

Psychosocial factors: The road to increased productivity, quality and employee wellbeing



Seminar on “Participatory evaluation of psychosocial risk at the workplace. An opportunity for development”

Santiago, November 7, 2017

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This presentation is based on:

1. Research from the last 20 years on private as well as public workplaces

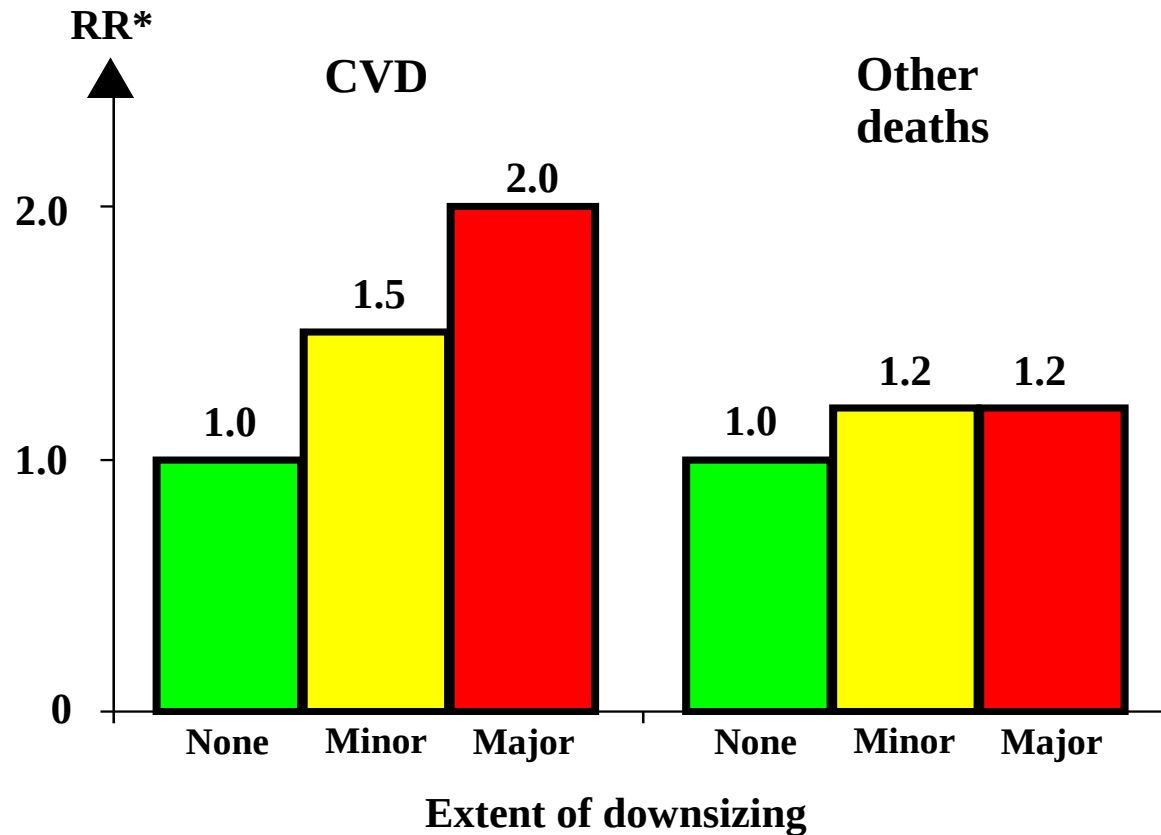


2. Personal experience as researcher (1975-2008) and as private consultant (2017)



Psychosocial factors seen as *risk factors*: Organisational downsizing and mortality

A 7.5 years' follow-up study of 22.430 public employees
who kept their jobs.



*Controlled for age, gender, SES, occupation

Vahtera et al. BMJ 2004;328:555-558.

Psychosocial factors have two faces



Job demands
Leadership
Influence at work
Social support
Job (in)security
Predictability
Etc etc

Negative

Stress, burnout
Absence from work
Labor turnover
Diseases, disability
Job dissatisfaction
Conflicts



Positive

High engagement
High productivity
High profits
High quality
Innovation
Satisfied customers



My focus today

An example of *the double character* of psychosocial factors



1. Employee wellbeing and health

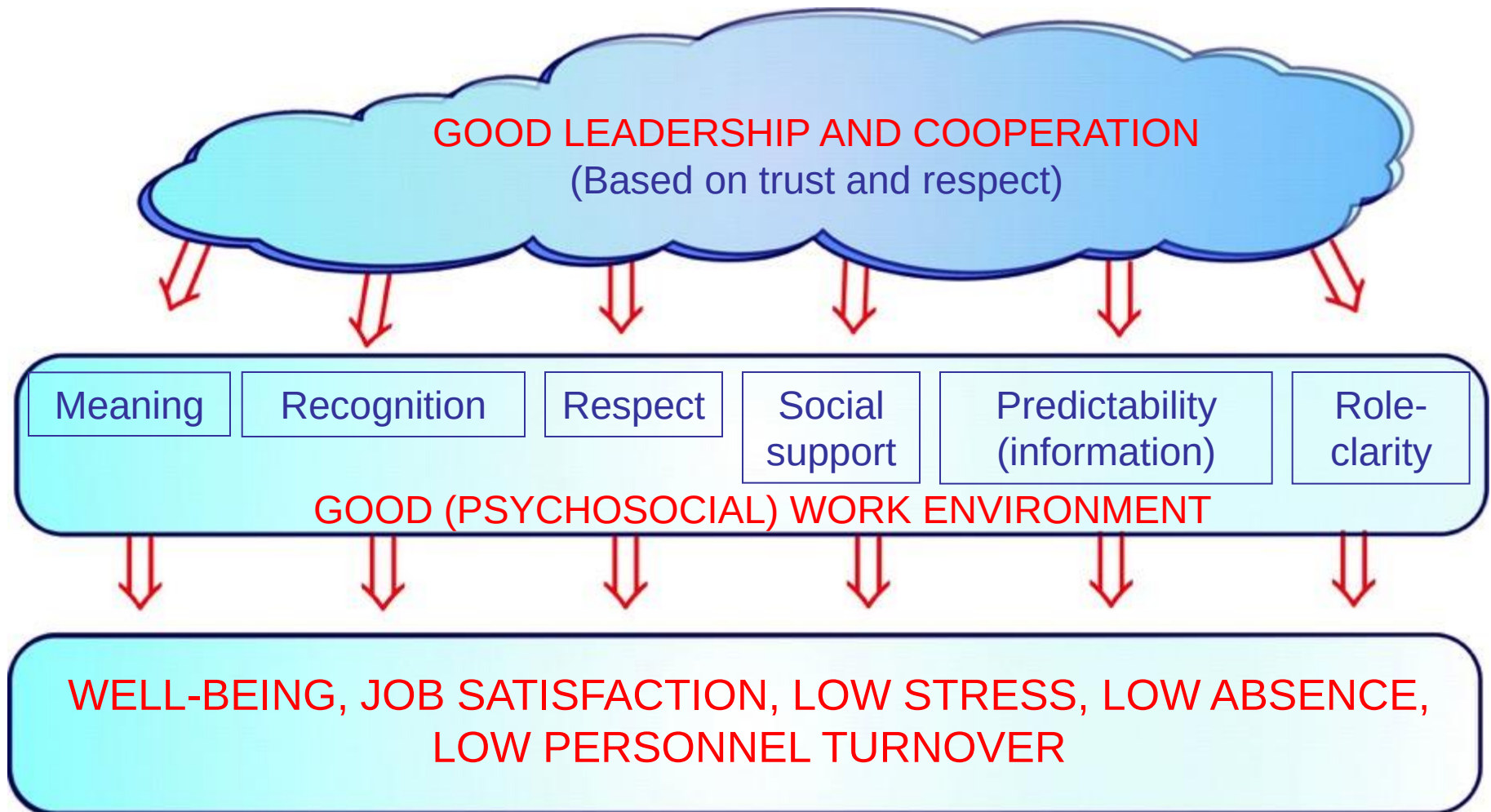


Even
HBR is
worried

February, 2016:
Your most helpful
employees are
burning out!

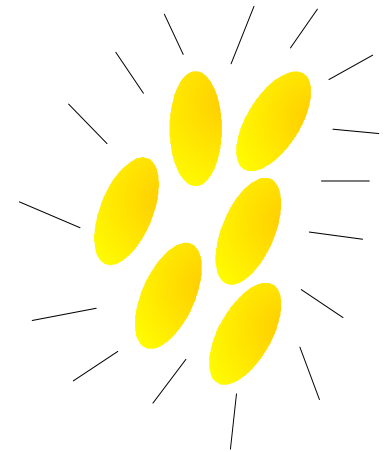


How is the individual employee influenced by good leadership and cooperation at the workplace?



