THIS REPORT HAS BEEN PRODUCED IN A PARTNERSHIP AMONG KRIFA AND THE HAPPINESS RESEARCH INSTITUTE IN COLLABORATION WITH TNS GALLUP

JOB SATISFACTION INDEX 2015

- What drives job satisfaction?

Lessons from a happy workforce

Kristelig Fagbevægelse

6 5

HAPPINESS RESEARCH INSTITUTE People are redefining the workplace. Previously we thought work was hell and leisure was great. That is just silly. Work can – and should be – a source of happiness, if workplaces are designed right."

John Helliwell, Professor of Economics, University of British Columbia and co-editor of the World Happiness Report



LIVING THE GOOD LIFE? YOUR JOB MAY BE MORE IMPORTANT THAN YOU THINK

What is job satisfaction? What drives it? And what does work have to do with the good life?

When we examine the determinants of workplace satisfaction, Danes often top the global rankings. In fact, according to the Eurobarometer, Denmark has the happiest workforce in Europe: 94% of Danish employees report themselves satisfied with their conditions at work.¹

We spend a big part of our lives at work, so it is natural that our work life have a direct impact on our quality of life. At a time when headlines discuss the creation of more jobs, we must not forget to also focus on creating better jobs.

So what drives job satisfaction? Why are some employees happier than others? And how can we draw inspiration from some of the happiest employees in the world to improve well-being at work on a global scale?

This report will answer these questions, and is the result of a partnership among: Krifa, one of the biggest trade unions in Denmark; TNS Gallup, a global survey firm; and The Happiness Research Institute, a think tank focusing on well-being, happiness and quality of life. It is our hope that this report will provide insight and inspiration for anyone who wants to put job satisfaction on the agenda.

SIX FACTORS EXPLAIN 71%

The academic literature exploring what drives satisfaction at work points to a long list of factors. In this report, we quantify the effect of purpose, leadership, influence, achievements, work/life balance and colleagues have on job satisfaction. These six factors explain an overwhelming share of what affects happiness in the workplace, accounting for 71% of why some people report high levels of job satisfaction. Thus, while nearly a third of respondents' motivations remain unexplored, paying attention to these six factors is a good way to affect positive change in organizational culture.

SATISFIED WITH WORKING CONDITIONS

DENMARK	94%
AUSTRIA	90%
BELGIUM	90%
FINLAND	89%
EU AVERAGE	77%
CROATIA	60%
ROMANIA	60%
SPAIN	53%
GREECE	38%
	Source: Eurobarometer 2014

I believe human happiness is a goal in itself, but what we are trying to do with our research is to look at how happiness shapes other elements in life – for instance how happiness changes productivity."

Andrew Oswald, Professor of Economics, University of Warwick

Our study also demonstrates the relative weights of each of these six factors. The effect tells us how much overall job satisfaction will increase if we increase the given factor by one point. For instance, leadership has been measured to have a related impact of 0.20. Let's say that an employee, Allan, rates his job satisfaction a 7 on a scale from 0 to 10. At the same time, his perception of the leadership in the organization is at 4 - again on a scale from 0 to 10. If Allan's perception of the leadership was to increase one point – from 4 to 5 – an increase in Allan's job satisfaction from 7 to 7.20 can be expected. conditions. Job satisfaction has been demonstrated to have a measurable impact on organizational profitability. This connection is highlighted in the World Happiness Report, which is commissioned by the United Nations and published by the Earth Institute at Columbia University.²

Employees who experience job satisfaction are less likely to call in sick and more likely to achieve more while at work. Happy employees are also more likely to generate and share new ideas and create greater cooperation among coworkers and with customers.³

A HAPPY BOTTOMLINE

However, increasing well-being at work is not the only reason why organizations should care about working

JOB SATISFACTION

We will use the term "job satisfaction" to cover the average response on the following four dimensions:

On a scale from 0 to 10, where 0 is "not at all" and 10 is "to a high degree"

- To what extent do you feel joy in your work?
- To what extent are you motivated to perform well?
- To what extent would you say your organization is a good place to work?
- To what extent did you enjoy your work yesterday?

