The science behind effective organisations:

9 factors that matter most

Winningtemp

SUCCEED TOGETHER

Which came first, the science or the platform?

When it comes to the origin of Winningtemp — an AI-driven platform that measures employee engagement in real time — this is the chicken-or-egg question. The science behind effective organisations came first, but this science IS the Winningtemp idea.

The original concept of our platform was born from the notion that there is an objective truth to be found about what drives successful organisations. Which is really to say, what exactly drives the employees that are dedicated to making them successful?

This was around 2014. By this point, research into the drivers of motivation, performance, and profitability had been constant for decades. There was good research out there — and a lot of it.

We enlisted the help of the University of Gothenburg to undertake the substantial surveying of all the existing research. Our head researcher, PhD Leif Denti, and his team identified and cross-analysed over 600 international studies. Their findings became the foundation of Winningtemp.

The results of using Winningtemp

First, did the idea work? The results show us that these universal truths about employee engagement really do work in practice. Our customers start seeing the positive impact of Winningtemp often quite quickly after its implementation. After working with the platform for just one year, on average our customers see:

- **Employee satisfaction increase by 21%**

- **Turnover decrease by 30%**

- **Stress reduced by 26%**

Why employee satisfaction matters to a company's success

Time and time again, we see that engaged workplaces perform measurably better.

- A McKinsey study found that companies that prioritised organisational health increased their earnings by 18%.

- According to Gallup, organisations with an engaged workforce are 21% more profitable.

- A study by MIT CISR shows that companies that invest in employee experience are twice as innovative, have twice as satisfied customers, and are 25% more profitable.

Fortunately, it's now possible to identify when, how, and why employees might experience a drop in performance or decide to leave their organisation altogether. Decades worth of research studies have worked to identify factors that lead a person to be happy (or unhappy) in their work. With the right technology to help apply this research, you can both understand the underlying problems and deal with them before experiencing a rise in sick leave or staff turnover.

The 9 categories — and why they matter

From the analysis of 600+ research studies, 9 categories emerged that showed the biggest impact on an employee's experience.

- **Autonomy**
- **Personal development**
- **Leadership**
- **Meaningfulness**
- **Participation**
- **Work situation**
- **Job satisfaction**
- **Commitment**
- **Team Spirit**

To arrive at these factors, our meta-analyses focused on the direct opposite of employee engagement: disengagement, as manifested by employee turnover and sickness absence. There is a specificity here that is helpful for measurements — either an employee leaves the organisation, or they don't. They go on sick leave, or they don't.

An employee leaving their organisation, for either reason, is not only unfortunate on a personal and interpersonal level — it generates several significant costs as well. Hiring and training replacements is expensive and time-consuming. Productivity is also affected, as departments inevitably spread themselves too thinly to cover the work of the departed employee and piece together the organisational knowledge they took with them.

The lead-up to the departure is important to be considered as well: how long was the employee experiencing a lack of purpose, dysfunctional team dynamics, an unbalanced work schedule — or whatever the factors may have been for them? An employee that leaves their organisation can also leave a trail of low productivity and low innovation that stretches back months, or years. There are clear signs that get ignored or are simply not registered. That's where Winningtemp comes in.
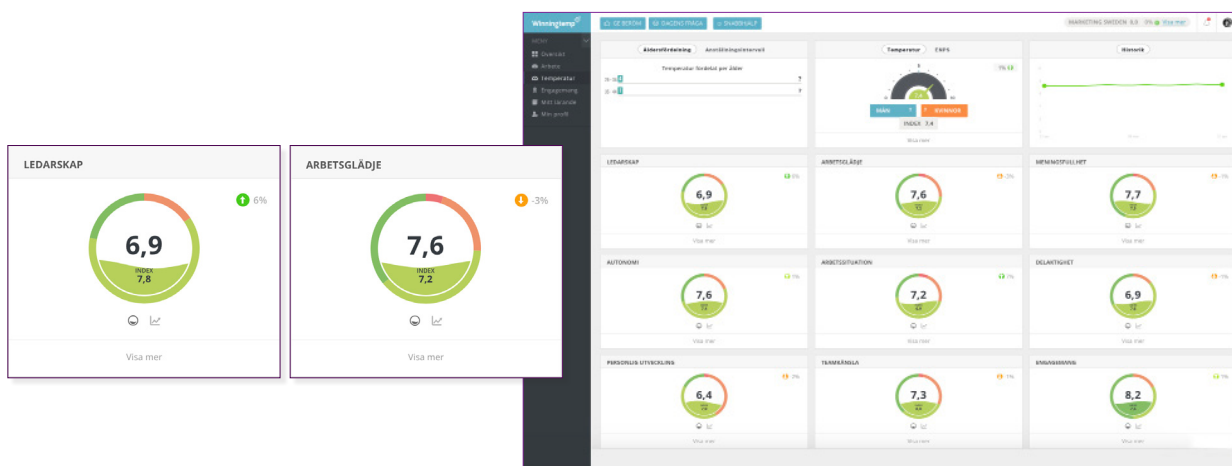
How Winningtemp works

