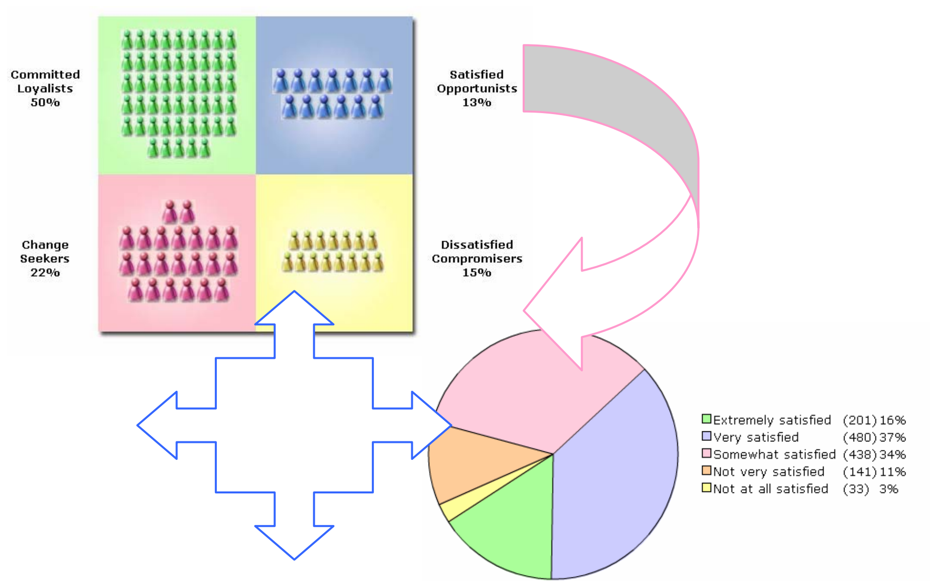
An Introduction to Employee Research Techniques



AN INTRODUCTION TO EMPLOYEE RESEARCH TECHNIQUES

Employee research techniques have evolved significantly over the past few years.

Initially, companies and organizations viewed it as a human resource driven initiative that gave their employees the opportunity to "let off steam" and it was not regarded highly enough outside of HR for the results to be acted upon. Today, it is seen by the most enlightened organizations as a major business improvement tool.

These organizations understand that the main way of gaining the major competitive edge is by increasing employees' capability to improve customer service. But why is this?

The answer is because customers have a greater range of choices than in the past and are becoming increasingly better informed and more discerning than ever before. This translates into them having very high expectations and, if they feel they are being "short changed" in any way, they take the initiative and switch their allegiance. This reduction in consumer loyalty creates difficulties for organizations in retaining existing customers, causing them to increase the amount they spend on recruiting new customers.

Numerous choices have also brought greater competitiveness to the market and it is difficult for an organization to differentiate itself from the competition in terms of production range, quality and price. As a result, the main differentiator for organizations has to be the quality of service that the customer receives.

Think about the last time you went out to a nice restaurant for a special meal. Regardless of the quality of the food and the price, if the service was poor, you forget how good the food was and you will probably not visit that restaurant again.

Following on this same principle, there is a significant amount of research demonstrating that employees have the greatest single impact on customer service. In the eyes of the customer, the employee they interact directly with is "the face" of that organization and heavily influences how they feel about the organization.

It is vital for the interaction to be a positive one, not just for the customer, but for the employee as well. If the customer is happy, they spend more money with the organization, which naturally improves the organization's overall business performance. Likewise, higher employee satisfaction levels can come about as customer satisfaction and business performance levels increase because of the pride and kudos that come from working for a successful company.

Our research has indicated that the most successful organizations have satisfied, motivated, flexible, committed and well-trained employees who believe that they are able to personally contribute to the success of the organization and are therefore fully aligned behind the organization's products, strategy and goals.

These organizations get the most from their employees because they consider them to "their greatest asset" and they are prepared to invest in them in the same way as they invest in technology, product/brand development and customer segmentation.

