

Organizational social capital – an important dimension in future psychosocial research



3rd International COPSQQ Workshop

Barcelona, October 21, 2011

Tage S Kristensen

tsk@task-consult.dk

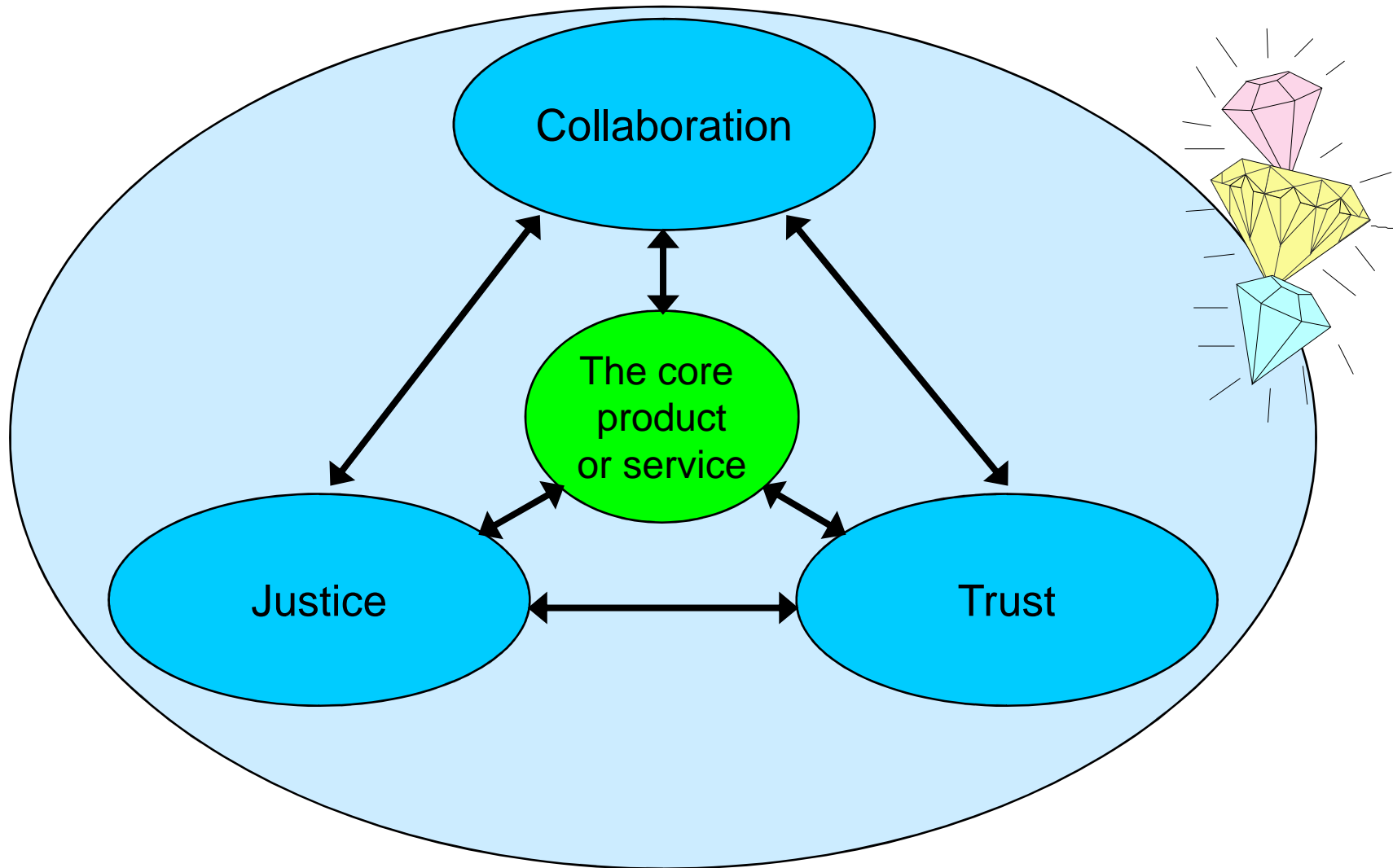
After the Championships in South Africa: The whole French team was suspended

Unique fiasco: 3 games, 1 goal, 1 point, poorest result of all. Why?

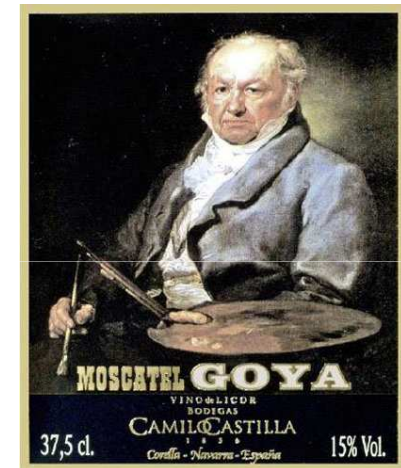


Organizational social capital

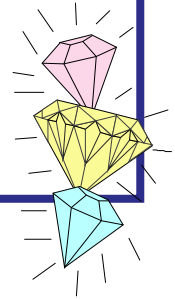
The three diamonds



Organizational social capital – old Spanish wine on new bottles?



What is new about working with organizational social capital?



- Social capital is a characteristic of the *whole workplace* and not of a particular job or department
- It is a concept connected to *everyday operations* and the *core production*
- It is not primarily a work environment concept, but focuses on *leadership and cooperation*
- *Productivity and employee well-being* are considered as two sides of the same coin

Important point about workplace social capital

- Most work environment factors are at *job-level*. (For instance demands, influence, meaning, monotony, etc.)
- Others are at *department level*. (For instance quality of leadership, predictability, recognition, social support, etc.)
- *Social capital is primarily at company level, e.g. a characteristic of the whole company.*

Trust at work



OBS!

	Dialogue	Work
Bottom up ↑	The employees trust information from management	The employees trust that the management does a good job
Horizontal	The employees trust each other	The employees trust that their colleagues do a good job
Top down ↓	The management trusts the employees	Management trusts that the employees do a good job

OBS!



Blind trust?

19 2 2006

Justice at work - fairness

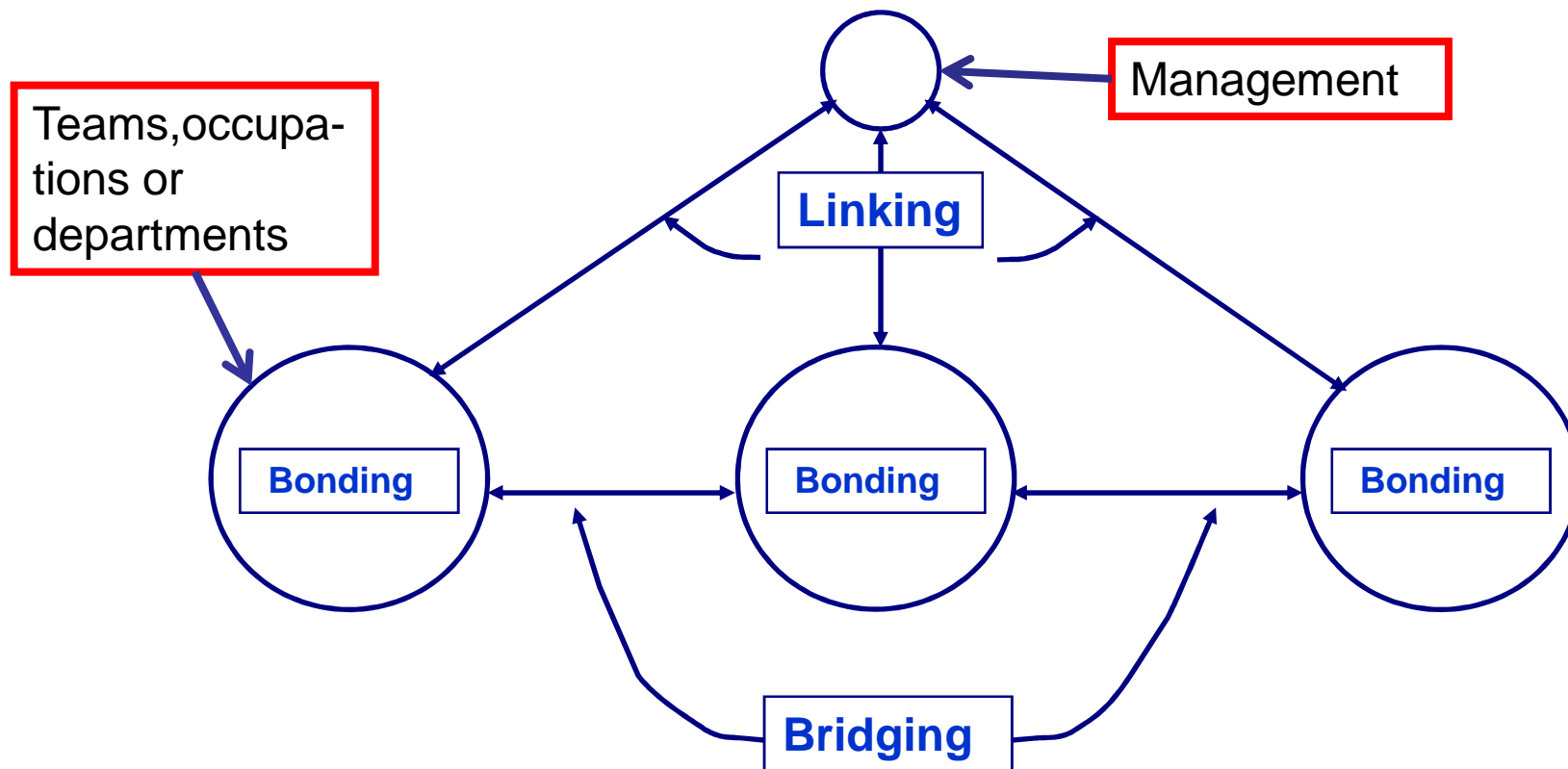


- * **Distributive justice.** Are salaries, promotions, firings, recognition, fringe benefits, etc. distributed in a fair way?
- * **Procedural justice.** Are processes fair? Are recognized procedures followed? Are things done "the right way"? (This aspect includes the "psychological contract").
- * **Interactional justice:**
 - * **Interpersonal justice.** Are employees treated in a fair way, e.g. with respect?
 - * **Informative justice.** Do the employees receive sufficient information about processes?

Cohen-Charash & Spector, 2001.

Organizational social capital: Collaboration

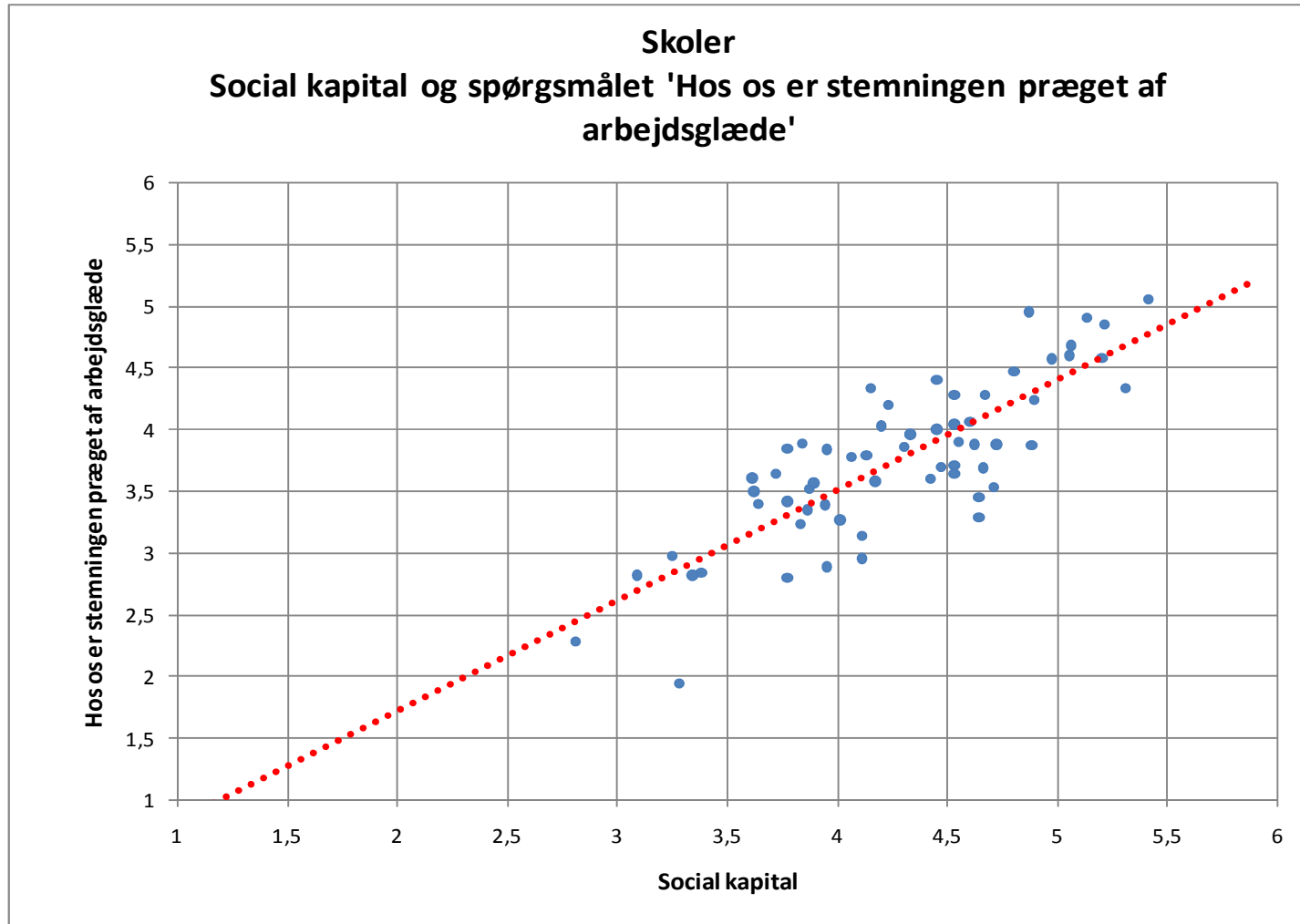
Bonding, bridging and linking



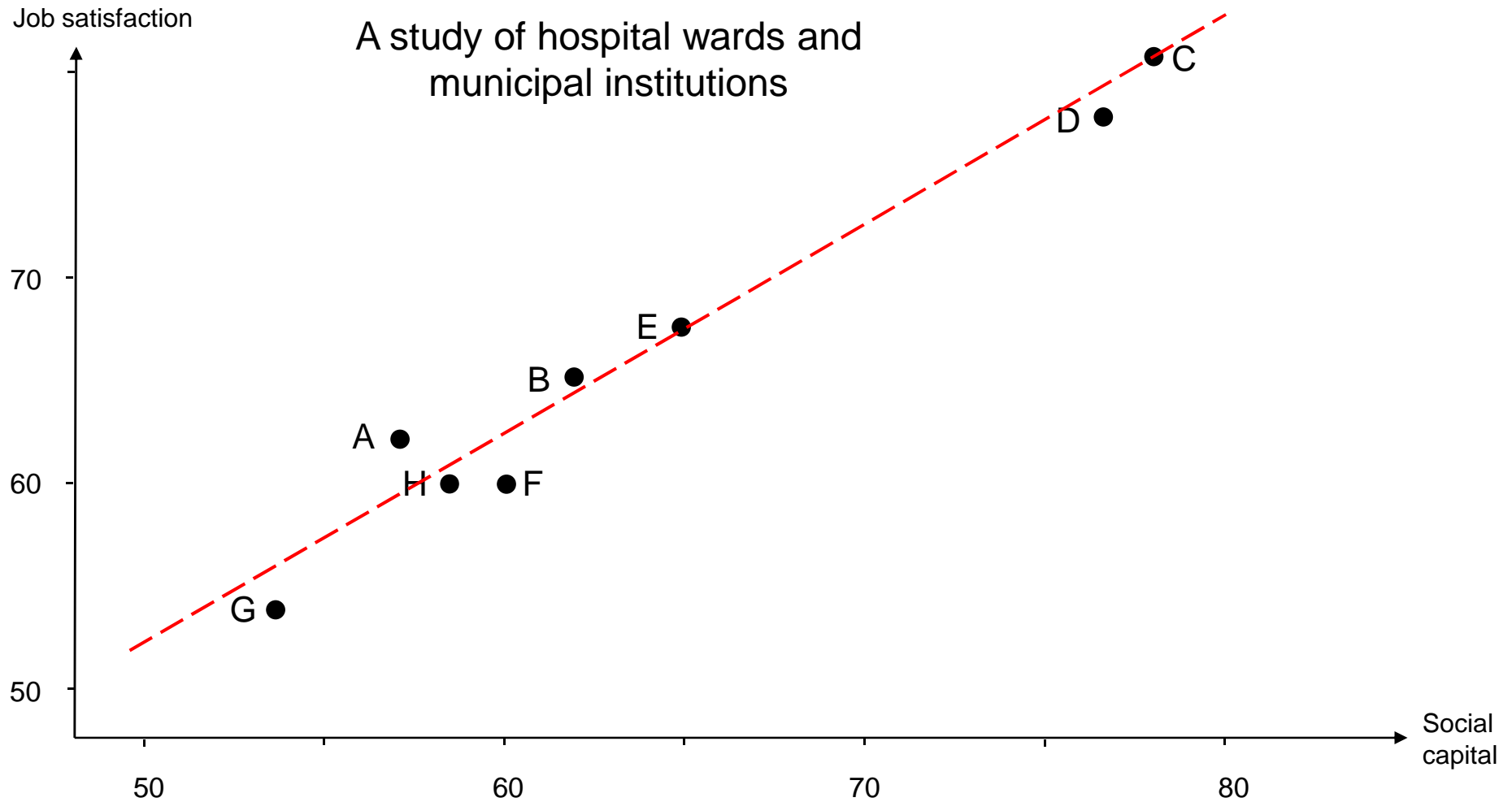
Social capital is always associated with high job satisfaction and well-being



Social capital and job satisfaction in the schools of Copenhagen

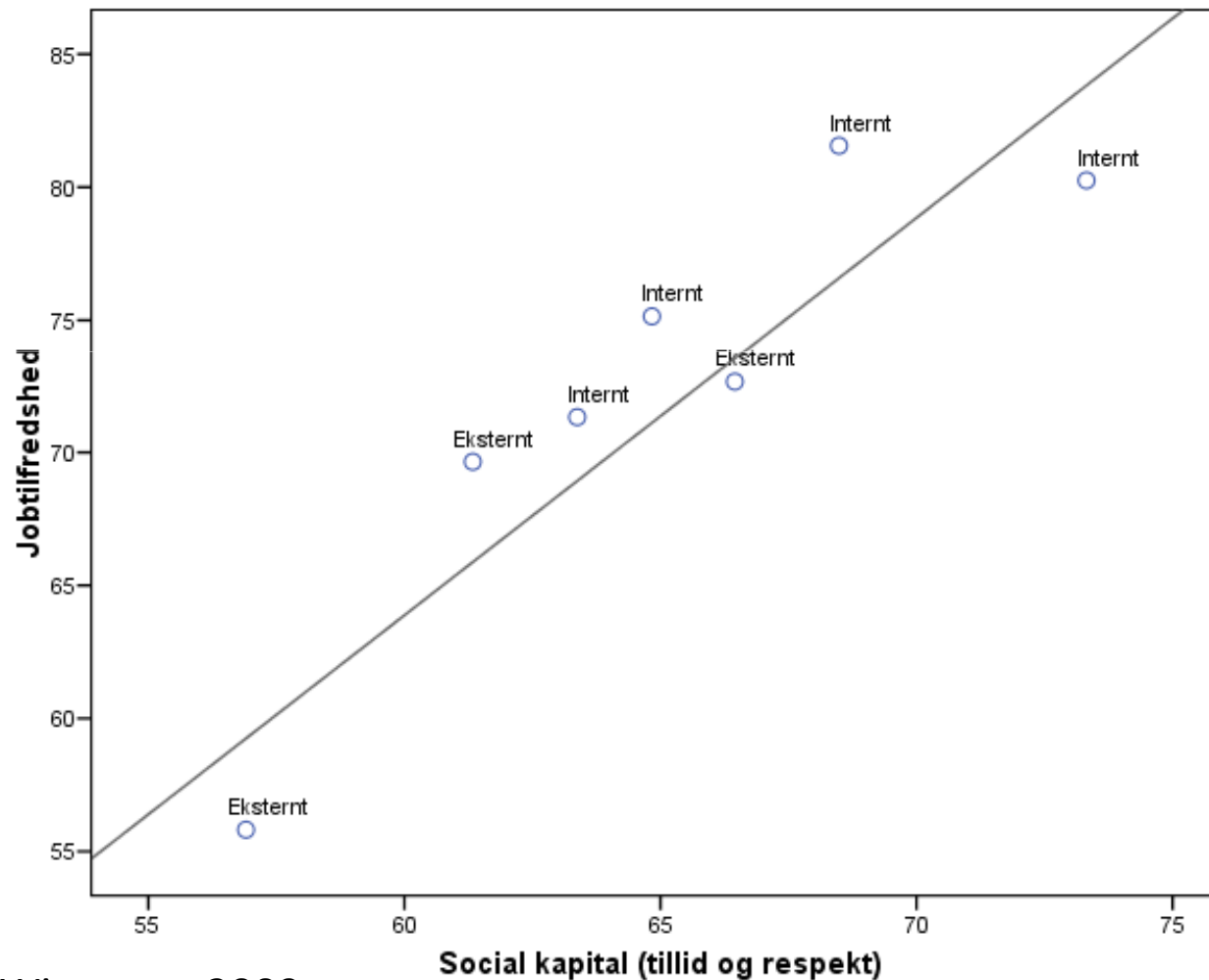


Social capital and job satisfaction



Social capital project, 2009.

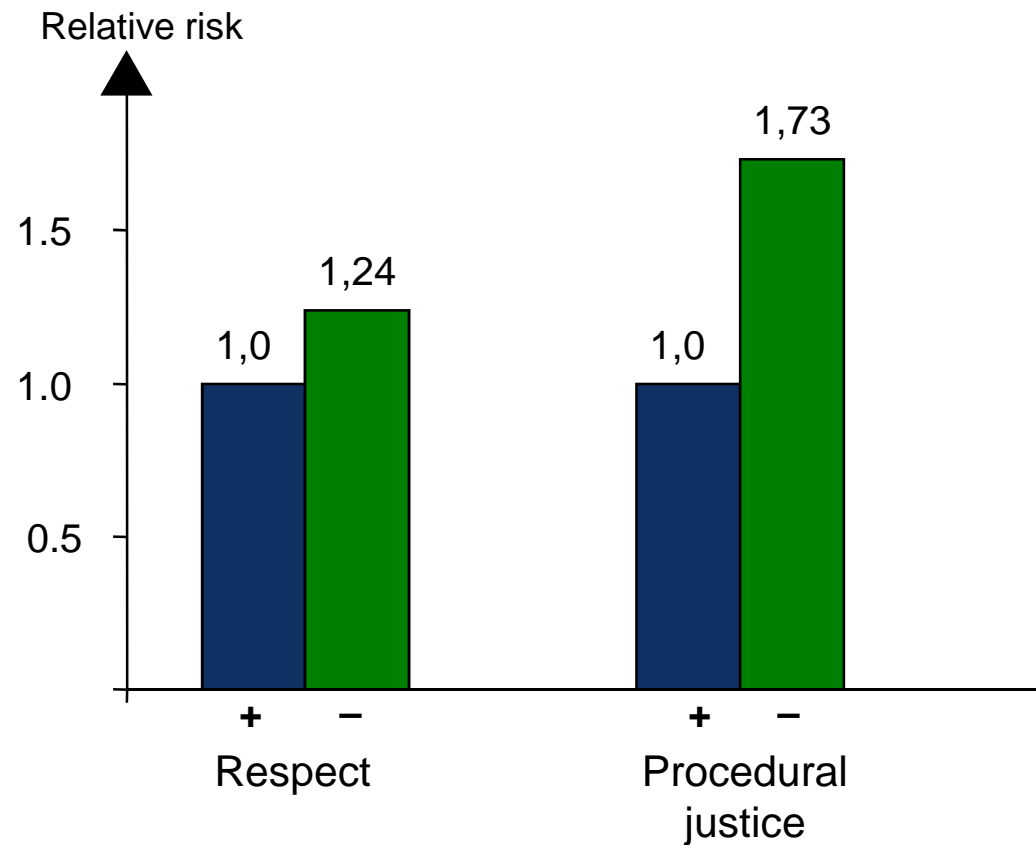
Social capital og job satisfaction in call centres



Mathiesen & Wiegman, 2009

(In)Justice and depression*

A Finnish prospective study of 1,786 female hospital employees



* Diagnosed by MD

Social capital and psychological well-being in the police force



Social capital:
Trust between
colleagues and
cooperation
between units



Less stress

Fewer
depressive
symptoms

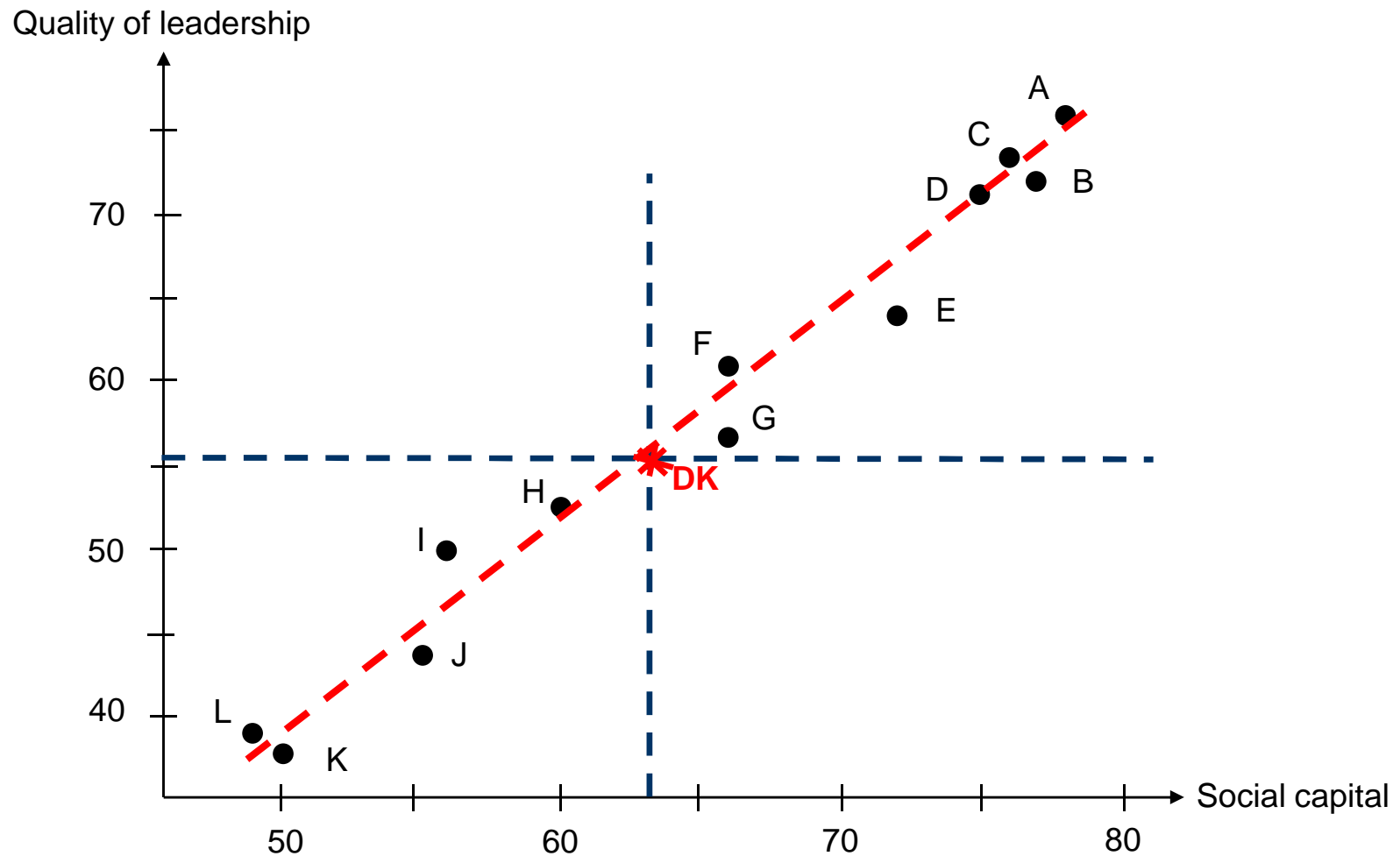
Less
burnout

A study from Baltimore, Maryland. 2010.