Winningtemp leverages the "predictive validity" established in these 600+ studies to help managers, HR departments, and senior leaders understand how it's going for employees right now AND in the near future. We programmed an AI and trained it on the mathematical correlations between each of the 9 factors and the likelihood of turnover or sick leave. Our AI is then able to produce highly accurate predictions, and suggests the specific measures that can address the challenges at hand before it's too late.

The data that the AI interprets is, of course, first-hand feedback from employees as collected in regular surveys. Employees spend an average of 20 seconds per week anonymously filling in short, automated surveys. The surveys draw from a bank of 60 research-based questions, which are connected to the 9 categories.

If an employee is considering leaving their company, or is enduring conditions that could lead to burnout, this is typically reflected in their survey answers. Winningtemp's algorithms understand these triggers not only due to the research it was trained on, but also because of the millions of data points it gains as new users enter (and depart) the system. The AI can identify when survey answers start to reflect a pattern that is like the answer patterns of others who have left their organisation.

Winningtemp is thereby able to flag worrisome patterns well before a departure occurs, giving team leaders and HR managers time to act.

But it's not just about the challenges. Winningtemp also interprets the data to identify positive trends and strengths. Positivity is what drives robust collaboration, creativity, risk-taking, healthy company culture, and all the things that make for great employee experience.

The science behind the 9 factors that shape employee experience

Here is a look at the meta-analysis that proffered the 9 categories. How do these categories impact turnover and sick leave?

The nine factors are not equal in correlative strength — some showed stronger connections than others. In scientific terms, some of the categories "distal" (far away, meaning a more distant connection) and others "proximal" (close, or a strong connection). Taken together they are the top 9 factors that deserve the greatest attention if you are to create the optimal employee experience at your organisation.

1. Leadership

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Leadership involves an employee's perception of how they are managed, as well as how their team and organisation is managed.

What does the research say?

- Research shows that the leadership theory, LMX — a model that describes the dyadic working relationship between managers and employees — plays a central role in the leader's impact on performance and motivation. High-quality LMX leadership builds commitment, loyalty, and high performance over time.

- Leadership can have a strong impact on absenteeism. Yet an important nuance here is that the kind of leadership plays a significant role. It was found that supportive leadership (leaders who coach employees in their duties) shows a greater impact on reducing sick leave than relationship-based leadership (leaders who care about their employees' well-being). Without this nuance, leadership was found to have a weak impact on predicting sick leave.

- When it comes to turnover, the research shows that it's not the boss that employees want to leave; other factors like engagement and commitment were more important. That said, good leadership can help organisations be more innovative, and to a lesser degree, inspire greater commitment amongst employees. In sum, leadership is an important, yet technically distal, factor related to turnover.

How can you apply this at your workplace?

A simple thing like leaders having one-to-ones and listening to employees can make a huge difference to the wellbeing of a company. It makes employees feel seen, increases commitment, and means that leaders can more quickly develop thanks to the continuous feedback.