In essence, this means considering employees as a key stakeholder group in the same way as customers, shareholders and other corporate "investments." This leads to a critical need to understand and proactively manage the impact that any organizational change will have on your employees in order to protect the investment made in employees.

One approach is to proactively use employee research to understand what the key motivators and dissatisfiers are for them. Insightlink can consult in this matter and has help numerous companies and organizations resolve employee concerns. Our extensive research proves that committed and loyal employees have a direct impact on each company's performance and profitability. This critical link between employee satisfaction and organizational performance was also clearly established by the U.S. Department of Labor – in a comprehensive review of more than 100 studies, people practices were found to have a significant impact on improvements not only in employee satisfaction, but also in the organization's productivity and financial performance.

Employee Research Benefits

The main benefits that can be achieved from employee research include:

- Demonstrating to employees that you are taking a genuine interest in them, their views and ideas,
- Identifying strengths and weaknesses in management performance and organizational policies, procedures and technology which will improve operational efficiency and reduce costs, as well as improving employee satisfaction,
- Improving employee retention, which will in turn reduce the costs of recruiting and retraining replacement staff and make your company a more attractive employment proposition,
- Improving the ability of employees to achieve a better balance between their work and home lives and thereby reduce staff absenteeism,
- Determining key contributors and barriers to delivering excellent customer service and soliciting invaluable improvement ideas from employees who deal with customers on a daily basis,
- Determining issues that may arise from changes in current programs so that they can be managed in a proactive rather than a reactive way, with the benefits from the change being realized at the earliest possible opportunity,
- Helping HR Directors to get key employee issues and concerns to the forefront of the organization's management agenda.

Different Types of Employee Research Programs

Annual climate and employee satisfaction surveys are by far the most popular kind of employee research activity. However, the following types of research programs are also emerging:

- Combining employee and customer satisfaction studies.
- Procedure/policy evaluation.
- Alignment of employees behind new product development.
- Alignment of employees behind organizational rebranding and repositioning efforts.
- Managing employees through organizational change programs (e.g. merger, acquisition/downsizing, etc.).
- Internal customer service evaluations.
- Internal communications evaluations.
- Evaluation and design of different benefits schemes.

Defining Employee Research Objectives

Before embarking on an employee research program, it is vital to define a set of objectives for the research. Without these objectives, the research program will lack focus and it will be difficult to raise enthusiasm for the survey among your key influencers and decision-makers.

All employee research programs need to be seen as a company-wide initiative that is driven by managers and employees from across the whole organization and not something that is solely initiated and managed just within HR.

It is therefore vital that any defined objectives for a research program are business related. In this way, improvements resulting from the employee research program can ultimately be seen as improving customer service and overall business performance.

Deciding on the Appropriate Research Methodology

Defining objectives at the outset of the research program also helps to determine the methodology because, to meet the objectives, you will need to consider the following:

- Are all employees affected and do all employees need to be involved?
- Will improvement action be required at different levels across the organization?
- How will managers and employees be engaged in the improvement process?
- How will awareness of the program, results and improvements be raised among employees?
- How will the progress of improvement actions be reviewed, monitored and communicated over time?

Quantitative and qualitative research methodologies can both be highly effective in employee research. It is essential, though, to ensure that the correct methodology is used for the type of research being conducted.

Qualitative research is most appropriate when:

- The research involves relatively small groups of people,
- You are looking to pursue a subject in real detail,
- You are looking for the flexibility to move between subjects dependent on how participants respond,
- You are attempting to determine strength of feeling on a certain subject,
- You are trying to understand root causes of a feeling rather than just the symptoms of issues,
- You are trying to seek the connections between issues,
- You are researching particularly complex issues.

Face-to-face individual interviews and focus groups are the most common forms of qualitative techniques used in employee research.

Quantitative research is most appropriate when:

- Large numbers of people need to be included in the research,
- The research needs to cover a large number of different subjects,
- It is important to have robust numerical data,
- You need to have measurable comparison data between different groups,
- You want to be able to compare performance against other external organizations,
- You want to identify correlation with other research data (e.g. customer satisfaction data),
- You want to undertake some form of advanced statistical analysis on the results (e.g. regression or correlation analysis).

