

The Value of Employee Surveys... And How to Increase Their Value

It has become almost trite in this day and age for companies to proclaim, "Our employees are our most important asset." Trite because everyone is saying it, and because, for most organizations, it is so patently and obviously true. The workforce – the sum total of the intellectual capital, the alignment of human resources with organizational goals, and the commitment of employees – is the enterprise's only sustainable competitive advantage. Maintaining that advantage will become more challenging in the future as the competition for scarce knowledge and skills increases.

Employee surveys can provide valid information that is extremely helpful in leveraging and retaining that most important asset. This *Insight* white paper explains how this is so, and how to increase the value of your employee survey initiatives.

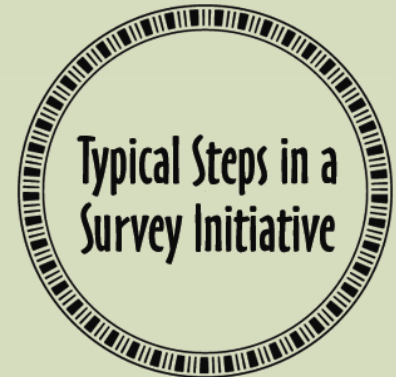
Overview of the Survey Process

There are different types of employee surveys, varying mainly in their purpose and the content areas covered. Some surveys are narrowly focused on specific issues (for example, benefits), while others cover a broad range of issues impacting organizational effectiveness and employee morale. As will be discussed later, surveys also vary in terms of what happens after the survey results are reported. Regardless of these differences, the basic logical flow from *data* to *insight* to *action* is applicable.



Data are collected on employees' perceptions, which leads to insight and a better understanding of the areas being measured, which leads to actions for making improvements in those areas. While the logical flow is simple, there are several points that are important to understand regarding the value of employee surveys:

- Regardless of what the survey is called, (engagement, commitment, opinion, satisfaction, morale, etc.), we are still collecting data on employee perceptions. However, in an important sense, perceptions are reality in that they influence behavior and commitment.
- The action phase in the diagram is the most important, because, without action, there can be no value added. Unfortunately (and all too often), survey initiatives result in little action and few changes.
- Well-designed survey reports should help people easily get from data to action. Again, this is often not the case.



Survey initiatives typically follow the eight steps listed below, and each represents an opportunity to add value (or subtract, if they're not handled well).

1. Project planning
2. Survey development
3. Prior communications
4. Survey administration
5. Report generation
6. Feedback and communications
7. Action planning
8. Implementation

Improving Organizational Effectiveness

Over the past three decades, the purpose of employee surveys has shifted from a primary focus on morale to an added focus on organizational effectiveness. The dimensions in Censeo's item pool reflect the content areas typically covered in surveys today:

▪ Company Effectiveness	▪ Communications
▪ Departmental Effectiveness	▪ Compensation/Benefits
▪ Quality/Customer Focus	▪ Policies/Practices
▪ Senior Management	▪ Performance Management
▪ Supervisor/Manager	▪ Working Conditions/ Resources
▪ Development/Career Opportunities	▪ Satisfaction/Commitment

Survey results can be a powerful way of measuring the degree to which organizational systems and processes are operating effectively, particularly as trends are tracked over time. Employees are close to the action and often have good ideas on how things can be improved. Many companies include survey results on their "dashboard," recognizing how important employee perceptions are in making the company's vision a reality.

Increasing Commitment and Retention

While organizational effectiveness has become a key focus in employee surveys, increasing commitment and retention remain very important. Accurately measuring these areas means going beyond "satisfaction" questions, and the employees' affective response to organizational conditions. Here are some examples:

- My manager expresses appreciation when I've done a good job; he/she says "thanks" a lot.
- The pay program here motivates me to work harder to reach my performance goals.
- I have good opportunities to develop my knowledge and skills (on the job, additional training, etc.).
- I have enough flexibility to meet both my work and personal/family life responsibilities.
- I understand how my performance contributes to department and company goals.
- The company considers employees' needs and interests when changes are made.

Companies who make progress in these areas will be more successful in gaining commitment, ensuring alignment and retaining talent. One could argue, by the way, that these areas also have a direct impact on organizational effectiveness. In fact, the distinction between types of items, and between different outcome variables they impact, is somewhat artificial and arbitrary.

Retaining talent is becoming increasingly important for many companies, and employee surveys can provide a quantitative basis for determining which actions will have the biggest impact on retention. One way this is done is to compare the survey results across different parts of the organization that differ on turnover rates. Higher turnover units, of course, will have less positive employee perceptions, but analyses will show the specific issues that are related to turnover. Exit interviews can provide insight as to why people leave; surveys can provide insight as to why they stay.