JOB SATISFACTION



WHEN THE HAPPIEST WORKFORCE IN EUROPE IS ASKED ABOUT THE FOUR DIMENSIONS OF JOB SATISFACTION, 71% OF RESPONDENTS REPORT HIGH LEVELS OF 7 OR ABOVE.

Source: Job Satisfaction Index 2015

FACTORS

These 6 factors effect job satisfaction



PURPOSE

A sense of purpose in our work has a big impact on our job satisfaction. We must be able to identify meaning and purpose in order to achieve happiness at work.



LEADERSHIP

Our managers affect all aspects of our work conditions, from the nature of specific tasks to the overall culture in the workplace. Managers can therefore be said to have a big effect on our job satisfaction.



INFLUENCE

Feeling as though we are able to influence our working conditions has a positive effect on our job satisfaction. If we can decide when, how and with whom we do our task it improves well-being at work.



ACHIEVEMENTS

We may experience achievements great and small, some achieved collectively and others by ourselves. Common to all is that they improve our job satisfaction.



WORK/LIFE BALANCE

Our job satisfaction is improved when we feel as though there is a balance between the amount of work we have and the time we have to accomplish it. But balance also involves establishing a healthy relationship between our professional life and our private life.



COLLEAGUES

Apart from our closest family, our colleagues are often the people with whom we spend the most time. Naturally, the social relations we establish at work affects our happiness.

JOB SATISFACTION INDEX 2015

JOB SATISFACTION IN THE HAPPIEST WORKFORCE



THE TEMPERATURE OF THE SIX FACTORS WHICH AFFECTS THE JOB SATISFACTION

The figures below is a calculated index on a scale from 0 to 100. In the years to come, we will take an annual temperature on job satisfaction and on those factors which affect it.



OVERVIEW

WHAT HAS THE BIGGEST EFFECT ON JOB SATISFACTION?

The six factors of the study all show an effect on job satisfaction. However, some factors affect it more than others. Focusing on purpose might be the most effective way of increasing job satisfaction.



The good life also entails a good work life

WHAT DO PEOPLE *THINK* HAVE AN EFFECT ON THE JOB SATISFACTION?

PERCEPTION

- 1. PURPOSE
- 2. COLLEAGUES
- 3. INFLUENCE
- 4. ACHIEVEMENTS
- 5. LEADERSHIP
- 6. WORK/LIFE BALANCE

All the respondents were asked to estimate how important the six factors are for their job satisfaction. The estimations were, however, quite different from what the analysis showed actually correlated with the respondents job satisfaction.

REALITY

- 1. PURPOSE
- 2. LEADERSHIP
- 3. WORK/LIFE BALANCE
- 4. INFLUENCE
- 5. ACHIEVEMENTS
- 6. COLLEAGUES



PRIORITY OVERVIEW

Source: Job Satisfaction Index 2015



PURPOSE



The belief that your work has purpose has a strong positive correlation with job satisfaction. In fact, the study shows it is the factor that affects well-being at work the most.

Cynthia Fisher, Professor of Management at Bond University in Australia, describes how people design their work so purpose takes centre stage. They do this because it matters greatly to job satisfaction to feel that you are contributing through your work – that you are proud of what you do.

Earlier studies have emphasized the relationship between a sense of purpose at work and job satisfaction. Peter Warr, Professor Emeritus at the Institute of Work Psychology at the University of Sheffield, points out how he increasingly has had to acknowledge how purpose is one of the most fundamental factors for our satisfaction at work and life in general. Our survey results support this point.

The study shows that if our sense of purpose increases by 1 point, our job satisfaction will increase by 0.42 points. For comparison, results suggest the factor with the second greatest effect on job satisfaction is leadership at 0.20 points – less than half as important.

The importance of purpose stems from an existential preoccupation many people have with the meaning of life and aligning their work with their belief structure. By increasing the sense of purpose among employees, job satisfaction is thus likely to increase. This could mark an overlooked opportunity to increase

PURPOSE AND JOB SATISFACTION

JOB SATISFACTION



THE MORE MEANINGFUL YOU FIND YOUR WORK, THE GREATER YOUR JOB SATISFACTION WILL BE. THE FIGURE ABOVE SHOWS THE CONNECTION BETWEEN JOB SATISFACTION AND ONE DIMENSION OF HAVING A SENSE OF PURPOSE.

