

Part One

Survey Design

COPYRIGHTED MATERIAL

Chapter One

Introduction

A properly developed and implemented employee survey system can be one of the most powerful tools available to management for assessing the effectiveness of its strategy and maximizing the potential of its human capital (Schiemann and Morgan, 2006). Employees, when asked questions that are well designed, provide answers that are clear and direct and that leaders can use to understand a wide range of issues facing their organization. This is because most employees are keen observers of their work environment, want to be part of a successful organization, and are looking for ways to make their voices heard. An employee survey can be an effective method for capturing such information and can serve as the foundation for bringing about change that will position the organization for greater success in the future.

About WorkTrends

For more than twenty-five years, Kenexa, a global provider of business solutions for human resources, has regularly conducted surveys among a representative sample of the U.S. workforce. The data from this survey program, known as WorkTrends, serve multiple purposes: they allow Kenexa to explore a number of important topics about work from the worker's point of view and convert those conclusions into findings that can be broadly shared through press releases, technical reports, and scientific articles. These data also allow Kenexa to compare the results of a given client's survey to a country-level workforce as a whole, specific industry sectors, or best practices organizations.

The primary data set used for the analyses presented in this book was collected in 2009 from workers in Brazil, Canada, China, France, Germany, India, Italy, Japan, Russia, Saudi Arabia, Spain,

the United Arab Emirates, the United Kingdom, and the United States. These fourteen countries represent the twelve largest economies as measured by gross domestic product (GDP), accounting for 73 percent of the world's GDP (International Monetary Fund, 2009), as well as two important Middle Eastern economies: Saudi Arabia and the United Arab Emirates.

WorkTrends is a multitopic survey completed online by a sample of workers screened to match a country's worker population in terms of industry mix, job type, gender, age, and other key organizational and demographic variables. Those who work full time in organizations of one hundred employees or more are allowed to take the survey. The survey has 115 items that cover a wide range of workplace issues, such as managerial and leadership effectiveness, organizational values, policies and practices, and job satisfaction. In 2009, approximately twenty-two thousand workers completed the survey.

Employee surveys have been used for decades to help leadership teams understand how workers perceive the organization's policies and the effectiveness of supervision and management, rate their job satisfaction and their overall satisfaction with the employer, and describe the emphasis they see placed on such values as training, innovation and customer service. Higgs and Ashworth (1996) observe that over the past seventy years, the goals and methods of employee surveying have evolved. In the 1930s and 1940s, particularly in the United States, surveys were conducted to identify groups of workers with low morale who might be susceptible to attempts to organize them into unions. Over the next several decades, Higgs and Ashworth say, the more common use of employee surveys was to measure employee satisfaction and use the survey results for improving worker productivity. In the past twenty years, surveys have emphasized quality-of-life issues, benefits, work/life balance, diversity, and other "employer-of-choice" topics, that is, topics related to attracting and retaining employees. This is

a result of an increased focus on both the costs and challenges of employee recruitment and retention. And in the most recent past, the trend in employee surveying has been to link both survey content and survey results to business strategy and business performance.

The use of surveys, particularly in large organizations, has become common. Research summarized by Allen Kraut (2006) reveals that almost three of every four large firms survey their employees. Kenexa's research in the United States supports Kraut's implication that surveys are more common in large organizations. Using WorkTrends, I found that exactly 50 percent of organizations with populations between 100 and 249 employees conducted an employee survey in the previous two years, whereas 72 percent of organizations with more than 10,000 employees had done so. Trend research conducted in the United States would also support the contention that employee surveying is becoming even more common. In 1993, 50 percent of all organizations of more than 100 employees conducted surveys. By 2009, that percentage had jumped to 60 percent.

A more global review of recent survey activity reveals that employers in many countries rely on this technique to help their leaders manage their businesses (see Table 1.1). Although the employee survey technique is not yet common in some countries around the world (for example, Saudi Arabia), five of the

Table 1.1 Survey Utilization Rate by Country

<i>Low Utilization</i> (34%–49%)	<i>Medium Utilization</i> (50%–59%)	<i>High Utilization</i> (60%–72%)
<ul style="list-style-type: none"> • France • Italy • Japan • Russia • Saudi Arabia • Spain • United Arab Emirates 	<ul style="list-style-type: none"> • Brazil • Germany 	<ul style="list-style-type: none"> • Canada • China • India • United Kingdom • United States

fourteen countries studied show high use (60 percent or higher) of the employee survey technique. This includes two of the fast-emerging major economies: China and India.