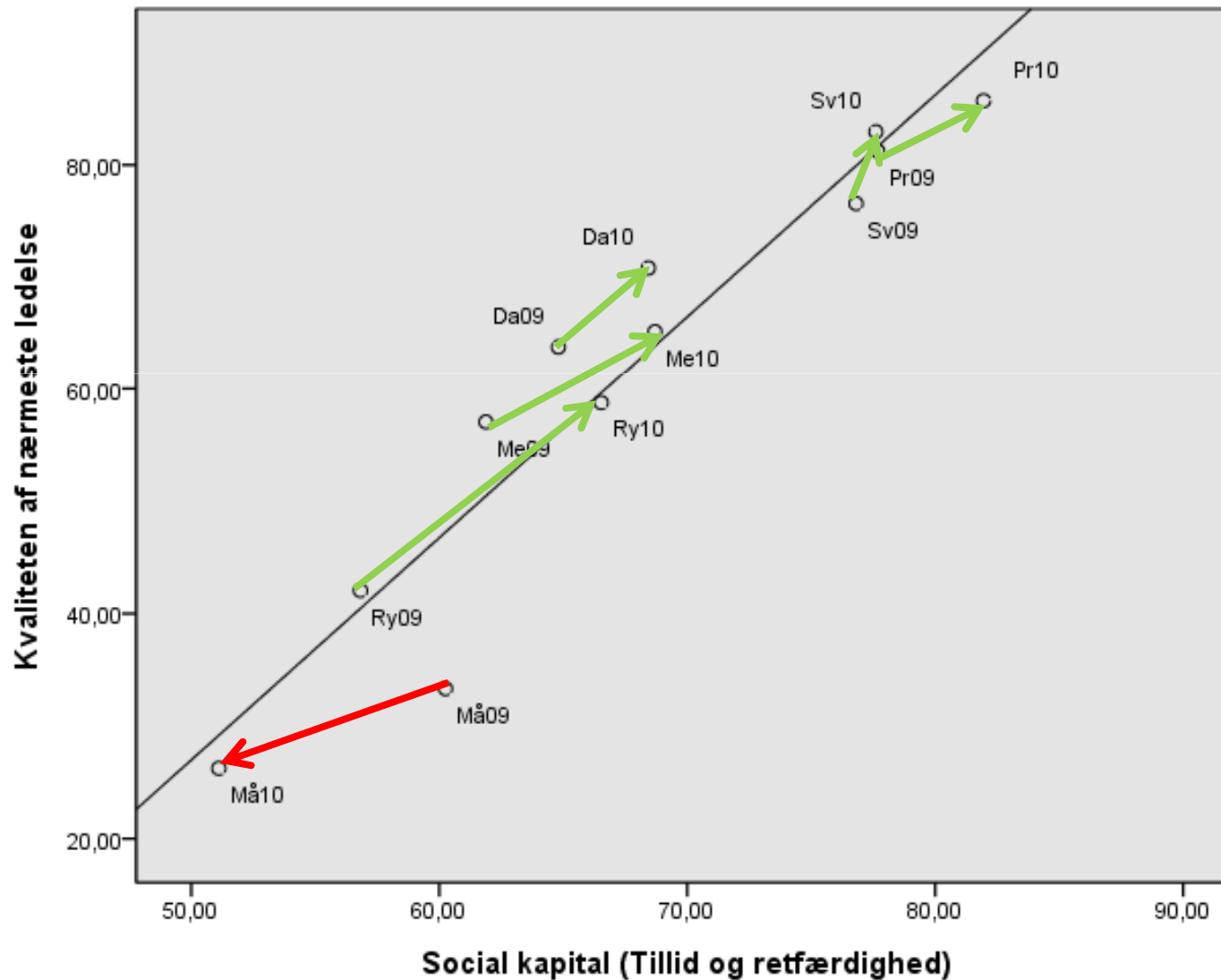
Social capital and leadership



Social capital and quality of leadership in the schools of a Danish municipality



Development of social capital and quality of leadership during a one-year intervention project



Social capital, absence and turnover of personnel

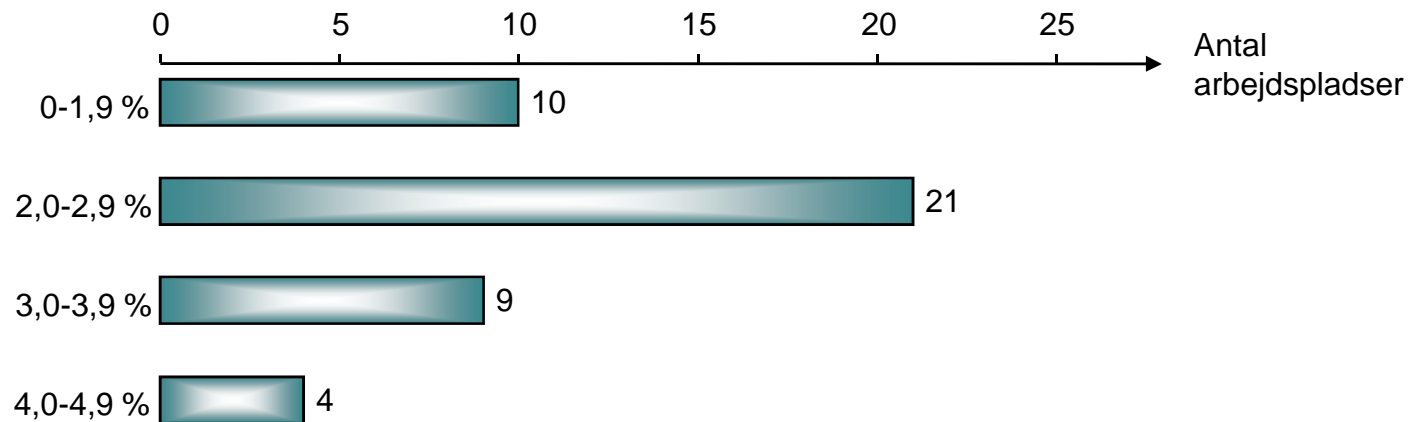


Great Place to Work: A concept focusing on social capital

- The five dimensions in the "Great Place to Work" measure:
 - Credibility
 - Respect
 - Fairness
 - Pride
 - Camaraderie



Sickness absence of the "50 best places to work" in Denmark, 2009



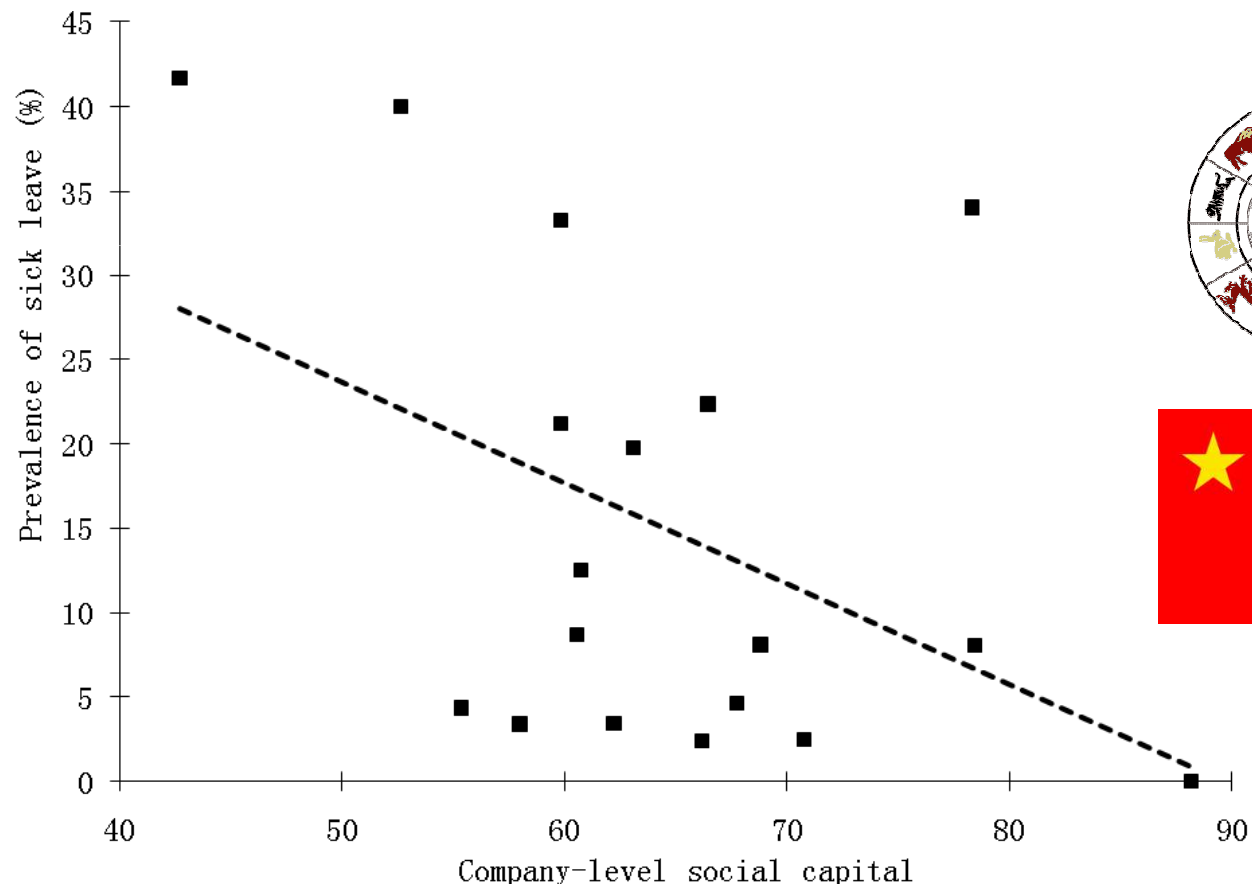
(No information: 6)

Median absence rate 2.5 %



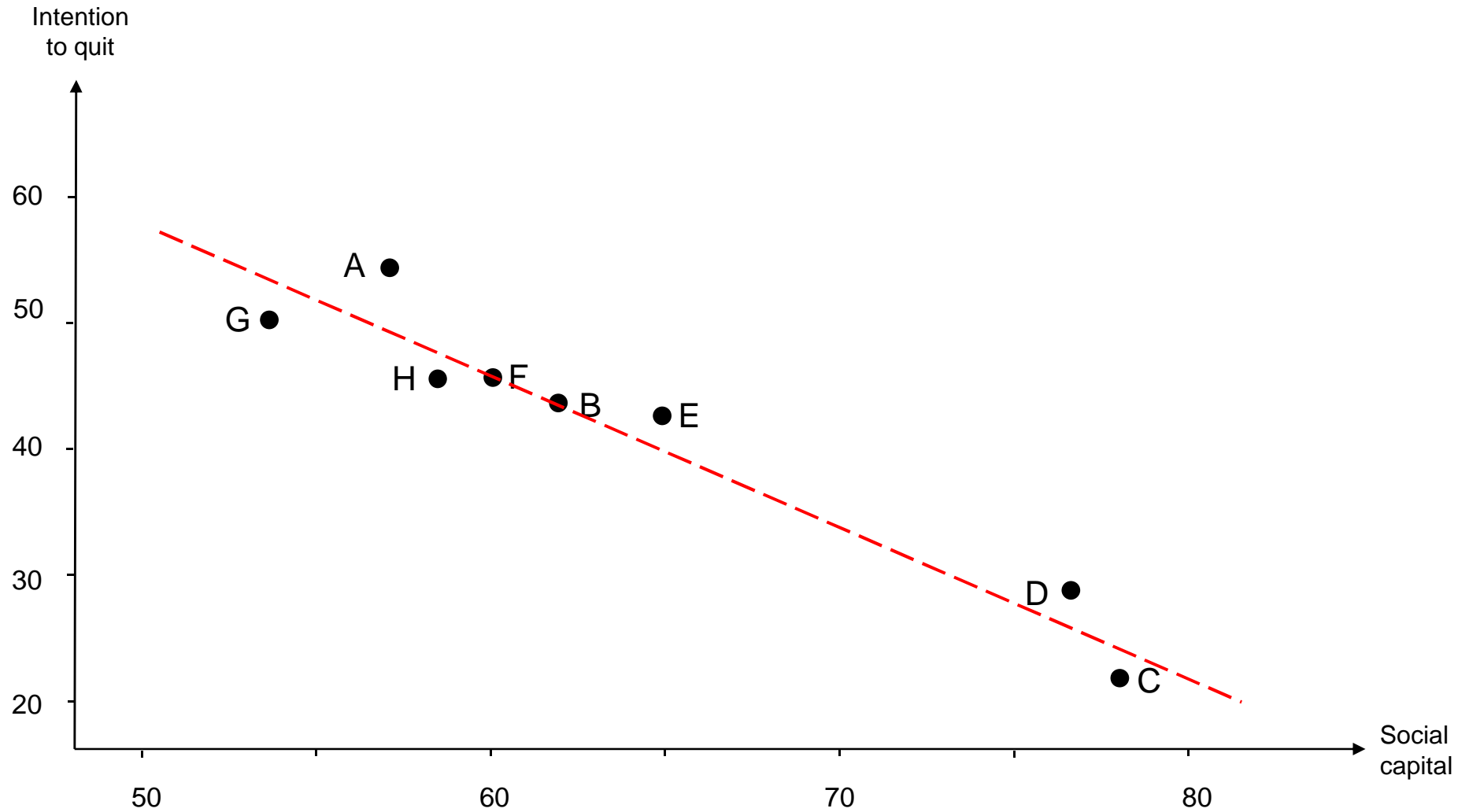
Social capital and absence in China

Relation between aggregate company level social capital at work and sick leave. 18 companies, 953 employees. $P = 0,0012$.



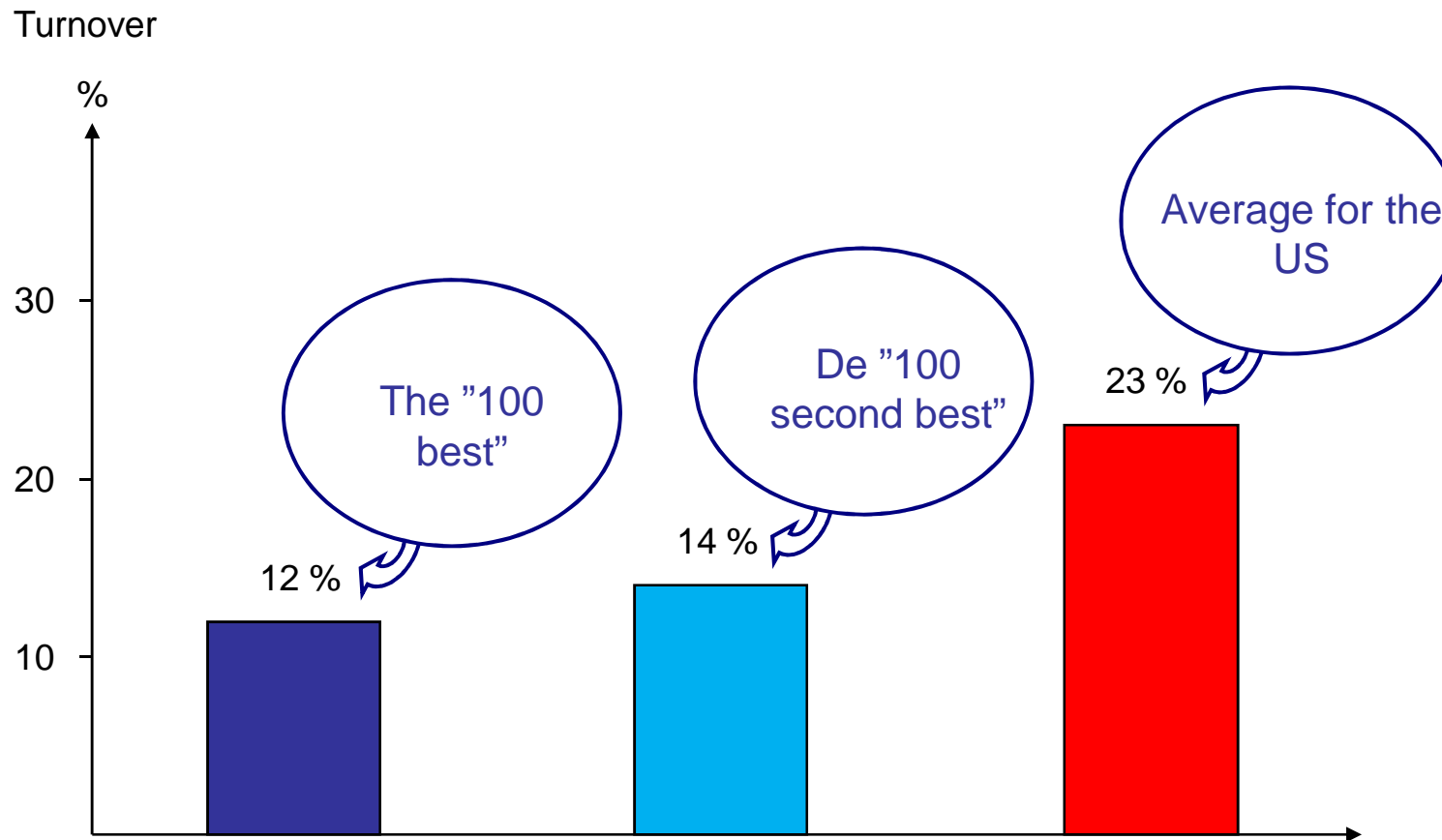
Lee & Zhou, 2011.

Social capital and intention to quit



Social capital project, 2009.

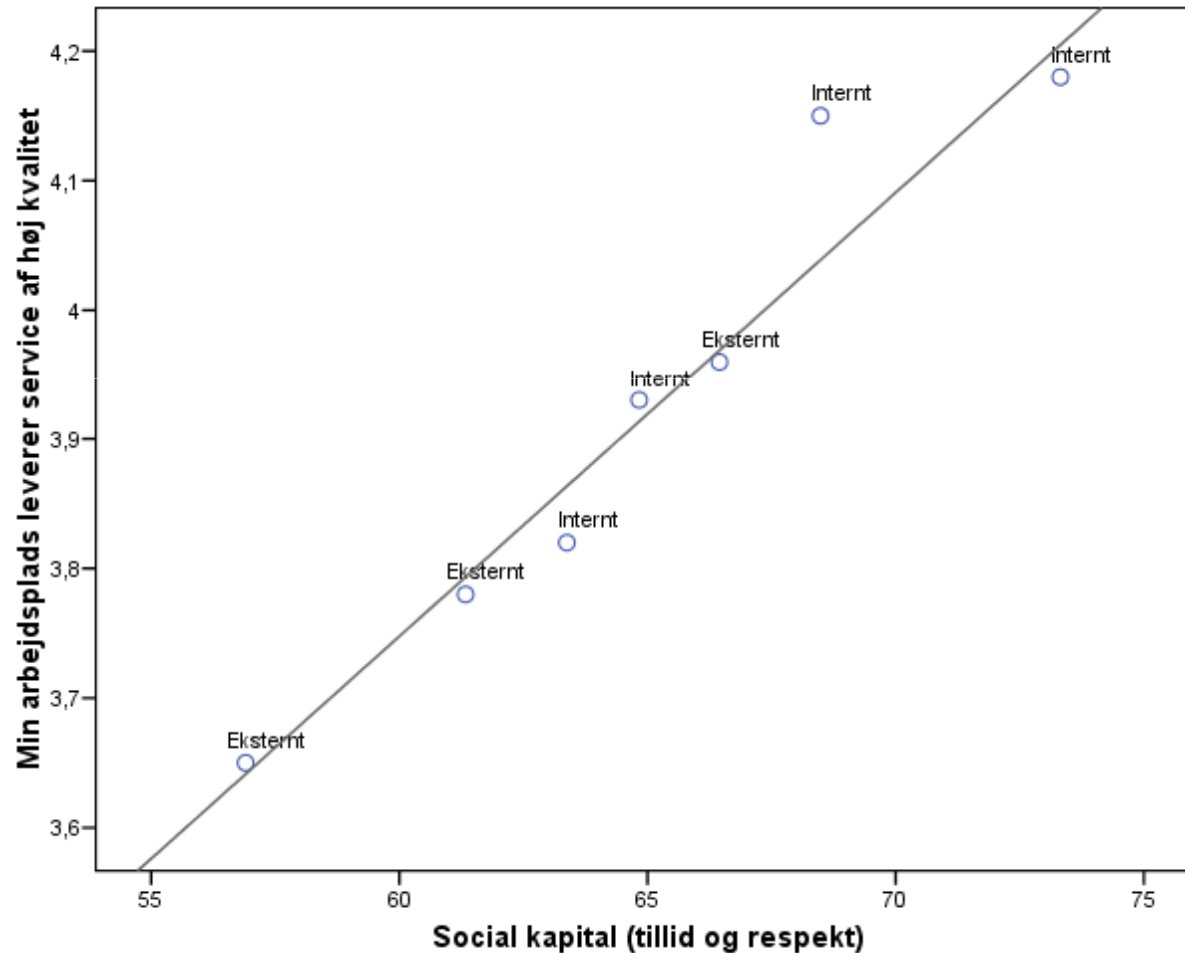
"Great place to work" – lower turnover of employees



Social capital: Quality, productivity, and innovation



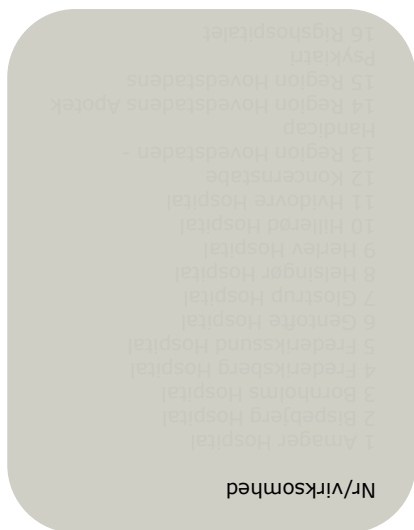
Social capital og perceived service quality in call centres