Source: Job Satisfaction Index 2015

employee morale in many workplaces. It also underscores that well-being at work is about many other things than perks such as massages and fruit bowls – and does not have to be something that involves costs for the organization.

People are happy when they contribute to something that is bigger than themselves."

Cynthia Fisher, Professor of Management, Bond University

LEADERSHIP



Leadership significantly affects job satisfaction – and far more than employees realize.

People tend to underestimate the importance of the effect of leadership on their well-being at work. When asked what affects their satisfaction, only 8% point to their manager compared to factors related to their sense of purpose (18%) and their colleagues (14%). However, our study shows that the quality of the relationship with our managers affects job satisfaction, which is four times greater than the effect of our colleagues.

Our perception of what characterizes a great leader or manager may differ, however, the literature suggests that two basic qualities are particularly important: The manager must possess professional expertise and have social competencies while understanding employees' needs and circumstances.

Many an employee has experienced how a bad manager can diminish the morale and motivation of an entire team. To such people it may not come as a surprise that the study finds leadership to be the second-most important factor affecting our happiness at work. If our perception of our manager is improved by one point, it will result in an increase of 0.2 points on our job satisfaction.

The significant influence of leadership on workplace happiness may be caused by the fact that our managers influence almost all aspects of our working conditions – everything from the specific nature of our daily tasks and ensuring our input into decision-making processes to the manner in which our contributions are evaluated is within their sphere of influence. Our study indicates the importance of this role deserves recognition. According to Simon Sinek, author of "Start With Why: How Great Leaders Inspire Everyone to Take Action", a great leader is like a parent – a person who makes his or her employees feel secure, and guides them in difficult situations. And just as with parents, this role should balance friendship with leadership and competent direction.

The study and related literature also highlight the importance of employee recognition and praise as key indicators when measuring the calibre of leadership. Practicing constructive feedback and appraisal positively affects improves leadership ratings by employees.



LEADERSHIP AND JOB SATISFACTION

TO WHAT EXTENT DO YOU EXPERIENCE YOUR CLOSEST MANAGER HAS PROFESSIONAL EX-PERTISE?

TO WHAT EXTENT DO YOU EXPERIENCE YOUR CLOSEST MANAGER CONTRIBUTES TO THE CULTURE AT WORK IN A POSITIVE WAY?

Any manager must balance two goals: Joy and efficiency. It means that the manager must act as a friend and a boss."

Peter Warr, Professor Emeritus at the Institute of Work Psychology, University of Sheffield

INFLUENCE



Having a say in how your work is structured increases job satisfaction. In general, being part of the decisionmaking process significantly impacts job satisfaction.

What exactly does influence mean? According to Daniel Pink, the bestselling author of "Drive – The Surprising Truth About What Motivates Us", influence on ideally happens in four dimensions: Tasks (what you do), time (when you do it), team (who you do it with) and technique (how you do it).⁴

As Professor of Management Cynthia Fisher points out in her article "Happiness at work", no one in the world experiences more workplace autonomy, or happiness, than Danes.⁵ So what is the connection between being involved in decisions and job satisfaction?

A group of researchers from the University of Rochester propose what they describe as the Self-Determination theory. This theory underlines that autonomy and freedom are essential to overall well-being. Workplaces that encourage autonomy and freedom by involving employees in decisions sustain these needs - resulting in a happier workforce.⁶

Our study indicates a strong positive correlation between employees that experience a feeling of autonomy and those that report their organization is a good place to work. The more employees are involved in decisions, the more likely they will be to thrive in the workplace. Our study also shows a big difference in the level of involvement of employees in the decision-making process. While half of respondents exert significant influence (represented by a 9 or 10 on our survey) over how they do their tasks, only 6% report the same level of involvement when it comes to the longterm strategy of the organization.