Analyses of this same study also reveal that the occurrence of employee surveys varies widely by industry (see Table 1.2). Employee survey activity is the highest in the banking (67 percent), health care services and high-tech manufacturing (62 percent), and financial services industries (61 percent). In these sectors, where institutional knowledge and employee retention are highly valued, employees are considered essential to the organization's brand, and the firm's human capital is indeed viewed as a pivot point (Boudreau and Ramstad, 2007). Employee survey activity is the lowest in the light manufacturing and restaurants and bars (44 percent), and construction and engineering (45 percent) industries. These industries, with the exception of the engineering segment of the engineering and construction industry, are often characterized by higher turnover and lower educational and training requirements. Falling in the middle are many highly regulated industries such as transportation services, government, and education.

Table 1.2 Survey Utilization Rate by Industry

<i>Low Utilization (40%–49%)</i>	<i>Medium Utilization (50–59%)</i>	<i>High Utilization (60–69%)</i>
<ul style="list-style-type: none"> • Accounting and legal • Agriculture • Construction and engineering • Heavy manufacturing • Light manufacturing • Personal services • Restaurants and bars 	<ul style="list-style-type: none"> • Business services • Communication and utilities services • Education • Food—wholesale and retail • Government • Health care products • Hotel and lodging • Mining • Retail (nonfood) • Transportation services 	<ul style="list-style-type: none"> • Banking services • Financial services • Health care services • High-tech manufacturing

As Kraut (2006) noted, the popularity of surveys does not provide an indication of the quality or impact of survey programs. From an evaluation provided by survey practitioners within the high-tech industry, Kraut reported that the two most positive outcomes of organizational surveys are improving organizational functioning and improving communication. He also reported that the two greatest failings of survey programs are the lack of action taken on survey findings and that the survey instrument did not tap critical issues and concerns and was therefore of questionable value. In this book, I directly address both of these common failings.

As Kraut (2006) noted, the popularity of surveys does not provide an indication of the quality or impact of survey programs.

The Thesis of This Book

Clearly the majority of large organizations today are using employee survey methodology in an effort to improve the way they manage their talent and drive their overall business success. Leadership and management teams in industrialized countries worldwide are using the method. In addition, the use of employee surveying is increasing and will likely continue to increase over the next generation, in line with the fifteen-year trend established in the United States.

The thesis of this book is that in order to maximize the effectiveness of the employee survey method, the survey program itself must be strategic, and must be seen in this way. Something is strategic when it is important to the completion of a strategic plan or of great importance to an integrated or planned effort. In other words, the survey program should fit into a larger whole of the business strategy.

My contention is that many organizations do an employee survey simply because they think it is a good thing to do, that others (read: competitors) are doing it, and that it shows interest

in the morale and welfare of their workforce. Indeed, surveys are a good thing to do, many organizations are doing them, and the doing of them typically shows interest in the morale and welfare of employees. My point is that survey programs will produce the greatest return on investment when they are consciously used as part of the organization's business strategy. Why is this so important?

Survey programs will produce the greatest return on investment when they are consciously used as part of the organization's business strategy.

It is of utmost importance because it is from a strategic starting point that the best decisions will be made about what to measure, when to measure it, and how to use that measurement for the greatest gain.

The Strategic Survey Model

From over thirty years in the practice of employee surveys, I conclude that organizations generally conduct surveys for four, sometimes overlapping, reasons. These reasons exist along a continuum of "defensive" to "offensive" reasons. Starting with the most defensive reason and as originally stated in an earlier book (Wiley, 2006), the four reasons are:

1. To identify warning signs of trouble within the organization
2. To evaluate the effectiveness of specific programs, policies, and initiatives
3. To gauge the organization's status or strength as an employer of choice among its workforce
4. To predict and drive organizational outcomes, including customer satisfaction and business performance

A major implication of the model (see Figure 1.1) is that achieving the specific purpose requires survey content designed for or tailored to each strategic objective. The employee survey questions

Figure 1.1 Strategic Survey Model

that best predict customer satisfaction and loyalty, for example, are very different from those that best predict where employees will be most susceptible to union organizing attempts.

Major Objectives for Employee Surveying

In the remainder of the chapter, I introduce each major objective for employee surveying. I also elaborate on the primary purpose of the book and the flow that supports that purpose.

Employee Surveys as Warning Indicators

An employee survey can serve as an early-warning indicator of a problem or potential problem in an organization. This is the most defensive reason for conducting an employee survey. In this sense, it is a red flag, indicating danger ahead. An organization may decide to conduct a survey of this type for several reasons.

One reason could be a belief in the fundamental importance of creating and sustaining an ethical work environment. Given some of the highly visible and costly ethical lapses of the past

decade, many organizations have given extra attention to ethics in the workplace based on the belief that an ethical work environment is not only the right thing to do but is also associated in the long run with superior business performance (Kotter and Heskett, 1992). Thus, measuring the perceived support for ethics and the extent to which employees view coworkers and managers as behaving in an ethical manner are natural extensions of the strategic emphasis the organization is placing on ethics. When survey results indicate an ethical lapse or a perceived decline over time in the support for ethics in the organization, the survey is proving its value as an early-warning indicator, and its leaders can take the appropriate steps to address the issues raised before they become more serious. Employee surveys as warning indicators are the focus of Chapter Two.