Mathiesen & Wiegman, 2009

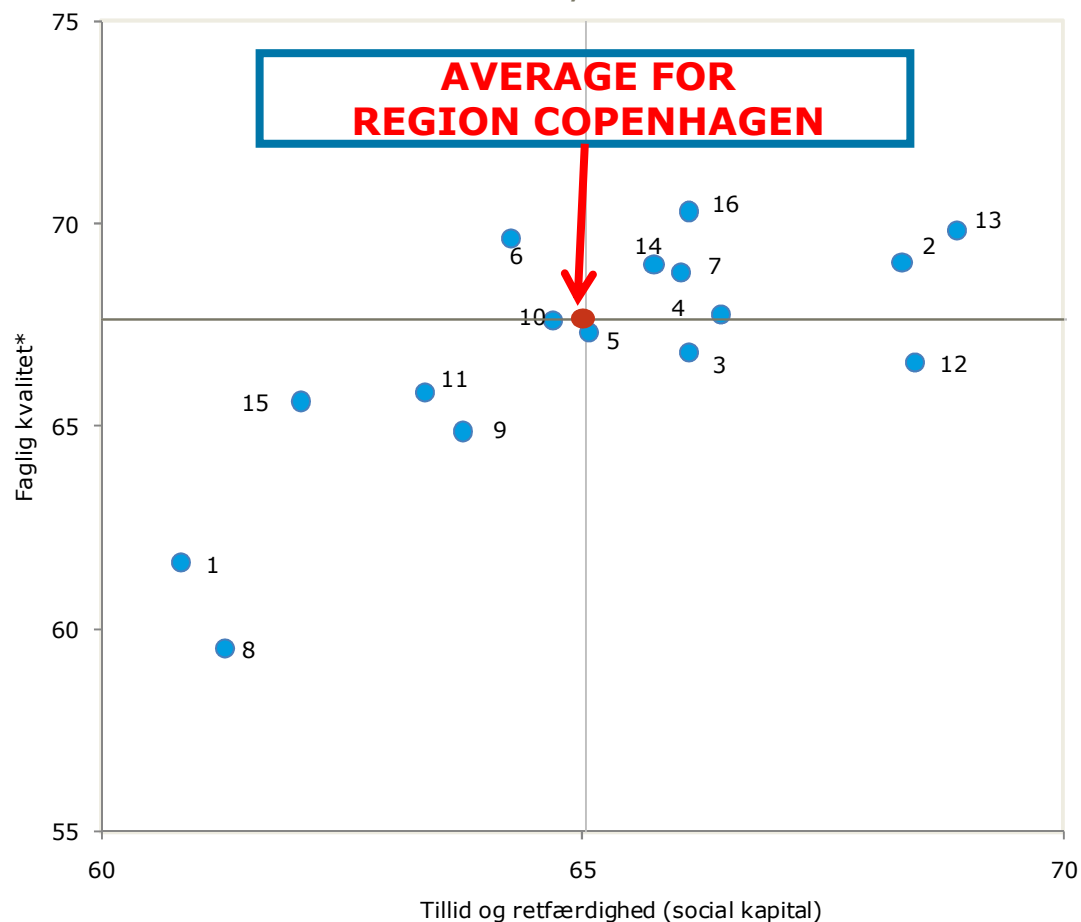
ASSOCIATION BETWEEN SOCIAL CAPITAL AND PERCEIVED QUALITY OF TREATMENT IN HOSPITALS

GENNEMSNITSPUNKT PÅ EN SKALA FRA 0-100 FOR TILLID OG RETFÆRDIGHED (SOCIAL KAPITAL) OG FAGLIG KVALITET, OPDELT PÅ VIRKSOMHEDER

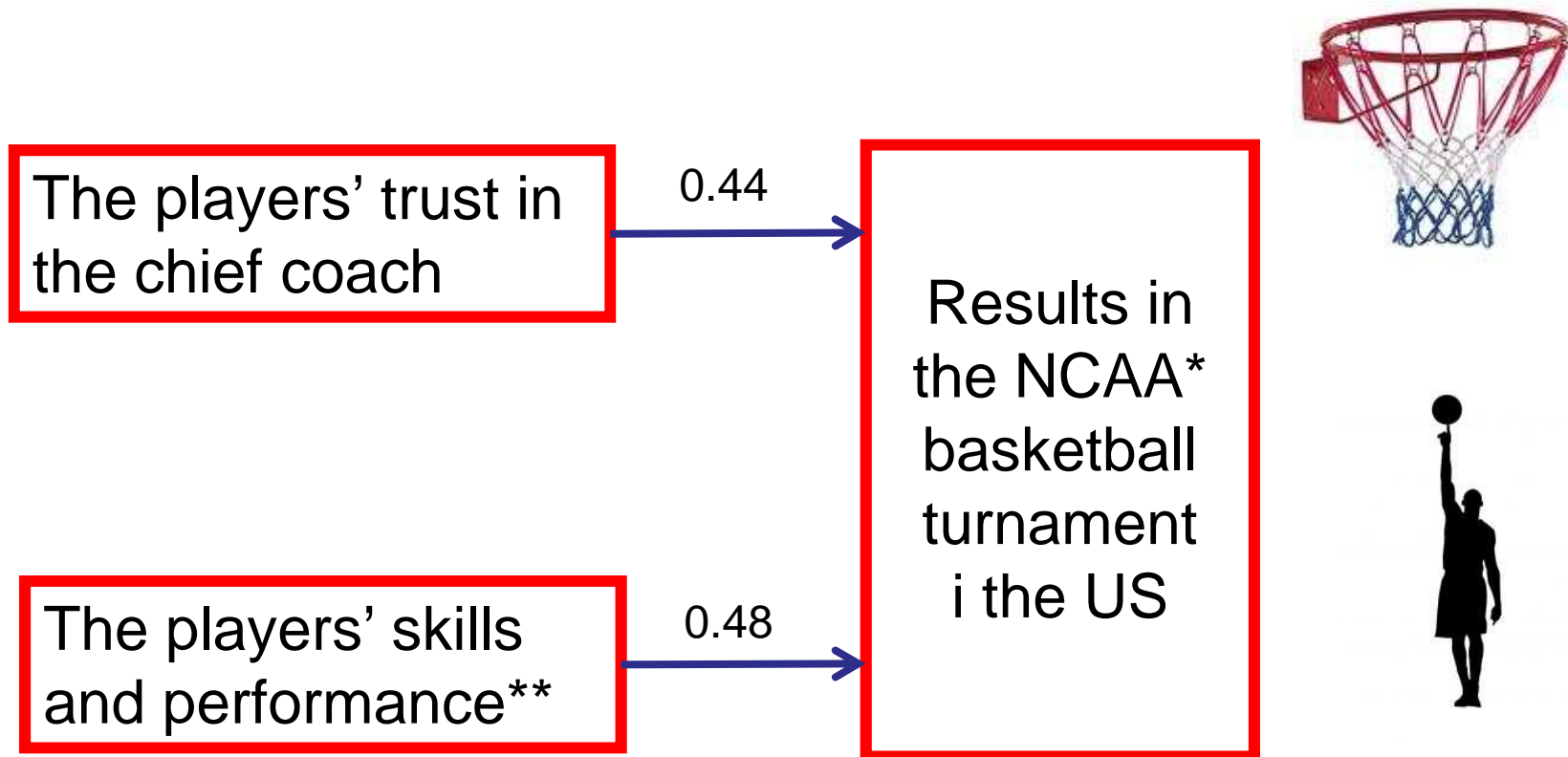


Nr./virksomhed

(ANONYMISERET)



Trust in the coach – the road to success in American basketball

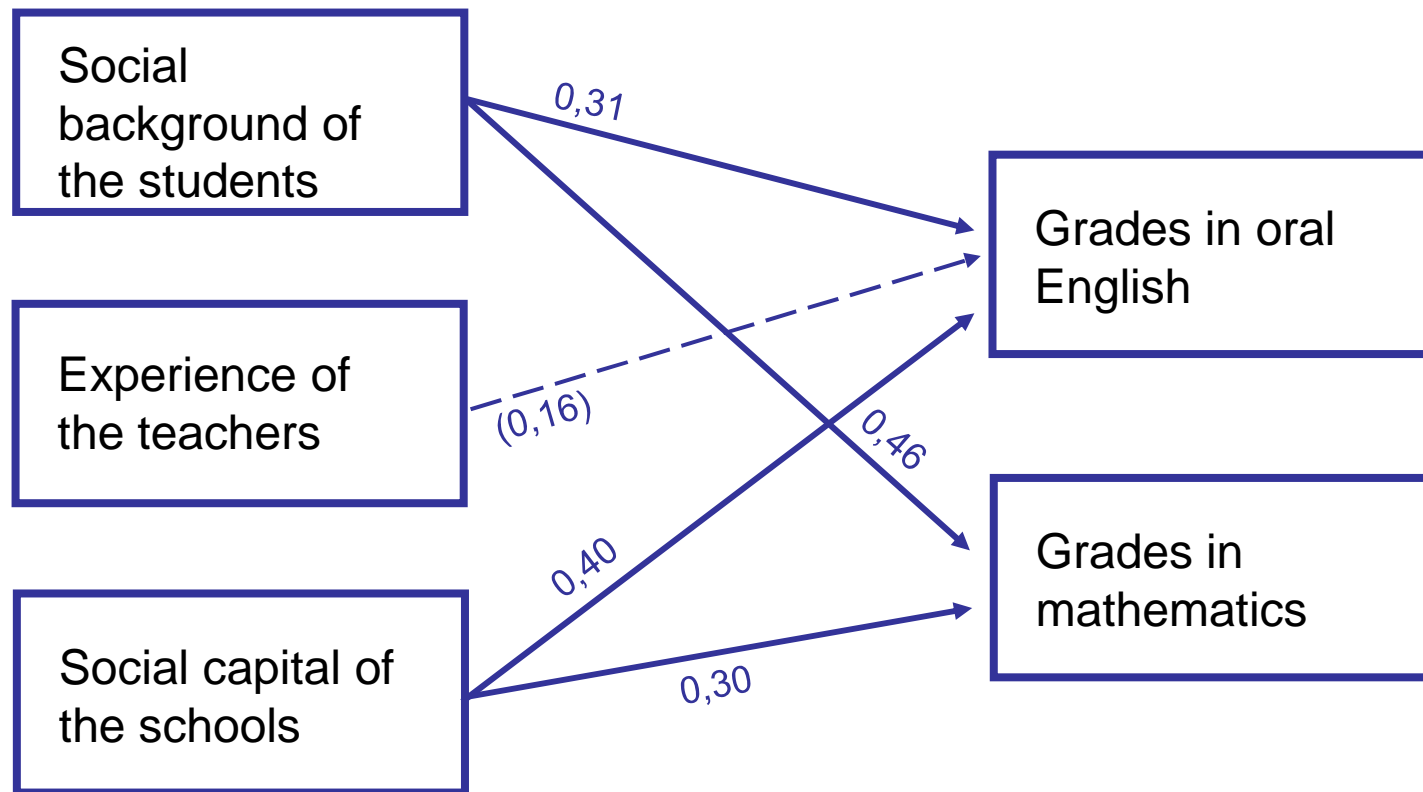


** The proportion playing on national and other selected teams

* National Collegiate Athletic Association

Social capital and school grades

A study of 88 American schools
(2,167 teachers, 5,130 parents and 88 leaders)



Trust and productivity

A study of 43 companies in the US
car industry

Trust* between manage-
ment and employees



Higher involvement
in the workplace

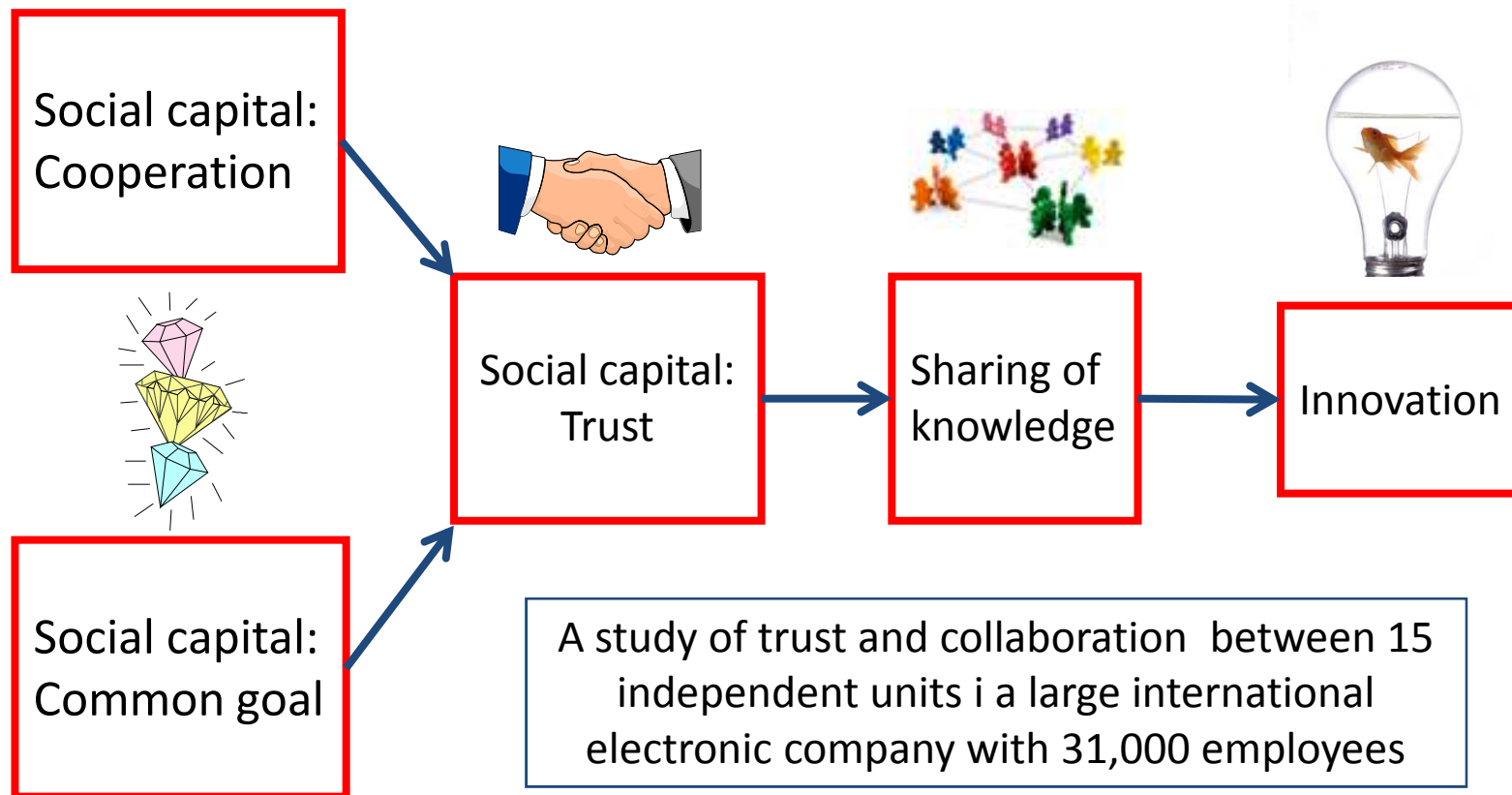


Increased effort:
a. Productivity
b. Innovation
c. Cooperation

* Trust: Believing that the employees are competent, honest, reliable, and involved.

Spreitzer & Mishra. *Group & Organizational Management* 1999;24:155-187.

Social capital and innovation in a large American company



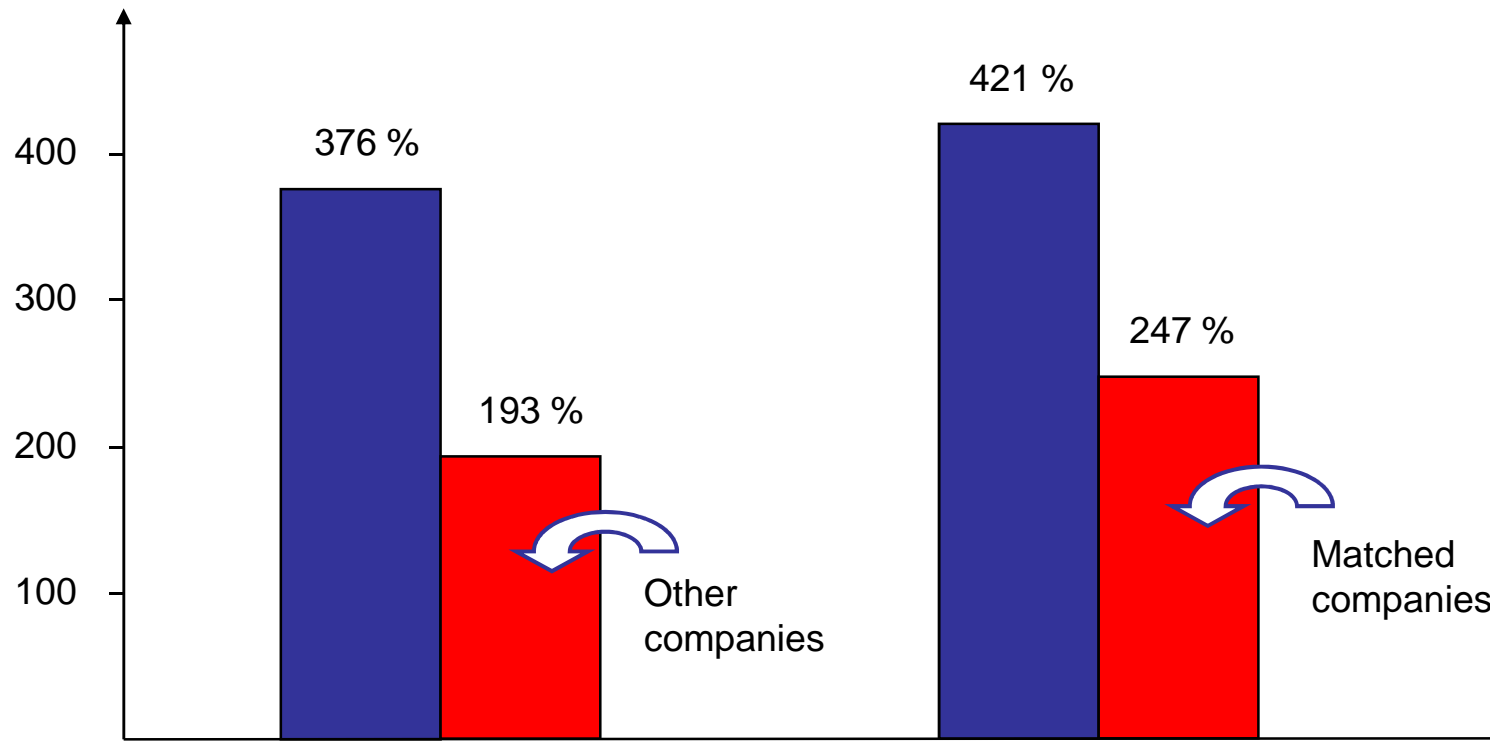
Social capital and economic results



Dividend to the stockholders in the "100 best workplaces" in the US

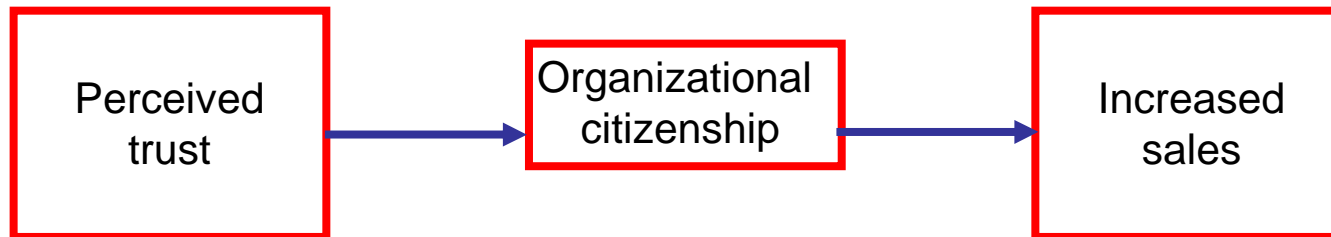
Cumulative dividends over 6 years in companies with high social capital

% 1995-2000 total



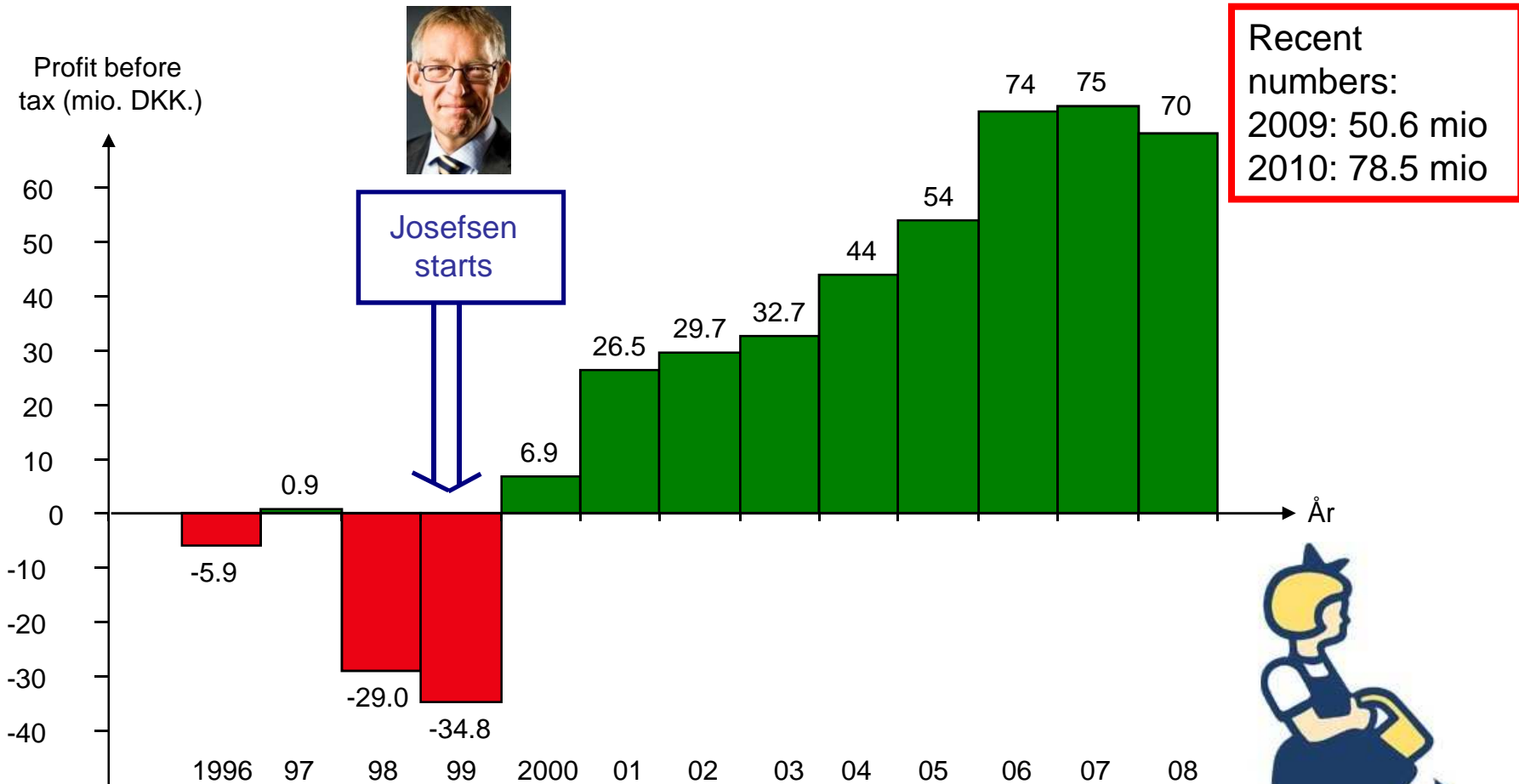
Trust and sales in a Canadian supermarket chain

An study of the significance of the degree to which the employees' feel being trusted by the supervisors.



88 supermarkets with a total of 4,000 employees. Large differences between the stores with regard to perceived trust.

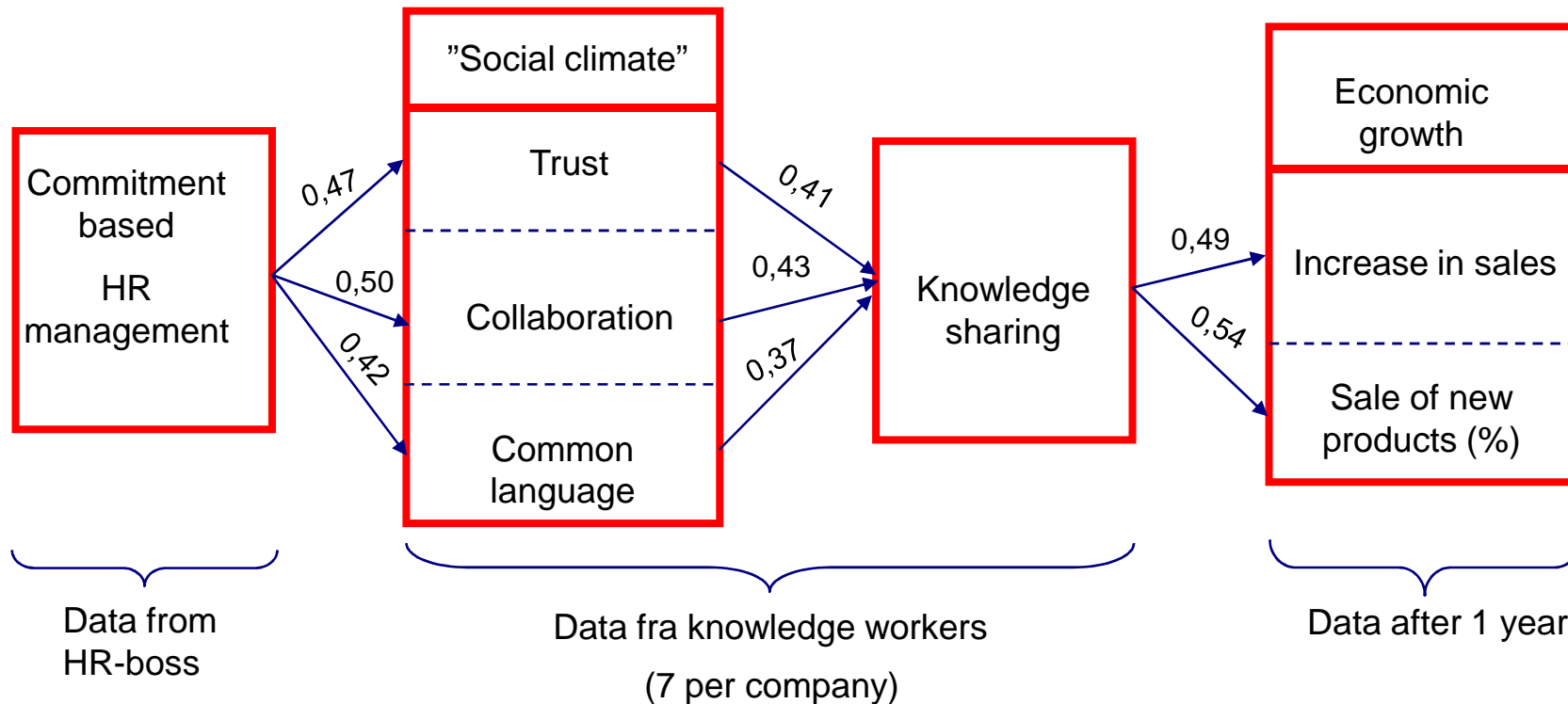
The economic development of Irma supermarkets 1996-2010



Irma was in deep crisis and about to close down. Josefsen built up the social capital of Irma, and the economic results followed

Social capital, knowledge sharing og and economic growth

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



All correlations are significant.