When managers hold one-to-ones every two weeks, this reduces the risk that employees feel burned out by a full 84%, according to a survey of 20,000 people, published in Forbes magazine. The same study shows that only 51% of employees believe their employers are good at listening to them.

> A report by Harvard Business Publishing found that 66% of those organisations that see leadership development as critical to success had a stronger market position than their competitors.

2. Autonomy

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Autonomy is the ability to act with a sense of control, to experience choice, and have the freedom to make decisions. This category speaks to how employees can control aspects of their work, such as their use of time and how they perform tasks.

Autonomy is a strong factor in predicting absenteeism, as autonomy provides a sense of control if one is experiencing a heavy workload.

The research shows that absenteeism is strongly influenced by the extent to which employees can decide how they work with their tasks and use their skills. Moreover, autonomy helps employees opt out of or postpone tasks, which reduces the risk of burnout.
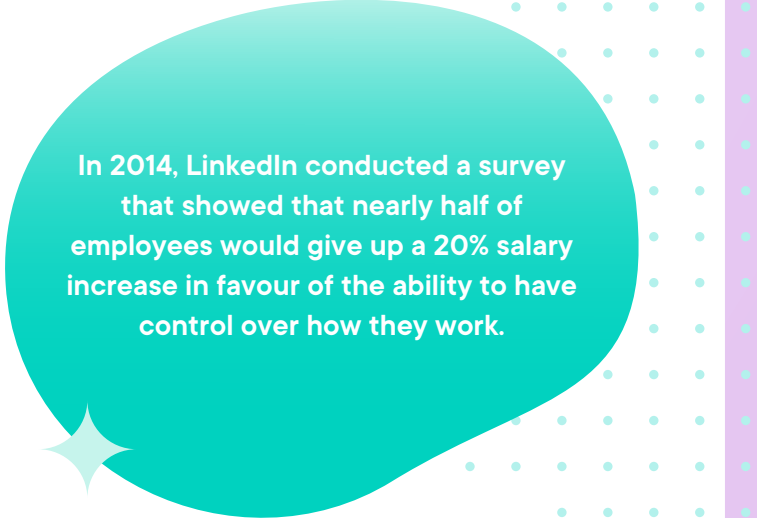
There is not equally strong evidence that autonomy can be used to anticipate staff turnover, although some research suggests a connection. In the case of complex and stressful work, one can connect autonomy to job satisfaction, motivation and creativity, but in routine and standardised work, the degree of autonomy is not as predictive.

A lack of autonomy has also been linked to chronic fatigue syndrome, while higher levels of autonomy have been linked to innovative behaviour. The research also shows positive links to job satisfaction, work performance, dedication, and motivation.

An increase in autonomy can reduce emotional stress, work-related stress, and physical discomfort.

How can you increase the degree of autonomy at your workplace?

By handing the reins over to employees and allowing them to exercise greater influence over the projects they are working on, how they work and where they work, it is likely wellbeing will rise in line with autonomy. Releasing control also enables creativity and innovation to flourish. It is worthwhile to include the topic of autonomy in weekly team meetings.

In 2014, LinkedIn conducted a survey that showed that nearly half of employees would give up a 20% salary increase in favour of the ability to have control over how they work.

3. Personal development

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Personal development includes the opportunities available for employees to develop themselves in terms of work-related knowledge, skills, and abilities, as well as personal effectiveness, teamwork, and leadership. This can also include work-life balance, productivity, stress management, and psychological counselling.

What does the research say?

- LinkedIn's 2018 Workforce Learning Report states that 93% of all employees would stay longer at a company if their employer invested in their careers and development.

- Where sick leave is concerned, there are just a handful of individual studies that draw a connection to personal development. In other words, the presence or absence of learning opportunities is not likely to impact an employee's health or comfort at their workplace.

- When it comes to turnover, however, the research shows that an "organisational learning culture" is associated with decreased turnover intentions and is positively linked with higher job satisfaction levels.

How can you implement more personal development in your business?

To the right is a classic quote that speaks to the importance of investing in your staff's personal development. Letting your employees add to their skills increases your organisation's ability to succeed.

