

# Happiness Planet

## Support System for Promoting Management Objectives in Partnership with Employees

While it is the role of management to formulate and pursue objectives for the future of the company, simply announcing these is not enough on its own to gain buy-in from employees. This is a consequence of the inevitable gap between these objectives and employees' existing work, making it difficult for them to act on their own initiative. Hitachi developed Happiness Planet as a solution for achieving three prerequisites that it has identified as necessary for achieving management objectives: the breaking down of objectives, proactive participation by employees, and risk monitoring. The solution is made up of a smartphone app for employees and a web application for management. The benefits of the solution have been demonstrated in a public PoC trial involving 4,300 participants across 83 companies and Hitachi now plans to roll out the solution for commercial use.

**Satomi Tsuji**

**Nobuo Sato, Ph.D.**

**Keita Shimada**

**Koji Ara, Ph.D.**

**Kazuo Yano, Ph.D.**

### 1. Introduction

The COVID-19 pandemic is causing a major shakeup in economies, politics, and value criteria around the world. Many companies have responded to this uncertain future by realigning their management objectives, including by making the shift to remote working, changing their key product range, and revising their supply chains. If a company can be thought of as a large vessel, then the managers tasked with its steering need their operations to be flexible and agile. Achieving this in turn requires that the top-down communication of management objectives be combined with bottom-up activity by employees. This is because vertically structured and command driven organizations that work from the top down lack the ability to respond flexibly, whereas those that work the other way around struggle to keep up with the pace of societal change. In other words, what is needed is an

organization where employees can quickly grasp the objectives being handed down by management and act on their own initiative to seek out, identify, and execute appropriate actions based on their workplace knowledge.

Hitachi is proposing a hybrid approach to implementing management objectives that combines top-down and bottom-up methods that it calls "happiness management" because of its characteristic of relying on the proactive participation of employees. This article describes this happiness management approach and the Happiness Planet solution that provides the functions needed to put it into practice, and reports on how it performs in actual use.

### 2. Happiness Management

The three requirements seen as vital for happiness management are the "breaking down" of objectives (translating them into a form that is meaningful for employees),

proactive participation by employees, and risk monitoring. In particular, having employees align with management objectives in a way that makes them feel motivated and energized in their daily work are both crucial factors in whether or not these objectives will be achieved. This section reviews past research into worker happiness before going on to describes the happiness management approach.

## 2.1

### Worker Happiness

This section looks first at how to express what constitutes desirable conditions for workers, which is to say feeling a sense of motivation, considering the indices used to measure motivation and its component parts (see **Figure 1**).

The first of these is the idea of psychological capital whereby individuals are possessed of a positive mental energy. Proposed by a group led by the US management professor Fred Luthans, this indicator refers to having a positive attitude toward one’s own self that takes forms such as self-confidence and motivation. It has been shown that corporations staffed by people with high psychological capital have higher performance<sup>(1)</sup>.

The second is psychological safety, which means having confidence in one’s relationships with colleagues. It refers to relationships where people feel free to express their opinions and concerns and has been found in an in-house survey by Google LLC to be a common factor in successful organizations<sup>(2)</sup>. Studies by Hitachi have found that positive relationships with the people around one manifest in the characteristics of one’s physical movements<sup>(3), (4)</sup>, and that the social happiness index used to measure this also serves to quantify this psychological safety.

The third concept is that of alignment with management objectives, meaning employees have a tangible sense that their work is contributing to the future of the organization to which they belong.

Employees find it difficult to feel motivated if any of

these three elements are missing, diminishing their productivity and potentially leading to their resignation. Equating this to worker happiness, the prerequisite of happiness management is to manage in a way that keeps employees happy.

## 2.2

### Happiness Management Approach

**Figure 2** shows a flow chart of happiness management, which pursues management objectives from both the top down and the bottom up. For simplicity, the organization has been represented as made up of three layers: senior management, administrators (middle management), and employees.