Employee satisfaction surveys are the most common form of quantitative research.

There are occasions when both methodologies can be effectively combined. For example, in an employee satisfaction survey, you may decide to use focus groups before designing the survey in order to determine the survey content and/or pilot questionnaire. Then you may also want to use qualitative research after the survey data has been collected to better understand the meaning behind the quantitative results.

Employee Satisfaction Surveys

It is worthwhile examining employee satisfaction surveys in more detail given that they are the most popular type of employee research undertaken in the U.S.

Using our experience at Insightlink Communications and having been exposed to best and worst practices of various organizations, we will guide you through the process and offer you some useful tips and advice in planning an employee survey.

Census or Sample

Having defined your survey objectives, the next thing to consider is whether there is a need to survey all employees ("census") or just a subset of them (sample").

Evidence overwhelmingly suggests that a census survey is most appropriate for employee satisfaction surveys. This is mainly due to the need to drive through improvement action planning at local levels which requires frontline managers to be provided with their own reports. By undertaking a sample survey, there may either be not enough responses to provide a report or the number of responses may represent too small a proportion of the whole employee population to be considered statistically robust.

Communication

Employee buy-in is critical to the success of the survey. If they believe that improvements will result from the survey, they are more likely to participate by completing it and will become actively involved in the follow-up improvement action planning process.

Communication is critical to getting this employee buy-in, particularly at the outset of the program and we recommend developing a communications plan that covers the following stages:

- Pre Survey
- During the Survey
- Post Survey
- Between Surveys

When developing this plan, there is a need to consider the different messages that you want to give to the different audiences and what are the most appropriate communication channels for reaching those audiences. For example, it is important for frontline managers and immediate supervisors to be positive role models for the survey so that when they interact with their staff, they demonstrate active encouragement of the survey, a commitment to administer it properly and to act on the results. This is vital because employees are normally heavily influenced by their immediate supervisors or managers. If they do not think that their manager/supervisor believes in the survey, then neither will they.

The following table outlines some of the key messages that should be communicated at each stage of the survey process:

Pre Survey	During the Survey	Post Survey	Between Surveys
Objectives of the survey, rationale for the survey and how the results will be fed back	Reminder of the objectives and assurance that action will be taken	Thank employees for participating	Highlight and recognize successful examples of action planning
Use an independent, third-party agency for data collection	Assurance that individual surveys cannot be seen		
Timing of the data collection	Regular reminders and a notice of when the survey completion period will end	Final response rate (Company wide vs. Business Units/Divisions)	Recognize the contributions of teams and individuals to the action planning process
Senior management commitment to the survey	How the results will be acted upon	Detail on how employees should get involved in the improvement action planning process	Senior management endorsement and support of the final action plan/survey outcomes
Importance of getting a good response rate so that all employee opinions are heard	Update on current response rate	Local results and local improvement action planning	Detailed plans for the next survey
Importance of participation	Reinforce the importance of participation	Provide top-level summary results	Highlight any areas where action cannot be taken and the reasons for this
Methodology to be used (online vs. paper-based or some combination)	How employees can participate and what employees should do if having problems accessing or completing the survey	Reminder of the action planning process	Highlight the impact of action planning on customer service and business performance
Assurance that the study will protect anonymity and preserve confidentiality	Reinforce anonymity and confidentiality of the results		

Insightlink lets you see where your company stands on each of the critical 4Cs of employee satisfaction: **Commitment** to assess employee engagement, **Culture** to gauge leadership and accountability, **Communications** to identify roadblocks to effective management and **Compensation** to measure employee perceptions of pay and benefits.

It is the period between surveys that are the most important for determining the appropriate action, if any, on each of the 4Cs and for communicating the actions taken back to employees. Improvement action is the most important part of the survey process, especially since many employees believe that little or no improvements are generated from employee surveys. However, the perception that little action has been taken often is not true. Lack of awareness of improvements among employees, or their inability to link the improvements back to the survey, lead them to believe that nothing positive is happening.

