

EMPLOYEE SURVEYS THAT WORK

IMPROVING DESIGN, USE,
AND ORGANIZATIONAL
—— IMPACT ——

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Employee Surveys That Work

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*To Tamara and Eve ~
for putting up with everything*

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introduction

A ROADMAP TO EFFECTIVE EMPLOYEE SURVEYS

This is a book about improving the practice of designing, conducting, analyzing, and taking action from employee surveys.

Today it is easier than ever to conduct employee surveys, and they are widely accepted for gathering organizational intelligence. If anything, the pendulum may have swung too far: fatigue is often cited against fielding yet another survey. Surveys play a central role anytime large numbers of people are included in a sensing initiative. If the organization is changing, an employee survey can provide critical insights into change effectiveness. Surveys can be an effective tool for understanding the drivers of

employee motivation and engagement. They can measure key organizational processes from the perspective of the employees most informed about them—those who implement the processes daily.

Despite the prevalence of employee surveys, a number of common survey practices are less than optimal. There are three general areas where survey practices can be improved: (a) strategy, goals, and objectives; (b) design and delivery; and (c) analysis, interpretation, and action taking from the results. This book addresses each of these areas and offers advice for improvement. Guidance is provided on whom to include in the survey, the issues to focus on, and balancing the tradeoffs involved.

The intended audience for the book includes both people who are responsible for designing and implementing employee surveys and those who use them, including HR leaders and practitioners, organizational development (OD) practitioners, and organizational leaders who oversee or use survey results. To keep the content accessible to as broad an audience as possible, a balance was struck between comprehensiveness and length and between more and less technical topics. This means that sometimes a topic is discussed in brief and, where appropriate, sources for additional information are provided.

Part one addresses common practices around employee survey goals, objectives, and methods that lead to suboptimal administrations. Surveys can be very long and cover too many topics. The target survey population often spans dissimilar business units, functions, roles, geographies, and groups of employees. Surveys often are promoted as measuring “critical” employee attitudes like engagement

without a clear business case for how those attitudes impact organizational effectiveness and performance. The answers for these challenges are covered in chapters one through three.

Chapter one addresses survey purpose. Recognize the limitations of surveys. Don't overuse them or use only surveys when other types of assessments might be preferred or complementary, including interviews, focus groups, archival data analysis, direct observation, and so on. Start with defined outcomes that provide maximum support to top organizational priorities. Choose one or two top priorities and focus on them. Be clear about the organizational level best suited for addressing the survey priorities. Addressing multiple levels in the same survey is doable but harder than sticking to one level as the primary focus.

Chapter two focuses on determining the right degree of emphasis on employee engagement. Contrary to common perception about the importance of employee engagement, monitoring and acting to improve employee attitudes is not advisable for most roles as a way to improve business performance. The benefits of improved employee attitudes accrue first and foremost to the employees. Whether the business subsequently benefits depends on the role and context. In certain customer-facing roles, there can be a causal link between employee engagement and business performance. In all other roles the link is tenuous at best and more likely is reversed: employee attitudes improve when business performance is high. Measures of employee engagement are best used as lagging or coincident indicators of business performance, not leading indicators.

How to match the appropriate measurements to the processes, roles, and teams is covered in chapter three. Choose survey questions most appropriate for the primary roles and processes that are the survey focus. The issues that most matter usually are not the same for people in different roles, functions, and geographies; when there are large dissimilarities, it is difficult to effectively address the highest priorities for everyone in a single survey. Even though you can include both individually focused and group-focused measurements, it is very hard to measure well both individual- and group-level issues in the same survey.

Part two addresses survey design and delivery. Despite the proliferation of consulting companies and online software offering tools and guidance, a number of common practices are anything but best in class. Survey questions often are designed without deep knowledge of good survey practices, leading to inaccurate measurements. Opportunities to improve response rates and measurement accuracy are missed. The benefits of matching survey to organizational data are often unrealized. The answers for these challenges are covered in chapters four and five.

Chapter four reviews good survey design practices. Choose survey questions that are clear and to the point and have response codes that maximize ease and accuracy of the responses. Don't reinvent the wheel; there are many sources for survey questions already written, especially validated questions from the research literature. Minimize tinkering with survey question wording by organizational stakeholders; it is more productive to focus

their energies on using the data to support organizational processes and drive change. Use multiple questions to increase the accuracy of measurement while minimizing overall survey length to encourage high response rates.