HR expert Linus Jonkman says that the two most important aspects of helping employees to develop is to allow them to get it wrong, and to provide continuous feedback.

One example of a company that has worked to reach a higher level of personal development is GetAccept. When they noticed their Winningtemp numbers were low, they focused attention on the issue. One measure they implemented was to encourage higher levels of internal recruitment, which yielded positive results. 30% of employees, most of whom started at GetAccept in 2019, have undergone a role change within the organisation.

CFO asks CEO: "What if we invest in developing our people, and they leave us?"

CEO: "What happens if we don't, and they stay?"

4. Participation

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Participation can be defined in several ways. One definition is how helpful and involved employees are in the workings of the organisation. Another is to what extent they serve as brand ambassadors. And a third way to look at participation is how involved employees are in decision-making processes.

What does the research say?

- A meta-analysis shows that sickness absence is connected to the extent to which decision-making is distributed amongst employees.

- Participation is a medium-strong predictor of staff turnover and a strong predictor of absenteeism. Many studies have even found a connection between participation and performance.

How can you apply this to your workplace?

"We are focused on creating a culture in which we constantly listen and feedback. Did something positive happen by accident or was it by design? We must know where the problems are. Only by being brave enough to ask the questions, whether the answers are negative or not, can we possibly improve and know what to focus on." - Matt Bullock, Acorns Hospice.

By listening and acting on what you hear, your employees will feel that their perspectives matter, and that they have the power to impact their organisation's success. This leads to a greater feeling of ownership.

5. Work situation

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Work situation refers to the work itself. For example, the nature of the tasks, their psychological and physical requirements, the reward systems in place, the extent of the workload and how fairly the work seems to be distributed. Work-related stress and experiences of harassment or discrimination are included here.

What does the research say?

- The research shows the work situation is directly correlated to sick leave, turnover, stress, and burnout.

- A meta-analysis found that turbulent, insecure working conditions are strongly correlated with sick leave.

- Psychological stress in the workplace is also correlated with how often and how long employees take sick leave. The extent of the workload is a strong, but more distant, factor impacting absenteeism, and turnover too.

What have others done to improve their organisation's work situation?

One example of a carefully thought-out strategy around improving work situation is the Swedish commercial property company, Kungsleden. Employee satisfaction receives top priority, and they strive to have low levels of work-related stress amongst their employees. "In our new office there will be a light room, a yoga room, and social spaces that inspire wellness. We have collaborated with a neuro designer to help us implement the research on what makes people feel good. We want to contribute to better mental health through creating attractive, sustainable spaces," says Hanna Brandström, HR manager at Kungsleden.

6. Job satisfaction

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Job satisfaction can have several definitions, and generally covers an employee's feelings about their job, as well their thoughts and attitudes towards their workplace.

What does the research say?

Job satisfaction levels are a strong predictor of absenteeism and turnover.

- Job satisfaction appears to be a variable impacting sick leave and it has shown a correlation with both new sick leave requests and how long sick leave is taken.

- Job satisfaction also influences other factors, such as job performance, productivity, customer satisfaction, profitability, and sales figures.

- Moreover, job satisfaction appears to reduce burnout symptoms.

What can you do to increase job satisfaction in your organisation?

Giving someone public praise is an effective way to increase oxytocin levels, for both parties! Having a system where employees feel seen and appreciated, for example, by giving public praise about someone's hard work or achievements, will very likely raise job satisfaction levels.

At the outdoor apparel company Ridestore, a consistent effort is made to keep morale and job satisfaction at the highest levels. One of the Winningtemp features they use to do this is the Praise function.

"Who doesn't like to receive praise and recognition for their hard work? I love the Give Praise feature! It only takes a few seconds to do and you make someone's day a little brighter," says Alessandro, CX Italy & Content Production at Ridestore.

7. Commitment

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Commitment refers to how dedicated you feel to your work, and the extent to which you will strive to help your company fulfil its vision and goals.

What does the research say?

- Commitment levels are a moderate, but robust, predictor of absenteeism.

- Uncommitted, or unengaged, employees are less loyal to their employers.

