Happiness Makes Workers More Productive: Evidence from Large-Scaled Experiments

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What We Did

We examine the causal impact of happiness on productivity among workers using large-scale web survey with two approaches; Randomized Controlled Trial (RCT) & a "natural" experiment. Results from both approaches support the causal relationship of happiness raising productivity of workers.

Introduction

There is an increasing interest among firms in investing in the happiness of their employees. However, causal evidence of happiness raising productivity is scarce.

[Exceptions]

Oswald et al. (2015): Laboratory experiments among elite university students in UK.
Bellet et al. (2020): Field evidence using weather as an exogenous impact to happiness among workers in a large enterprise in UK.

Further empirical studies needed to provide externality.

2. Analysis

2.1. Analysis of web survey

- We used a random sample of 4,568 people to conduct an experiment.
- We found that happiness raises productivity by 6.04%.
- We controlled for other factors such as age, gender, and education level.

2.2. Analysis of natural experiment

- We conducted a natural experiment in Tokyo, Japan.
- We found that watching a comedy clip raised productivity by 4.56%.
- We controlled for other factors such as age, gender, and education level.

3. Data

- Targeted respondents: Employees of firms or civil servants, age between 15 to 64.
- Sample volume: 6,201 (Distribution following Census according to age, sex, and living area)
- Sample structure:
  1. Questions on basic info (age, gender, occupation, income, life event etc)
  2. RCT intervention: Watch a minute clip
  3. Timed mathematical additions for monetary incentives

4. Methodology

- Randomized Controlled Trial (RCT)
- "Natural" experiment

5. Results

- RCT: Treatment Effect on Positive Emotion (PE): Tokyo
- Natural experiment: Treatment Effect on Positive Emotion (PR): Tokyo

6. Conclusion

- Happiness raises productivity among workers.
- Further empirical studies needed to provide externality.

Contact

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Reference