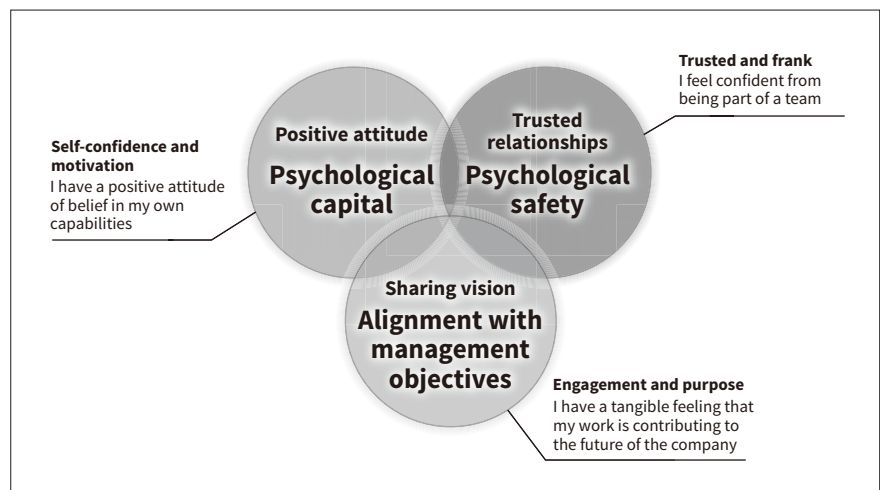
First of all, the objectives laid out by management are broken down by administrators into organizational goals in a way that is relevant to the issues facing each workplace. Each morning, the employees decide for themselves which actions to pursue on the basis of these organizational goals. They use the app each day to select which actions to take and participate in measurement of the social happiness index. This information is automatically passed on to the administrators who use it to provide individualized support and as a basis for recognition and rewards. An important point is that this information from the workplace be used to analyze the outstanding issues that bear upon management achieving their objectives so that it can be taken into account when making decisions on budgeting and personnel reallocation to support the workplace. This avoids situations where management objectives fizzle out, instead getting them achieved through practices that take account of the actual situation in the workplace.

Two features of this approach are: (1) employees choose what actions to take for themselves, and (2) IT is used to communicate the issues and needs of the workplace back to administrators and management.

For the former, an “action” is something that explicitly indicates how to go about the day’s work. While possible examples might range from simple actions such as “smile

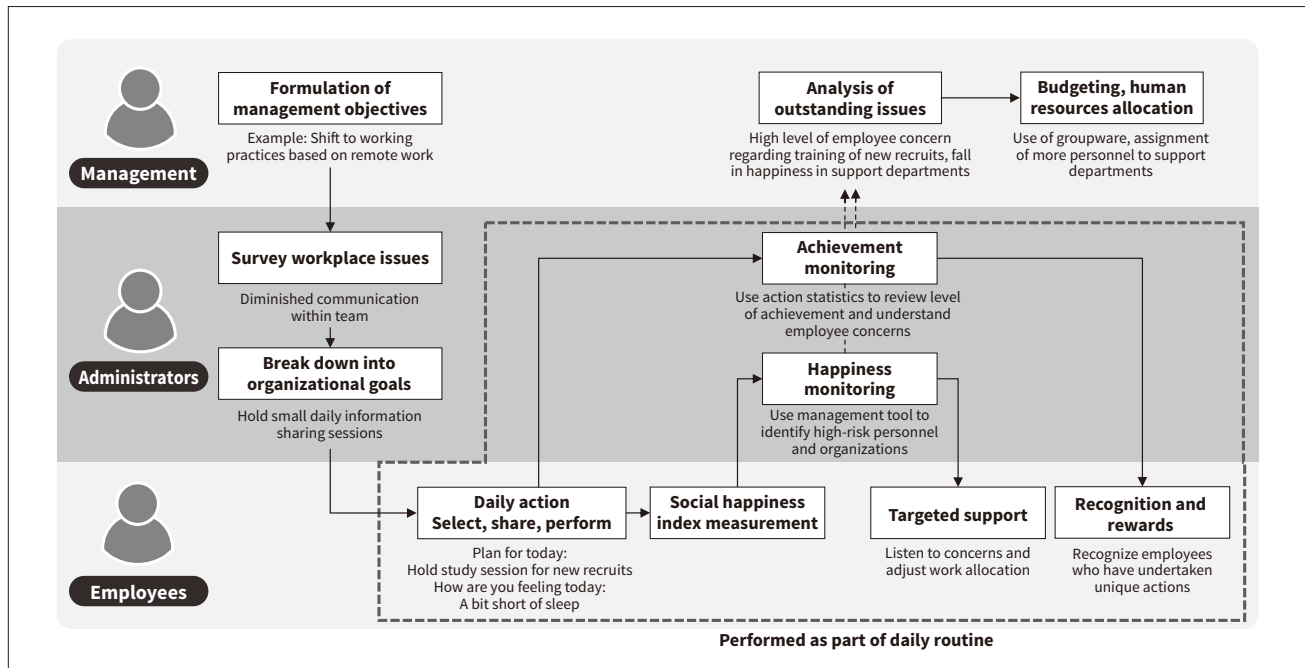
**Figure 1 – Worker Happiness**

A summary of past research indicates that feeling a sense of motivation equates to sharing the organization’s vision while experiencing both a positive attitude and trusted relationships. There is a need to manage organizations in a way that keeps employees in this state.