The road to a good job: "The six golden nuggets"

- * **High influence (job control)**
(how to perform the work, breaks, who to work with, etc)
- * **High level of meaning**
(purpose of work, usefulness for society)
- * **High predictability**
(relevant information about future changes and events)
- * **Good social support**
(practical and emotional support from colleagues and supervisors)
- * **Adequate rewards**
(recognition and appreciation, career, salary)
- * **Suitable demands**
(quantitative, emotional, social)



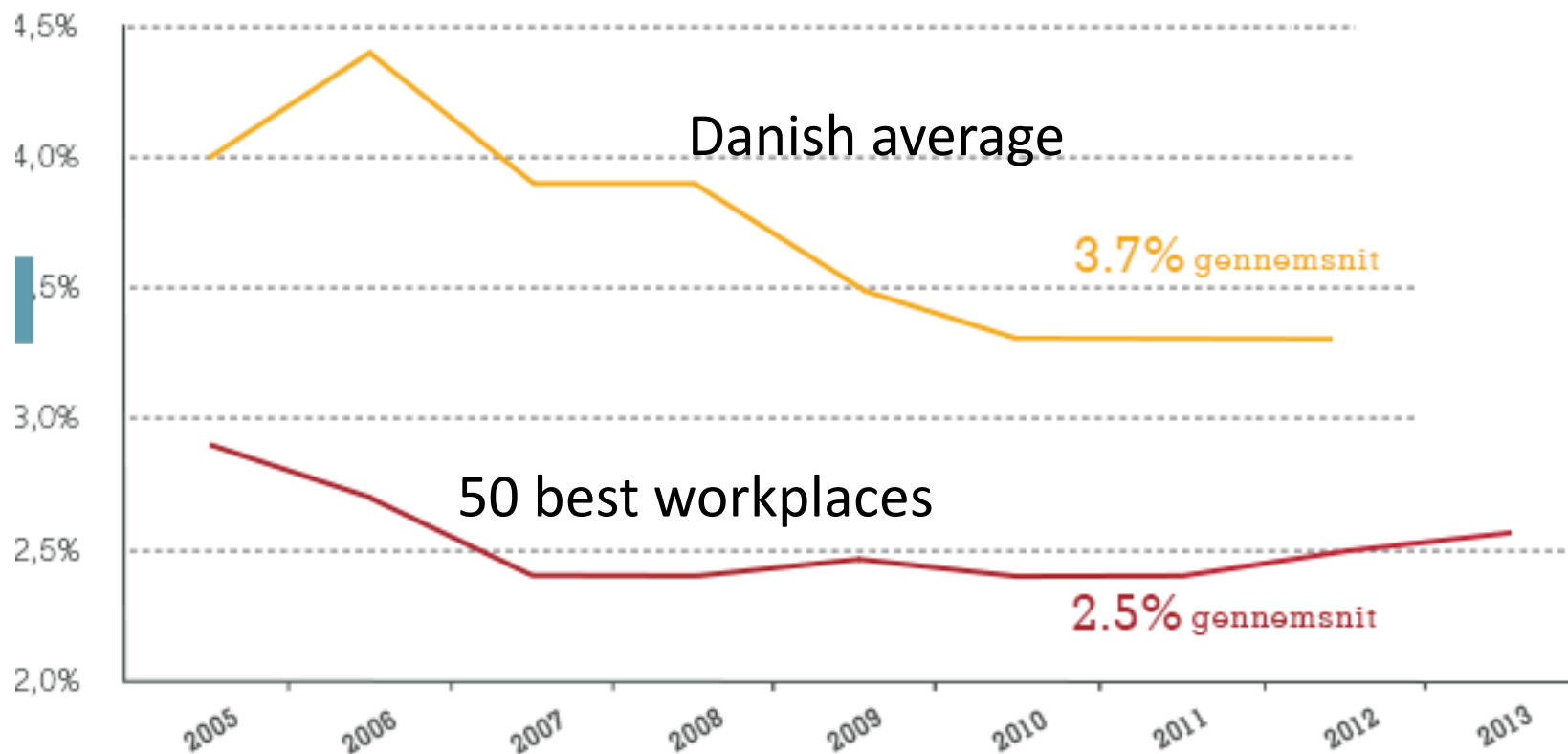
Great Place to Work: An international concept focusing on good psychosocial work environment

- The five dimensions of "Great Place to Work":

- Credibility
- Respect
- Fairness
- Pride
- Camaraderie

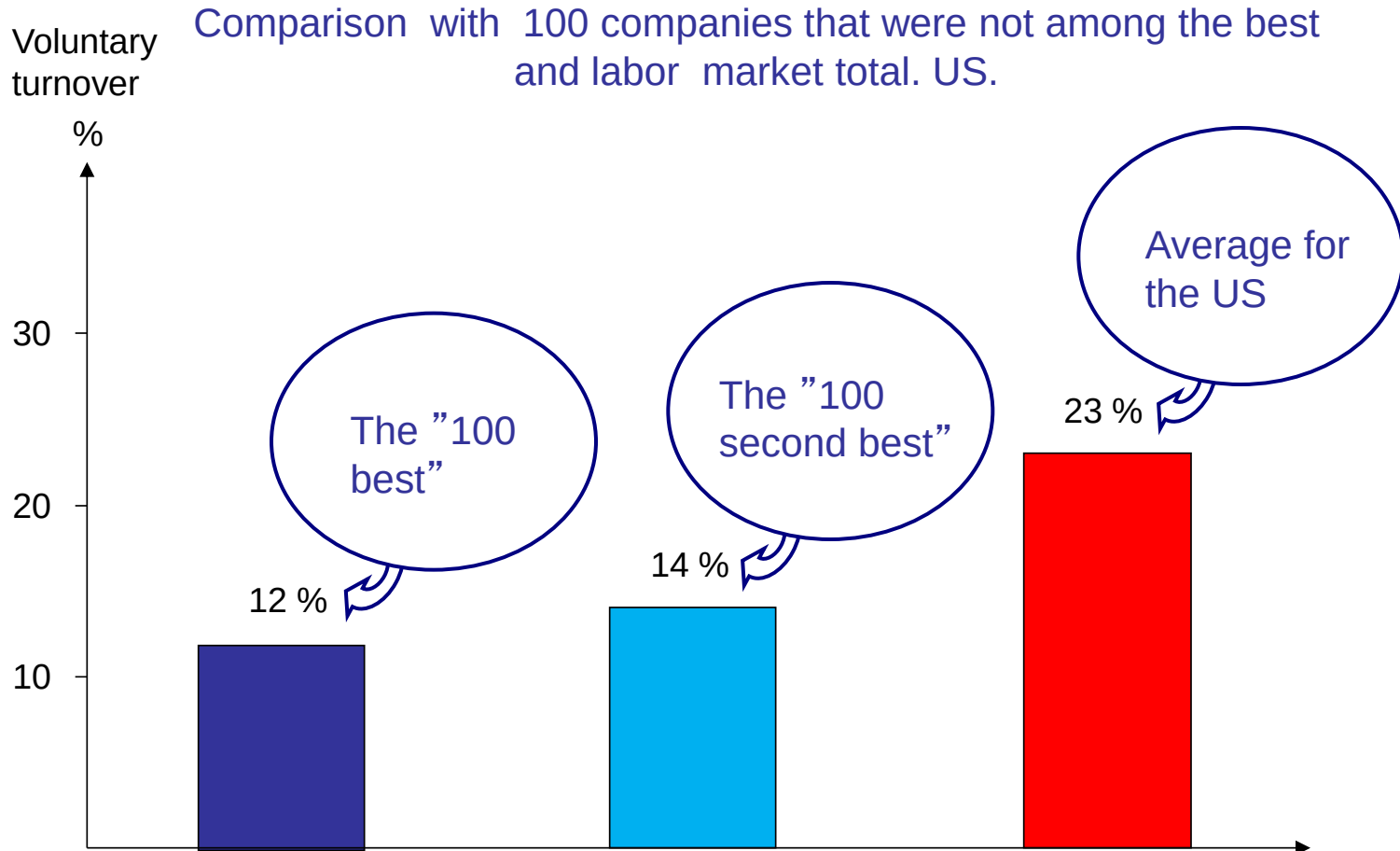


Best workplaces and sickness absence in Denmark



Kilde: "TOP 50" data udarbejdet af Great Place To Work®. Komparativ data fra Dansk Arbejdsgiverforening.
"TOP 50" data eksklusiv langtidssygefravær; DA data eksklusiv børns sygdom, arbejdsulykker, barsel og andet fravær.