- Organisational commitment has a significant impact on — and a predictive capacity for — both turnover and others measures of employee performance, such as sales, innovation, and goal attainment.

- Another definition of commitment, "job embeddedness", has a large impact on employee turnover. Employees with high "job embeddedness" (a high level of comfort at work resulting from their skill matched to their role, support for career goals, and social connections at work) have less intention to leave their current job. Organisations with a high level of "job embeddedness" have lower turnover.

- According to the same research, commitment also impacts productivity and profitability (the connection is weak, but positive), in addition to life satisfaction, physical wellbeing, and health.

How can you raise employee commitment levels?

An example of an international company that works hard on commitment is the SaaS business, Full Contact. They go so far as to pay their employees 7,500 US dollars to take a paid vacation every year, and they are not allowed to take job-related calls or messages during that time. They see that employees return from vacation rested, devoted to the company, and ready to work more productively than ever. They also come back with new, fresh perspectives.

"The energy that people have for their lives and work is like a bank account. They need to make energy deposits by spending time doing things that enable them to 'recharge' in order to have energy to spend on activities like work," Terry McDougall, coach and author of "Winning the Game of Work: Career Happiness and Success on Your Own Terms."

Although you may not be able to afford to pay your employees to go on extended vacations, it might be a good idea to allow more breaks and encourage them to shelve their work while they relax, so they can come back with a renewed feeling of commitment.

8. Team Spirit

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Team Spirit refers to the energy produced when people work together as a team. It involves feelings of pride, belonging, dedication, gratitude, and the willingness to go the extra mile to support one's teammates.

What does the research say?

- Team Spirit is a medium-strong predictor of absenteeism. Team Spirit also has a strong predictive effect on staff turnover. One study on the dynamics of group cohesion found that working groups with "strong" team spirit perform on average 18% better, and they are more productive. They are also more innovative because groups with strong team spirit are not afraid to question the way things are done and find new ways to solve problems.

What can you do to strengthen team spirit in your company?

"You can help people build social connections by sponsoring lunches, after-work parties, and team-building activities. It may sound like forced fun, but when people care about one another, they perform better because they don't want to let their teammates down. Adding a moderate challenge to the mix (white-water rafting counts) will speed up the social-bonding process." - Paul J Zak, author of "Trust Factor: The Science of Creating High Performance Companies."

When HR at Aqua Dental, a dental clinic franchise in Sweden, noticed it had been stressful or turbulent in a clinic, they arranged staff events to strengthen team spirit and reduce stress, which led to a rise in temperature in Winningtemp.

Other things you can do when many are working from home is to have digital meet-ups, contests, or simply put a recurring digital "tea time" with colleagues in the calendar.

9. Meaningfulness

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Meaningfulness refers to a sense of purpose. It involves feeling connected to your work and motivated to do your best to help your organisation succeed.

What does the research say?

- Meaningfulness does not seem to be a predictive factor for sick leave, but a study involving 61,302 participants found a connection between a lack of meaningfulness and long-term sick leave (over three weeks). Meaningfulness can most likely predict absenteeism to a medium degree.

- Beyond a handful of studies, the research shows generally little connection between meaningfulness and employee turnover. Meaningfulness appears to be correlated with other factors that predict absenteeism and staff turnover, but it has a weak intrinsic effect.

How can you increase feelings of meaningfulness amongst your employees?

Meaningfulness is felt when company culture is good. When a company works to create a solid foundation of personal development, trust, team spirit, participation, and good leadership, this results in stronger feelings of meaningfulness amongst employees. In practice this means that employees feel listened to by their leaders, they see their perspectives are translated into decisions and actions, and they feel that their own work makes a difference to their company's success.

Explore Winningtemp

These 9 categories serve as the scientific foundations of Winningtemp. While they are all important, know that you don't need to try to tackle all 9 categories at once. Rather, it's most effective to start small, with the easiest changes. Seeing these quick but important transformations will give you the momentum to take on the greater challenges and steadily build up a healthier, more engaged workplace.

Want to learn more about how Winningtemp can help your organisation excel in these 9 categories?

Book a demo with us today!