**Figure 2 — Happiness Management Approach**

A feature of this approach is that it works from both the top down and the bottom up. The key is for individual employees to select for themselves which action they want to perform, taking into consideration their work for the day and the organizational goals. This ensures that management objectives permeate all corners of the organization and are carried out in a way that suits the particular circumstances of each workplace.



when greeting colleagues” to more difficult actions such as “present to customers with overseas deployment in mind,” in all cases an action is a verbal expression of how employees should go about the tasks they recognize as making up their daily work, one that has been reinterpreted in a way that aligns with the organizational goals. Past management was frequently based on superiors instructing their employees on what to do. The problem is that the people who understand the situation in the workplace best are the employees themselves. Moreover, employees are more likely to be enthusiastic about activities for which they are internally motivated. This makes it desirable for employees to decide for themselves how to go about their work. On the other hand, because changes in management objectives can shift the basis on which past work has been undertaken, they can cause workplaces to temporarily get out of sync, increasing the risk of stress or miscommunication. This creates a need for appropriate support to be provided to employees while also monitoring their circumstances and concerns. The roles of administrators, then, are to take corrective action should the way employees go about their actions get significantly out of step with the goals, to use rewards and recognition to motivate employees, and to offer individualized support when monitoring indicates heightened risk.

With regard to (2), the use of IT to provide feedback to administrators and management, the information that employees enter into the app is extremely useful for understanding what is happening in the workplace. While many companies already use employee questionnaires or satisfaction surveys, because these tend to be conducted at yearly

intervals, they can only be interpreted in retrospect and are difficult to put to use in the achievement of management goals. Use of IT, on the other hand, means that the daily record keeping of employees can be put to timely use as monitoring information.

In this way, the proactive participation of employee is the key to happiness management and should lead to the rapid, flexible, and reliable achievement of management objectives.

There are a wide variety of management objectives to which happiness management can be applied, such as onboarding of new recruits or an interdepartmental approach to sales from a customer standpoint. The example used in **Figure 2** is a shift to working practices based on remote work. The COVID-19 pandemic has prompted a decision by Hitachi to make widespread use of remote work<sup>(5)</sup>. With the shift from traditional office work toward a central role for remote work having been forced upon the company, workers and administrators have experienced some confusion in the process of adopting the new practices. As an example, the following section tells a story from the perspective of the people involved. For ease of understanding, some fictional material has also been included.

### 2.3 Example

Having made the transition to remote work in response to management objectives, issues arise with employees being unsure about when they are meant to consult with their seniors and experiencing concerns about duties not being allocated in a balanced way. The hypothesis is that this is

due to a lack of sharing of the sort of minor information that does not meet the threshold of being part of formal reporting, such as trivial concerns or the sense of how well things are going that naturally gets passed on through casual conversation. Accordingly, holding brief daily gatherings to consult about these minor issues is set as one of the organizational goals. As a result, the list of actions that employees can choose from each morning include such options as announcing what work they have planned for the day or telling people how they are feeling or about an interesting book, allowing for comments to be entered in the manner of casual chat. The aim of this is to improve psychological safety within the team, creating an atmosphere where it is easy to raise matters with other people. To allow for monitoring, employees also keep their smartphones in their pockets so that these devices can measure the social happiness index. The collated records of this are reported to administrators and management to facilitate the early identification of people or groups at high risk as well as the understanding and support of workplace needs.

### 3. Happiness Planet

Happiness Planet is a solution that supports happiness management. This section describes the associated application.

#### 3.1

##### Application for Employees

Figure 3 shows the application that employees use to enter and view information<sup>(6)</sup>. The organizational goals derived

from management objectives are shown in large text at the top of the screen. Each morning, employees select which action they want to perform while thinking over their work for the day. Functions include earning points in the app, sharing comments with other team members, and the anonymous passing on of thanks, with the aim of improving worker happiness being an objective of its design. It is hoped that with extended use the app will help to boost psychological capital and the team's psychological safety. The function for measuring the social happiness index also presents employees with their own daily score on the index. This score value is only visible to the person concerned, with administrators and management only having access to combined scores at the organizational level or for specific choices of action.