Branding the survey and subsequent action planning activity with a name and/or a logo is another way of raising the profile. In this way, employees can link the results of improvement actions back to how they responded in the survey. A short-form name or acronym can help make your employee survey more memorable, especially if the name or acronym is used consistently throughout the survey process.

Electronic/Web-Enabled versus Paper-Based Surveys

Increasingly, organizations are starting to move towards electronic methods of surveying their employees and the most common method is hosting a web-enabled survey. This type of survey offers many benefits including:

- Cheaper and easier to administer than a paper-based survey,
- Availability of real time response rates,
- Giving each respondent a unique access password prevents employees from completing more than one survey,
- Allows employees to be routed to certain questions based on their type and/or their responses to certain questions without them knowing they are being routed,
- Ensures all respondents answer every question they are asked.

However, before deciding that this is all too good to be true and that a web-enabled survey is the best option, consideration should be given to the following questions:

- Do all employees have, or have access to, a PC that has external Internet access?
- Are all of the employees sufficiently computer literate to complete a web-enabled survey?
- Do you have field-based employees and, if so, how would they complete a web-enabled survey?
- Can your IT Department provide the necessary assistance with the survey?
- Is the culture in place for it and would it adversely affect the response rate if the survey were web-enabled?

If some of these problems exist, then it may be more appropriate to initially administer a mostly paper-based survey with a small scale web-enabled pilot in the most appropriate parts of the organization. In future years, the web-enabled element can be increased until it completely replaces paper-based completion.

Insightlink Communications offers both web-enabled surveys and paper-based surveys that are customized to each individual company's needs.

Questionnaire Design

The design of the questionnaire can have as much influence over the response rate as the method of completion.

The elements of a good questionnaire are as follows:

- Each question must directly relate to, and be measured against, the survey objectives,
- It must be easy to complete and not attempt to "trick" employees,
- It should take no longer than 20-30 minutes to complete,
- It should include questions that employees can reasonably answer,
- It should have similar questions grouped together,
- It must only include questions that will provide relevant and actionable information to the organization,
- It must strike the right balance between addressing the needs of employees and the needs of the organization,
- It should include questions that allow comparison of results with other external organizations,
- It must include questions that will allow employees to provide improvement ideas and suggestions in the form of verbatim comments.

As part of the questionnaire design process, it can be worthwhile to conduct focus groups and face-to-face interviews with employees and key survey stakeholders (i.e., managers with a real interest in using the survey results) in order to solicit their feedback on the subject matter and content that should be included in the questionnaire. At the start of each new project, Insightlink asks all clients to complete a short "Preliminary Considerations" form that is designed to highlight some of the key employee-related issues in the organization.

Survey Completion

Online surveys can generally be completed in a 1-2 week timeframe, although participation should be monitored in real time so as to decide when to send reminders and thereby maximize employee participation.

A two to three week period should be allowed for survey paper-based completion, with an additional week set aside (but not advertised internally) for the inevitable late returns. This will allow time for employees who are on holiday or away from the office for another reason to participate in the survey.

Consideration should also be given to whether employees on maternity leave, sick absence and contract/agency staff should be invited to participate in the survey.

If a paper-based survey is being administered, then the distribution method needs to be carefully considered so that the maximum possible response rate is achieved. There is no right or wrong answer or blanket method that must be used and the most suitable method will depend on the organization, its structure and culture.