JOB SATISFACTION



THE MORE EMPLOYEES EXPERIENCE BEING INVOLVED IN DECISIONS, THE HIGHER THEIR JOB SATISFACTION.

Source: Job Satisfaction Index 2015

To create happiness at work, it is crucial that employees feel they have a choice in when, where and how the task is done."

Amy Blankson, Chief Operating Officer, GoodThink Inc.

SHARE OF PEOPLE ANSWERING 9 OR 10

ON A SCALE FROM 0 TO 10

To what extent do you have influence on how you do your tasks?	49%
To what extext do you have influence on how your tasks are structure and planned?	37%
To what extent do you experience having influence at your workplace?	20%
To what extent do you experience having influence on important decisions that affect your work?	18%
To what extent do you have influence on the strategy of your workplace?	6%

ACHIEVEMENTS

ACHIEVEMENTS



LEVEL OF INFLUENCE

Having to deliver results and meet pre-determined objectives are common experiences for employees. But how do these criteria influence job satisfaction?

Are you one of those people that adds an item to a to-do list purely for the satisfaction of crossing it off? If so, you are likely already familiar with the joy of achievement.

Several scholars point to achievement as a key driver of job satisfaction. Research undertaken by Teresa Amabile, Harvard Business School Professor and Director of research, shows that small victories and accomplishments are crucial to employees believing they are making progress and reaping the benefits of a positive experience in the workplace.⁷

Similarly, Martin Seligman, Professor of Psychology at the University of Pennsylvania, believes that happiness can be driven in part by the pleasure of accomplishing things. He argues that humans seek results for the sake of results, simply because we derive pleasure from accomplishment. The results of our study support this argument to a degree. As increasing the feeling of employee achievement by 1 point drives an increase in job satisfaction by one-tenth of a point, it can be said there is evidence that achievement leads, to a limited extent, to feelings of happiness. The reason for this may be that while one may briefly associate a moment of euphoria when a goal is achieved, a new objective soon takes its place. Another explanation is that an orientation towards specific and measurable goals may not be compatible with all types of jobs.

At the same time, research shows that the satisfaction of achieving a goal is very much dependent on who sets a particular goal. According to Cary Cooper, Professor of Organizational Psychology & Health at Lancaster University Management School, employee productivity is impacted more significantly by achieving self-determined objectives than by achieving those dictated by management. When we talk about work/life balance, we often think of two scales. However, I believe a more fitting image would be walking on a tightrope: Because we are constantly challenged to find our balance. Every time we take a step forward, we are potentially out of balance. Balance is not a static concept."

Hans Jørgen Limborg, Ph.D., Psycho-social working environment, University of Roskilde

WORK/LIFE BALANCE



Job satisfaction is not only affected in the workplace. Part of our well-being at work also arises from experiencing a balance between work life and private life.

Most people have at some point experienced an unsustainable work-life balance, when there doesn't seem to be enough hours in the day for each priority: career, family, fitness, friendship, and community all place competing demands on a finite amount of time. To be happy, it is important to achieve balance between the things that matter.

In this study, we examined two different kinds of balance. First, do employees feel there is sufficient time to complete their tasks at work? Second, do employees feel there is a balance between their working life and private life?

Imbalance between any of these dimensions will have a negative effect on job satisfaction. Our study found that for each one-point increase in employee perception of balance leads to an increase in job satisfaction of 0.14 points. A reason balance does not play a more significant role might be that while employees indicate a desire for reasonable work-life-balance, it may not be something that significantly effects our perception of job satisfaction. Only 16% of Danes experience very good (9 or 10 on a scale from 0 to 10) balance between their tasks and the time allotted to complete them. At the same time, only 7% describe this balance as very poor. The vast majority of people fall in the middle group between the two extremes.



THE BALANCE BETWEEN TASKS AND TIME

PEOPLE HAVE VERY DIFFERENT PERCEPTIONS OF WHETHER THERE IS ENOUGH TIME TO DO THEIR TASKS AT WORK.

Source: Job Satisfaction Index 2015.

THE EXPERIENCE OF BALANCE

SHARE OF PEOPLE ANSWERING 9 OR 10 ON A SCALE FROM 0 TO 10



People experience a better balance between work and life than between the amount of tasks and the time to solve them.

