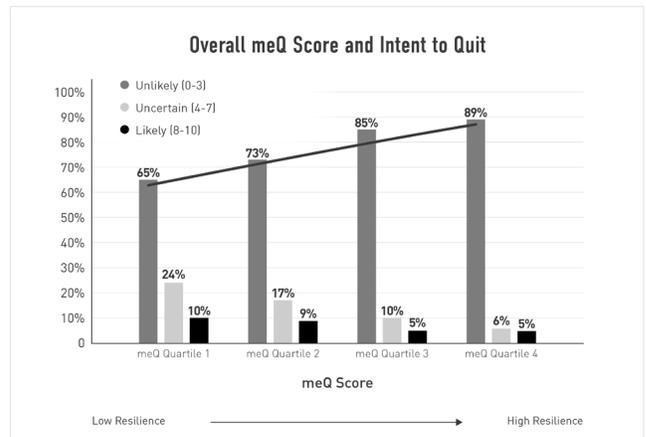
Job satisfaction is related to attendance, performance, and turnover. Satisfied workers are more likely to provide high levels of customer service and achieve better results.



THE MAGNITUDE OF THE RESILIENCE EFFECT

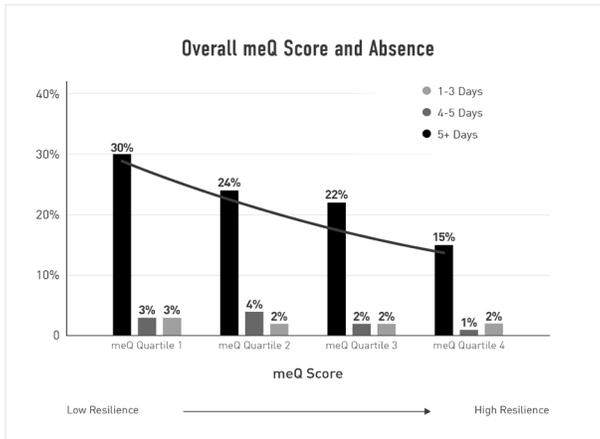
Not surprisingly, those in the top meQ group are least likely to plan on quitting their job in the near future. Indeed, 89% of those with the highest resilience were very unlikely to quit in the next six months as compared to only 65% of those with the lowest resilience.

Four times as many (24%) of those with the lowest resilience were uncertain about quitting compared to (6%) those with the highest resilience.



IN TERMS OF ATTENDANCE, RESILIENCE SEEMS TO IMPACT SHORT-TERM, INCIDENTAL ABSENCES THE MOST.

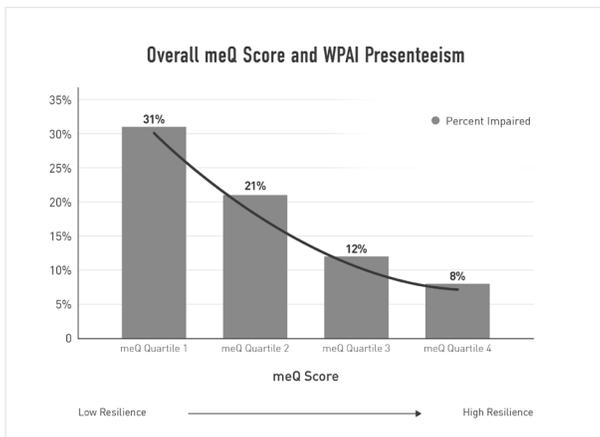
Twice as many (30%) of those with low resilience reported a 1-3 day absence in the past month compared to those with the highest resilience. This has significant implications for jobs where substitute workers are required to fill in for unscheduled absences.



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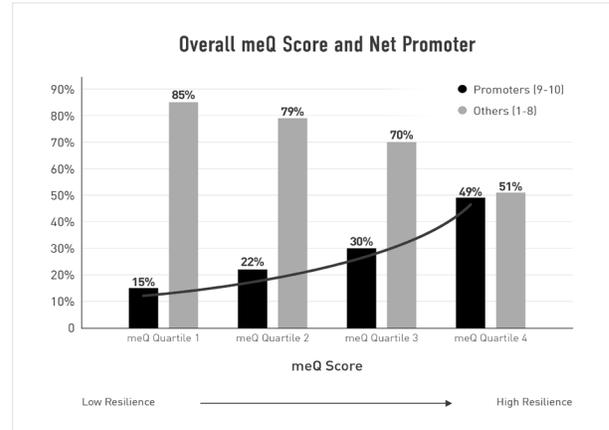
While at work, resilience is associated with a higher level of performance. Those with the highest level of meQ resilience reported only 18% productivity impairment while those with the lowest level of meQ resilience reported 41% impairment. In the middle range, the difference between the 2nd and 3rd quartiles is 9% impairment.

FOR A JOB WITH A SALARY OF \$50,000, THE ESTIMATED VALUE OF THE DIFFERENCE IN IMPAIRMENT IS—CONSERVATIVELY—\$4,500 PER EMPLOYEE, OR \$450,000 PER 100 EMPLOYEES.



IN AN ERA WHERE EMPLOYEES ARE IMPORTANT “BRAND AMBASSADORS,” THE CONNECTION BETWEEN RESILIENCE AND EMPLOYEES’ OPINION OF THEIR EMPLOYER IS CRITICAL.