Collins & Smith. Acad Management J 2006;49:544-560.

HCL, fabulous case. From 2005 to 2010:



- Fire 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"

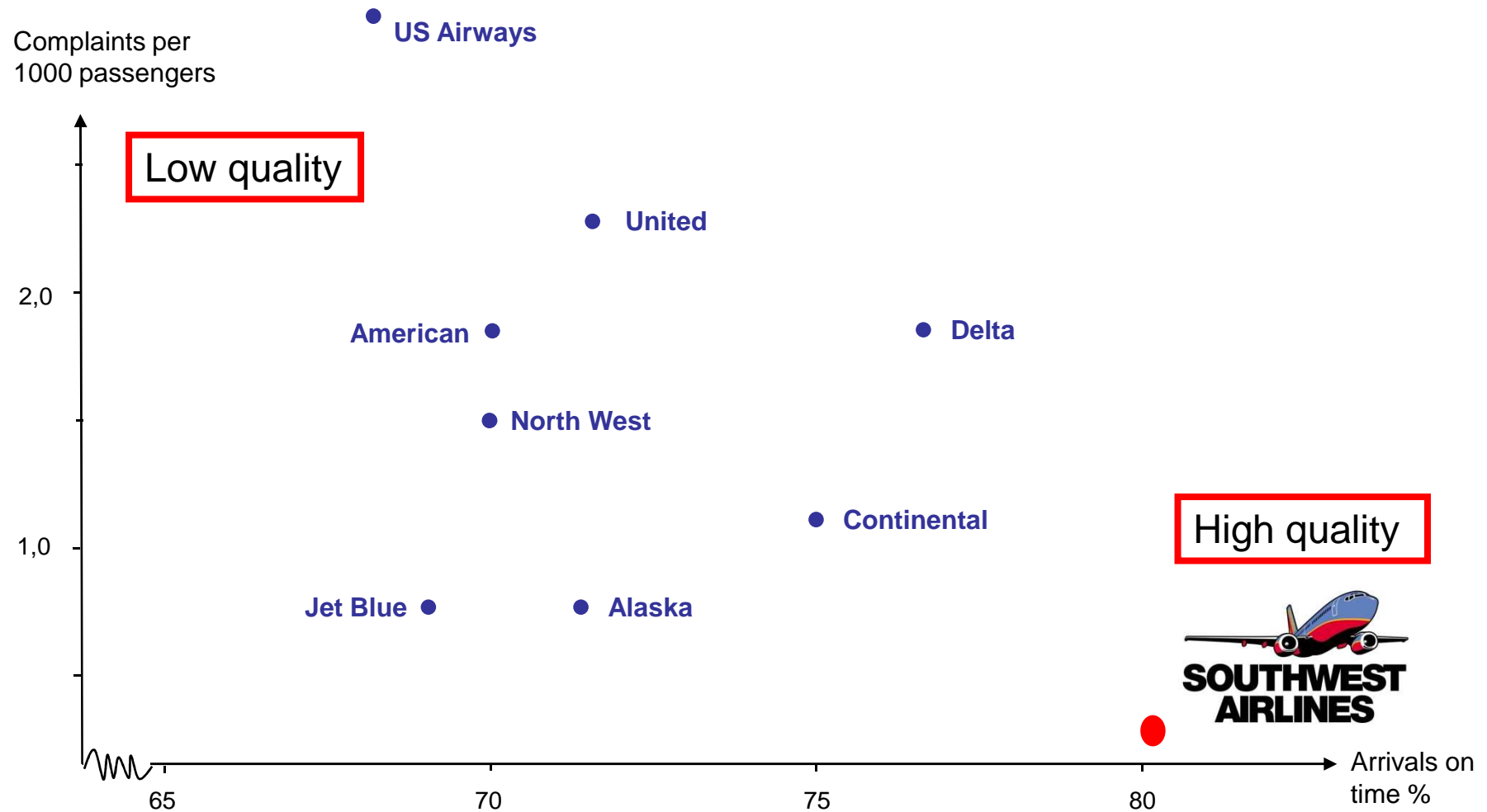


(Vineet Nayar. Employees first, customers second. 2010).

Social capital and satisfaction of customers, citizens and patients



Precision and customer complaints among American airlines





An overall theory:
Gittell's theory on "relational
coordination"
(bridging between occupational groups)



What do they have in common?

- A hospital
- A symphony orchestra
- A group of soldiers in combat
- A building site
- An airline
- The administration of a municipality
- A university
- A prison

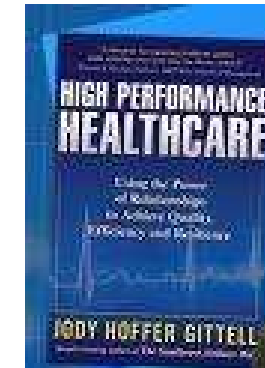


When is cooperation under (extra) pressure?

- When we are dealing with professions with strong identity
- When different groups have special knowledge
- When there are status differences with regard to salary, prestige, etc.
- When the groups depend on each other in order to do a good job

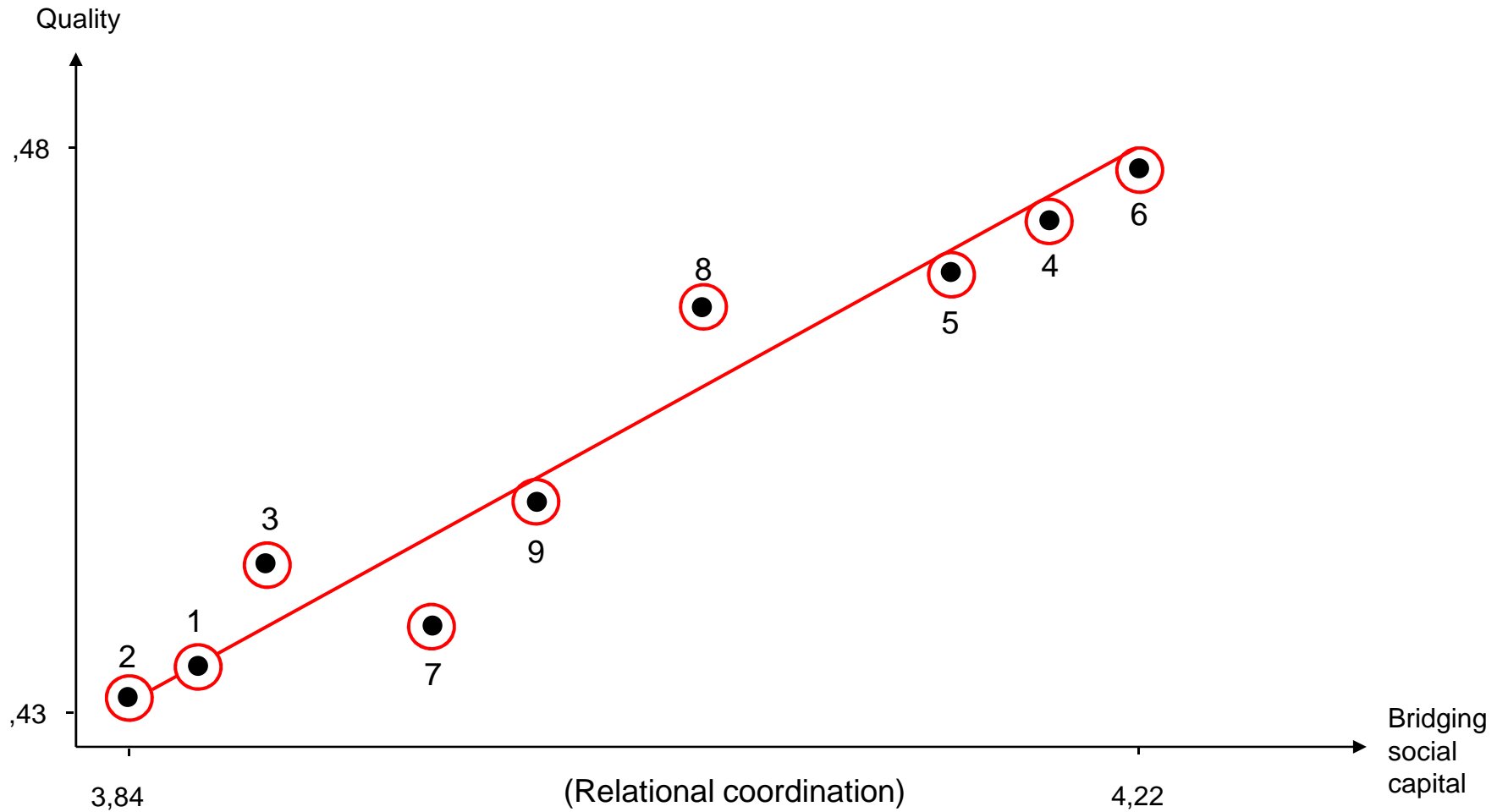
It is not enough that the employees have good professional skills

- They must also be able to cooperate:
 - Coordination
 - Common language
 - Common goal
 - Mutual respect
 - Communication
 - Timing and frequency
 - Precision
 - Problem solving



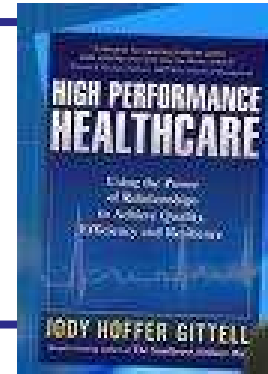
Bridging social capital og quality of treatment in in 9 hospitals

Quality: Beddays, freedom from pain, functional ability, patient satisfaction



High social capital in hospitals

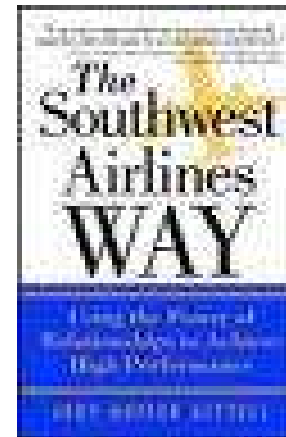
A study of hip and knee surgery



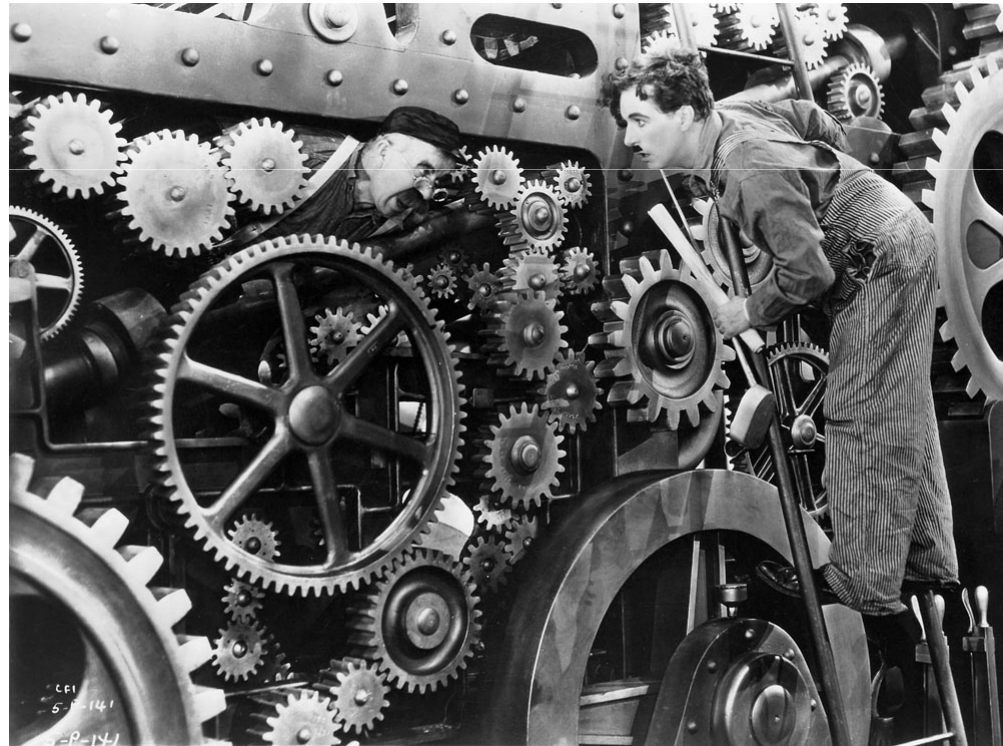
- Fewer beddays
- More operations per employee
- Sooner recovery of functional ability after surgery
- Sooner freedom from pain
- Higher patient satisfaction
- Higher job satisfaction of employees

High social capital in Southwest Airlines

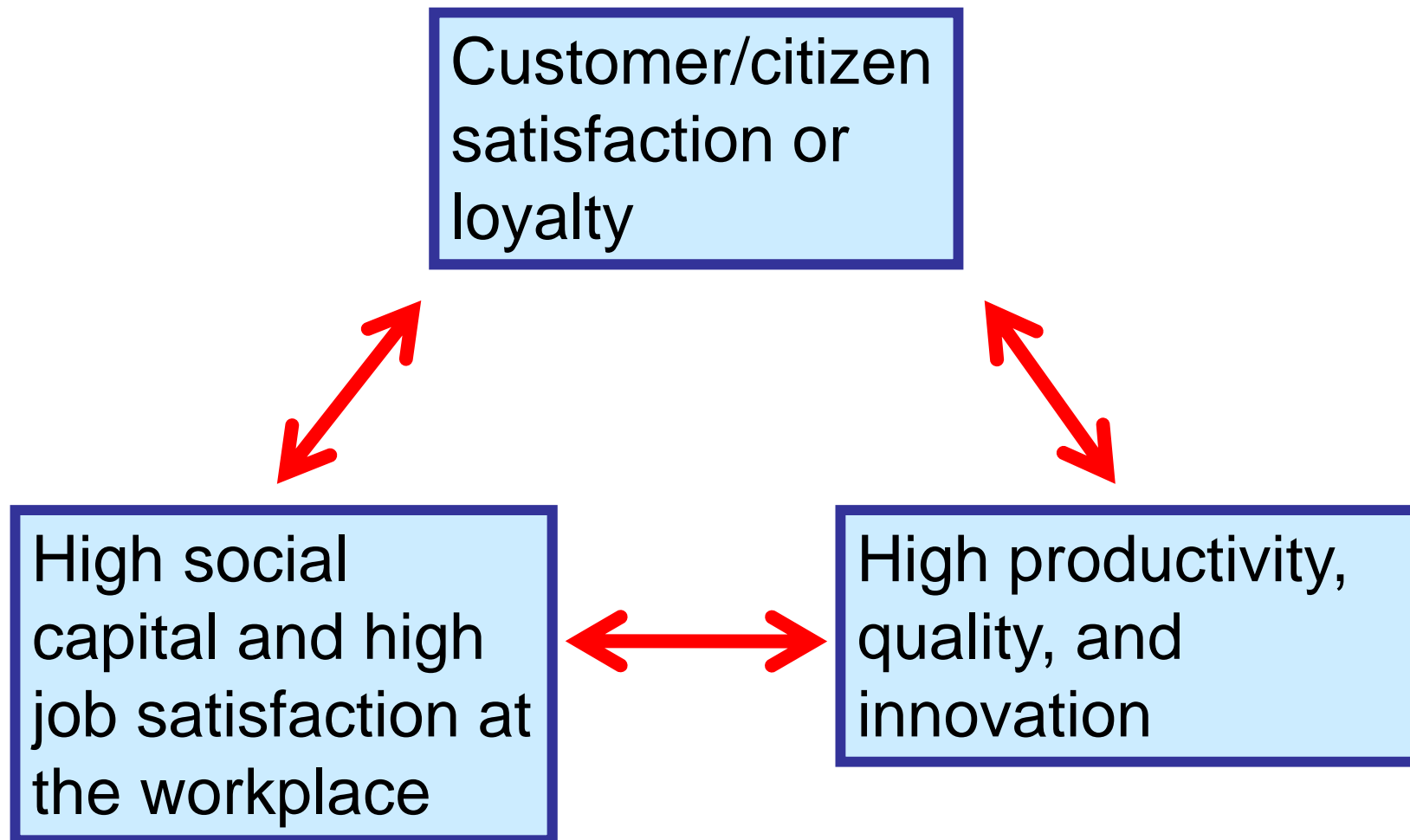
- Highest number of passengers per employee
- Highest proportion flying time
- Highest precision
- Highest passenger satisfaction
- Lowest number of lost suitcases
- Very high employee satisfaction
- Very high level of union membership
- No firing of employees – not even in 2001



Summing up

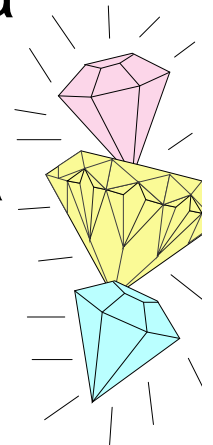


The strong triangle



Take-home messages from recent Danish research projects on social capital

- Workplaces with the *same external conditions* have very different levels of social capital. Local leadership and collaboration makes the difference.
- There are strong *associations* between social capital and employee well-being, effectiveness, recognition, queality of leadesip, etc.
- Workplace social capital can be improved through a systematic and determined efforts.
- It appears that a high level of leadership quality is a necessary condition for developing high social capital.



Thank you for your attention



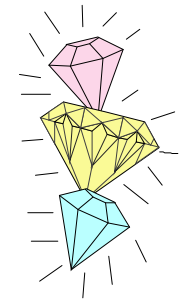


Extras



A good point?

- The purpose of a workplace is *not* to create health and wellbeing among the employees
- The purpose is to create value for the customer or citizen through high quality /productivity
- But at the end of the day it appears that high quality results in pride and wellbeing among the employees



Workplace social capital: The shortest questionnaire in the world

- 1. *Can you trust the information that comes from the management?*
- 2. *Does the management trust the employees to do their work well?*
- 3. *Are conflicts resolved in a fair way?*
- 4. *Is the work distributed fairly?*

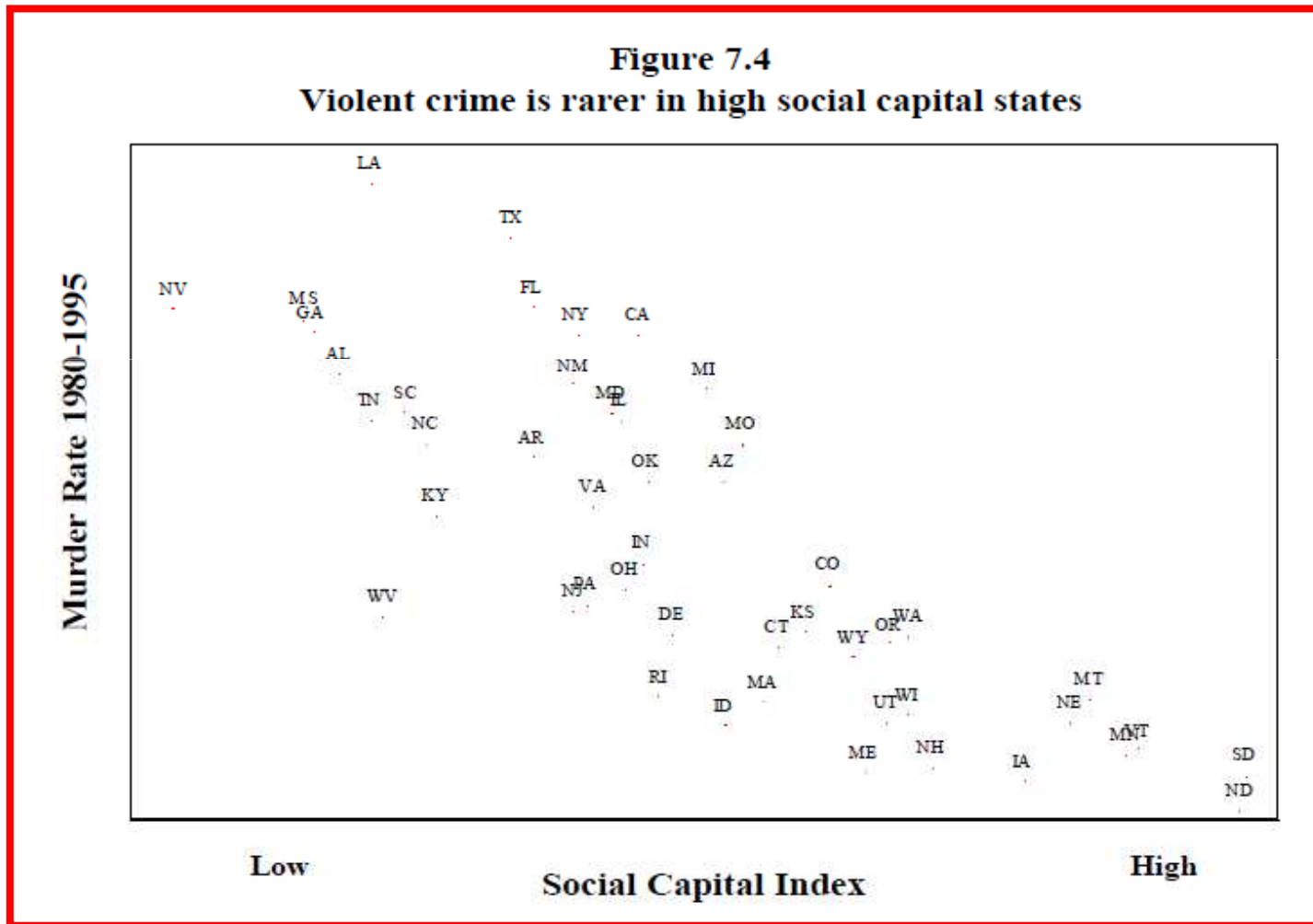


5 response options per question (0-4). Total: 0-16 points. Average for Denmark: 10.2 points. (N = 3,517).

Common knowledge, common language...



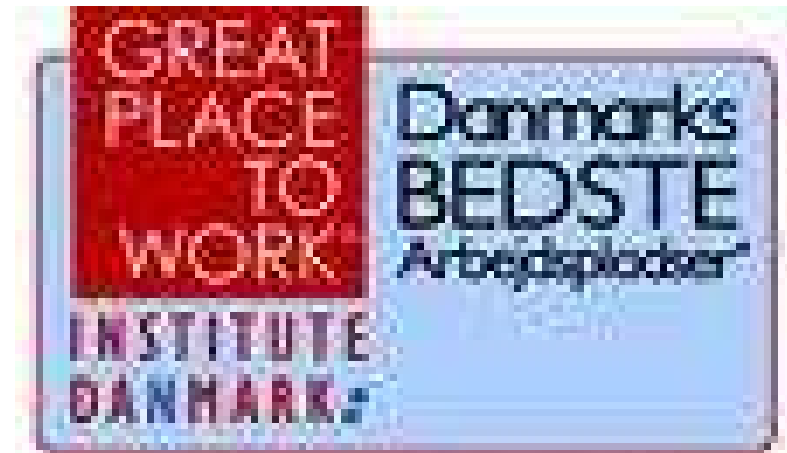
Crime rates are lower in American states with high social capital



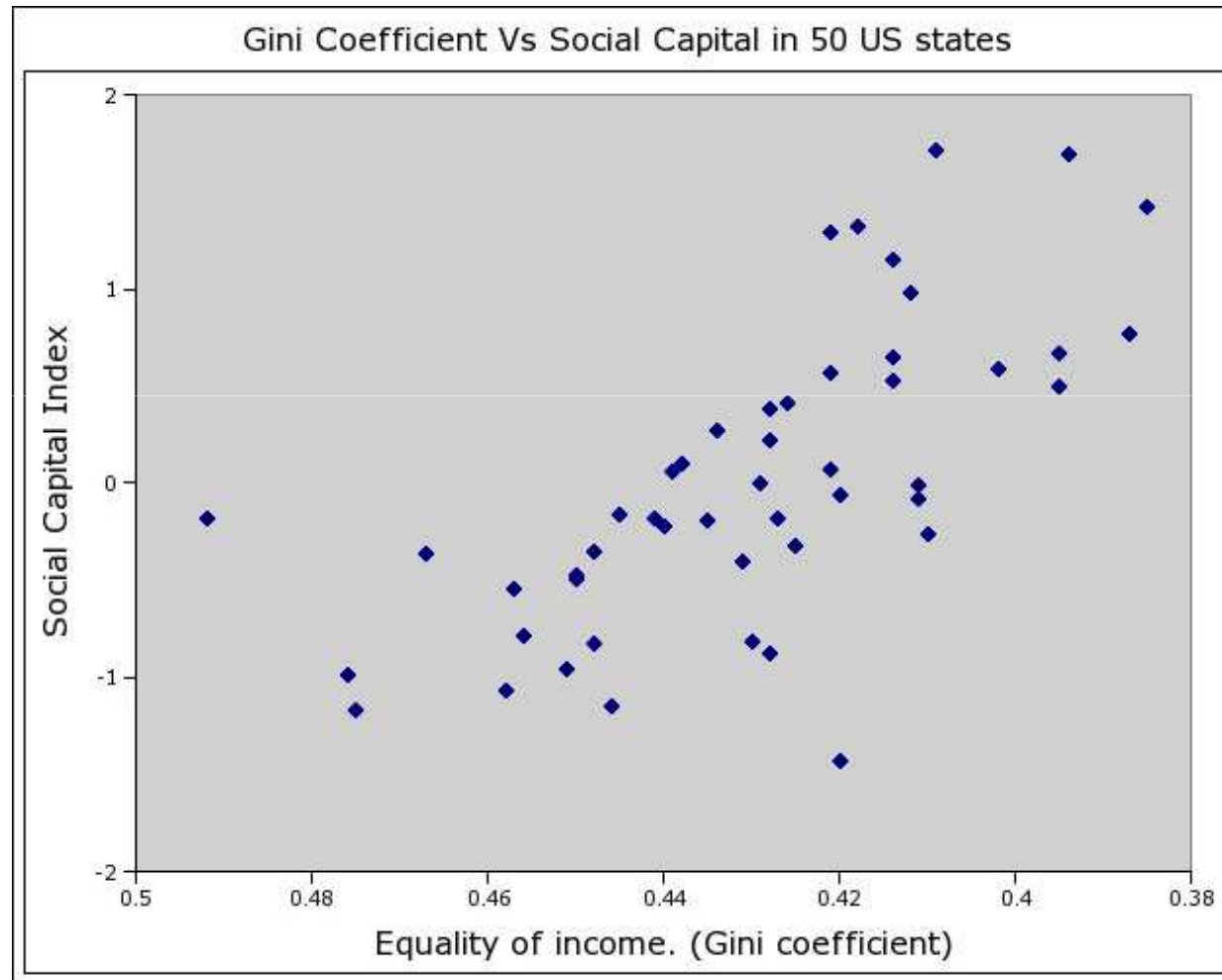
Robert Putnam. Social capital. Measurement and consequences.