COLLEAGUES



Our colleagues are likely to be the people we spend the most time with apart from our closest family. Having a good relationship with your colleagues improves not only satisfaction at work, but satisfaction with life as well.

People are social beings and our relationships with other people play a vital role for our general wellbeing. Therefore, it is also important to feel part of the social network at work.

Cary Cooper, Professor of Organizational Psychology and Health at Lancaster University, points out that even though modern technology has made it possible to work from home, most people still choose to go to the office – among other things because of the social contact.

Most of us want to be recognized by our peers and colleagues. Social recognition includes appraisal and other forms of positive feedback, which provide us with a sense of being seen and valued. We want to feel like part of the herd – and an important and recognized member of it. The sense of being held in high regard by our colleagues thus can be said to influence job satisfaction.

However, this effect is smaller than expected. While employees frequently identify their colleagues as a strong influence on job satisfaction, survey data appears to only explain a minor variation in workplace happiness. Interestingly, this data also indicates that these same colleagues have a much larger positive effect on overall life satisfaction. In fact, our colleagues have the biggest direct effect on our general happiness among the six different factors explored in the study.

Therefore, it makes sense to improve the social network at work, as it will produce not only happier employees – but happier people.

JOB SATISFACTION AND COLLEAGUES

JOB SATISFACTION



THE MORE YOU FEEL PART OF A COMMUNITY AT WORK, THE MORE JOB SATISFACTION YOU EXPERIENCE.

Source: Job Satisfaction Index 2015

BETTER JOBS - HAPPIER LIVES

Why are some people happier at work than others? We can now account for 71% of the drivers that contribute to heightened job satisfaction. This is an important first step, which has provided new insight and shed light on those areas that merit further investigation.

That our job satisfaction affects our overall happiness should not come as a surprise. Happiness is influenced by many factors: Health, genetics, and our interpersonal relationships to mention three, but also the level of trust and generosity in our society and the quality of our governments. Our study shows, however, that our work can have a big effect on our overall happiness: an increase in job satisfaction by 1 point,



for instance, increases our overall happiness by 0.52 points. This is a significant effect considering how many factors influence our happiness and underscores the importance of creating "better" jobs.

Job satisfaction affects not only the quality of our lives, but also the level of innovation and productivity of our employees. Progress can therefore be made on several fronts by engaging in a discussion of how to further increase job satisfaction. Better jobs; better companies; better lives.

In the coming years we will improve our understanding of these drivers, and provide additional insight into how to improve our workplaces, our job satisfaction and our overall happiness. We invite anyone who shares our ambition to join the conversation.

HOW WE COMPILED THIS REPORT

This publication is a summary of a more comprehensive report published in Danish. Several sources were used to write the initial report: (1) a survey conducted by TNS Gallup among 2,569 employees in Denmark, (2) academic research contained in books, scientific articles, and reports such as:

- Well-being at work, New Economic Foundation, 2014
- Well-being at Work: A cross-national analysis of the levels and determinants of job satisfaction,
- Alfonso og Andrés Sousa-Poza, 2010
- The Joy of Work, Peter Warr og Guy Clapperton, 2009
- Well-being: Productivity and Happiness at work, Cary Cooper og Ivan Robertson, 2011
- Happiness at Work, Cynthia D. Fisher, 2010.

And (3) interviews with experts and practitioners within the field. We would like to thank the following:

- Alexander Kjerulf, Author, Presentor and Founder, Woohoo Inc.
- Andrew Oswald, Professor of Economics, University of Warwick
- Anne Marie Pahuus, Professor of Philosophy and Vice Dean, University of Aarhus
- Amy Blankson, Chief Operating Officer, GoodThink Inc.
- Cary Cooper, Professor of Organizational Psychology & Health, Lancaster University Management School
- Cecilie Eriksen, ph.d., University of Aarhus
- Cynthia Fisher, Professor of Management, Bond University
- Hans Jørgen Limborg, ph.d., Psycho-social working environment, University of Roskilde
- Peter Warr, Emeritus Professor at the Institute of Work Psychology, University of Sheffield
- Teresa Amabile, Professor and Director of research, Harvard Business School.