The following table sets out the possible survey distribution methods and the potential pros and cons of each:

Distribution Method	Pros	Cons
Internal Mailing Directly to Office Address	• Stops managers from having the opportunity to unfairly try and influence or coerce their people • Discourages employees from getting into little groups to complete their surveys rather than giving their own individual feedback	• Poor internal systems can mean that the office addresses are not always correct, which can make it difficult to get surveys to employees and can lead to lots of additional surveys floating around the system • Harder to control and monitor survey distribution and completion • More labor intensive on HR • Prevents managers from being able to brief their employees and encourage commitment to the survey and answer questions they may have

Distribution Method	Pros	Cons
Hand Distribution by Immediate Managers	• Easier to control and monitor distribution • Less labor intensive on HR • Ensures questionnaires actually get to people • Gives managers the opportunity to brief their people, encourage commitment to the survey and answer questions they may have	• Timing of survey needs to tie in with managers' schedules • Gives managers the opportunity to unfairly try to influence or coerce their people • Permits people to get into little groups to complete their surveys rather than giving their own individual feedback
Organized Completion Sessions at Set Venues	• Easier to control and monitor distribution • Ensures questionnaires actually get to employees • Prevents managers from having the opportunity to unfairly try to influence or coerce their people • Ensures all employees are completing their survey in the same environment	• Logistically both difficult and resource-intensive to organize • May make employees feel that their anonymity/confidentiality is being compromised • Prevents managers from being able to brief their people, encourage commitment to the survey and answer questions they may have
External Mailing to Home Address	• Ensures questionnaires actually get to people • Emphasizes the anonymity of the study • Prevents managers from having the opportunity to unfairly try and influence or coerce their people • Discourages employees from getting into little groups to complete their surveys rather than giving their own individual feedback	• Can be seen as an intrusion into the home lives of employees • Undermines the importance of the survey by giving the impression that it is not important enough to be distributed at the workplace • Harder to control and monitor survey distribution and completion • More labor intensive on HR • More costly because of external postage • Prevents managers from being able to brief their people and encourage commitment to the survey and answer questions they may have

Employees must not be expected to complete the survey on their own time (unless they specifically want and choose to, of course) as this would undermine the value and importance of the survey. Therefore, it is important to allocate them 20-30 minutes of work time for survey completion and to clearly communicate to them that they can take this time at work to fill out the survey.

The subject of offering incentives for survey completion is an interesting one. Our experience suggests that personal incentives such as entry into a prize draw do not really boost response rates. One incentive that does make some difference is making a donation to a company-sponsored charity based on the response rate (i.e. the greater the response rate, the greater the amount of the donation).

In contrast to the weak influence of incentives, Insightlink Communications has found that employees are more likely to participate in an employee survey if they believe that the results will be acted upon. The golden rule of this type of research is that, if you do not intend to act on the results, then do not conduct the survey in the first place.

Results Analysis and Reporting

There are many different ways of analyzing, cutting and reporting results and each organization has to decide individually on the best method for their needs.

Some key things to consider are:

- Report the results to employees as quickly as you can after the end of the survey completion period. This will ensure that the momentum and interest that has already been generated will be maintained.
- Adopt a phased roll-out of survey results on a top-down basis so that the employees can absorb the results and are not overwhelmed by them. Although employees will be most interested in the results for their own team, they will also be interested in the results at an organizational level.
- Face-to-face feedback of results is the preferred communication method and, although this will probably not be logistically possible at an overall organizational level, it is essential for the feedback of local team results. This will allow employees to ask questions and suggest the root causes behind the results.
- Do not dress bad news up as being good news and likewise do not hide bad results. Honesty is important if you want to involve employees in improvement action planning as they will quickly identify anything that is trying to be hidden. It is as important to highlight and celebrate good results and recognize the reasons for them.
- Add interpretation to the results so that the employees can consider them in true context. This can be achieved by considering that the design of the survey can provide some invaluable interpretative analysis.
- Consider using proven statistical techniques to identify the key drivers of employee satisfaction. Using factor and regression analysis will highlight the most important areas to focus on from the survey results because these areas will bring the greatest overall benefits in improvement action planning.
- Before the results reports are produced, ensure that managers are familiar with what they will be receiving and what they need to do with them. The test of whether this has been successful is whether managers are able to interpret and identify the key strengths and weaknesses for their team within 30 minutes of receiving their report.
- Avoid the temptation to spend lots of time overanalyzing the survey results and re-cutting the data in a combination of different ways. We call this “Analysis Paralysis” because it gets in the way of focusing attention on taking improvement action. While the data from the survey will not provide you with all of the answers you need, neither will cutting it numerous additional ways. The results are intended to provide a catalyst

for discussion and the best way to get behind the data is to actually discuss it with employees in teams.