"Great place to work" – lower turnover of personnel



Satisfied employees retire two years later

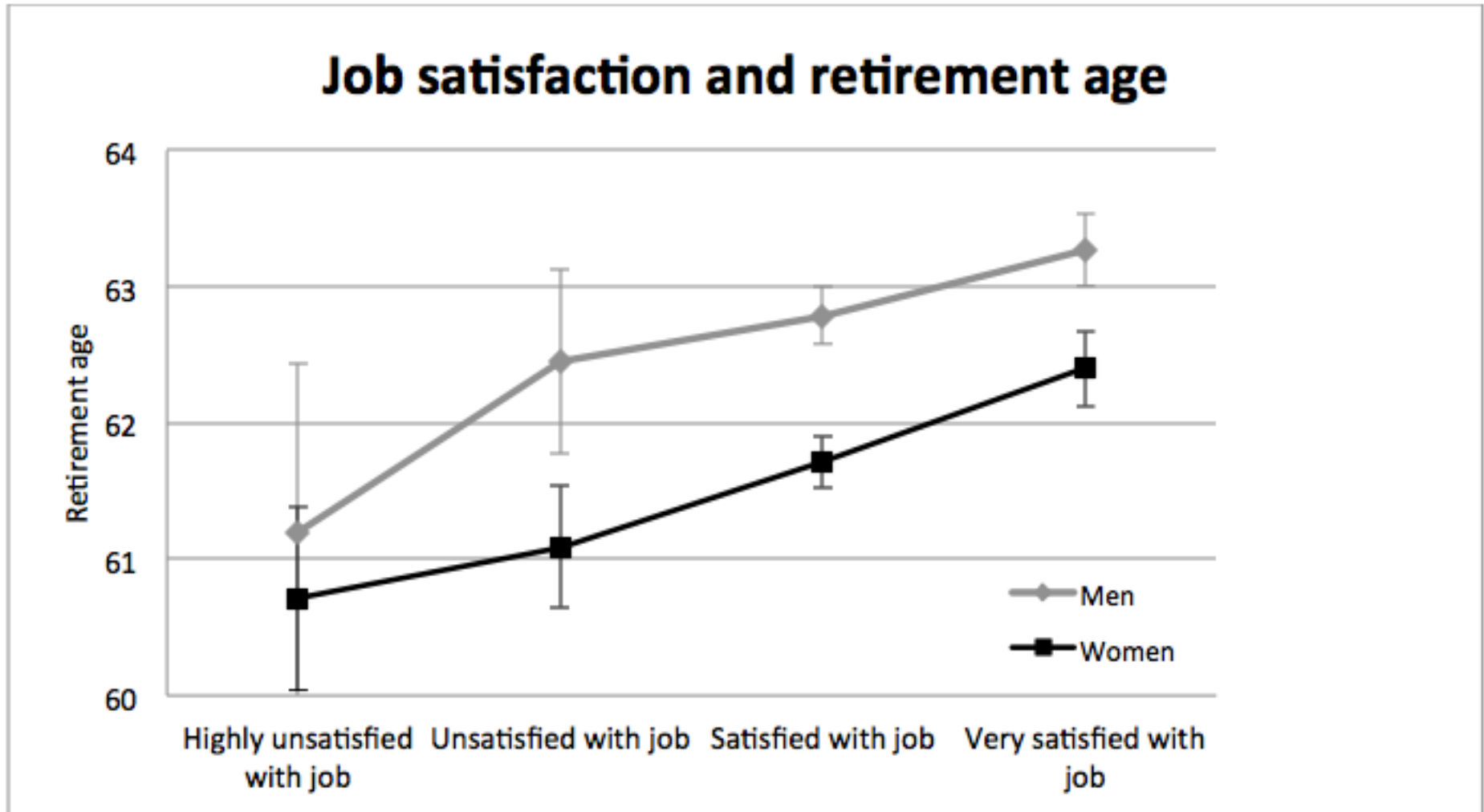


Figure 1: Descriptive plot of 990 Danish employees. [TI](#)

2. Productivity and economic returns



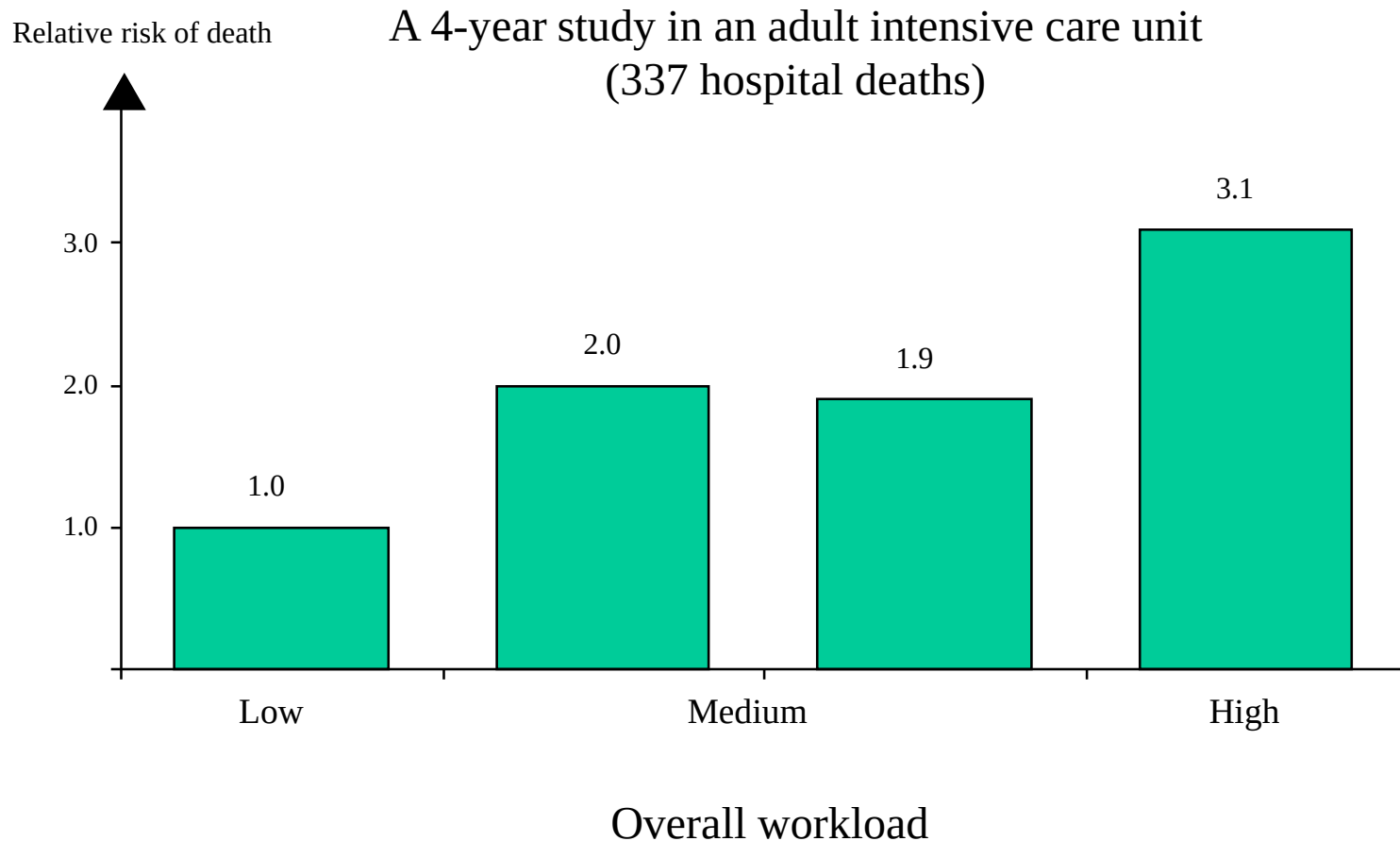
How is productivity, quality, and innovation influenced by good leadership and cooperation at the workplace?



Not sustainable



Staff workload and hospital mortality



It is not enough that the employees are highly qualified

- They should also be able to *collaborate*
 - Coordination
 - Common language
 - Common goal
 - Mutual respect
 - Communication
 - Timing
 - Precision
 - Problem solving

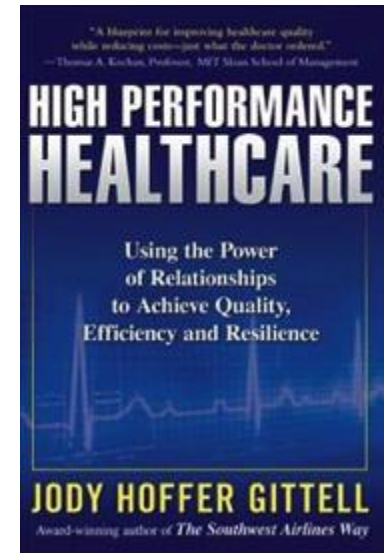
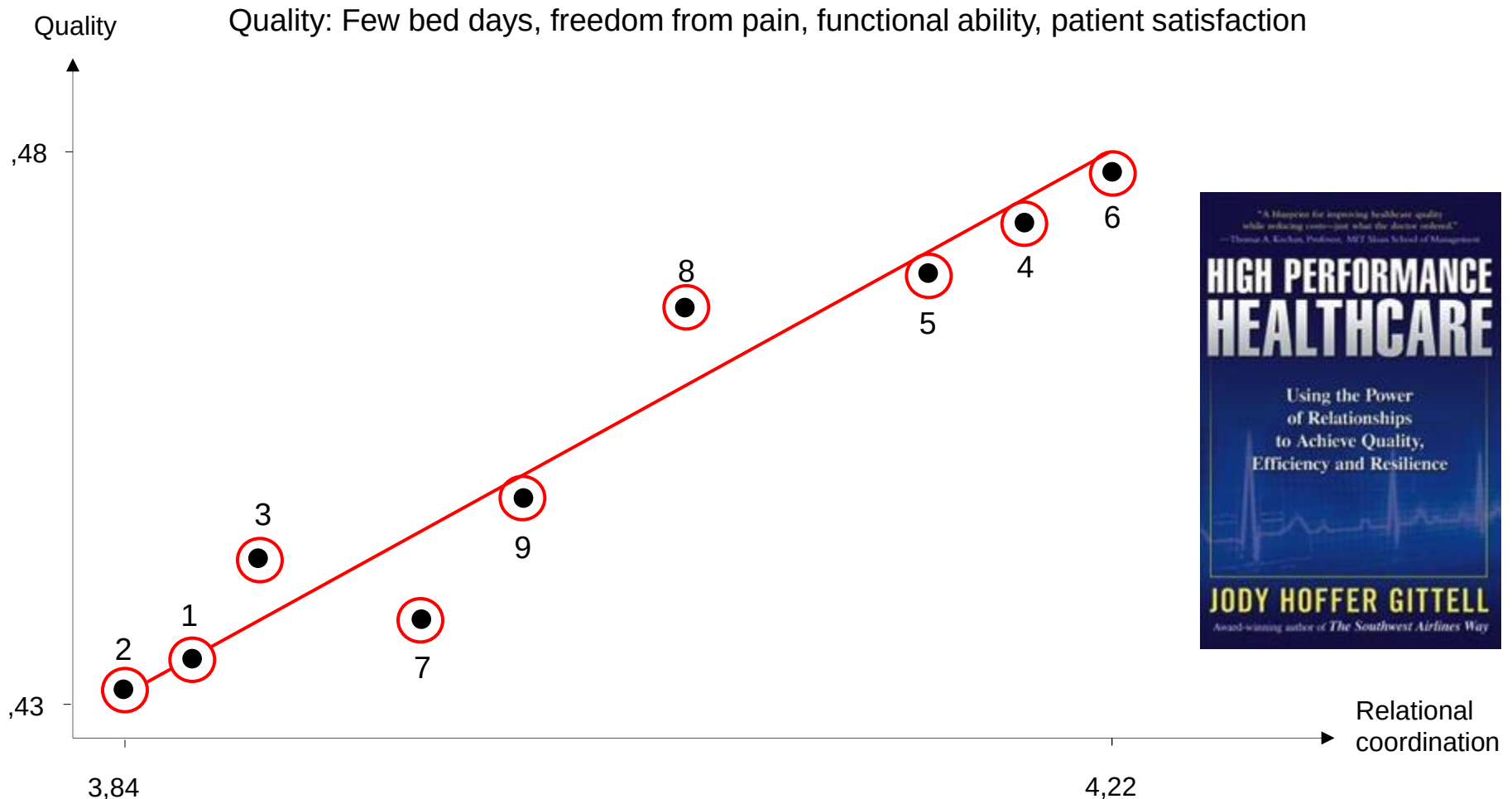