Danish companies among the "50 best big workplaces" of Europe

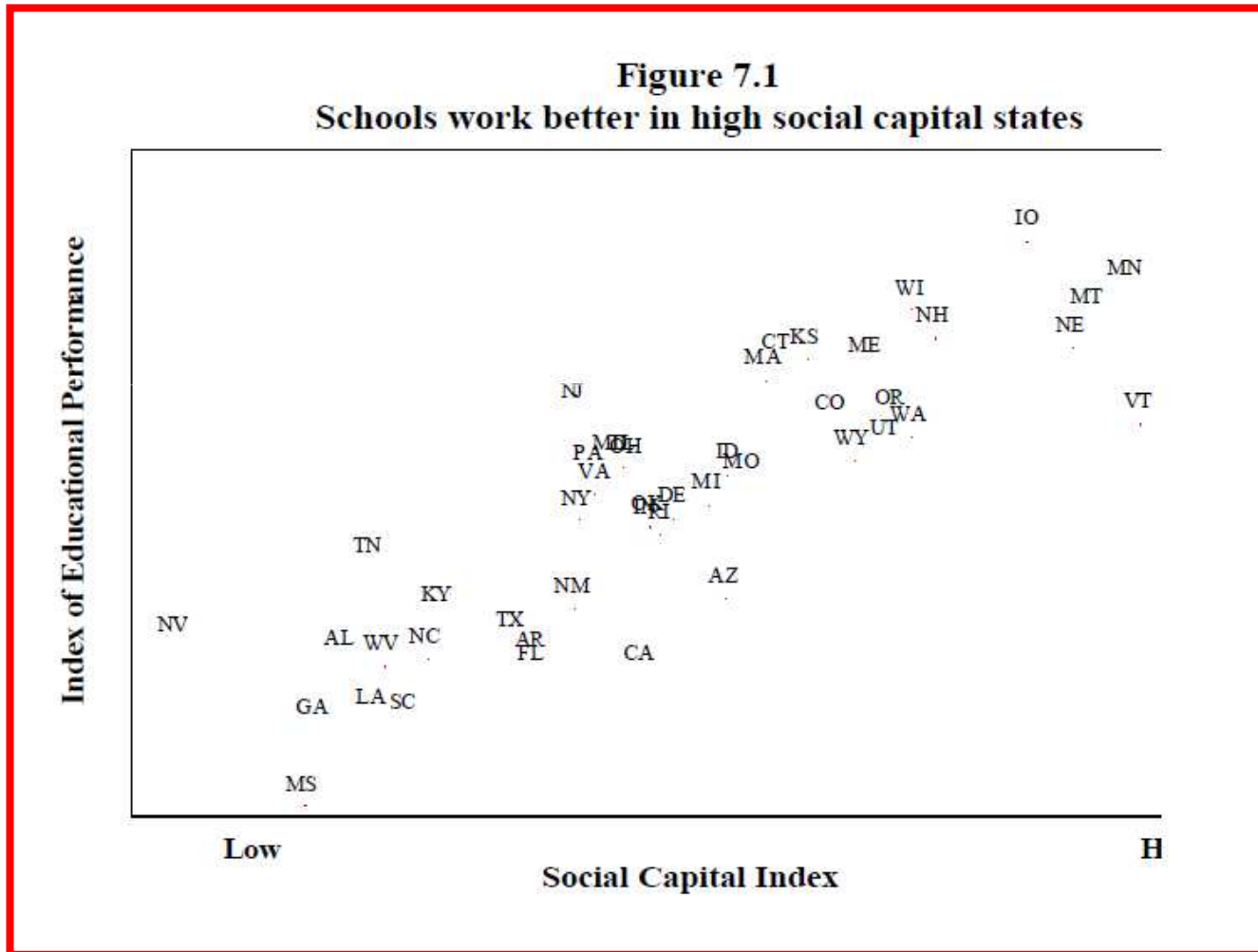
- 1 Microsoft
- 4 Cisco
- 16 ATP
- 19 Irma
- 21 Alka Forsikring
- 23 EnergiMidt
- 25 NetDesign
- 27 McDonald's



Economic equality and social capital in 50 American states

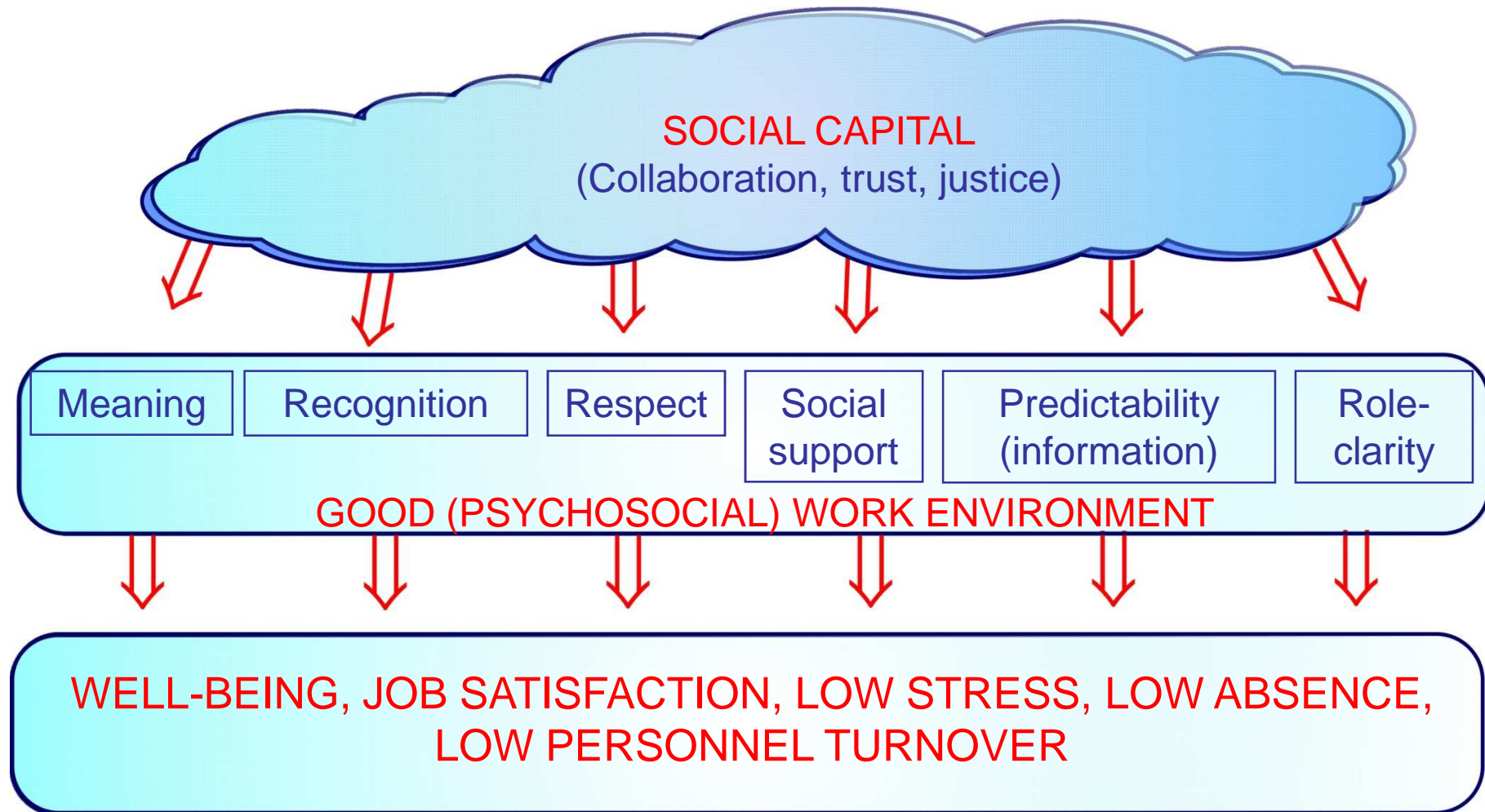


Educational performance is higher in American states with high social capital

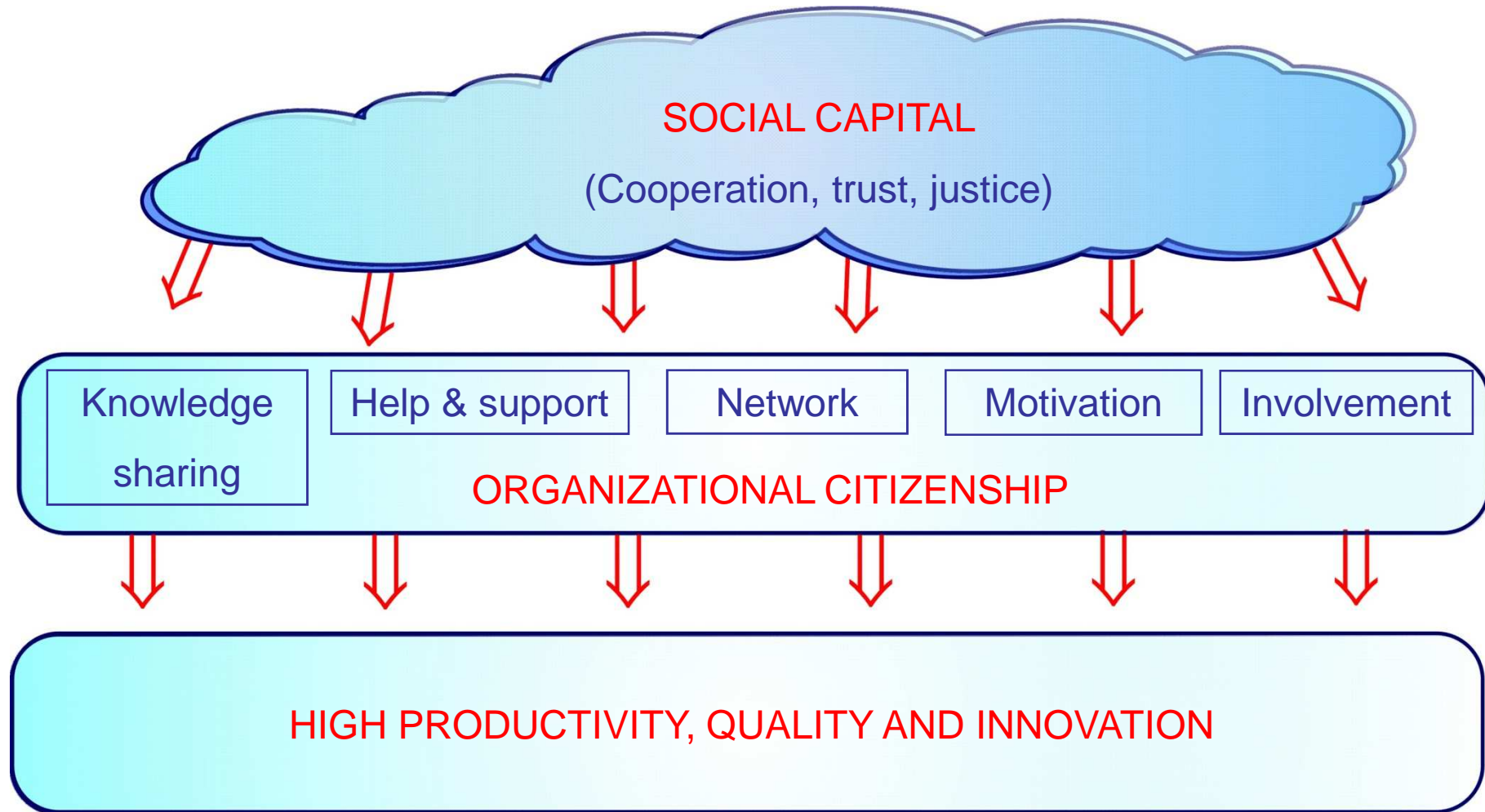


Robert Putnam. Social capital. Measurement and consequences.

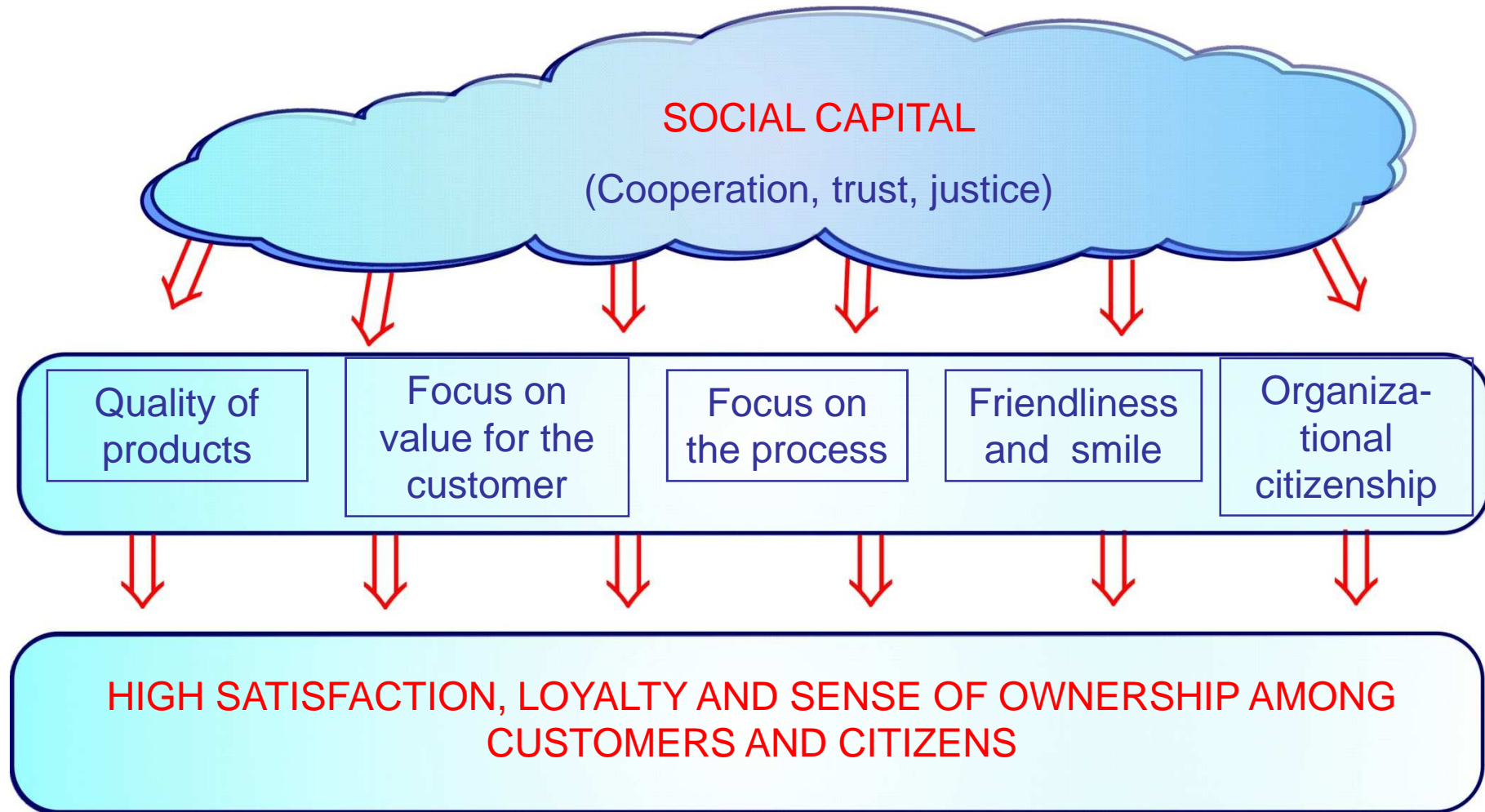
How is the individual employee influenced by the **SOCIAL CAPITAL** of the company?



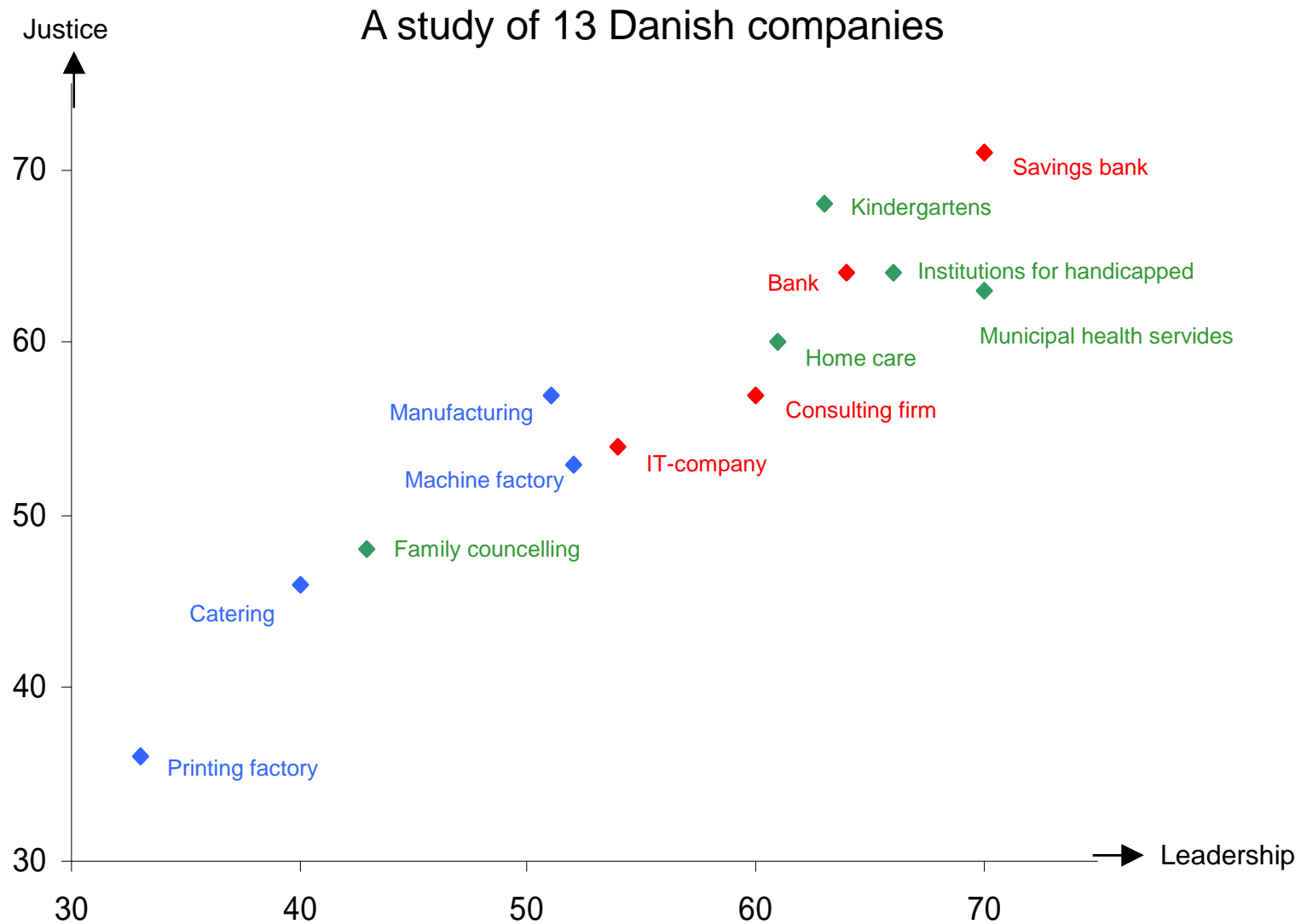
How is productivity, quality and creativity influenced by the SOCIAL CAPITAL of the company?



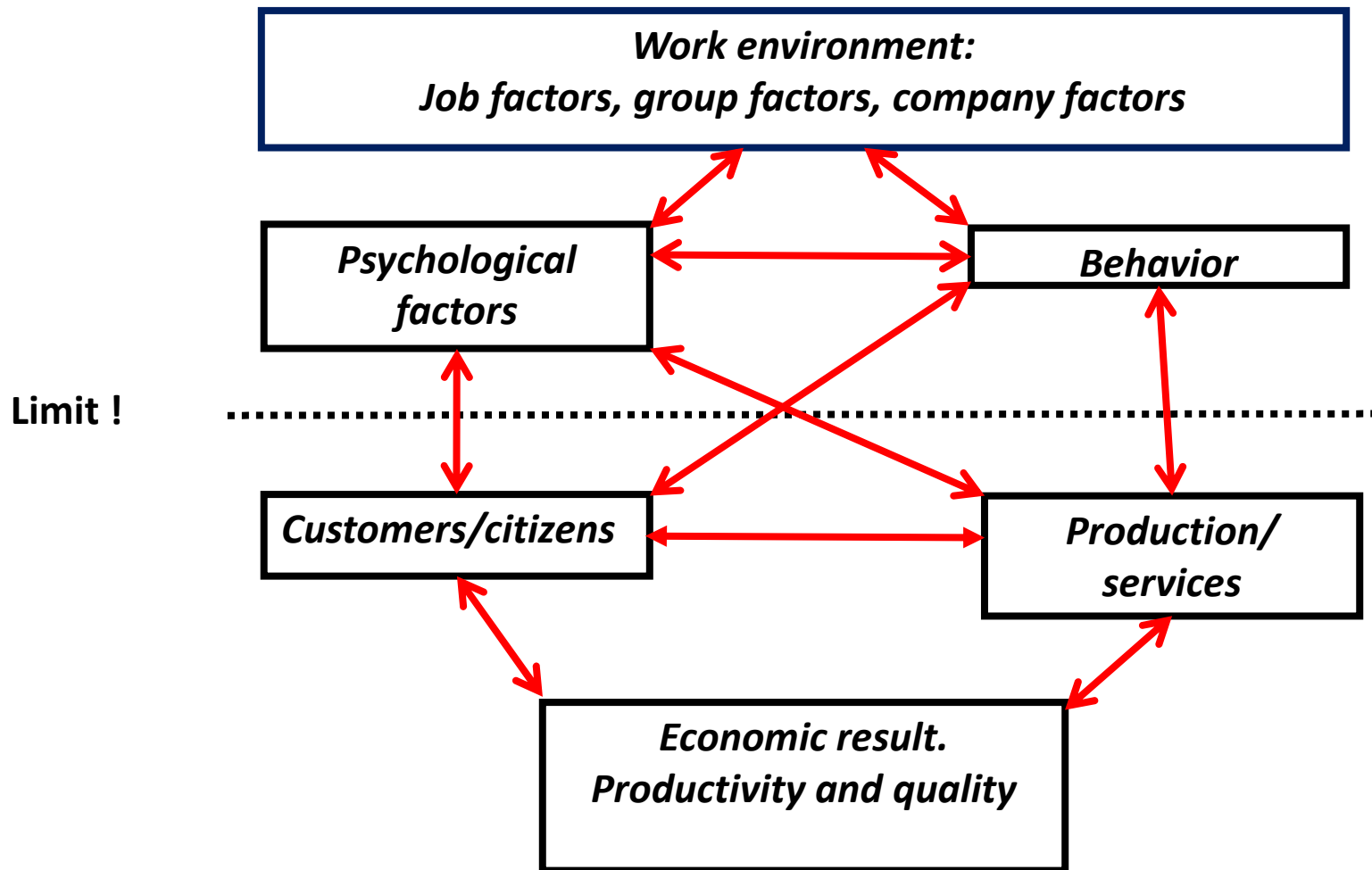
How is customer and citizen satisfaction and loyalty influenced by the **SOCIAL CAPITAL** of the company?