IMPROVEMENT ACTION PLANNING

Background

As noted earlier, the guiding principle of employee research is that, if you are not prepared to act on the results, then do not conduct the survey in the first place. You have spent time and effort getting employees enthusiastic about the survey and they now have high expectations that there will be improvement activity in which they will be involved.

Although improvement action planning is the most important part of the process, it is also the activity that a number of organizations fail to deliver against. One of the main reasons for this failure is the lack of a clear and coherent process for action planning throughout the organization.

The ideal situation must be for each manager (from senior management to the localized frontline manager/supervisor) who receives a results report to work with their team to identify and prioritize three to four areas requiring improvement and then develop and implement an improvement action plan that is regularly reviewed.

Improvement Action Process

Improvement action planning should be "top down" process where the priorities for the organization are identified, communicated and acted upon at the senior management level. Then moving down to Divisional and Unit levels, local teams should identify and tackle the things that they have direct control over and escalate anything else back upwards.

Before proceeding with action planning, it is vital to ensure that:

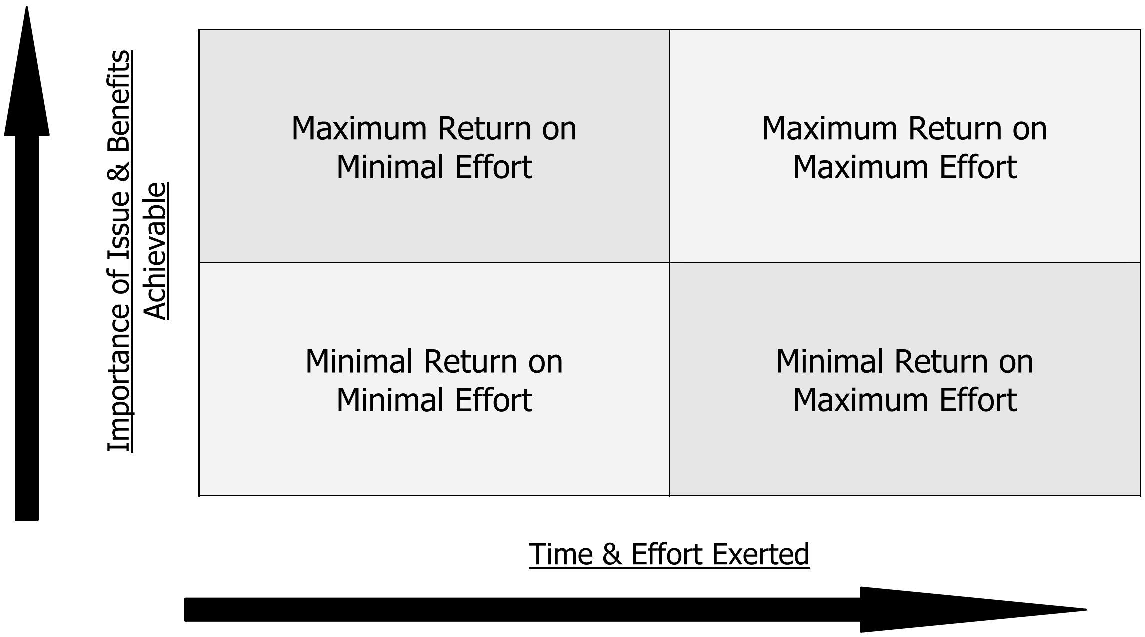
- Employees have had time to see and digest the results,
- The results have been discussed fully by the team and the main issues identified together with their root causes,
- There is clarity about what is being tackled at higher levels,
- That all members of the team are committed to moving forward,
- Any "Quick Wins" can be identified.