Jody Gittel



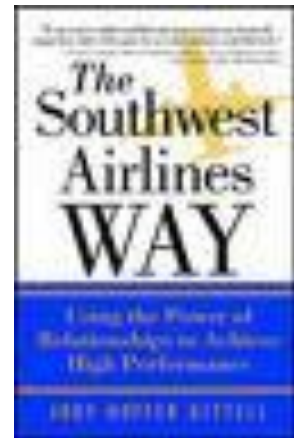
Relational coordination and quality of treatment at 9 hospital departments

(Knee and hip surgery)



High social capital in Southwest Airlines

- Highest number of passengers per employee
- Highest proportion flying time
- Highest precision
- Highest passenger satisfaction
- Lowest number of lost suitcases
- Very high employee satisfaction
- Very high level of union membership
- No firing of employees – not even in 2001



HCL, fabulous case. From 2005 to 2010:

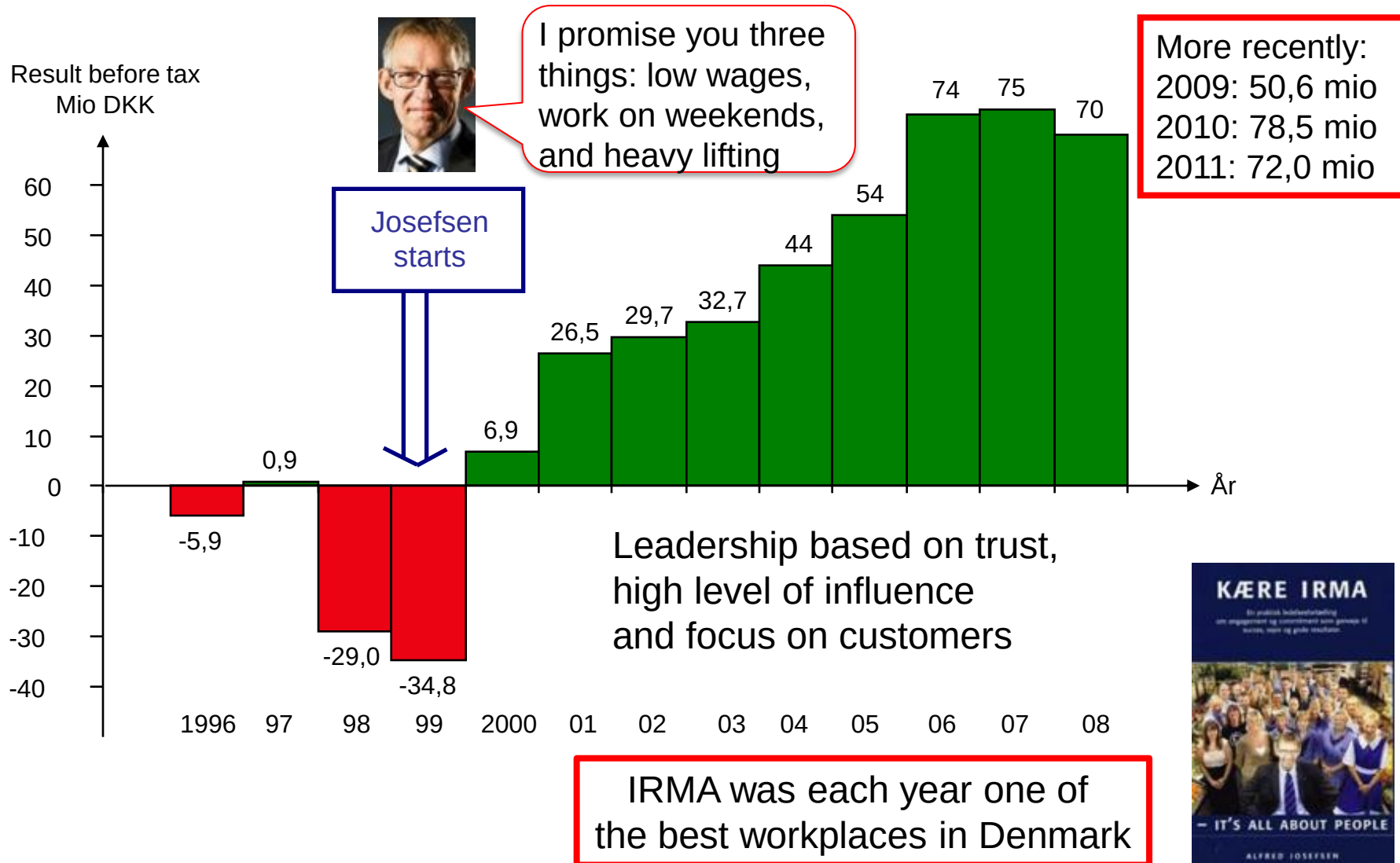


- Four times as many customers
- Tripling of income
- Doubling of "market cap" (value)
- 50% higher customer satisfaction
- No 1 in job satisfaction
- Fortune: "Most modern management"
- Harvard: "Case study in teaching"
- Business Week: "One of five emerging companies to watch out for"



(Vineet Nayar. Employees first, customers second. 2010).

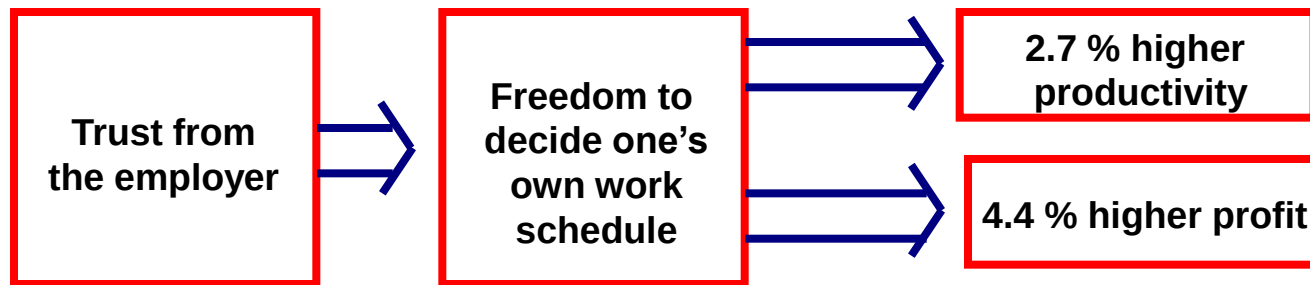
The economic development of Irma* 1996-2011