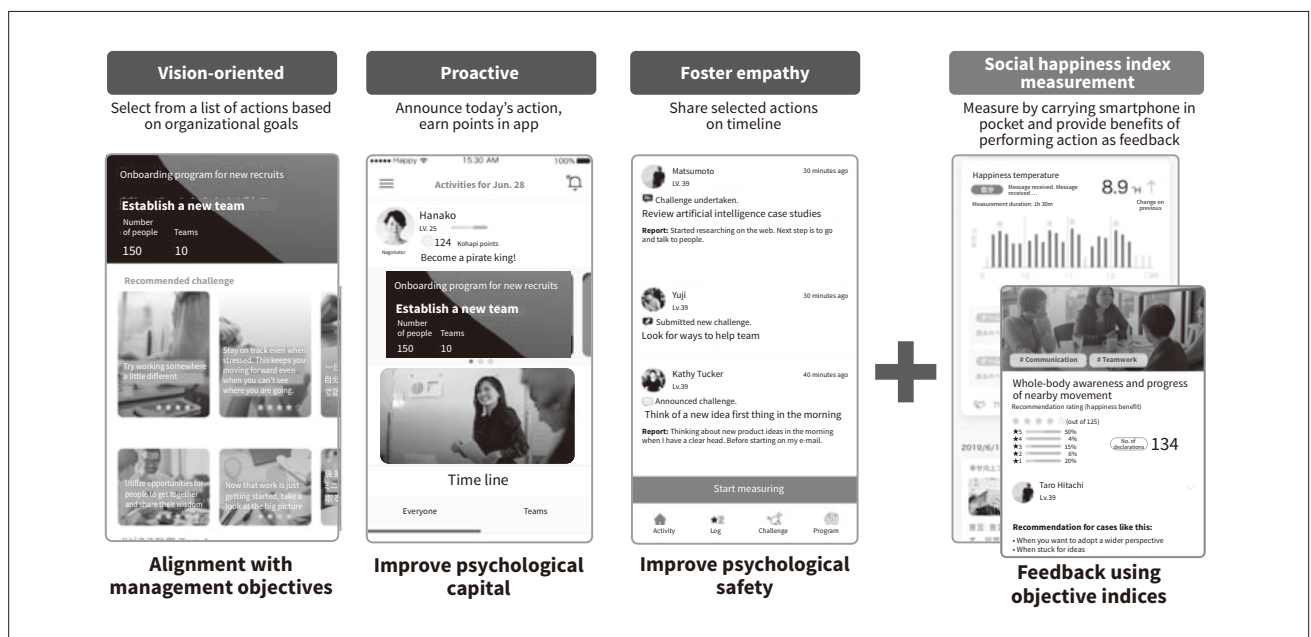
#### 3.2

##### Management Tool for Administrators

Figure 4 shows an example screenshot from the management tool that administrators can use to check what is happening in the workplace (a web application on a personal computer browser). The psychological weather chart translates the situation for employees into numerical values that express stress risks in the form of a weather report. As noted earlier, the social happiness index is not the person's subjective happiness but rather represents the positivity of their relationship with those around them. When this is used in a statistical manner to collate a social happiness index for a number of colleagues with close relationships, it becomes possible to express the positivity of an individual's situation as a number. This result is then displayed in the form of a