Prioritizing Improvement Actions

Prioritization of improvement actions should be taken under consideration. Some organizations struggle with improvement action planning because they try to tackle far too many improvement actions at once and start spreading the valuable resources they have too thinly over too many actions.

Our recommendation is that not more than three to four improvement actions should be tackled at one time and that further actions should not be pursued until at least one of the existing actions has been fully completed.

There are a couple of simple models that can be used to prioritize improvement actions:



Improvement actions could be plotted on this quadrant map plot and, ideally, you should start with the issues and actions that are important to address but are the least resource intensive (i.e. those in the top left hand quadrant of the quad plot). An example of this type of action could be improving communication by reviewing and changing the structure and content of monthly team meetings. These types of actions should be mixed with some of the “Quick Win” actions. These would fall under the “Minimal Returns on Minimal Effort” category.

The four key questions to address in the Action Planning Prioritization are:

1. How important is this issue to your employees?
2. Is it something you have direct control over?
3. Are the benefits of improving the situation worth the effort?
4. Will there be a marked improvement in business performance and/or customer satisfaction?

This model that can be used in conjunction with the action planning process by simply reviewing proposed actions against each of the above questions. It is of particular importance that each of the proposed actions lead to some improvement in customer satisfaction and business performance. This reinforces the commercial and business imperatives of the survey.

Formalizing the Action Plan

Having identified the key improvement areas and prioritized the improvement actions, it is important to determine how they will be delivered. To achieve this goal, it is vitally important that this plan be fully documented and summarized so that everybody is aware of the content of the plan. This summary can then be used to review the progress of the plan as actions are taken as result of the plan.

The specific components of the plan should be as follows:

Area for improvement: What is the problem? What impact is it having on employees and customers? What is causing the problem?

What Needs to Happen: Specify the specific improvement action that is required to address the problem.

How It Will Happen: Specify the process and activities required as part of the improvement action.

Timelines: It is important to have a target date for completing the delivery of the action. This sets the focus that any target delivery date is realistic and achievable and it may be stretched if not met.

Action Owner: It is important for one person to be allocated ownership for the action. This does not necessarily mean that this person is solely responsible for the delivery of the action, but they are responsible for ensuring that the delivery does actually happen. Ownership for actions should be spread around the team so that no one person is overburdened.

Resources: Specify and determine what individual resources are required such as personnel, money, materials or support from other parts of the organization.

Improvement Targets: It is important to be able to determine whether improvement actions are having the desired effect by setting improvement targets. The survey can be used as a source for this by pulling out appropriate questions and setting targets for improving the results to these questions in the next survey. Also, keep in mind that survey data may not be your only data source for target setting and you should also consider using other HR data metrics and customer satisfaction data.

Method of Measurement: List the data sources that will provide the information needed for improvement targets.

Review Dates: Specify all of the dates when the improvement action will be reviewed.

Review of Progress: This step should be completed after each review to outline the progress made against the action.

Completion Date: The date when the action was finally completed.

Impact: Completed after the action has finally been delivered to define the impact and difference that the improvement action has made to employees, customers and the business overall.

Reviewing the Action Plan

Regular review of the action plan is perhaps the most important element of the improvement action planning process because it ensures that the momentum is being maintained, enables progress to be tracked and identifies any barriers that may exist.

The frequency of review is largely determined by the target dates specified for improvements, although we would recommend that they take place at least quarterly (maybe as part of a normal team meeting).

Reviews are intended to be a learning experience and not for repeating mistakes, so as well as understanding and celebrating any successes, it is vital to also review the parts of the plan that are not working well and determine what needs to be delivered differently.

If an improvement action is not producing the desired results and an alternative action route cannot be identified, move on and tackle something else.

If any actions have not progressed in the way that they should or as fast as they should, it is important to understand the reason for this. Rather than unnecessarily attributing blame to individuals, it is more important to identify the corrective action that is required to bring things back on track.

If any improvement actions have been completed, the review can be used to determine new improvement action areas to focus on.

The final part of the review is to re-confirm targets and timelines and check that all members of the team are happy with the progress that is being made.

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