*Irma is a Danish supermarket chain

High levels of trust and influence at work give high returns to the companies

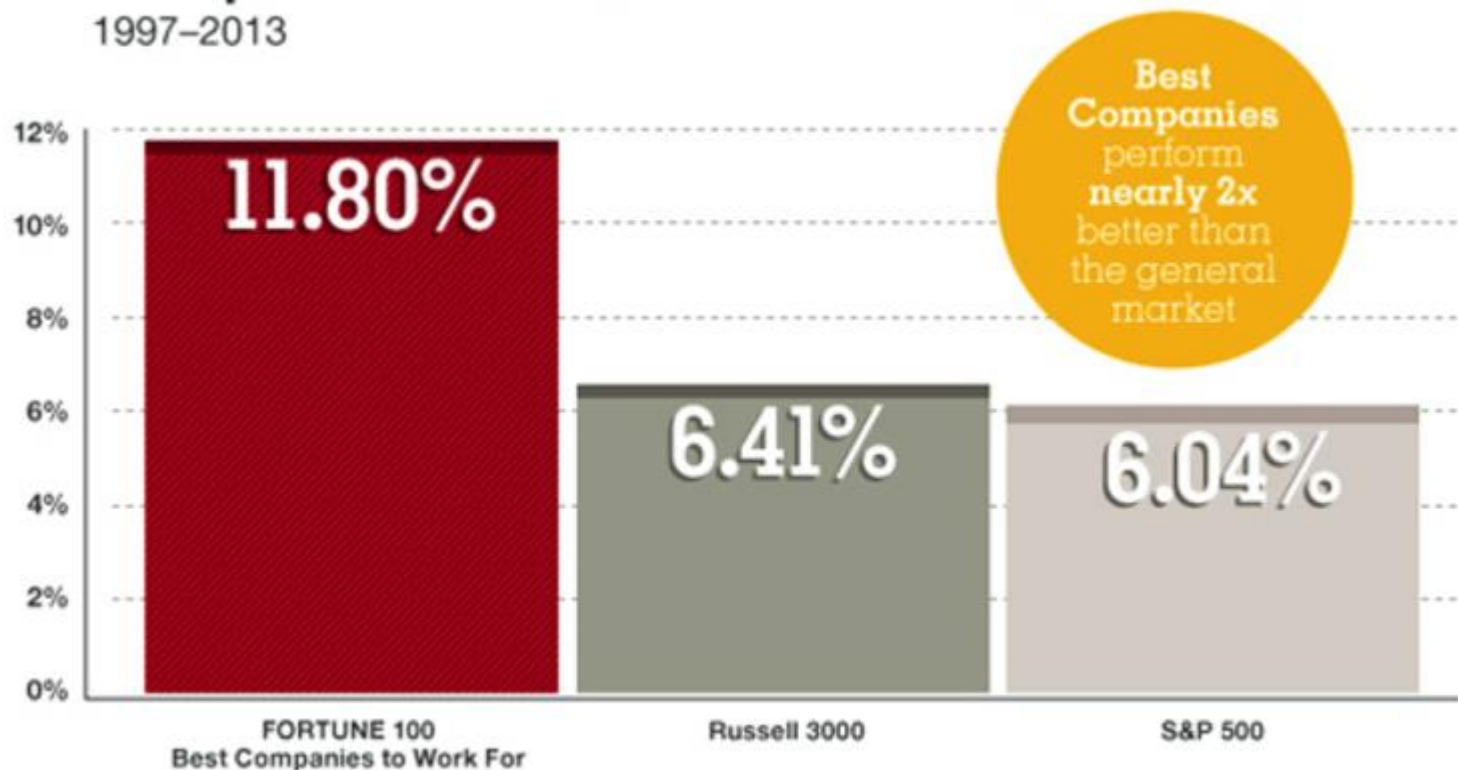
A German study of 8,000 private companies



Companies with good psychosocial work environment give double return to stockholders

Comparative Annualized Stock Market Returns

1997-2013



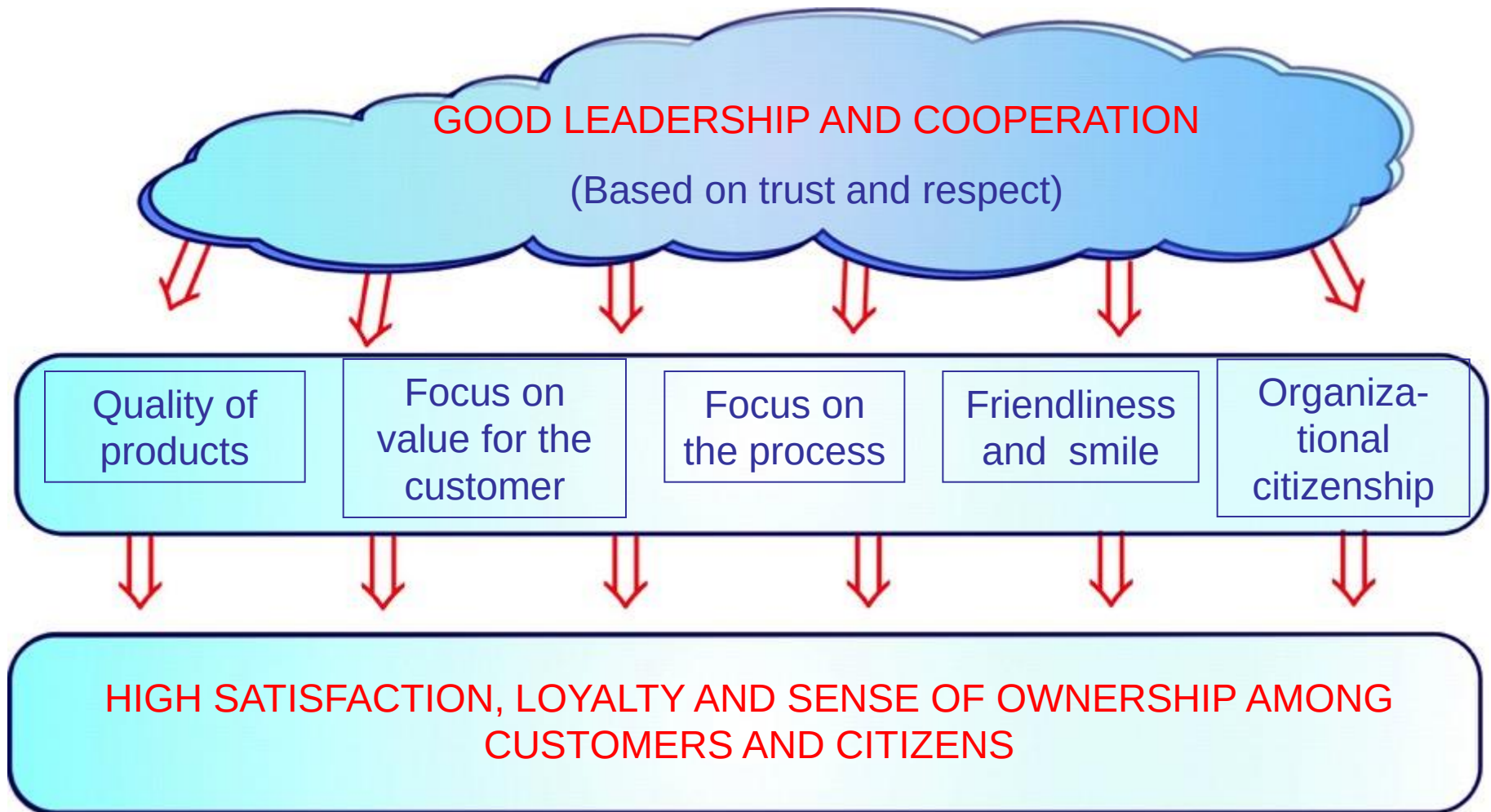
Source: Russell Investment Group

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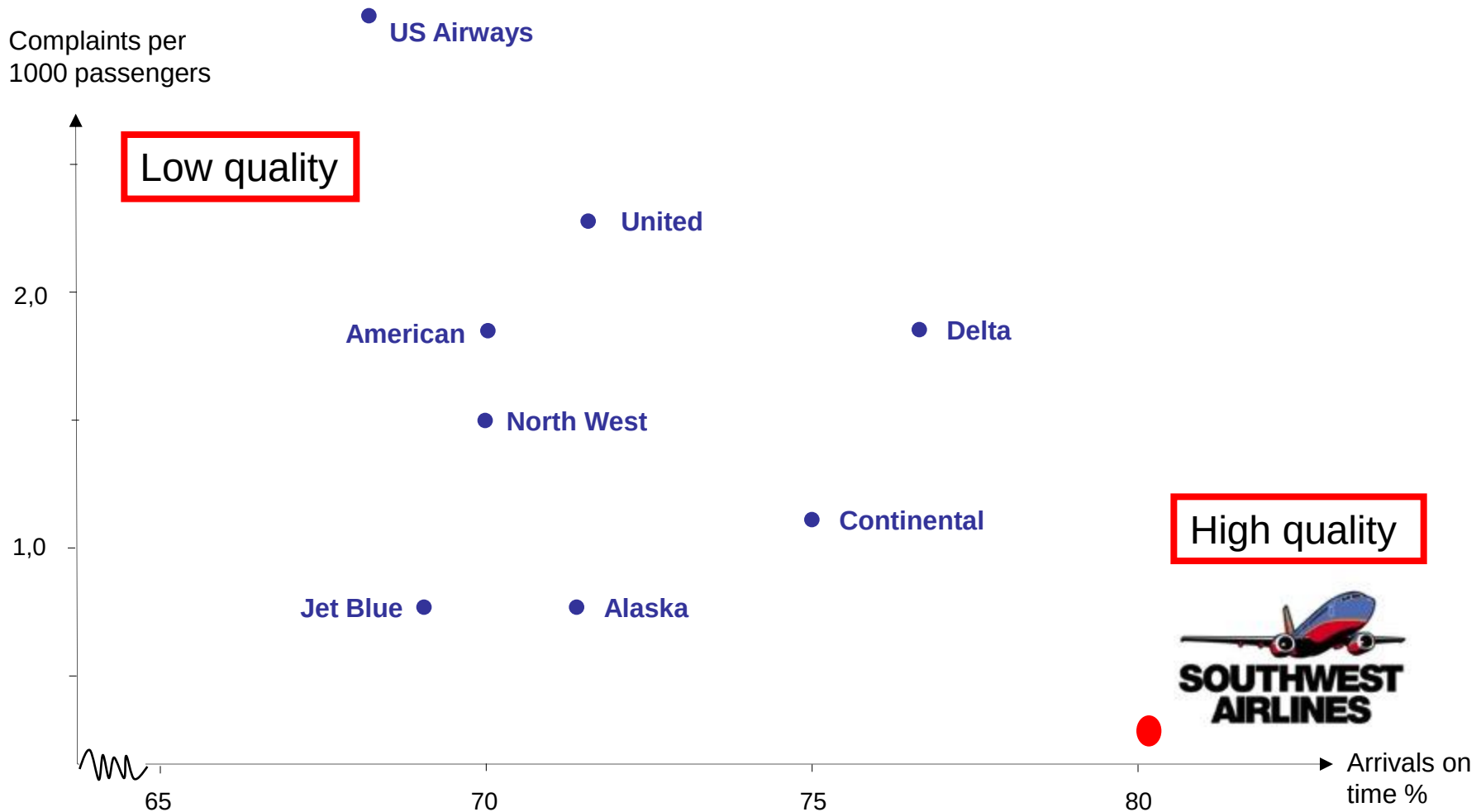
3. Customers and citizens



How is customer and citizen satisfaction and loyalty influenced by good leadership and cooperation at the workplace?