Chapter five addresses the tradeoff between anonymity and insights. Matching survey responses with other data is needed to show a link to business performance. For employees like salespeople with clear performance metrics, the matching is best when it can happen at the individual employee level. Keeping the identity of survey respondents anonymous is the best way to ensure that they will feel comfortable answering all questions honestly. With anonymous survey responses, however, matching with other data can take place only at the group level. Ensuring anonymity or confidentiality is needed to encourage survey respondents to be honest about sensitive issues. Do not ask for extremely detailed demographic information that could be used to reverse engineer privacy controls and reveal people's identities in a supposedly anonymous survey. There is a tradeoff between maximum data matching and complete anonymity: choose the right balance for the survey strategy.

Part three addresses analysis, interpretation, and action taking. The desire to make the survey results easy to understand often leads to overusing simplified indexes that combine too many different issues together. Conclusions are reached using analysis that ignores the power of statistical modeling. Action taking decisions too often are based on external benchmarking and not often enough on internal benchmarking. Surveys are designed and implemented with

insufficient upfront stakeholder engagement to ensure appropriate action taking. The answers for these challenges are covered in chapters six through nine.

The tradeoff between simple messages and actionable insights is addressed in chapter six. Simple composite indexes are good at capturing general employee moods, but combining multiple measures into a single index usually yields insights no different than a single question on job satisfaction. For deeper actionable insights that can guide leadership decision making, focus on the components of the index, not the aggregated index score. Employee engagement is best measured by focusing on the specific employee attitude(s) you care most about: intention to turnover, job satisfaction, thriving, commitment, and so on.

Chapter seven covers statistical modeling. Analyzing average responses to a survey question or correlations between questions are the most common ways of engaging with survey data, yet they are rarely actionable on their own. Statistical models of employee attitudes yield the deepest insights into the factors that matter for employee engagement, retention, and so on. The results of complex statistical modeling must be presented in a way that all stakeholders can interpret. Survey vendors' and internal experts' statistical skills are typically underutilized and should be better leveraged for testing statistical models.

The right way to do benchmarking and interpretation of survey results is tackled in chapter eight. Benchmarking employee survey data to other organizations' data is widely practiced but not very informative and virtually never

actionable. More actionable insights are available from internal benchmarking when it is an “apples-to-apples” comparison of similar roles and work settings and when it is the same group over time. Before you can conclude that two benchmarking numbers are different, you have to consider both statistical significance and practical significance. If the data do not support a difference that is both statistically and practically significant, then it may be due to random factors and almost never is actionable without other corroborating data or information.

Chapter nine covers reporting and taking action. Closely tie survey reporting back to the purpose and desired outcomes for the survey. This will minimize extraneous analysis. Engage the organization under study as broadly as possible in the feedback process. Tailor reporting as needed by role, function, business unit, and so on. Involve key stakeholders early and often in the data collection and analysis process to ensure the greatest likelihood of effective action taking.

At various points throughout the book, references are made to specific survey constructs—sets of questions that together measure a single concept. Examples of specific survey items that can be used for many of these constructs are available in the Resources section at the end of the book.

The book is laid out in order of how surveys are usually designed, conducted, and analyzed, with survey strategy and design coming first. Each chapter stands alone and can be read separately. However, if you would like to get the full benefit of the content, it is advisable to read all chapters before embarking on your survey effort.

Though the later chapters address analysis, interpretation, and action taking, some of the points covered there have implications for survey strategy and design—especially if your goal is to maximize the usefulness and impact of your employee survey.



part one

**SURVEY GOALS,
OBJECTIVES,
AND METHODS**

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chapter one

GOALS

DEFINE A CLEAR SURVEY PURPOSE

Conducting an effective employee survey requires a substantial amount of time, energy, and resources. You have to have a clear purpose for the survey, and the questions need to be worded accurately. You should minimize survey length to yield a response rate that is sufficient for scientific accuracy. The results should be presented in a format that maximizes usability, and you need to engage all of the relevant stakeholders in the feedback and action-taking process. These and more principles hold for all surveys regardless of length—even short “pulse” surveys.

Each chapter of this book addresses one or more of these aspects. In this chapter we start with **purpose**.

Recognize the objectives and tradeoffs. A theme that runs through this book is that there are tradeoffs in employee survey design. You can't have a survey that does everything for everyone while being short enough to elicit high response rates, so you have to choose one primary purpose—two at the most—and stay true to the purpose when deciding what to include and exclude. This means selecting the desired outcomes for the survey and the right organizational level or levels on which to focus. It also means recognizing the limitations of surveys.

Surveys are good for gathering information in a focused way from a large group of people. A survey can collect a lot of data quickly and cheaply, but it might increase decision-making time. Stakeholder interviews alone may identify the organizational issues to be addressed. Archival analysis of data in your IT systems may provide a sufficient assessment. Direct observation of people and processes might reveal sufficient information for action taking without further investigation.