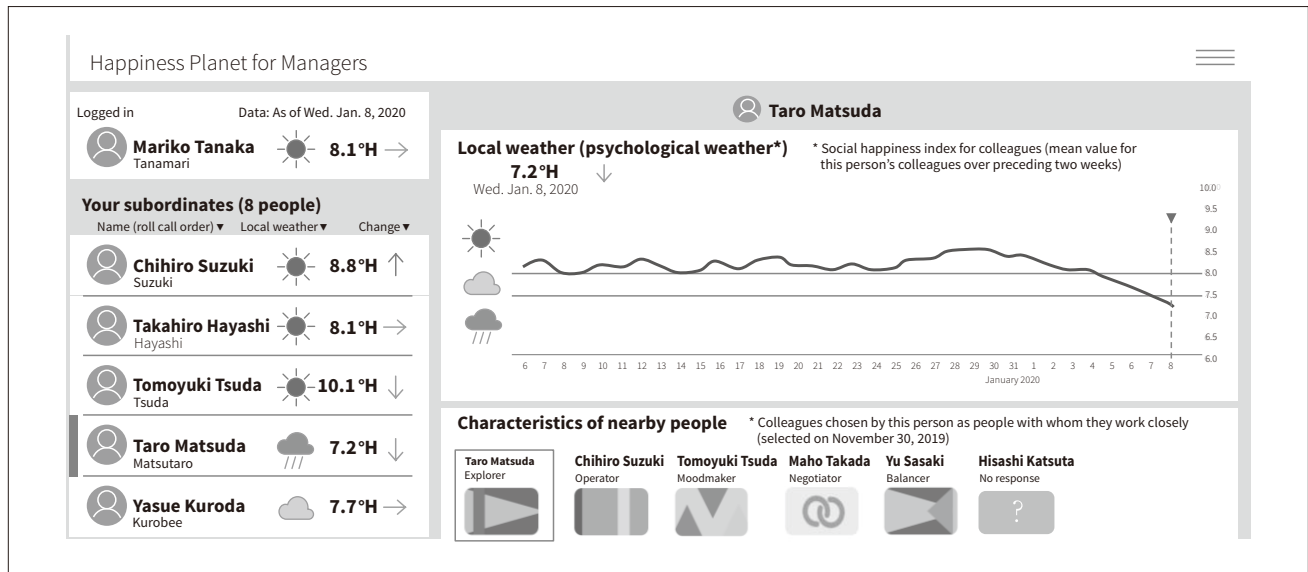
Figure 3 — Happiness Planet Application

The screenshots are from the smartphone application used by employees. By facilitating the selection, sharing, and reporting of a daily action, the application provides the core functions for improving worker happiness. It also provides feedback, using an accelerometer to measure the social happiness index.



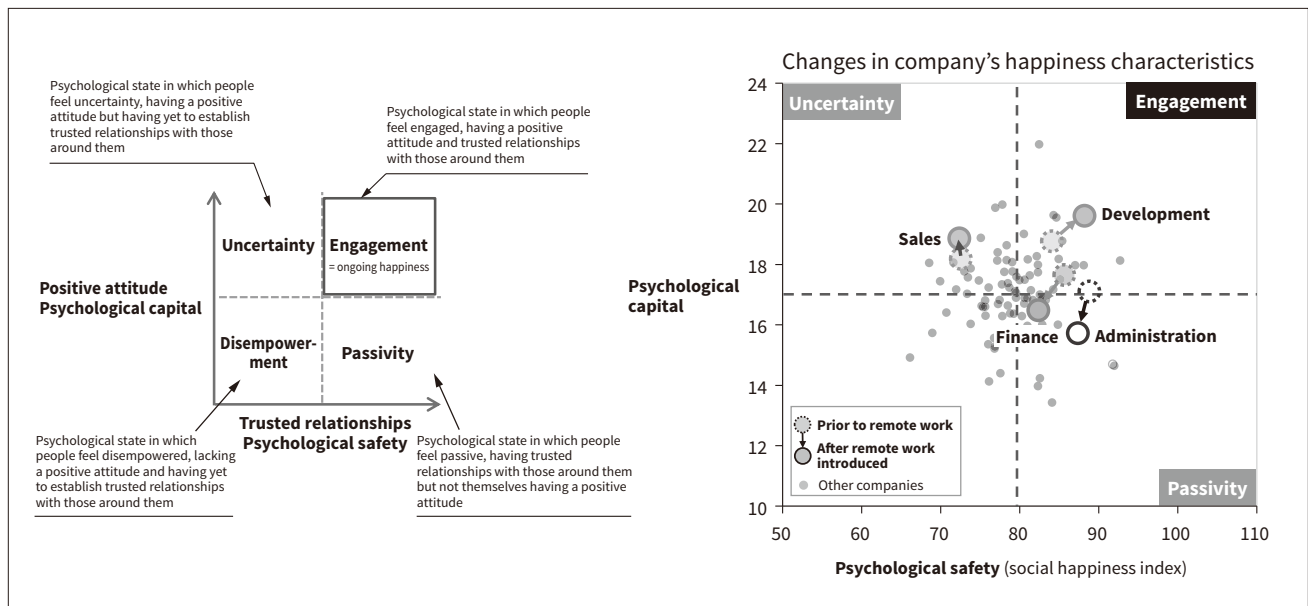
**Figure 4 — Psychological Weather Chart (Management Tool)**

The chart provides a weather report on how employees are getting on. On the basis of social happiness index statistics from a group of people who are closely involved with one another at work, the chart shows fine weather when relationships with others are positive and rain when negative. This provides early warning of when subordinates are in need of support.