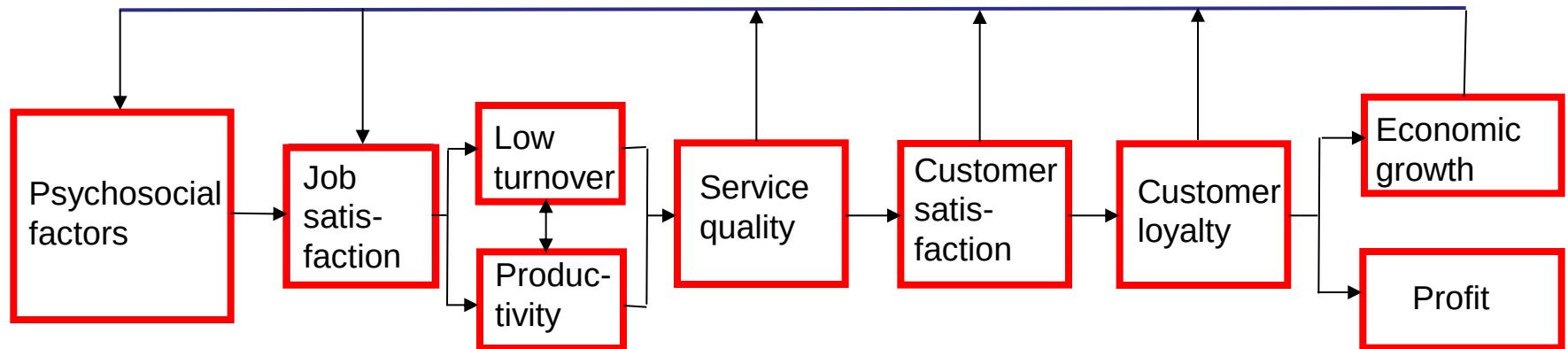


Precision and customer complaints among American airlines



"The Service-Profit Chain"

A widely used concept in the service sector

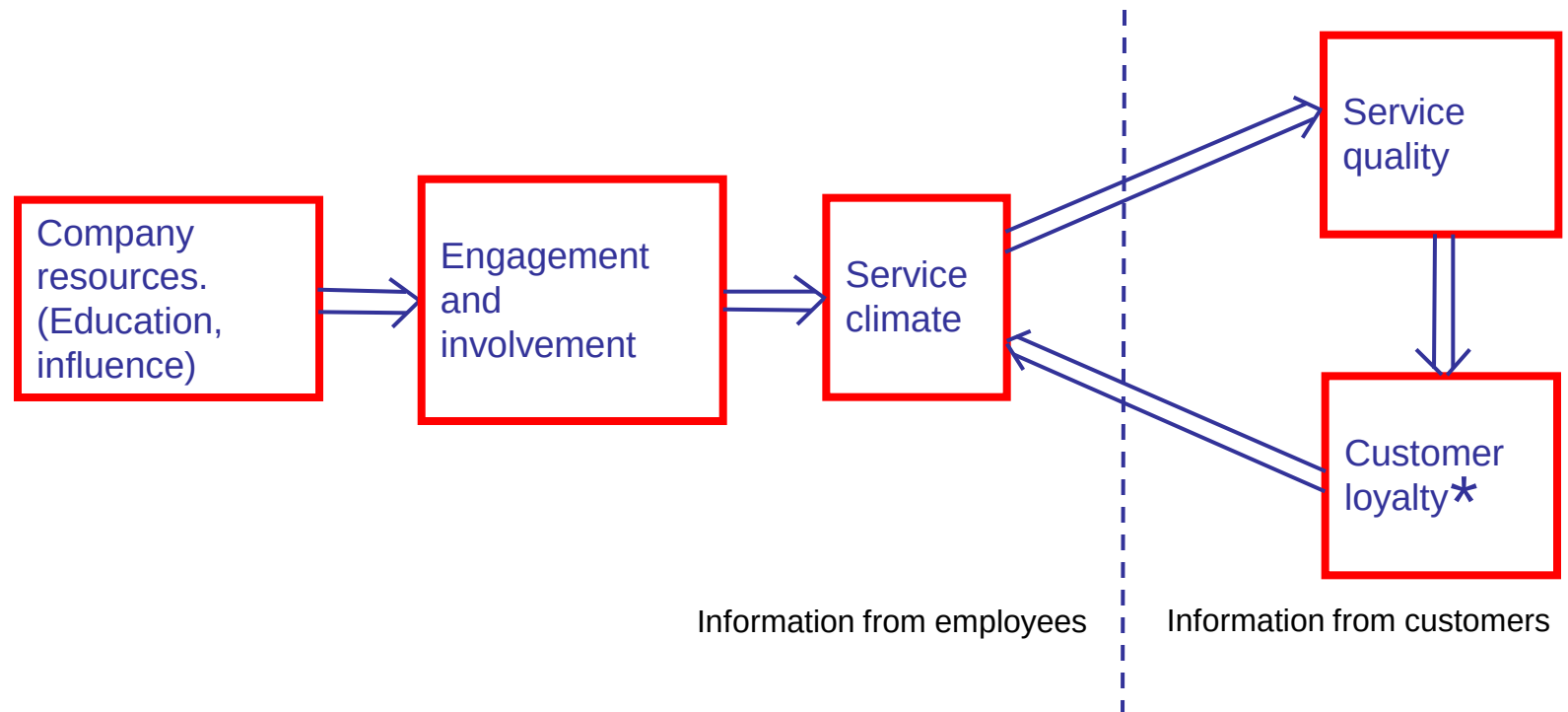


Heskett, Jones, Loveman, Sasser, Schlesinger. "Putting the Service-Profit Chain to Work". Harvard Business Review 2008; July-August, s. 118-124. Plus several books.

Heskett. The Culture Cycle. 2012.

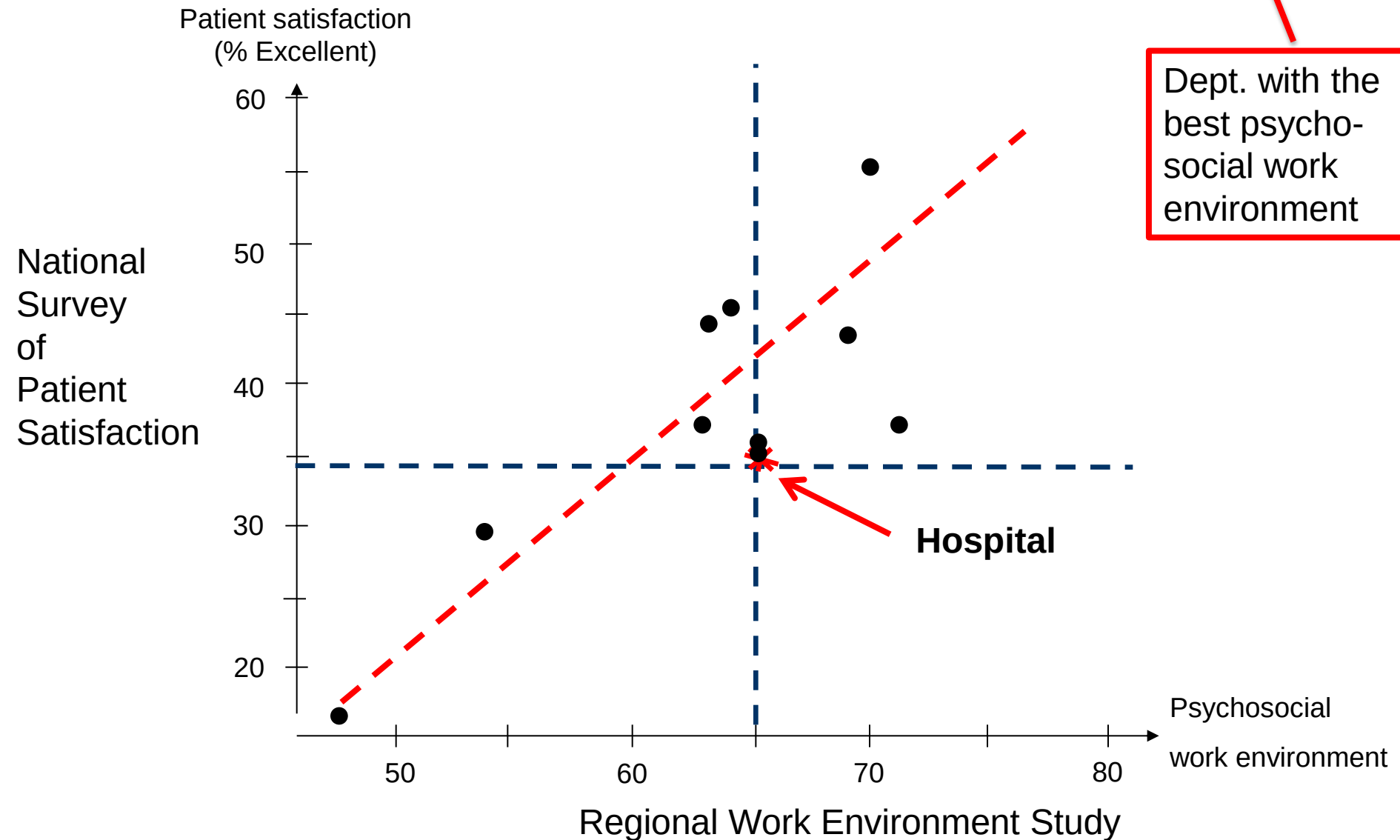
Service climate and customer loyalty in Spanish hotels and restaurants