Surveys are best used when integrated with other assessment approaches. Interviews and focus groups of key stakeholders are often needed to define the scope of a survey. Archival data analysis and direct observation, if conducted before or during the survey design phase, can provide complementary information to help refine the survey scope. Alternatively, a survey analysis might identify issues requiring additional investigation. Interviews

and focus groups can probe complex issues in ways that surveys cannot easily measure. Archival data analysis and direct observation can provide data that validate the initial conclusions of a survey analysis.

Many organizations, especially large ones, conduct enterprise-wide annual or biannual employee surveys. Conducting a survey across employees in different roles doing different things involves tradeoffs. You survey diverse people from different backgrounds who experience different things at work and whose prospects for rewards, development and promotions, influence and authority, and so on are different. You have to decide to focus primarily on individual employee issues (such as motivation, turnover, etc.), business process issues (such as group dynamics, collaboration, cross-functional collaboration, etc.), or both.

For example, administrative assistants, researchers/engineers, salespeople, laborers, truck drivers, and software programmers all have different competencies, roles, and responsibilities. They have unique career paths both internally (within your organization) and externally. Organizational processes—R&D, sales, marketing, logistics/distribution, supply chain, IT, HR, finance, and so on—focus on very different things. If you try to use one set of questions for all employees or organizational processes, you will need to reduce the focus to the most common denominators or run the risk that entire portions of the survey will be irrelevant to the people answering it or to the leaders who have to act on it. The alternative is a survey

so long it is a burden to fill out. A better solution is different surveys with different focal points for different departments.

When designing the survey sample, it is important to acknowledge the potential risks of leaving people out. If a group or unit is excluded from a survey for no logical reason and if no reasonable justification is communicated, then people might question the survey purpose and undermine its support. To mitigate this, any survey sample limits should be clearly linked to the survey strategy and communicated to the organization.

The key lies in striking the right balance. An enterprise-wide survey that tries to be all things to all people with the same questions every year is going to have significant gaps. Targeted one-time surveys of specific units, processes, or roles will always get deeper insights into the most critical current issues for those groups. The big, broad approach's greatest benefit comes from focusing everyone in the organization on one topic in a cost-effective manner while not overselling the benefits.

Desired outcomes for the survey. A survey should never be conducted without a goal in mind. Measurement alone is not enough to justify a survey. A survey is just one step in a greater process of some kind of organizational initiative or sensing effort, such as improving morale, setting the stage for a reorganization, improving operational effectiveness, and so on.

There are many potential desired outcomes for an employee survey: improved employee retention or engagement, customer service, quality, work processes,

organizational climate, change effectiveness, talent management, and more. The first challenge is selecting the highest priority outcome or set of outcomes. Effectively addressing multiple outcomes in the same survey is possible; however, if they are closely related the survey will be shorter, and both clarity of purpose and ease of responding will be greater.

For example, change may be a high priority. If the organization is about to undergo substantial change or if the goal is to assess organizational agility, then change readiness is an appropriate focus. If the organization is undergoing or recently underwent significant change, then measuring change impact likely is more appropriate. While both change readiness and change impact are aspects of change, rigorous measurement of each requires a significant number of different survey questions. Measuring both well could easily mean a long survey with little room for anything else.

For a second example, understanding employee retention is always useful. Yet retention is not equally important for all settings and roles. For roles with difficult to replace capabilities, the cost of attrition and importance of retention are high, even if turnover might be relatively low. An example of a role like this is general managers with deep organizational and cross-functional knowledge. For roles with capabilities that are easy to replace, where new entrants can quickly get to full productivity, the importance of retention is low, even if turnover is high. A role like this is a call center job for “cold call” marketing of credit cards, where a minimal amount of

training is needed, turnover does not affect the productivity of other employees, and employees can get up to full productivity in a relatively short amount of time. In contrast, there are other call center jobs that are highly complex, requiring a wide and deep knowledge base and significant training and experience. In these instances, the role is hard and expensive to replace and desired retention is high.

Thus retention's importance depends on the role's capabilities and turnover's impact on those capabilities and organizational effectiveness. Retention likelihood can be measured using a small number of questions on intention to turnover. Yet measuring intention to turnover is different from understanding what drives people to leave; that requires a full model including factors such as opportunities for development and promotion, pay satisfaction, supervisor support, how supportive and productive coworkers are, and more. So if retention is an important organizational priority, an entire survey easily could be dedicated to measuring the factors behind it.