Here we see that three times as many employees (almost half) with high levels of resilience fit the classification of brand “promoter.” Only 15% of those with low resilience would recommend their organization to friends or colleagues.



TRANSLATING meQ SCORES

Human resource professionals may ask how to interpret meQ Scores and differences between scores. To answer this question, the effects of a one-point difference in meQ Score was calculated. As one might expect, the effects of a difference at the low-end of resilience are greater than differences at the high end. For example, someone who improves from a score of 35 (out of 100) to 40 will experience greater benefits from their resilience improvement than someone who increases from a score of 85 to 90.

TO ILLUSTRATE THIS, BELOW WE SEE HOW RESILIENCE AFFECTS PREDICTED ABSENCES:



THE GREATEST PREDICTED DECLINE IN MISSED WORK DAYS OCCURS WHEN SCORES CHANGE BETWEEN THE RANGE OF 15 AND 60. ABOVE 60, THE PATTERN OF ABSENTEEISM FLATTENS.

Across the entire spectrum, the average reduction in absenteeism associated with a one-point difference in meQ Score is 0.24 days absent per year, or one absence for each 4 people.

This same curvilinear pattern is evident for many outcomes including presenteeism and likelihood to quit. This means that the impact of improved resilience is likely to be greatest for those whose level of resilience is low to begin with. However, the average effect of a one-point difference can be applied to estimate the business value of small differences in resilience.

WHAT IS THE ROI ON IMPROVED RESILIENCE?

Given the diversity of outcomes associated with resilience, research predicts that an increase in resilience would produce improvements in stress symptoms and illness rates, absences, disability rates and duration, turnover, work engagement, and productivity.

Published research shows that increasing resilience translates to improved resilience in terms of improved performance, reduced absence, and reduced turnover.^[1]

A GOOD RESILIENCE PROGRAM WILL SHOW ABOUT A 30% IMPROVEMENT IN OVERALL RESILIENCE AND OFTEN HIGHER. THIS LEVEL OF IMPROVEMENT COULD IMPROVE TOPLINE PERFORMANCE BY AS MUCH AS \$870,000 FOR 10,000 ELIGIBLE EMPLOYEES AND LOWER ABSENCE AND TURNOVER COSTS BY \$347,000 ANNUALLY.

Annual savings tied to improvement in resilience:

RESILIENCE IMPROVEMENT	23%	30%	37%
Improved productivity	\$721	\$940	\$1,159
Reduced absenteeism	\$232	\$303	\$374
Lower turnover	\$55	\$72	\$89
Reduced depression risk	\$109	\$142	\$175
Per Participant	\$1,117	\$1,457	\$1,797
Per 10K Employees	\$837,775	\$1,092,750	\$1,347,725

Assumptions: 25% enrollment in the resilience program. 30% monthly engagement. Average salary of \$50,000. 10% turnover; average time to fill position is 4 months.

SUMMARY

RESILIENCE CAN BE MEASURED. THE meQ SCORE CORRESPONDS TO OTHER, VALIDATED INSTRUMENTS IN WAYS THAT CONFIRM ITS CONSTRUCT VALIDITY. THOSE WHO SCORE HIGH ON THE meQ SCORE HAVE LOWER LEVELS OF STRESS AND BURNOUT AND DEMONSTRATE GREATER EFFICACY AND OPTIMISM THAN THOSE WHO SCORE LOW.

Further, resilience as measured by the meQ Score is associated with many important business outcomes including absence, productivity, anticipated turnover, job satisfaction and net promoter score.

Using conservative assumptions, even small improvements in resilience equate to significant business value. Those who score high on the meQ Score have lower levels of stress and burnout and demonstrate greater efficacy and optimism than those who score low.

NOTES

1. Luthans, F., et al., Positive Psychological Capital: Measurement and Relationship with Performance and Satisfaction. Leadership Institute Faculty Publications, 2007. Paper 11: p. 541-572.
2. Pejtersen, J.H., et al., The second version of the Copenhagen Psychosocial Questionnaire. Scand J Public Health, 2010. 38(3 Suppl): p. 8-24.
3. Warttig, S.L., et al., New, normative, English-sample data for the Short Form Perceived Stress Scale (PSS-4). J Health Psychol, 2013. 18(12): p. 1617-28.
4. Reilly, M.C., A.S. Zbrozek, and E.M. Dukes, The validity and reproducibility of a work productivity and activity impairment instrument. Pharmacoeconomics, 1993. 4(5): p. 353-65.

ABOUT meQ

meQ is the engagement and performance solution that harnesses behavioral psychology and neuroscience to unleash your organization's full potential. By unlocking the power of resilient people and teams, your organization can navigate even the most turbulent of times. Powered by the predictive meQ scores and data-driven insights, our solution uses a clinically-validated assessment and robust benchmarking to measure resilience and create personalized training programs that build team and employee skills. With meQ, you can equip each of your employees to discover and master the skills they need to overcome any obstacle, increase agility, gain adaptive capacity, and transform your organization.

To learn more about improving engagement and performance through the power of resilience, contact us at 617.274.8830 or visit us at www.meQuilibrium.com.

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