A study of employees and
customers in 114 companies



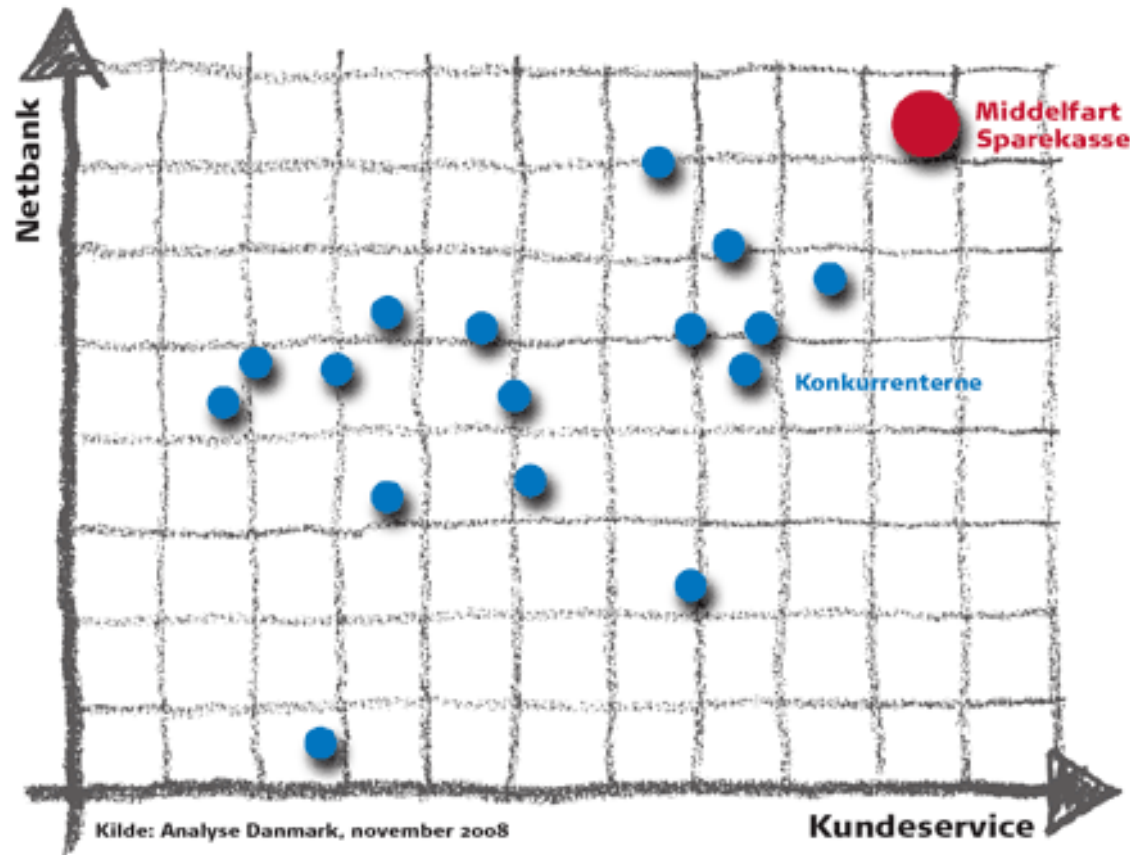
* Customer loyalty: That the customer would like to return and would like to recommend the place to others.

Good work environment and patient satisfaction. Departments at a large hospital



MS Saving Bank – "The best workplace in the country"

Quality
of
netbanking



Customer service

Analysis Denmark.

An important point

- There are many ways to achieve high profits and success:



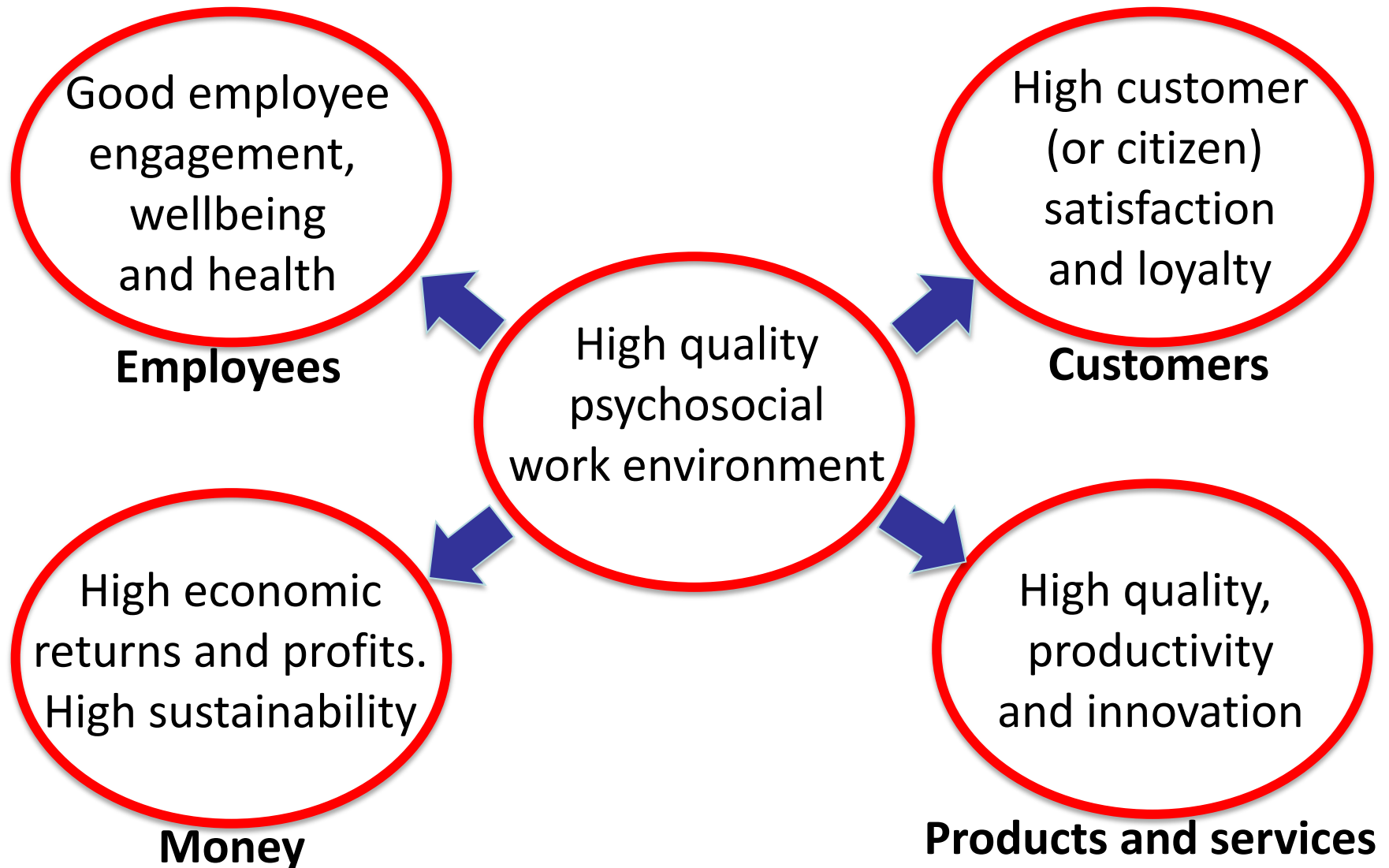
Ryanair – Europe's largest airline



World's largest company by revenue

But research shows that low wages, insecurity, stress, and poor working conditions is not the only way.