Justice and quality of leadership

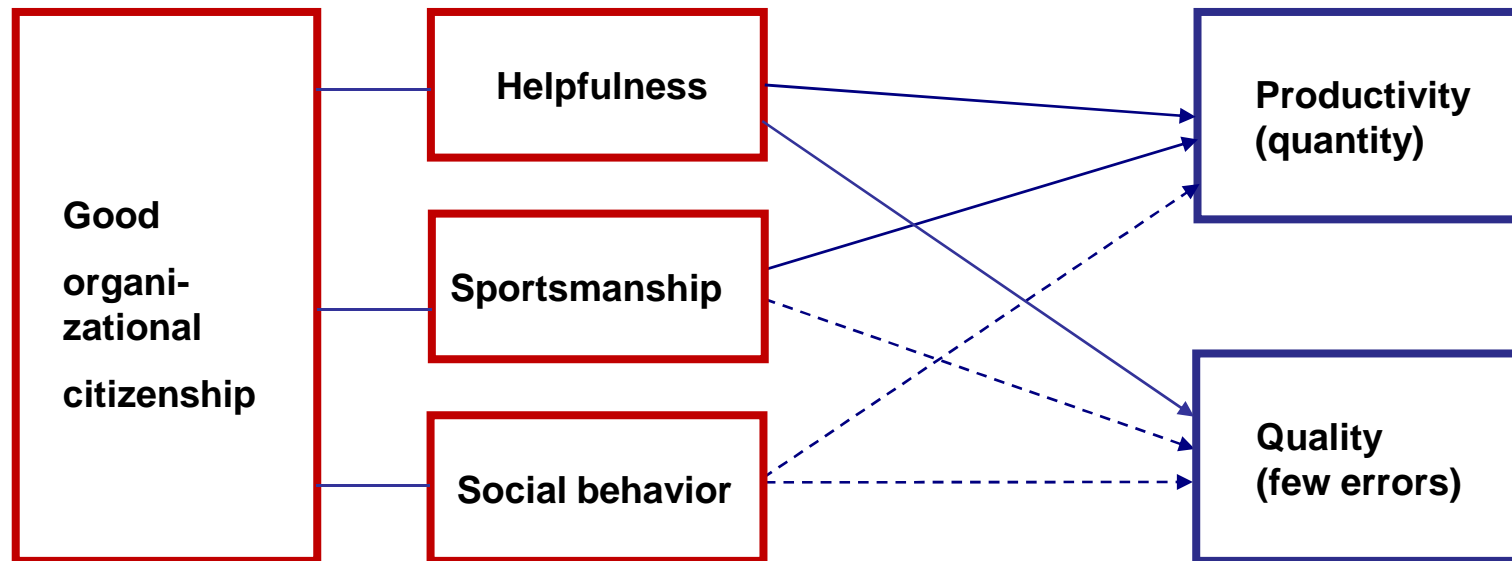


Model for links between work environment and productivity

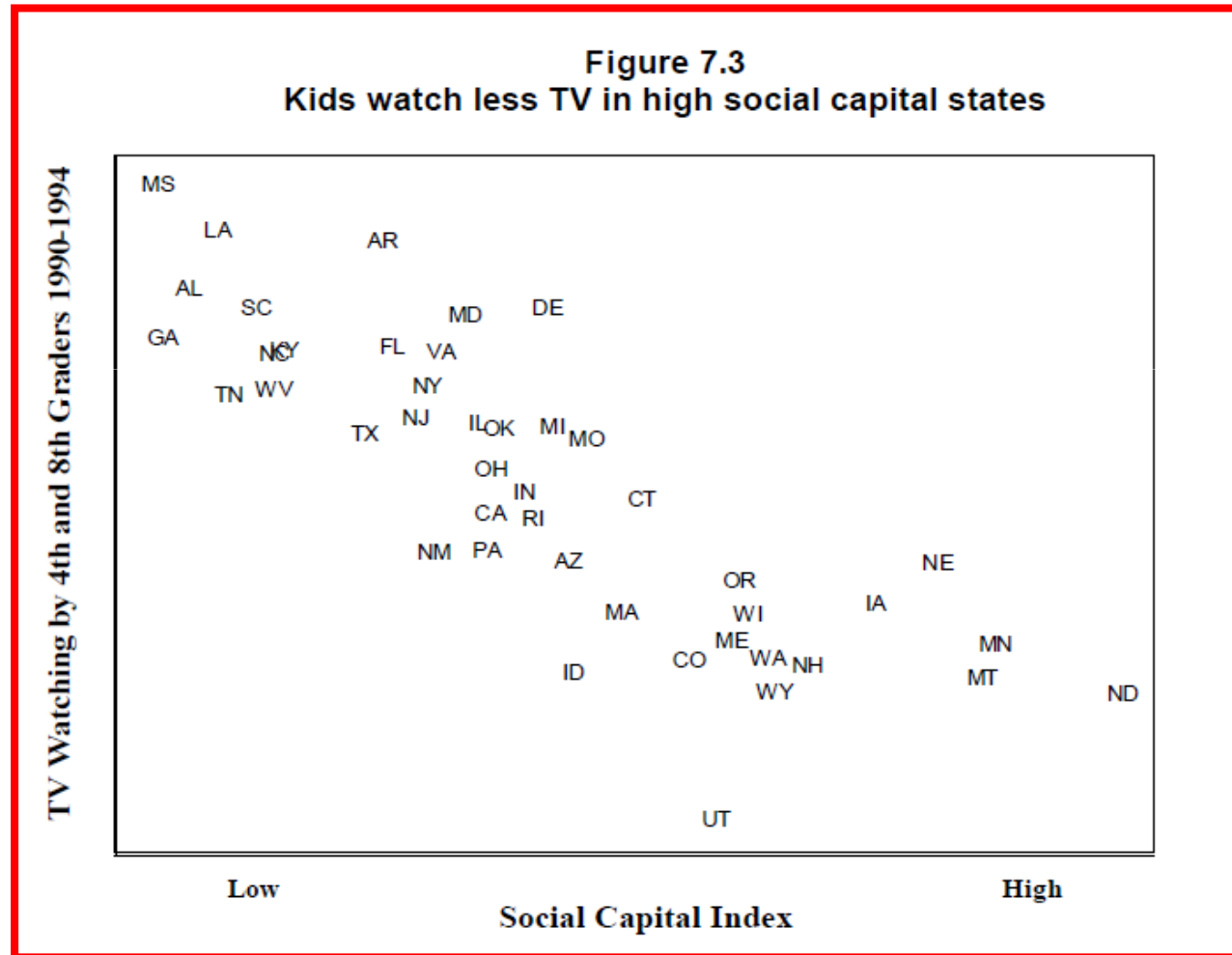


Organizational citizenship, productivity and quality

A study of 218 workers in 40 workteams
at an American paper factory



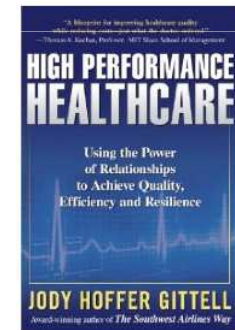
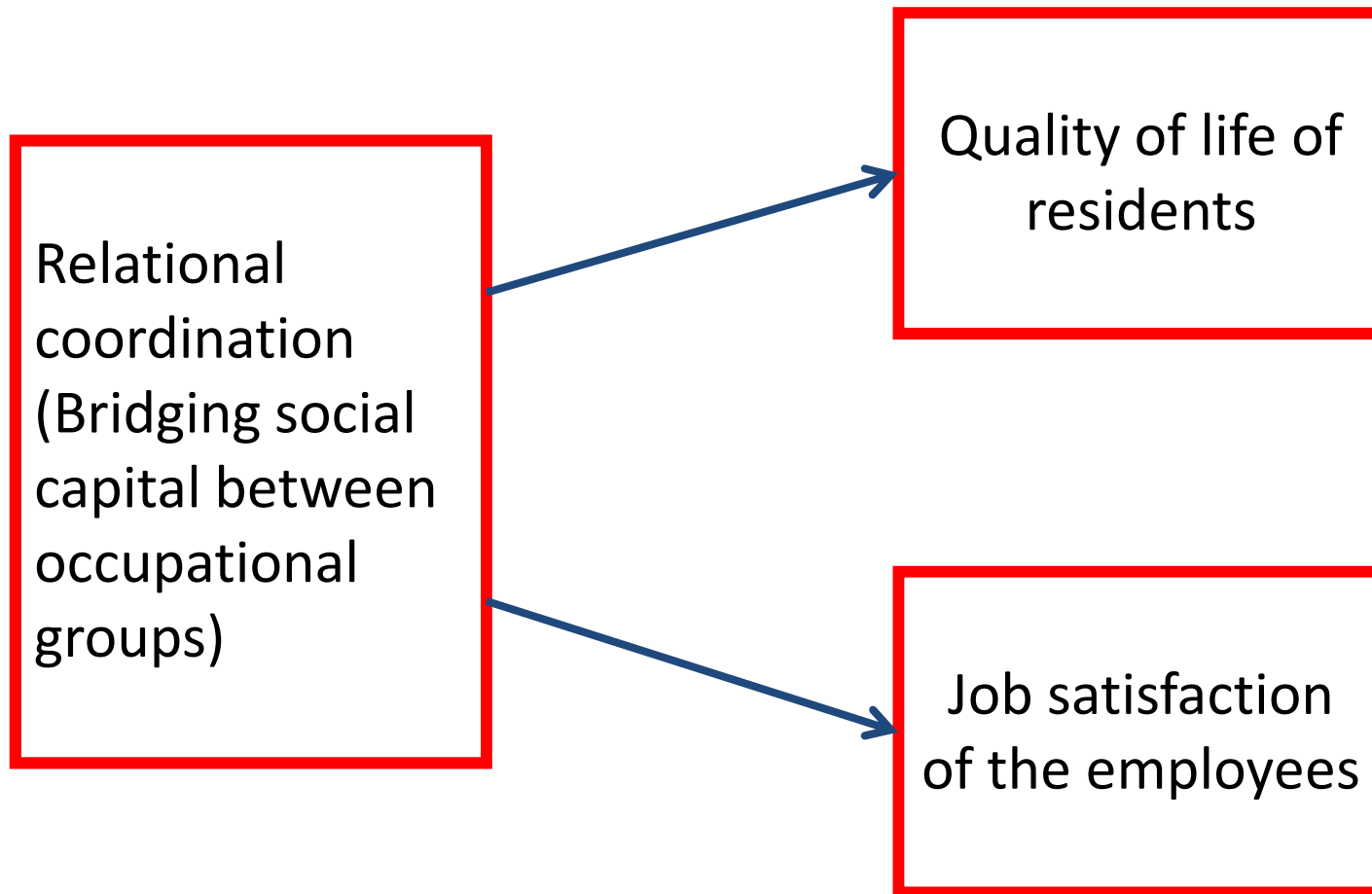
Children watch less TV in states with higher social capital



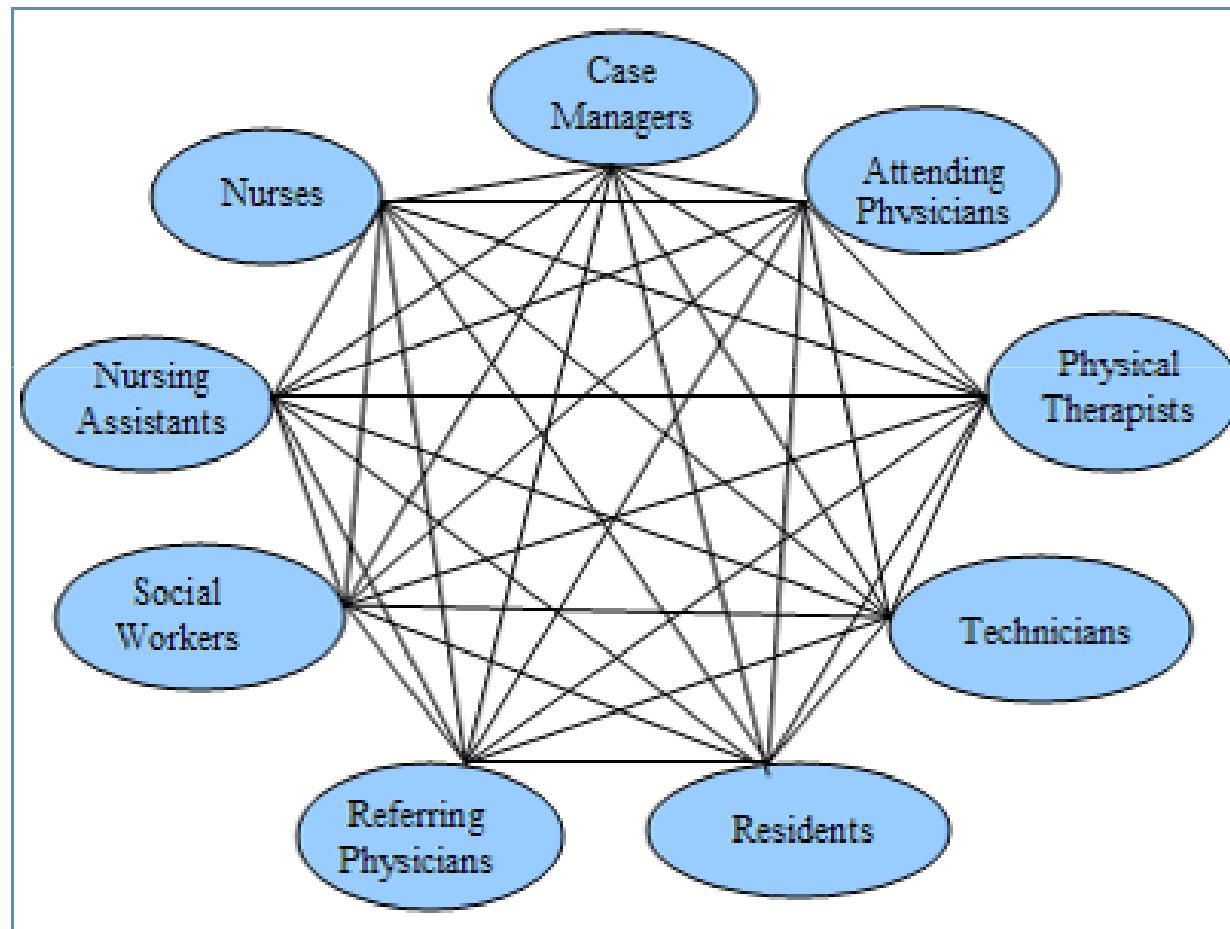
Robert Putnam. Social capital. Measurement and consequences.

Quality of life and job satisfaction at nursing homes in the US – a question of social capital

105 residents and 252 employees at 15 nursing homes



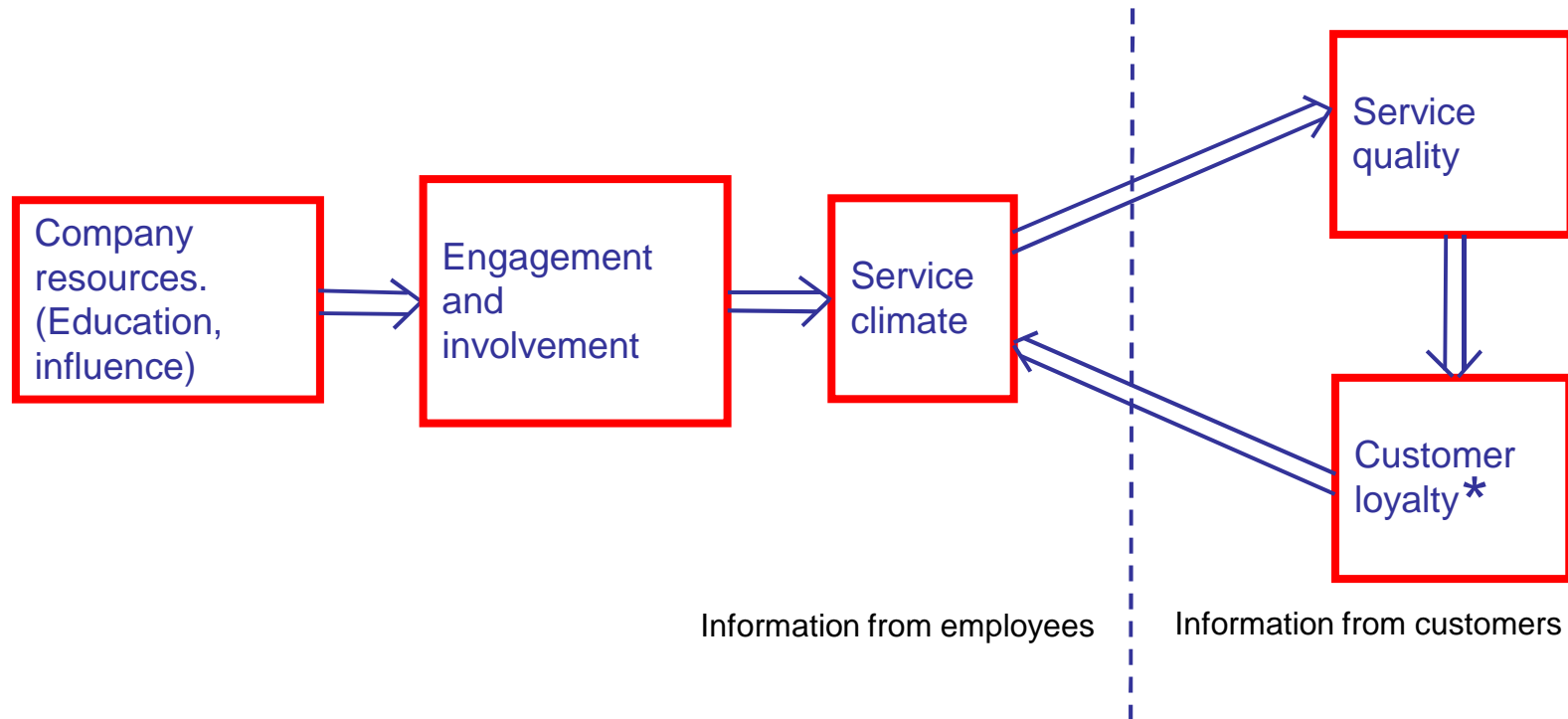
Relational coordination at hospitals



Gittell, 2009.

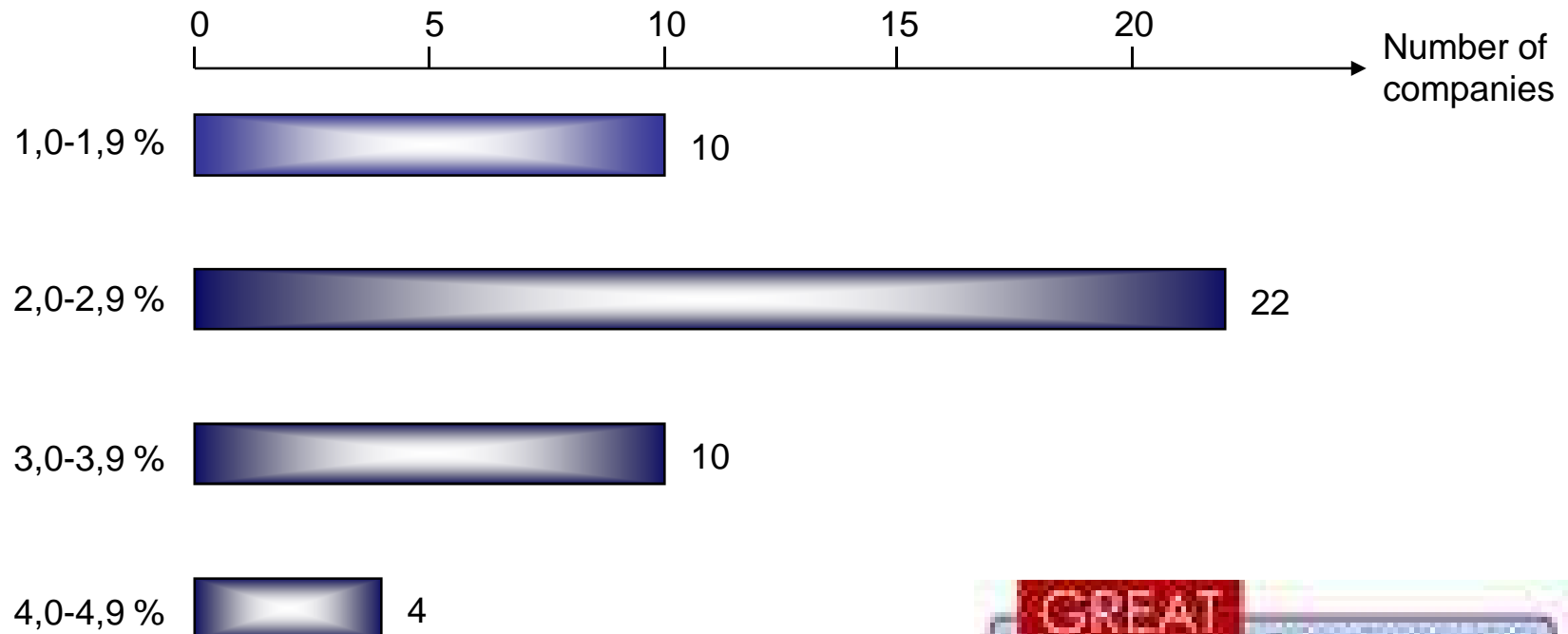
Service climate and customer loyalty in Spanish hotels and restaurants

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.

Sickness absence in the "50 best companies" of Denmark in 2008



(No information: 4)

Median absence rate 2.4 %



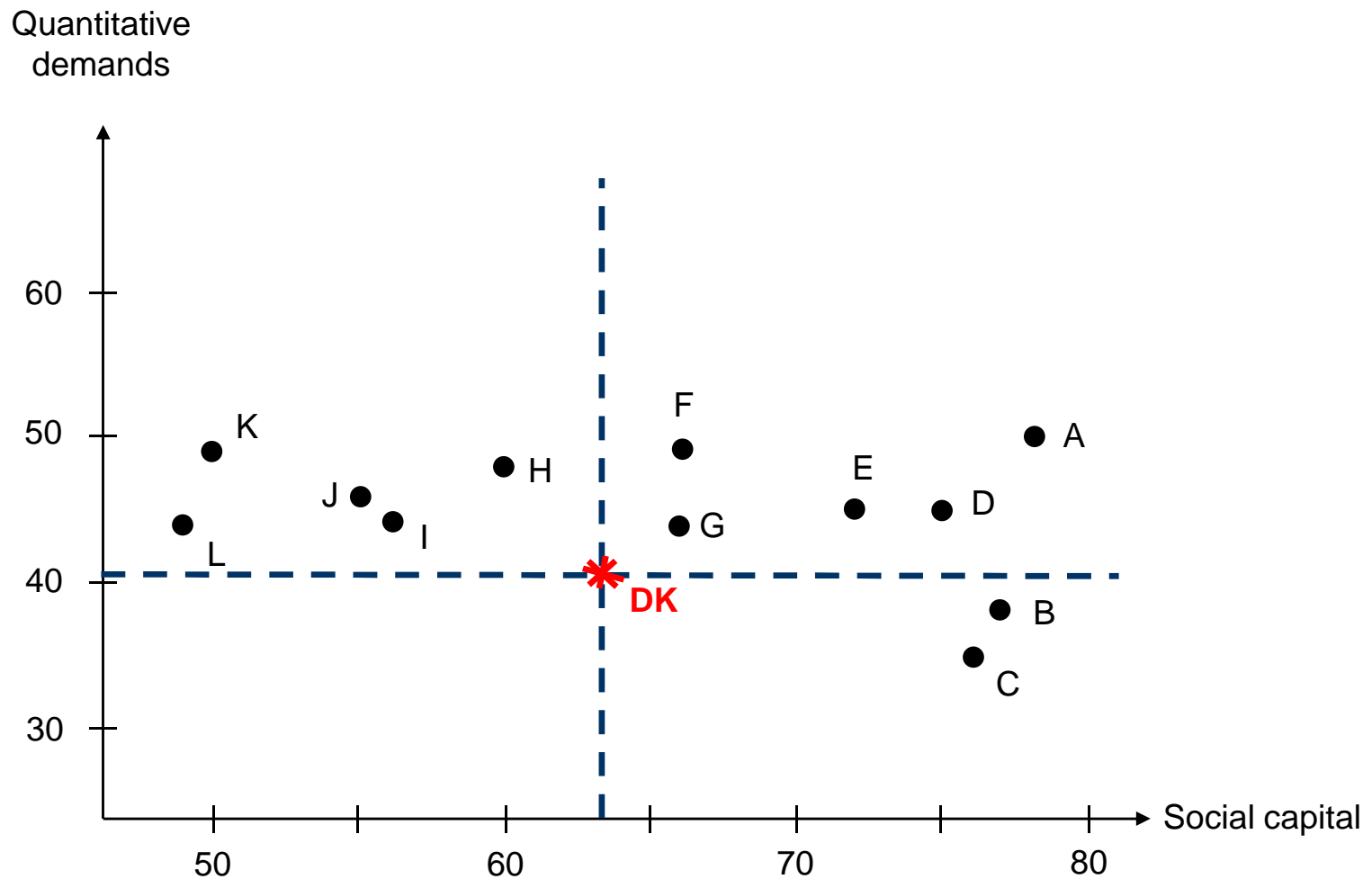
Social capital and job satisfaction

“Social capital is a better predictor of quality of life at work and job satisfaction than the characteristics of the worker, the company or organization, and the work environment”.

Requena. Social Capital, Satisfaction and Quality of Life in the Workplace. *Journal of Social Indicators Research* 2003; 61: 331-60.