Research studies conducted by Censeo and other researchers consistently show a strong correlation between employee perceptions and customer satisfaction. It may seem like common sense that a high quality of work life for employees would translate into better service to customers, but the strength of the relationship is so striking that it has spurred many companies to make employee surveys an integral part of their customer strategy.

The Role of Line Managers

Thus far we've seen how employee surveys can be valuable in increasing organizational effectiveness, commitment and retention. These outcomes, and others as well, are more likely to be realized when line managers are positioned to play a key role in the survey process. There are a couple of reasons this is true. First, most of the areas covered in employee surveys (except for surveys focused on particular topics like benefits) are things line managers will ultimately have to address.

Second, the process of managers conducting feedback and action planning sessions with their teams helps open communication channels and gets the employees engaged in translating data into improvement actions. One insightful manager put it this way to Censeo:

"I was glad to get all the statistical results, and they helped me identify the changes needed. But the greater value was that the survey provided a good forum for us to openly discuss several issues important to the business and to the employees. It's really all about communications."

Managers periodically receive information about how well their units are performing in meeting their goals – sales, productivity, cost, budgets, etc. They accomplish these goals via the performance of their teams, and by ensuring the effort, motivation, resources and talent are aligned with the goals. The survey provides them with accurate and valid data about how well those things are happening and actions they can take to improve.

In order for line managers to use the survey process in the manner described, they need the following:

- Clearly defined expectations for the role they will play in the process and accountability for following through
- Survey reports they can easily understand, that clearly highlight the most significant strengths and opportunities for improvement, and that give them a running start on actions they can take
- Skills to conduct effective feedback sessions and to develop practical action plans

The last point represents a side benefit of conducting surveys that is of tremendous value. Developing leaders' skills in conducting effective employee meetings, and in using quantitative data to identify actions they can take to improve things, are the same skills they use in running their units on a daily basis. Some companies shy away from positioning their managers and supervisors to play a key role in the survey process because they don't have the skills. Maybe this is the perfect time to further develop those critical skills!

Other Ways to Increase the Value of Employee Surveys

We have already covered several ways to increase the value of employee surveys – focus on both organizational effectiveness and employee commitment and engagement, place a heavy emphasis on the actions that follow the delivery of the survey reports, position line managers to play a key role in the process, give them survey reports they can easily understand and use, and give them the training and support they need to perform their role effectively.

Throughout the preceding discussion is the implicit assumption that employees are actively involved in the process – from responding to the survey and sharing their candid views, to participating in feedback and action planning meetings. Based on more than 30 years of conducting surveys, Censeo strongly believes that doing so will increase the value of the process and lead to more positive change. The mindset should be, "We all have a stake in the company and a responsibility to help make things better." The worst mindset is for the employees to think, "We've told management what the problems are; let's see what they do about them."

Briefly, here are a few additional suggestions on ways to increase the value of employee surveys:

- Do a good job in communicating the importance of the survey, the objectives and related matters in advance. This will increase the response rate and set the right expectations.
- Use surveys as part of an ongoing measurement process (perhaps every 18-24 months) rather than just a one-time snapshot. Trend results can provide the best insight as to where progress is being made and where additional action is necessary.
- Don't spend months developing the survey instrument. Start with a good item pool from Censeo or another vendor, make additions, deletions, and changes as necessary, and get on with it. While it's obviously an important task, don't let it stretch out so long that interest and momentum are lost.
- Include suggested improvement actions for the lowest rated areas in the reports that managers receive. This will help them get started in the right direction.
- Look for ways to leverage technology to make the whole survey process faster, easier, more accurate and less costly. Most large companies use Internet-based platforms these days, although provisions must sometimes also be made for paper-based survey administration.
- Don't overvalue the importance of external norms. External norms (even when they are really comparable to a current survey, which often they are not) aren't nearly as important as internal norm and trend comparisons.
- Don't become overly reliant on consultants, especially with respect to the events that occur after the survey reports are delivered. If it takes a consultant to interpret the results or figure out what to do about them, then something is wrong with the survey, the reports, or both.
- Keep the whole survey process as simple and streamlined as possible. Survey initiatives tend to take longer, cost more and become much more complex than is necessary.

See the *Insight* white paper titled "Developing an Effective Employee Survey" for more specific help on developing surveys and a variety of technical issues.

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