NOTES

1. The Happiness Research Institute (2014), The Happy Danes - Exploring the reasons for the high levels of happiness in Denmark.

 Kjerulf, Alexander (2014)
Simple Office Policies That Make Danish Workers Way More Happy Than Americans". **3.** Eurostat Database (2014).

4. Earth Institute, Columbia University (2013), World Happiness Report .

5. Pelled, Lisa Hope & Xin, Kathrine R (1999) "Down and out: An investigation of the relationship between mood. and employee withdrawal behavior", Journal of Management.

6. Cowi (2010) "Arbejdsmiljø set med virksomhedsøkonomiske briller". (Work environment seen from an economic perspective). **7.** Amabile et al. (2005), "Affect and creativity at work", Administrative Science.

8. Earth Institute, Columbia University (2013), World Happiness Report.

18

THIS REPORT HAS BEEN PRODUCED IN A PARTNERSHIP AMONG KRIFA AND THE HAPPINESS RESEARCH INSTITUTE IN COLLABORATION WITH TNS GALLUP

Editorial team: Gitte Krogh Nørgaard, Mikkel Hundborg, Kirsten Frank, Maria Risvig, Rannvá Pállson Joensen, Kjartan Andsbjerg and Meik Wiking Proofreading: Scott Willis Graphic Design: Danielle Brandt Design Fotos: Istock

ISBN 978-87-90177-35-5

 $\ensuremath{\mathbb{C}}$ Krifa and The Happiness Research Institute 2015

For further information, please contact indeks@krifa.dk or info@happinessresearchinstitute.com

KRIFA - THE CHRISTIAN TRADE UNION MOVEMENT IN DENMARK WAS FOUNDED IN 1899 AND IS TODAY AMONG THE BIGGEST TRADE UNIONS IN DENMARK. WE HAVE ALWAYS BEEN DIFFERENT FROM OTHER TRADE UNIONS. OUR MAIN DIFFERENCES LIES WITHIN OUR ORGANISATIONAL BELIEFS: WE BUILD ON THE CHRISTIAN OUTLOOK AND VIEW ON HUMAN NATURE - WE ARE INTERDISCIPLINARY - WE FIGHT FOR THE WAGE EARNERS FREEDOM REGARDING CHOICE OF TRADE UNION - WE BELIEVE IN CO-OPERATION RATHER THAN CONFLICT ON THE LABOUR MARKET - WE DO NOT SUPPORT ANY POLITICAL PARTY.

FIND OUT MORE AT WWW.KRIFA.DK/INDEKS

THE HAPPINESS RESEARCH INSTITUTE IS AN INDEPENDENT THINK TANK FOCUSING ON WELL-BEING, HAPPINESS AND QUALITY OF LIFE. OUR MISSION IS TO INFORM DECISION MAKERS OF THE CAUSES AND EFFECTS OF HUMAN HAPPINESS, MAKE SUBJECTIVE WELL-BEING PART OF THE PUBLIC POLICY DEBATE, AND IMPROVE THE QUALITY OF LIFE FOR CITIZENS ACROSS THE WORLD.

FIND OUT MORE AT WWW.HAPPINESSRESEARCHINSTITUTE.COM

TNS GALLUP IS A LEADING ANALYSIS- AND CONSULTANCY COMPANY IN DENMARK PROVIDING ADVANCED MODELS OF ANALYSIS, DIGITAL SOLUTIONS, TECHONOLOGIES AND SERVICES, WHICH TURNS INFORMATION INTO DECISION MAKING KNOWLEDGE. TNS GALLUP IS PART OF WPP/KANTAR ORGANIZATION, WHICH IS REPRESENTED IN MORE THAN 90 COUNTRIES.

FIND OUT MORE AT WWW.GALLUP.DK





THIS REPORT HAS BEEN PRODUCED IN A PARTNERSHIP AMONG KRIFA AND THE HAPPINESS RESEARCH INSTITUTE IN COLLABORATION WITH TNS GALLUP