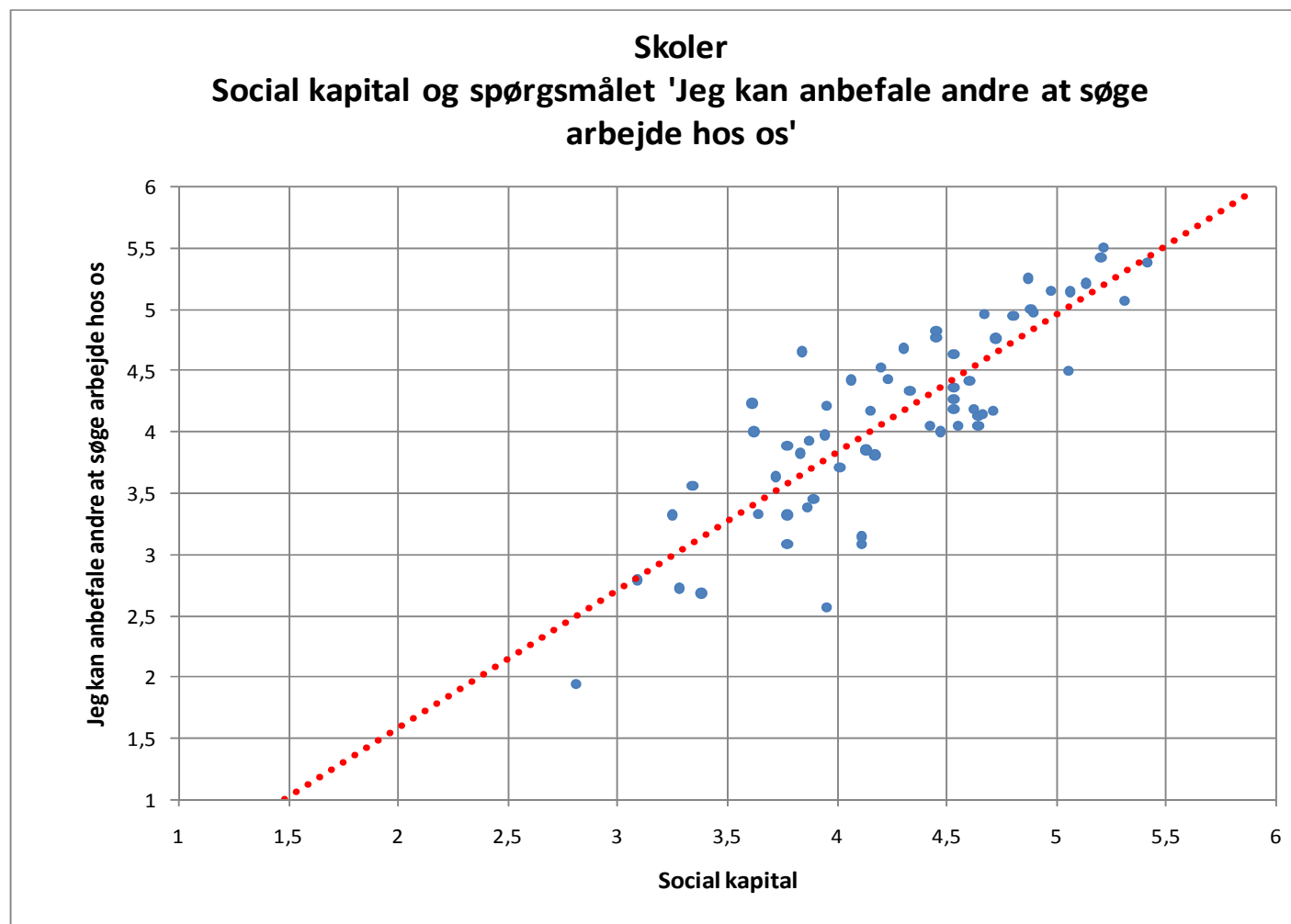


Social capital and quantitative demands at work in the schools of a Danish municipality



Social capital and the recommendation of "job at our workplace" to others

Schools in Copenhagen

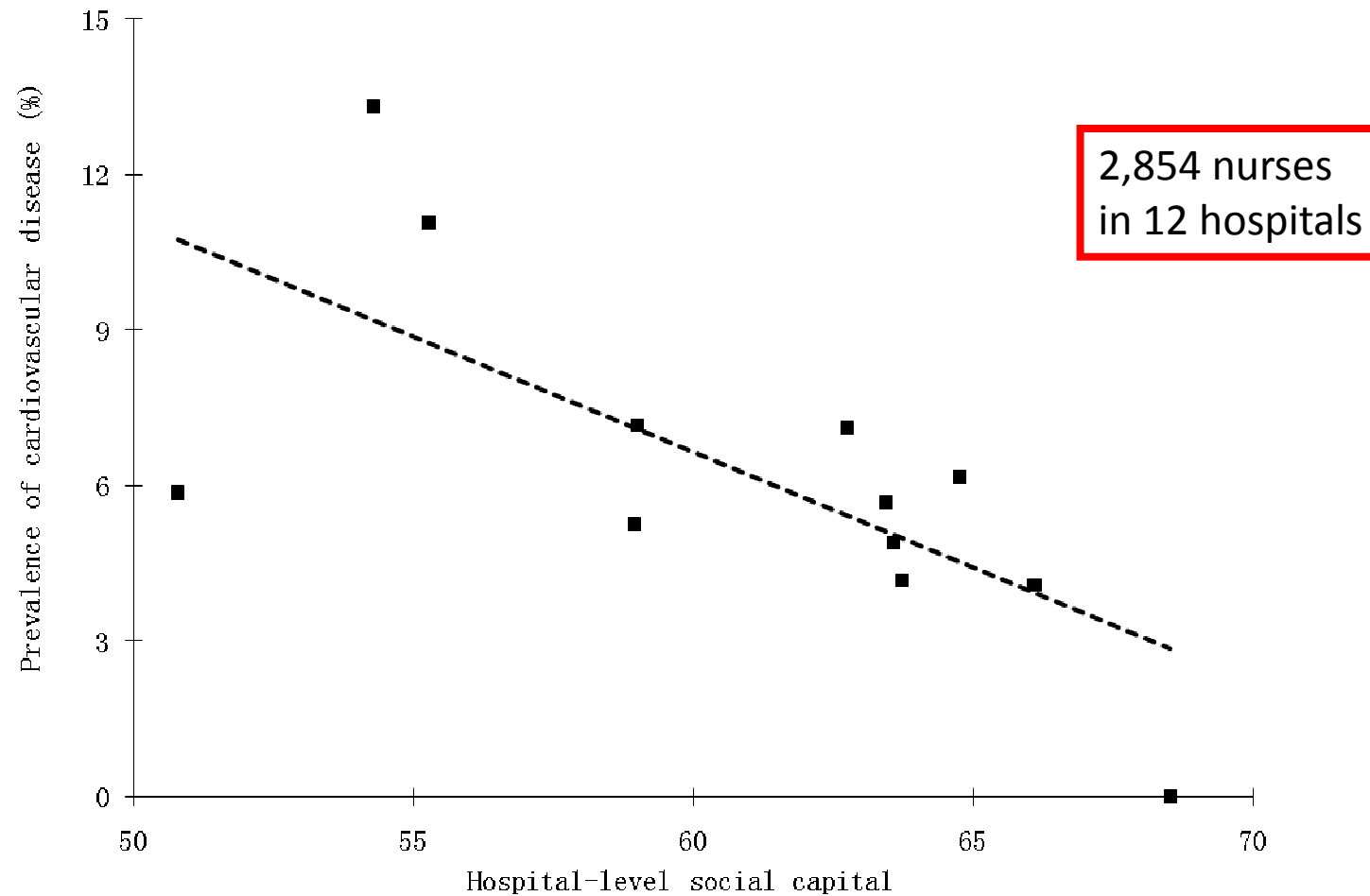


Social capital and satisfaction of school children

An analysis of the schools of Copenhagen

	How satisfied are you with your own school? (Very) satisfied	How do you feel about going to school for the time being? (Very) well
Schools with low social capital	54%	45%
Schools with high social capital	71%	52%

Social capital and the prevalence of cardiovascular disease among nurses in Chinese hospitals

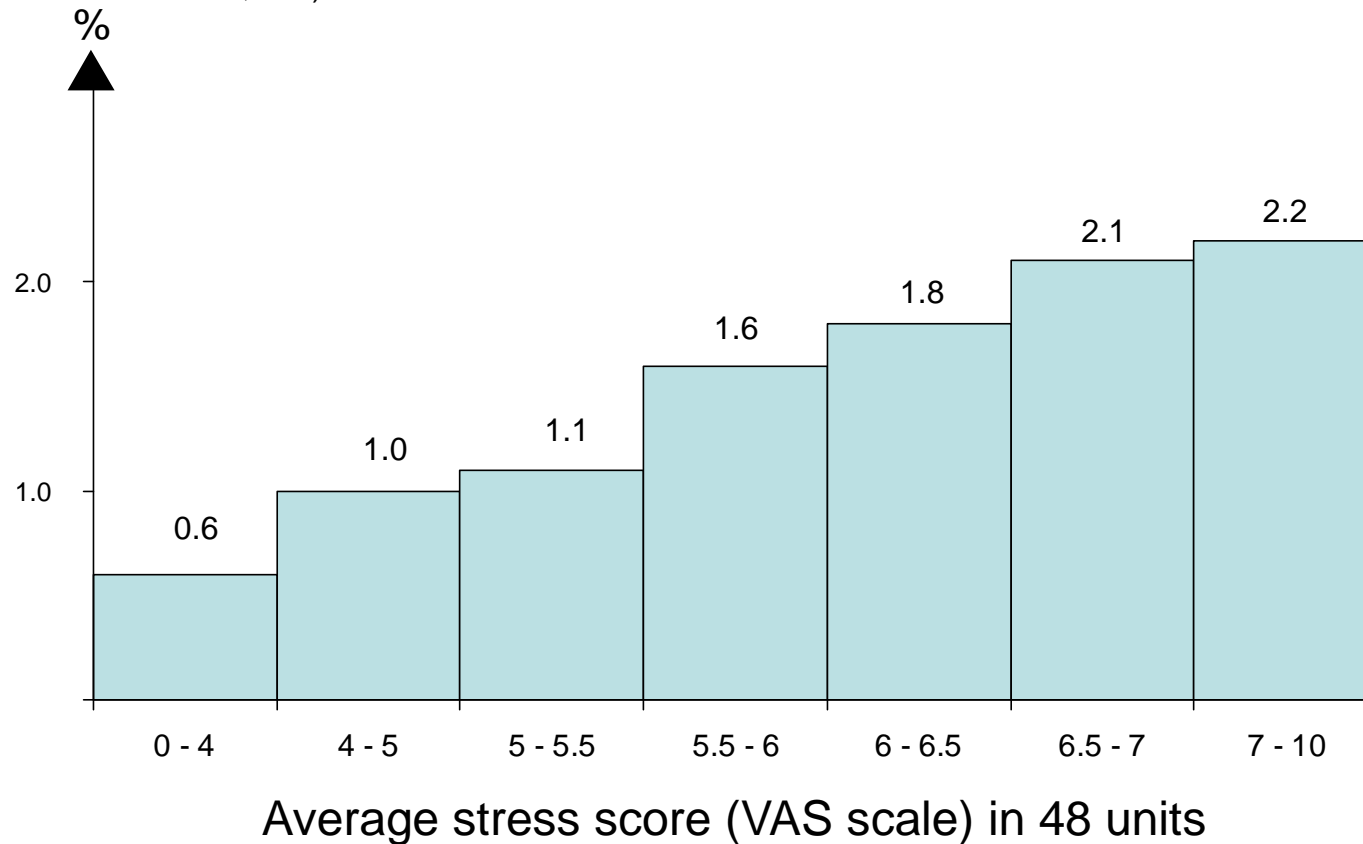


Jian Li & TS Kristensen, 2011.

Stress level among hospital nurses and critical incidents

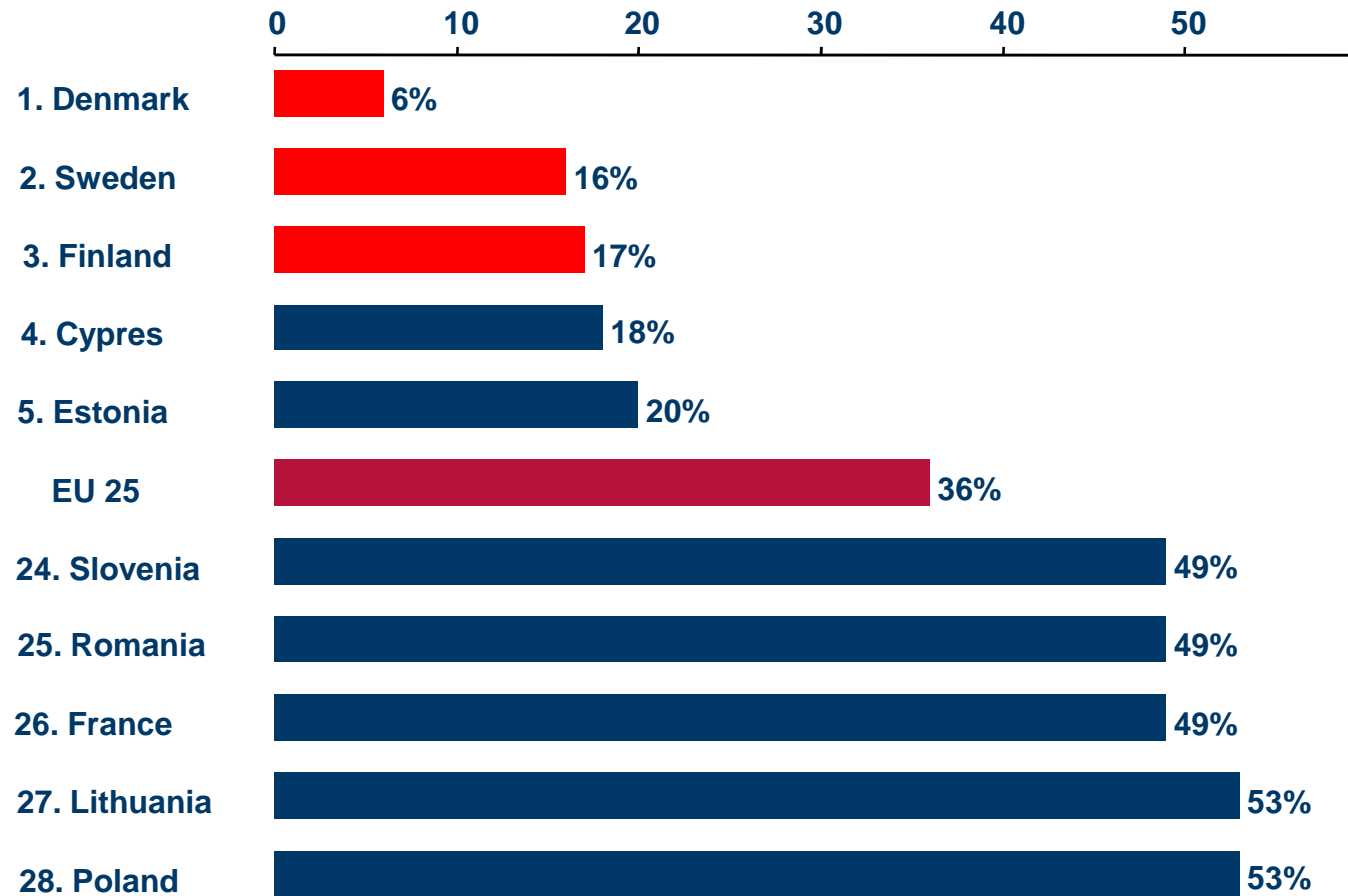
A study of 293 nurses over 3 months

Critical incidents
(falls, medication errors, etc.)



Tension between employees and employers?

Proportion reporting: "High level of tension"



EQLS, 2003.

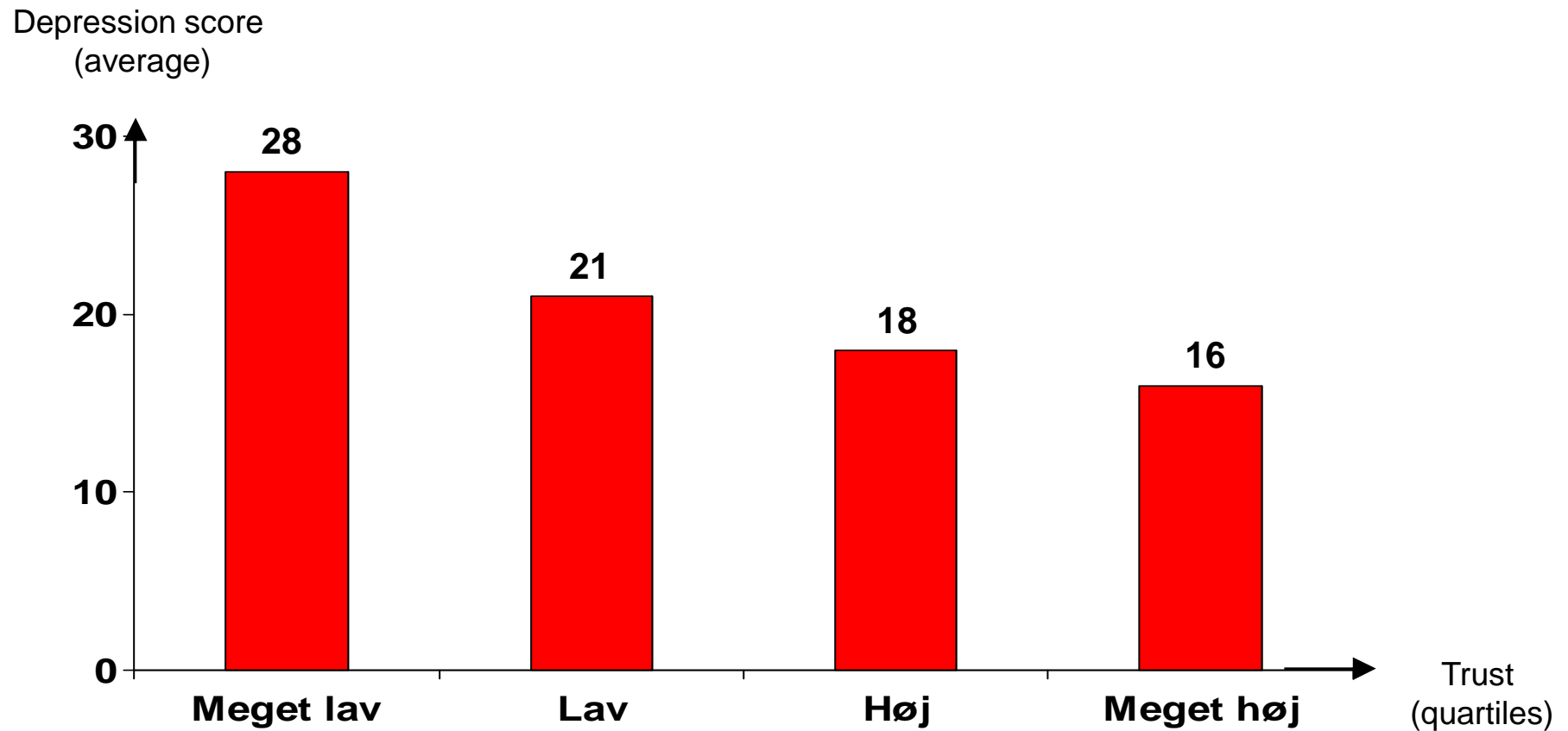
The work environment strategy of the Danish labor unions

- "The work environment strategy is built upon a number of central concepts:
- The six golden nuggets
- Workplace social capital
- Employee well-being"



"The strategy is built on the assumption that a good work environment for the employees and high competitiveness for the companies are mutually reinforcing each other and not in conflict. A good work environment promotes high competitiveness".

Trust and health: The association between vertical trust at work and average depression score



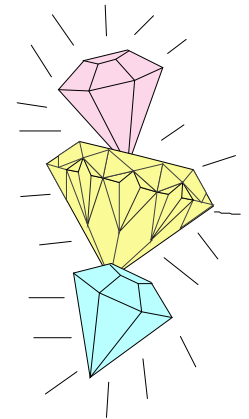
COPSOQ Study, 2005. Both scales go from 0 to 100.

What is preventing higher social capital?

- Rigid boundaries between occupations
- Agreements and laws
- Habitual thinking
- Unflexible organizations
- Hierarchies, differences in power and salaries
- Differences in education and training
- Recruitment to jobs

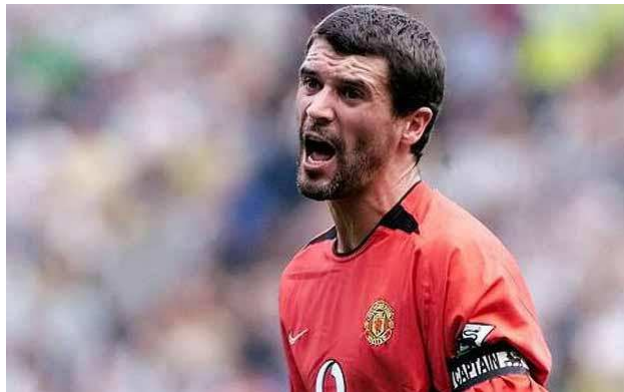
Which magical power can....

- protect nurses against heart disease in China?
- increase school grades of American school children?
- save a Danish supermarket chain from economic bankruptcy?
- transform an Indian IT-company into a unique economic success?
- increase creativity and innovation among knowledge workers in the US?
- result in higher productivity, job satisfaction, and patient satisfaction at the *same time*?



Why did Ferguson fire Roy Keane?

Roy Keane had been the captain of Manchester United for many years, but he openly criticised a number of his team-mates on TV. Then he was fired.



As short as possible.....



Who's is patient??



Gittell's model for relationships og communication



From protection to sustainability

- The old work environment thinking emphasizes reduced *risk* and *protection* of health (defensive and reactive)
- A modern concept emphasizes *sustainability*
 - Humans
 - Capital
 - Goods and raw materials
 - Energy



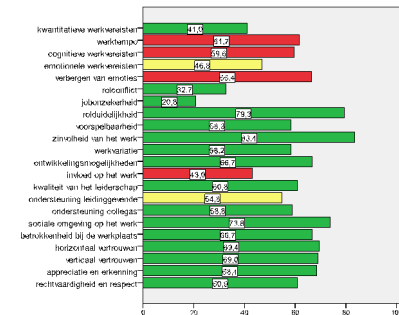
A Paparazzo photo...



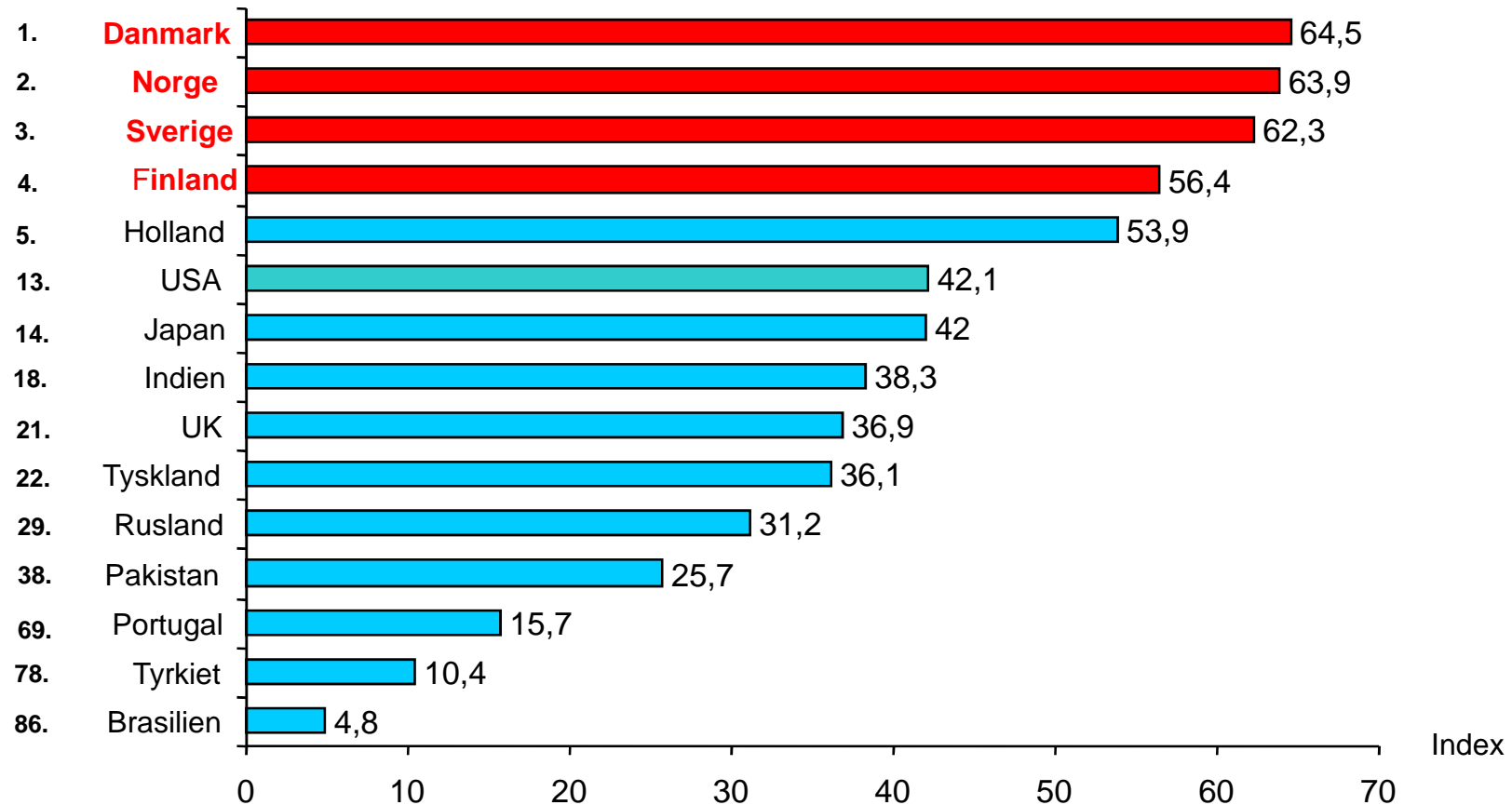
This is good branding



COPSOQ on the Internet



General trust in a number of countries – do people trust each other?