The four effects of good work



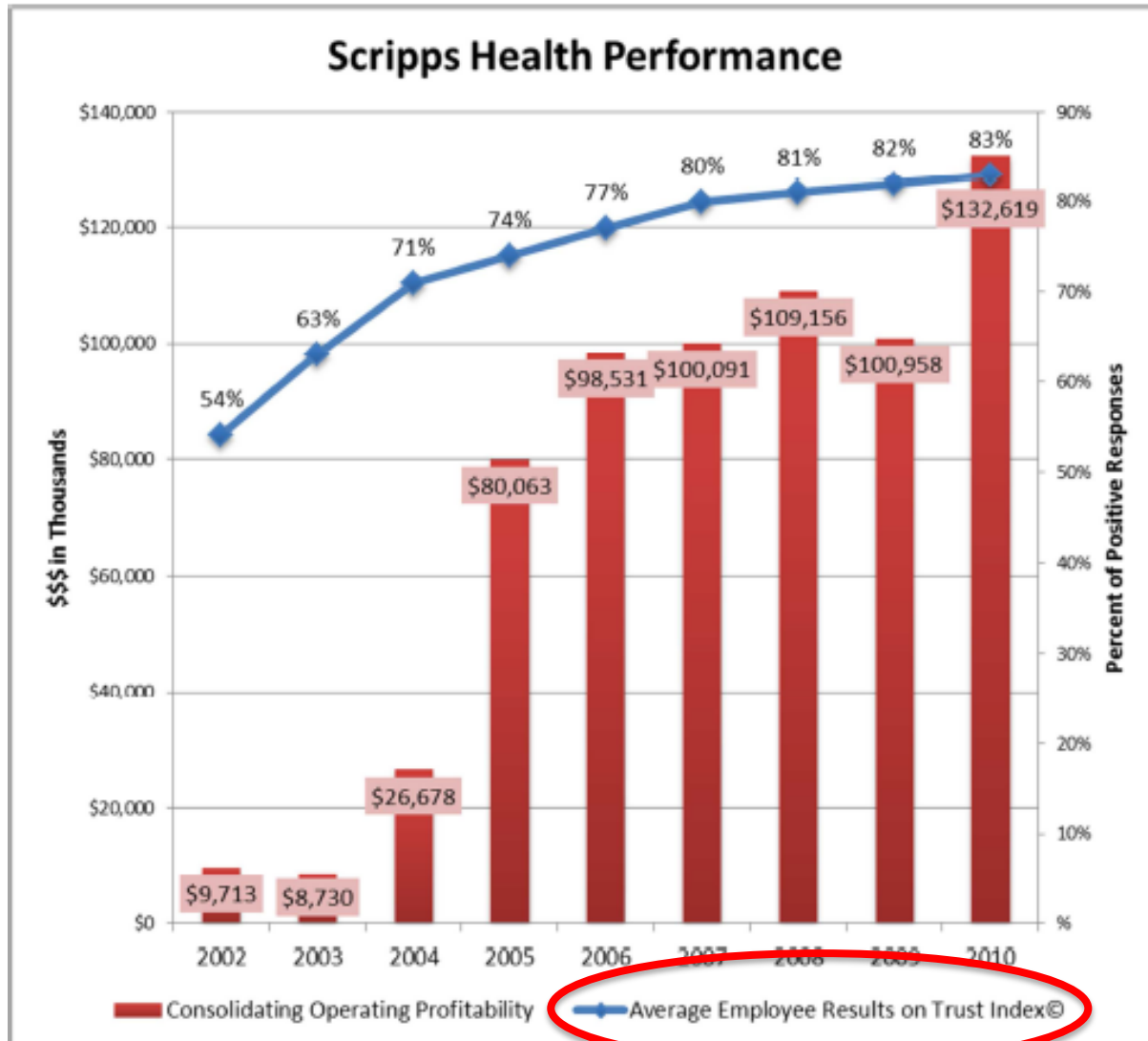
Take a quick decision: Jump!

(You learn to swim while you try)



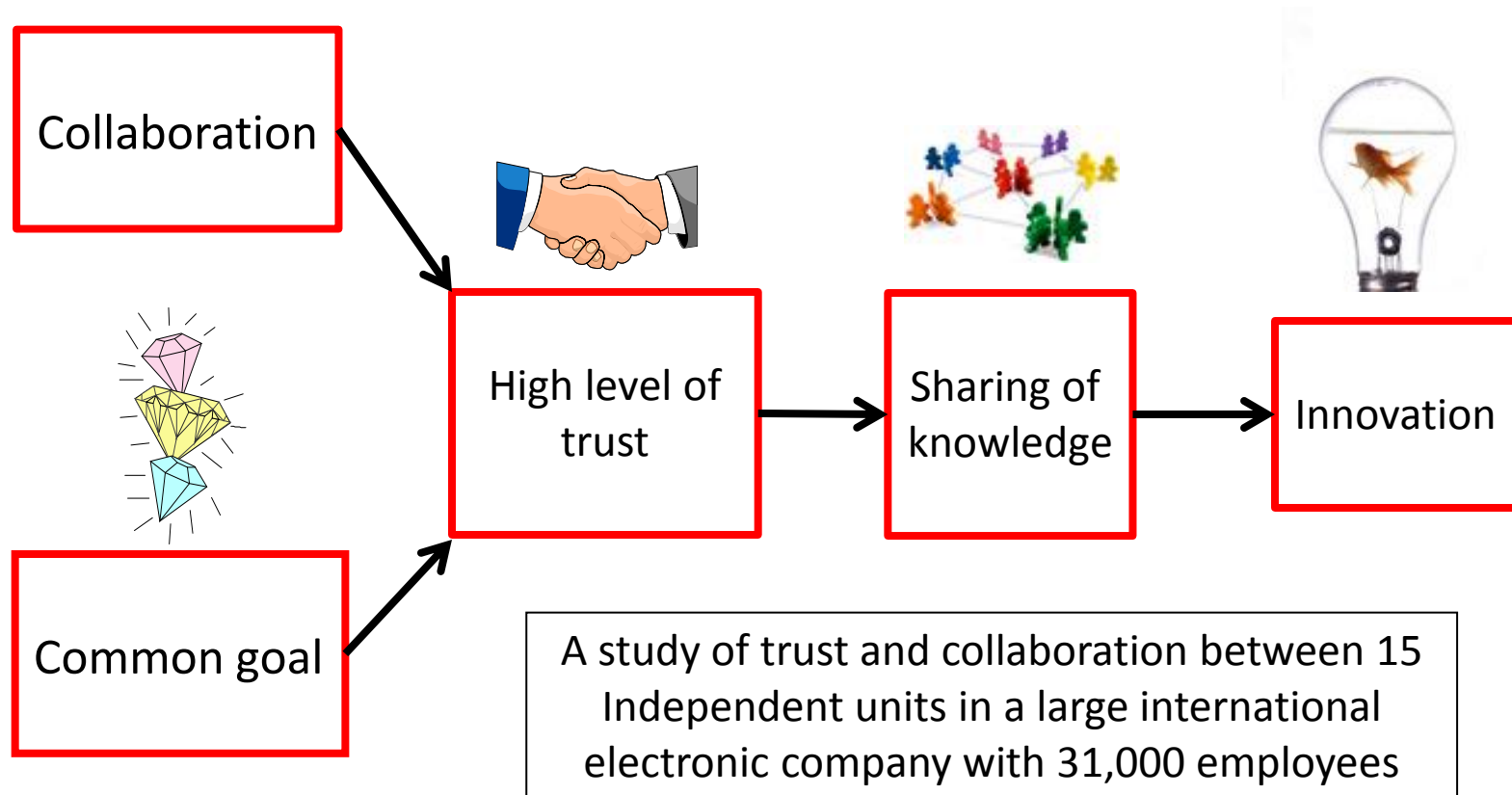
Bonus dias

Social capital and economy in Scripps Health



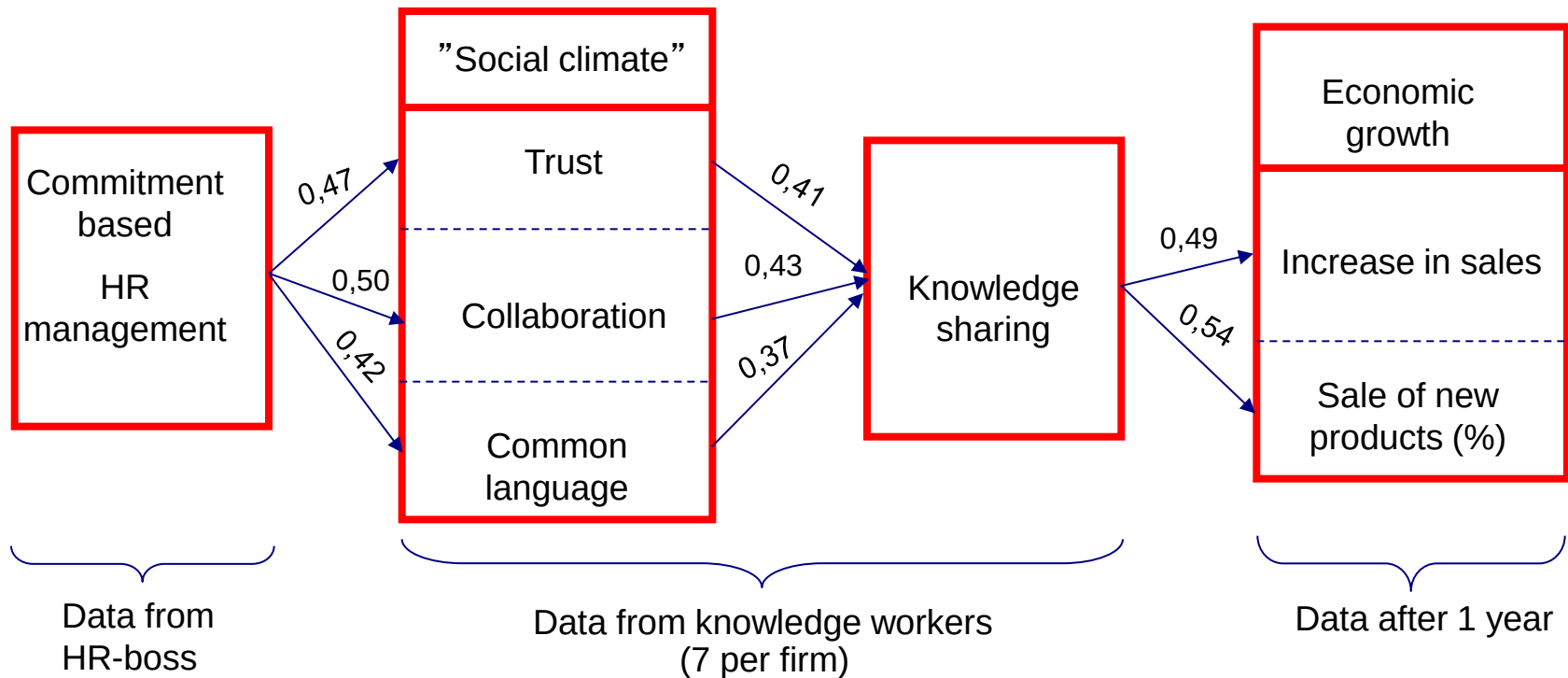
GPTW
2013

Social capital and innovation in a large American company



Social capital, knowledge sharing and economic growth

A study of 136 knowledge based american firms
with at least 100 employees



All correlations are significant.