**Figure 5 — Map of Organization’s Happiness Characteristics (Management Tool)**

The map shows a graph of psychological capital plotted against psychological safety on which anonymized data from other companies has been superimposed. The ideal is to make changes that shift people toward the “engagement” square at the top right. The map provides a way to identify early on which departments need assistance with the process of implementing management objectives.



weather report icon for sun, cloud, or rain. The variation over time is also shown as a trend chart enabling the early identification of subordinates whose situation is deteriorating.

The happiness characteristics map for an organization shown in **Figure 5** provides a graphical means of comparing organizations in terms of the two axes of psychological capital and psychological safety, the two aspects of worker happiness from **Figure 1** that allow for such comparison. Organizations that perform highly on these two scores can be thought of as being in good psychological condition to take on new challenges, with individual employees

experiencing both a positive attitude and trusted relationships. The graph on the right of **Figure 5** also shows an example of the changes that accompanied the introduction of a management objective (in this case, remote work) in different departments. A sudden change in management objectives tends to place a burden on certain employees and departments. In this example, the changes in the finance and administration departments were in an undesirable direction (toward the bottom left), indicating a need to prioritize support for those areas.

## 4. Performance in Practice

Hitachi has already demonstrated the benefits for psychological capital in a public proof-of-concept (PoC) trial using the Happiness Planet app for changes in working practices that involved 4,300 participants across 83 companies<sup>(7)</sup>. As shown in **Figure 2**, the key to success with management objectives lies in proactive participation by employees. The results of the PoC indicate that the game-like format of the app and its functions for encouraging easy interaction between those involved have succeeded in achieving just that, with a majority of participants responding that they were “happy”<sup>(6)</sup>. The solution has now started to be rolled out to a number of companies as a commercial service for pursuing management objectives, where it is being used for purposes such as getting new recruits onboard or improving sales performance. A new company, Happiness Planet Ltd., was established in July 2020 with plans to expand delivery of the service more widely<sup>(8)</sup>.

## 5. Conclusions

This article has described an approach to achieving management objectives that works from both the top down and the bottom up. A feature of this approach is that employees feel a sense of motivation as they participate proactively in putting management objectives into action. Hitachi developed the Happiness Planet solution, which is equipped with the functions needed to achieve this, including the app for employees and management tool for administrators described here. Hitachi intends to continue developing this business with the aim of creating a society in which everyone working amid a whirlpool of great change can feel motivated to put their capabilities to good use.

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### Authors



#### Satomi Tsuji

Center for Exploratory Research, Research & Development Group, Hitachi, Ltd., Happiness Project of Future Investment Division, Hitachi, Ltd., and Happiness Planet, Ltd. *Current work and research:* Service development of Happiness Planet. *Society memberships:* The Academy of Management (AOM).



#### Nobuo Sato, Ph.D.

Center for Exploratory Research, Research & Development Group, Hitachi, Ltd., Happiness Project of Future Investment Division, Hitachi, Ltd., and Happiness Planet, Ltd. *Current work and research:* Development of measuring technology and business start-up of Happiness Planet. *Society memberships:* IEEE, The Institute of Electronics, Information and Communication Engineers (IEICE), and the Information Processing Society of Japan (IPSI).



#### Keita Shimada

Center for Exploratory Research, Research & Development Group, Hitachi, Ltd., Happiness Project of Future Investment Division, Hitachi, Ltd., and Happiness Planet, Ltd. *Current work and research:* Development of IT platforms of Happiness Planet.



#### Koji Ara, Ph.D.

Intelligent Information Research Department, Center for Technology Innovation – Artificial Intelligence, Research & Development Group, Hitachi, Ltd., Happiness Project of Future Investment Division, Hitachi, Ltd., and Happiness Planet, Ltd. *Current work and research:* Business start-up of Happiness Planet. *Society memberships:* IPSJ and the Japanese Society for Artificial Intelligence (JSAI).



#### Kazuo Yano, Ph.D.

Hitachi, Ltd., Happiness Project of Future Investment Division, Hitachi, Ltd., and Happiness Planet, Ltd. *Current work and research:* Business start-up of Happiness Planet. *Society memberships:* IEEE Fellow and member of IEICE, the Japan Society of Applied Physics (JSAP), the Physical Society of Japan (JPS), and JSAI.