The more committed leadership is to achieving the survey goal, the better you will be able to focus attention and resources on doing the measurement. However, the survey must be an impartial measurement of the situation and factors impacting the survey goal. A survey should never be crafted to lead to a predetermined outcome.

For example, suppose senior leaders want to increase the productivity of a workforce that is already working long hours and complaining informally about too much

work. Someone might suggest a survey highlighting only the positive aspects of working there to show a dedicated and committed workforce ready to take on any challenge, including more work. Such a survey might focus only on readiness to take on new challenges and the opportunities for learning, development, and career advancement. Those measurements are important but tell only one-half of the story. Additional measurements of work-life balance/burnout, intention to turnover, and organizational commitment should also be included for impartial measurement that truly gauges whether people are at the breaking point and cannot handle a greater workload; with these in hand a more accurate assessment could be made of the potential negative impacts of an increased workload.

Designing a survey that impartially measures the survey goal is important for keeping employees engaged in the process and increasing participation. Employees always have some sense of the issues being addressed in a survey: it is impossible to keep the true objective hidden. If a survey is poorly designed to measure a predetermined outcome, the first employees to take the survey will realize this and spread the word among their peers. That will lead to lower response rates and increased mistrust in management for fielding the survey—the exact opposite results you want to accomplish.

Organizational levels to target. Generally speaking there are three different organizational levels: (i) individual employees or roles; (ii) teams, work groups, or

functions; and (iii) business units or the entire organization. There are two separate but related organizational level issues for employee surveys: question wording and the level of analysis. Chapter three has a detailed discussion of both issues. Here we address level of analysis specifically related to survey purpose.

The types of questions that can be asked effectively vary across the levels:

- ✓ Issues of retention and motivation often are best addressed at the individual employee or role level.
- ✓ Work processes and work group climate often are best addressed at the team or work group level.
- ✓ Organizational climate often is best addressed at the business unit or entire organization level.

Other question types can apply across levels. For example, change readiness, change effectiveness, and perceived organizational effectiveness can be measured at each level.

Even if an issue can be addressed across levels, its importance across the levels depends on the survey objectives. Though surveys are filled out by individuals, many key insights occur at the function, work group, business unit, and enterprise levels. It is important to clarify the desired level of the organizational outcomes and adjust the survey focus accordingly. For example:

- ✓ Change readiness can be measured at the individual level. However, organizational change effectiveness occurs at the work group level and higher.
- ✓ Relationship with supervisor can effectively predict employee engagement and retention at the individual level. At higher levels, it can gauge managerial training and effectiveness.

The ultimate issue is survey length and accuracy. It is important to conduct measurements at the appropriate level that are as accurate as possible. If multiple levels measurement is a high priority, then that should be the survey purpose. If not, then use single-level measurement to minimize survey length.

Summary of Key Points from This Chapter

- ✔ Recognize the limitations of surveys. Don't overuse them. Combine them with other assessment types as appropriate (interviews, focus groups, archival data analysis, direct observation, etc.).
- ✔ Choose desired survey outcomes to maximize support of top organizational priorities. Choose one or two top priorities to focus on.
- ✔ Clarify the highest priority organizational level for the survey priorities. Addressing multiple levels in the same survey is doable; choosing one primary level is more manageable.

chapter two

OBJECTIVES

THE PROS AND CONS OF FOCUSING ON EMPLOYEE ENGAGEMENT

Today there are many survey vendors and consultants who claim a strong link between employee engagement and improved business outcomes. This makes intuitive sense: if our employees aren't engaged, how could they ever work the way we want them to? Don't engaged workers equal productive workers? The answer is sometimes but not always.

Focusing your employee survey on engagement is highly recommended if there is a strong link between engagement and performance. Yet what we can measure on

engagement typically is quite different than what we want to know, and that measurement can be linked to organizational performance only in certain settings that are the exception, not the rule. In this chapter we address **whether and how employee engagement measures are actionable**. That knowledge is needed before deciding to include them as core part of a survey.

The not-so-causal link between employee engagement and performance. We know from decades of research that performance leads to job satisfaction. When people are productive, accomplish their objectives, get good feedback on their performance, and are rewarded for being productive, they usually are satisfied with their jobs. So it is accurate to say that job performance causes job satisfaction.

While the counterargument makes intuitive sense—employee engagement causes performance—it does not necessarily hold empirically. Consider this: the easiest way to make most employees happy is to keep their compensation the same and cut their responsibilities in half. Who wouldn't want less pressure for the same rewards? That certainly would make me happy! Yet doing so would completely destroy organizational performance. Thus an increase in employee engagement does not automatically “cause” profit to increase, and neither does it necessarily positively affect organizational performance.