Employee Surveys as Program Evaluation Measures

An employee survey can serve as a program evaluation measure by assessing the effectiveness of a major corporate policy, program, or initiative. This may occur after implementing the program fully, or the assessment could take place before or during the implementation of a program and therefore influence the program's final design. Either way, the concept is to use employee input to evaluate the effectiveness of a policy, program, or initiative in order to make decisions about needed adjustments. An organization may decide to conduct this type of survey for several reasons.

For example, many organizations have determined they need strong policies and practice implementation to support the goal of creating a more diverse workforce. A current shortage of talent, more intense global competition, and the need to pursue new international markets are the types of economic trends that place a priority on the ability of organizations to do a better job of recruiting and retaining women and minority group members. In this view, creating a more diverse workforce becomes a

strategic imperative in the management of the organization's talent. As a result, leadership needs to know, for example, the extent to which employees believe that management is committed to diversity, how easy it is for people from diverse backgrounds to fit into the organization and be accepted, and whether the organization enables people from diverse backgrounds to excel. A well-designed survey and an appropriately analyzed set of survey results provide that type of evaluation. Employee surveys as program evaluation measures are the focus of Chapter Three.

Employee Surveys as Measures of Employer of Choice

An employee survey can serve as a measure of employer of choice. The questions on this type of survey typically measure (1) the key factors that cause or help explain why employees choose to stay with their current employer, (2) the level of employee engagement, and (3) the major drivers of employee engagement.

The employer-of-choice terminology came into popular use in the 1990s as a way of capturing the importance of the employer's being attractive to both current and prospective employees as a place to work. The notion is tied, of course, to the idea of the war for talent, colorful language used to acknowledge the competition for labor, particularly knowledge workers. This talent pool is especially critical to whether an organization can implement its business strategy. Thus, for some organizations, being an employer of choice is a business imperative and a necessary element of their business strategy. In my estimation, this is the most commonly conducted type of survey in organizations today. Employee surveys as measures of employer of choice are the focus of Chapter Four.

Employee Surveys as Leading Indicators of Business Success

An employee survey can serve as a leading indicator of business success. This is the most "offensive" reason for conducting a survey and is becoming, in the more globalized and competitive

marketplace, an increasingly common reason that organizations choose to implement the employee survey methodology.

Using an employee survey as a leading indicator of business success is tied to linkage research (Wiley, 1996), which explores the relationship between how employees describe their work environment and other critical success measures, such as customer satisfaction and business performance. Dozens of studies have been published that demonstrate that more favorable descriptions of the work environment (as measured by employee surveys) are significantly correlated with customer satisfaction ratings as well as an array of business performance measures. Many of these studies, conducted in the service industry, reveal that employee survey topics such as customer orientation, quality emphasis, involvement, and training (Wiley, 1996) are particularly effective in predicting customer satisfaction, loyalty, and repeat business. Thus, if an element of an organization's business strategy is to distinguish itself based on customer service, it may use an employee survey containing the previously listed topics (for example, customer orientation) to serve as a leading indicator of actual customer satisfaction and behavior. Employee surveys as leading indicators of business success are the focus of Chapter Five.

Purpose and Flow of This Book

I believe the purpose of an employee survey program is to support the organization's business strategy. I also believe an employee survey does this primarily in two ways: providing actionable information about the business strategy and a sensible approach and process for the use of the resulting data. The purpose of this book is to help those working internal to organizations make the best decisions possible when designing their overall survey program. In other words, it is to help internal executive sponsors and practitioners to think through very clearly their purpose in surveying so that their program design

decisions will flow naturally and will align with the program's overarching goals. This book is not about the logistics of surveying, such as how to administer a survey and design survey reports. Instead, I focus on what I believe to be higher-order issues: survey purpose, survey content, and the discussion and use of survey results to make lasting and positive impacts on the organization.

Chapters Two through Five highlight the primary uses of employee surveys: as warning indicators, program evaluation measures, measures of employer of choice, and leading indicators of business success. Chapter Six reviews a hybrid survey—one that combines the employer-of-choice and leading-indicators-of-business-success purposes. This review unfolds as part of a larger discussion introducing a new High Performance–Engagement Model. These topics form Part One of the book.

Part Two focuses on the effective use of survey results to affect change in the organization. Chapter Seven discusses action planning and looks at successful techniques. Chapter Eight acknowledges the increased use of survey results in strategic goal setting and provides suggestions on how best to do this. Chapter Nine reviews what I believe are requirements for sustaining positive change in survey results over time. Chapter Ten summarizes these messages and provides a few concluding thoughts.