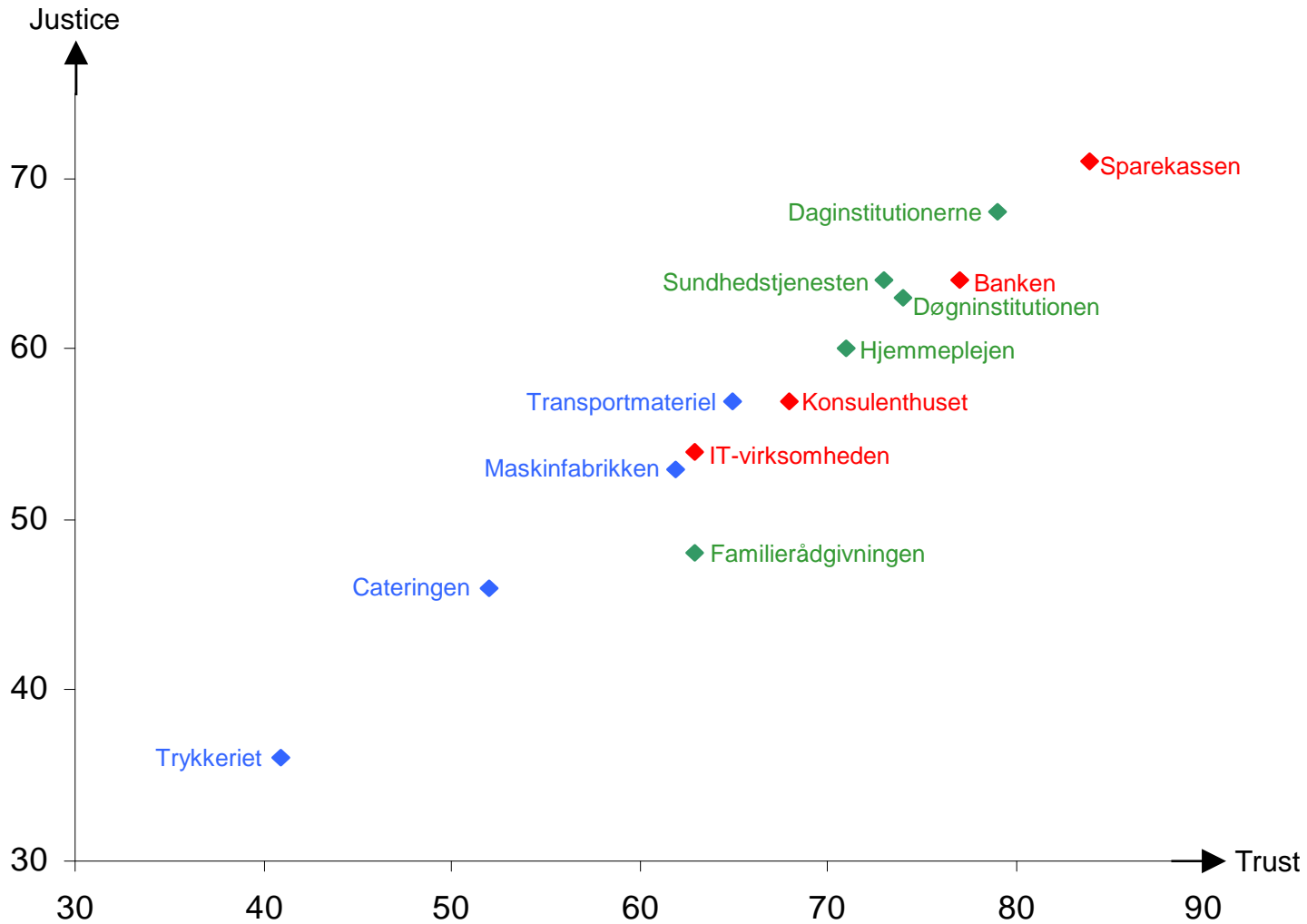


Building trust at work



- Trust is increased by being trustworthy:
 - *Consistent behavior*: Your actions are understandable and explainable
 - *Integrity*: You do what you say and say what you do
 - *Delegation of control*: You show trust by giving important tasks and power to others
 - *Demonstration of openness and attention*: You take others' points of view seriously

Trust and justice



VIPS data 2007

The six rules for a fair process



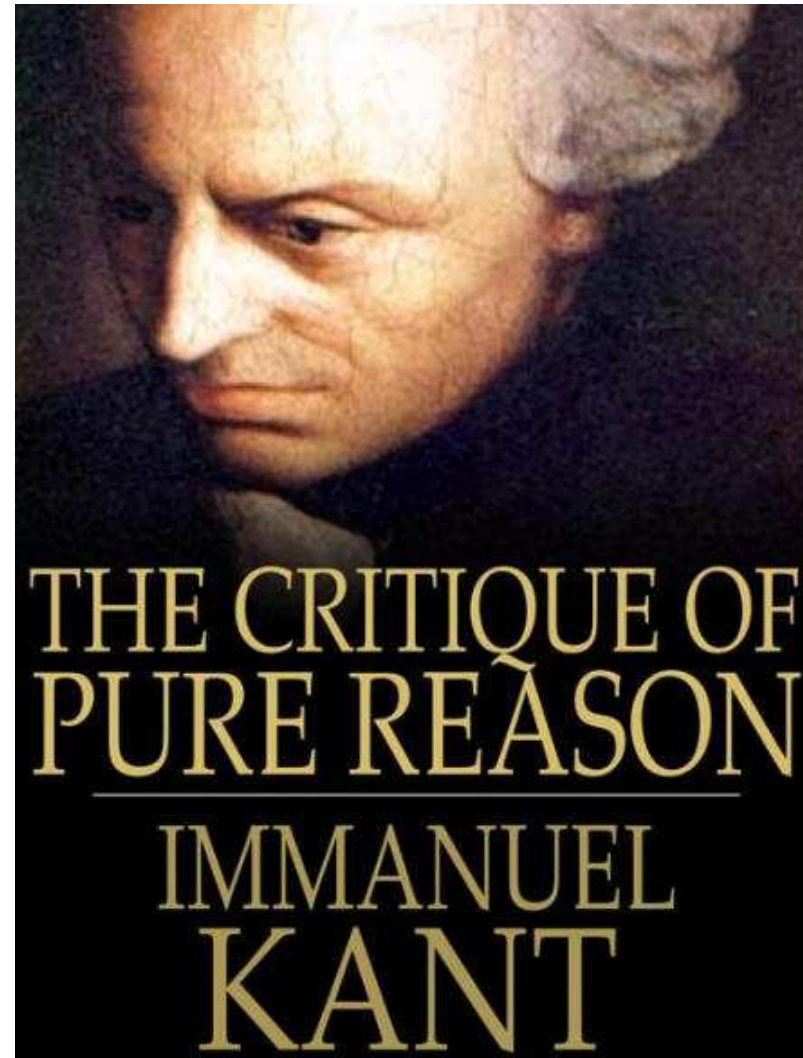
- * **Consistency.** Same procedure should be followed for all employees.
- * **Objectivity.** The personal preferences and sympathies of leaders should not influence the process.
- * **Basis for decisions.** Decisions should be based on reliable and relevant information.
- * **Appeal.** It should be possible to appeal and to have unfair and wrong decisions changed.
- * **Representation.** All involved parties should be involved and heard in the process.
- * **Ethics.** The process should be in accordance with fundamental ethical principles.

Leventhal. 1980.

Justice and power

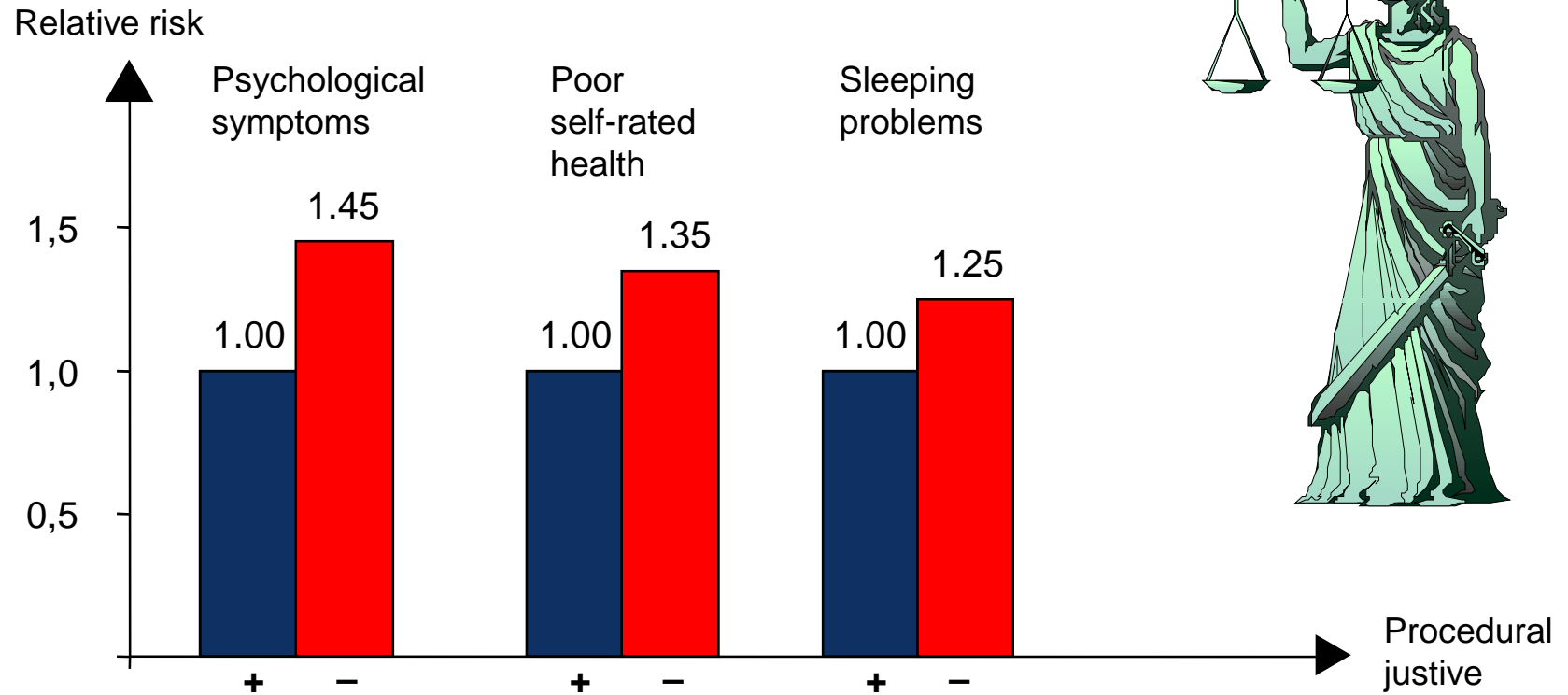
- "Justice without power is powerlessness. Power without justice is tyranny"

Immanuel Kant
(1724-1804)



Justice and health

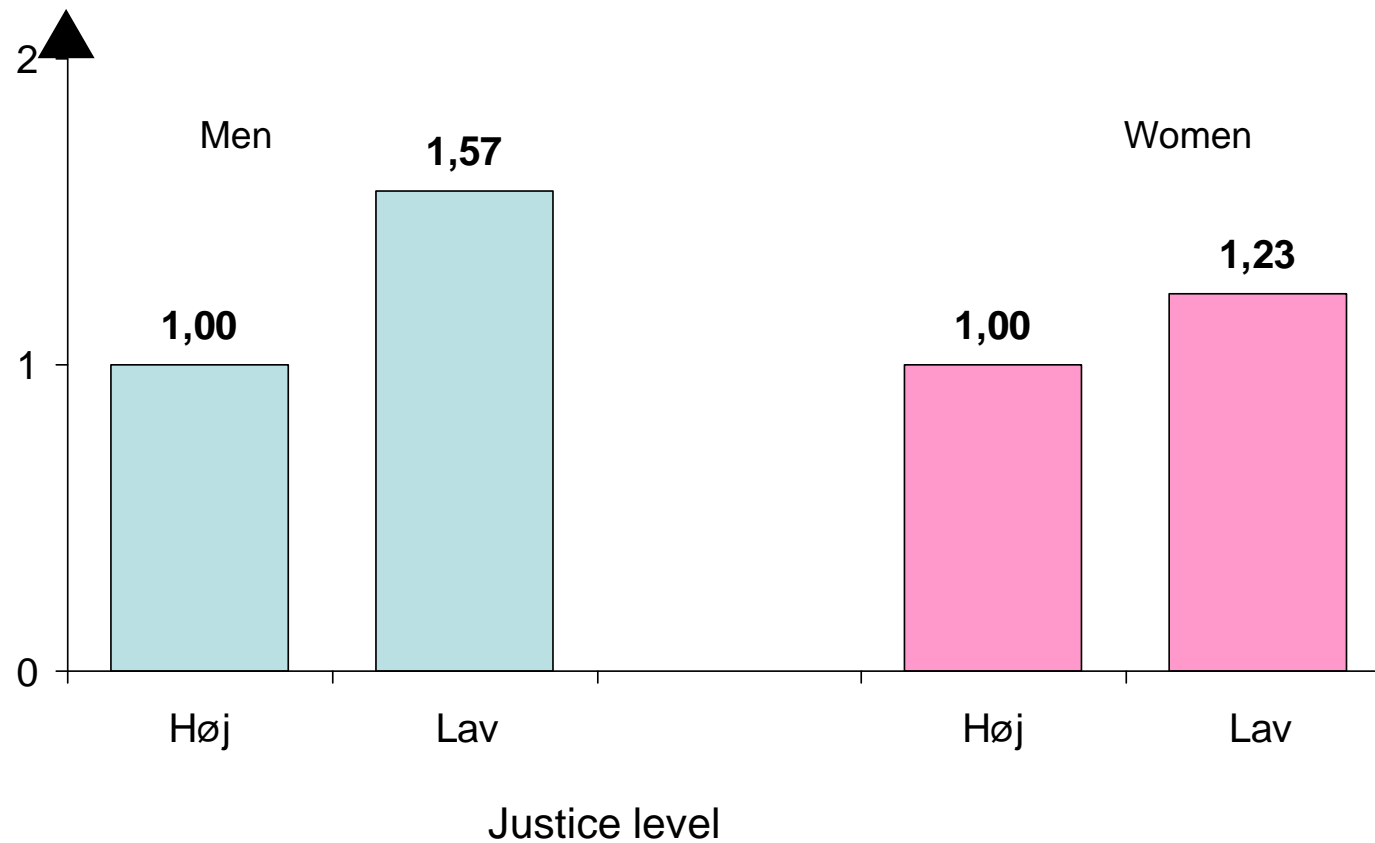
A prospective study over 2 years of 3,773 Finnish hospital employees



Justice and absence

Results from a Finnish study of 31,000 public employees

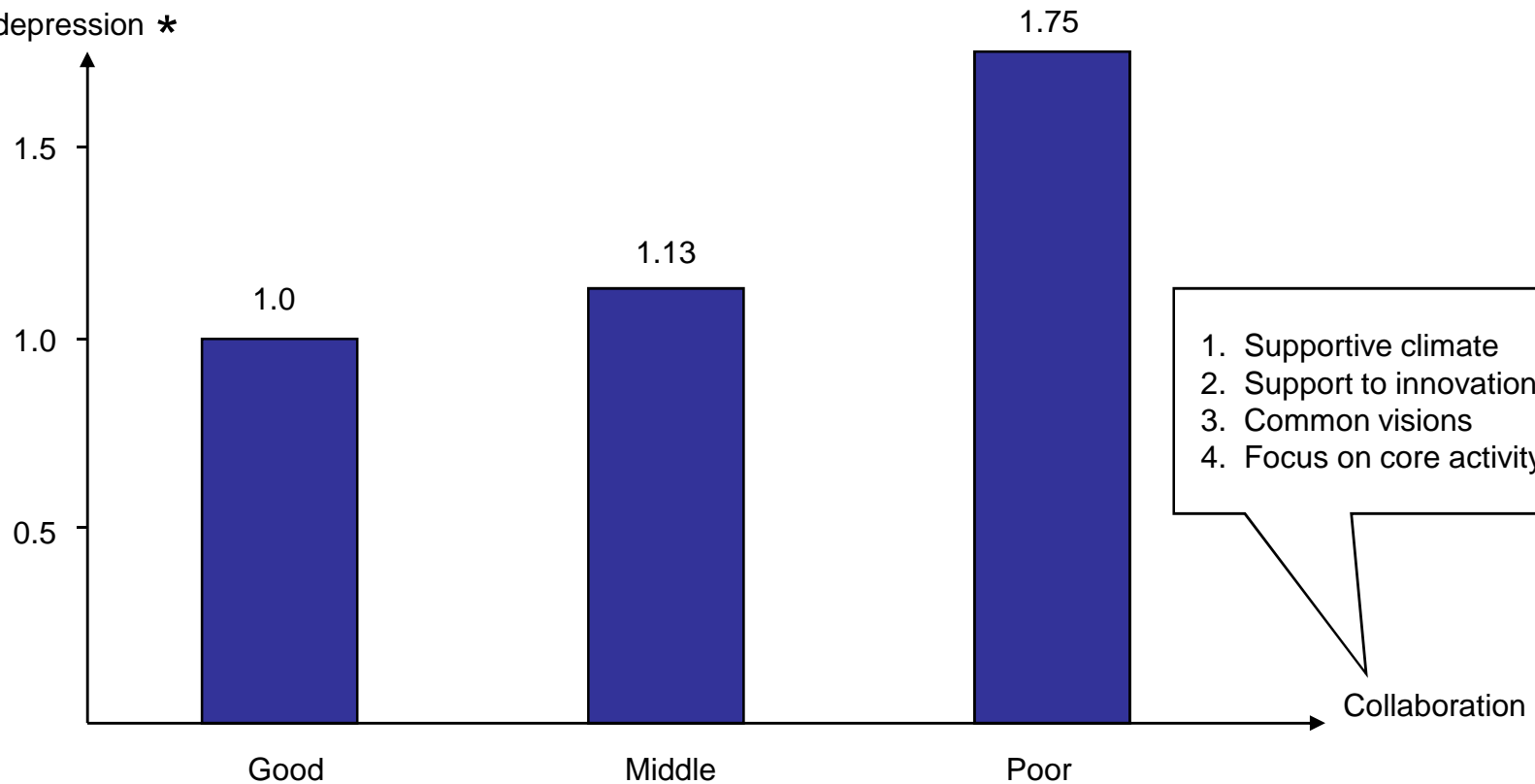
Relative risk of absence
(at least 3 days)



Poor collaboration at work and risk of depression

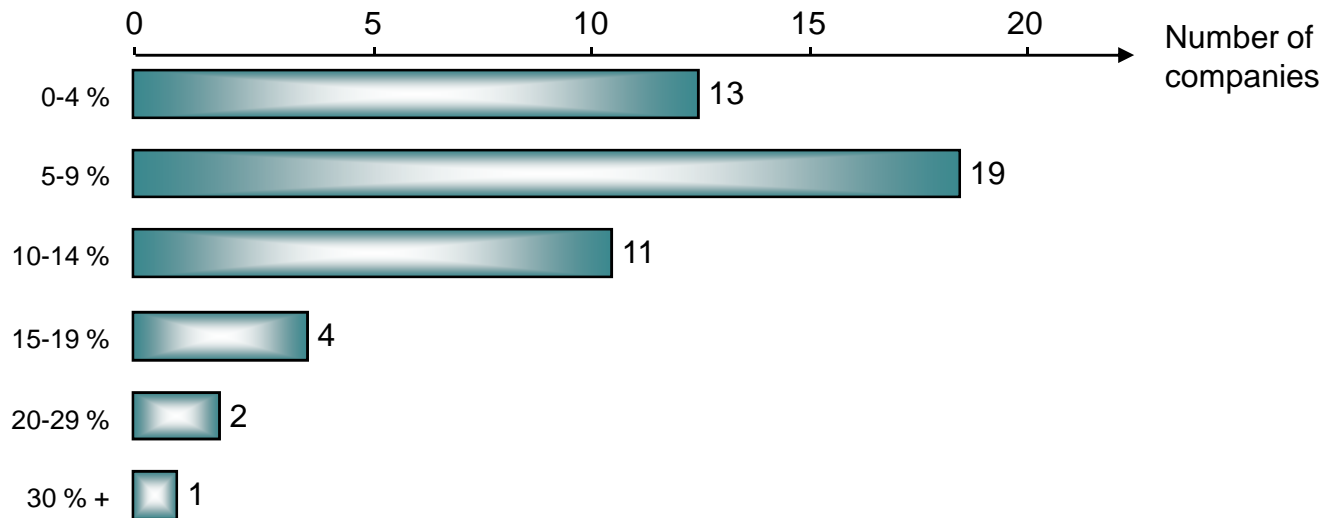
A 2-year follow-up study of 4,815 Finnish hospital employees

Relativ risiko for
at få depression *



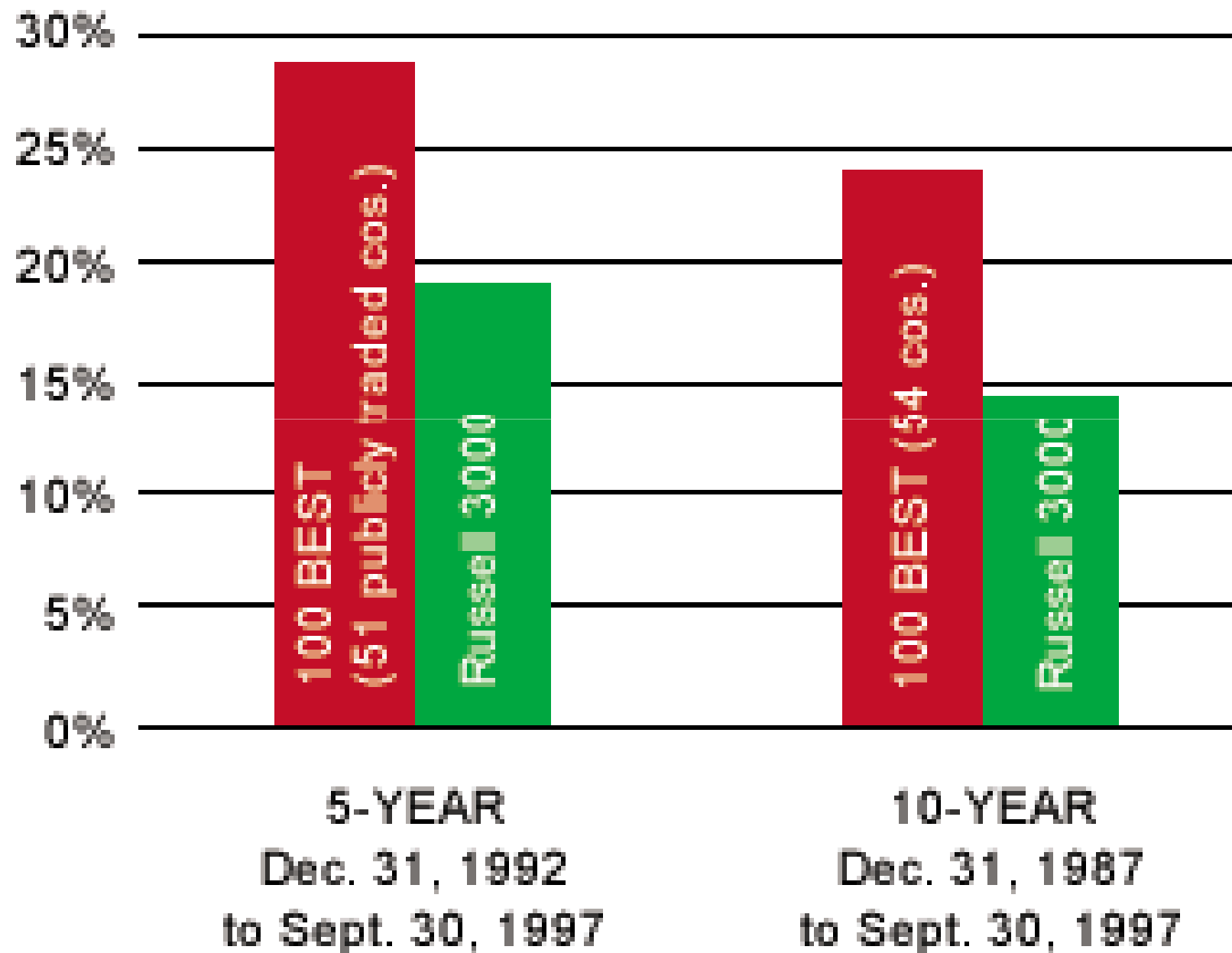
* No association with influence or demands at work

Personnel turnover at the "50 best places to work" in Denmark, 2009



Median value 8 %

Average Annual Return to Shareholders



HCL's five phases on the road

- We set impossible goals
- We look ourselves in the mirror
- We create trust through transparency
- Turning the pyramid upside down
- We delegate responsibility for strategy and change to everyone



Vineet Nayar, 2010