It absolutely is true that employee engagement measures and business results go hand in hand because of the causal link from job performance to job satisfaction. Yet they are statistically related because they are correlated:

the causation usually runs from better business results to engagement, not the other way around. Even when you can show statistically that increased engagement in one year precedes increased business performance in the following year, as Harter, Schmidt, and Hayes (2002) showed using the Gallup data, that does not prove causation.

The reason why increases in employee engagement can appear to statistically precede increases in business performance is because both trend up together at the same time due a virtuous spiral. When performance is going well, engagement tends to improve, which helps support further increases in business performance, which further enhances employee engagement, and so on. The opposite tends to occur when things go poorly: falling business performance causes morale to drop, which hinders improvements in performance, which further hurts morale, and so on.

For these reasons, a test of whether employee engagement precedes business performance can yield a statistically significant result, but the logic of setting up the statistical models to be tested this way cannot be justified across a broad set of organizations, work settings, and roles. It creates a false positive result: the statistics appear to confirm the hypothesis that engagement causes performance, yet they equally well support the conclusion that the relationship goes the other way around.

Consider also this counterexample: when was the last time a business ever had employee engagement scores fall in the year *before* business results deteriorated? If employee engagement was such a strong driver of business

performance we would have more documented cases of this than would fill up an encyclopedia. Instead, virtually every time, business results fall first, and that causes morale to fall for two reasons. First, people feel worse because the business is not achieving the goals established by the leaders, which puts everyone in a bad mood. Secondly, decreased sales lead the organization to pull back from doing things to boost employee morale (all the “discretionary” things that are deemed nonessential). So for both of these reasons it can never be automatically assumed that changes in employee engagement necessarily pre-date or predict changes in business performance, even when there appears to be a lagged statistical relationship.

Does this invalidate the importance of measuring and working on employee engagement? No, but it is important to get the causation right so managers do not put undue emphasis on employee attitudes over business processes. You need to measure both employee attitudes and business processes because, except for unique situations, employees alone do not produce business results simply through their attitudes. The supporting systems and processes have to be aligned and work just as well and may be more important than the employees’ attitudes. Don’t make the mistake of focusing only on engagement—that would be like putting the cart before the horse—but do make sure they are closely tied together and moving in the same direction.

Where employee engagement does make a difference. There are some select settings where having more engaged employees can lead to increased sales and

profitability, virtually all in sales and customer service roles. Employees in direct customer-facing roles can directly affect how customers feel. In these settings, engaged employees can induce customers to spend more or feel better about the customer service they receive, which can increase customer retention. This is the argument very effectively made in *The Employee-Customer-Profit Chain* (Rucci, Kim, and Quinn, 1998), which documented a clear statistical relationship between increases in employee attitudes, increases in customer impressions, and revenue growth.

Yet even in organizations that rely on retail sales and customer service as core parts of their business model, only the employees in direct customer interface roles can sway customers with their own engagement. All the other roles in the organization—from finance to HR to distribution—contribute to organizational performance by doing their jobs, even if they are only “just satisfied” without being “highly engaged.” Organizations often can staff back office roles with less interpersonally positive and engaging people without hurting customer satisfaction because they are a step or two removed from the direct customer interface.

Perhaps counterintuitively, increased employee engagement in some customer facing roles can have a negative impact on organizational performance. Consider for example the case of convenience stores that position themselves in the market primarily on the basis of fast service. Sutton and Rafaeli (1988) found that organizational performance can actually degrade when employees are

encouraged to engage more with the customers, especially when the stores are busy. During busy times, customers often want fast service more than anything else and do not want more “meaningful” interaction of chitchat or even simple greetings that take extra time.

So in addition to survey measures like employee engagement, you need to consider further measures of organizational and operational processes. Incorporating those other data enable you to paint a complete picture of how employee attitudes affect operational and financial metrics. Only once you construct and validate that larger picture can you know which employee attitudes are truly causal for organizational performance, versus being co-determined or even caused by organizational processes. With that information you can determine whether any employee attitude measures should be managed for improvement versus used as passive indicators of employee engagement.

Summary of Key Points from This Chapter

- ✔ Improving employee survey attitude scores is not advisable as a way to improve business performance for most roles. The benefits of improved employee attitudes accrue first and foremost to the employees. Whether the business benefits depends on the role and context.
- ✔ Only in certain customer-facing roles can a causal link be made between employee engagement and business performance. In all other roles the link is tenuous at best and more likely is reversed: employee attitudes improve when business performance is high.
- ✔ Measures of employee engagement are best used as lagging or coincident indicators of business performance, not leading indicators.

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